



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

Canadian Niagara Power Inc.
Conditions of Service

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Conditions of Service

Table of Contents

SECTION 1	Introduction.....	5
1.1	Identification of Distributor and Territory.....	5
1.2	Related Codes and Governing Laws.....	5
1.3	Interpretations.....	6
1.4	Amendments and Changes.....	6
1.5	Contact Information.....	6
1.6	Customer Rights and Liability.....	7
1.6.1	General.....	7
1.6.2	Identification.....	7
1.6.3	Damages.....	7
1.6.4	Liability.....	8
1.7	CNPI's Rights.....	8
1.7.1	General Rights.....	8
1.7.2	CNPI Liability.....	9
1.7.3	Property Rights.....	9
1.8	Disputes.....	9
1.9	Force Majeure.....	11
1.9.1	General.....	11
1.9.2	Application.....	11
1.9.3	Labour Actions.....	11
SECTION 2	Distribution Activities (General).....	12
2.1	Connections.....	12
2.1.1	Building that Lies Along.....	12
2.1.2	Basic Connection (Building that Lies Along).....	12
2.1.3	Expansions / Offer to Connect.....	13
2.1.4	Connection Denial.....	14
2.1.5	Inspections Before Connection.....	15
2.1.6	Temporary Service.....	15
2.1.7	Relocation of Plant.....	15
2.1.8	Easements.....	16
2.1.9	Contracts.....	16
2.2	Disconnection.....	17
2.2.1	Disconnection and Reconnection – Process and Charge.....	18
2.3	Conveyance of Electricity.....	19
2.3.1	Guaranty of Supply.....	19
2.3.2	Unauthorized Energy Use.....	20
2.3.3	Power Quality.....	20

2.3.4	Electrical Disturbances and Unplanned Outages/Emergency Conditions.....	21
2.3.5	Standard Voltage and Capacity Offerings	21
2.3.6	Voltage Guidelines.....	23
2.3.7	Back-up Generators.....	23
2.3.8	Metering	24
2.4	Tariffs and Charges.....	26
2.4.1	Service Connection.....	26
2.4.2	Energy Supply	27
2.4.3	Deposits	27
2.4.4	Deposit Duration and Interest	29
2.4.5	Billing.....	30
2.4.6	Payments and Late Payment Charges.....	30
2.5	Customer Information.....	31
2.5.1	Release of Current Information to the Retailer	31
2.5.2	Release of Historical Information to a Customer and/or Retailer	32
SECTION 3	Customer Class Specific.....	33
3.1	Residential Service	33
3.1.1	General Information	33
3.1.2	Early Consultation.....	33
3.1.3	Residential Service Types	34
3.1.4	Standard Connection Allowance and Variable Connection Charge.....	35
3.1.5	Point of Demarcation	36
3.1.6	Access.....	37
3.1.7	Metering	37
3.1.8	Inspection	37
3.1.9	Seasonal Residential	37
3.1.10	Subdivision, Multi-Unit and Townhouse Development.....	37
3.2	General Service	38
3.2.1	General Information	38
3.2.2	Early Consultation.....	38
3.2.3	Standard Connection Allowance and Variable Connection Charge.....	39
3.2.4	General Service – Secondary Supply	39
3.2.5	General Service - Primary Supply.....	42
3.2.6	Point of Demarcation	43
3.2.7	Location of Transformers and other equipment.....	43
3.2.8	Supply of Equipment.....	43
3.2.9	Short Circuit Capacity	43
3.2.10	Access.....	43
3.2.11	Metering	44
3.3	Applicable Rates for General Service.....	44
3.3.1	General Service (Less than or equal to 50 kW).....	44
3.3.2	General Service (Above 50 kW and below 1000 kW).....	44

3.3.3	General Service (Above 1000 kW).....	44
3.4	Embedded Generation	45
3.5	Embedded Market Participant	45
3.6	Embedded Distributor.....	46
3.7	Unmetered Connections.....	46
3.7.1	General.....	46
3.7.2	Billboards.....	47
3.7.3	Decorative Lighting, Roadway Lighting & Area Lighting	47
3.7.4	Traffic Signals.....	48
3.7.5	Cable TV Amplifiers	48
3.7.6	Other Small Services	48
3.8	Private Area Lighting	49
SECTION 4	Glossary of Terms	51
4.1	Definitions	51
SECTION 5	Appendices.....	53
SECTION 6	Definition of Distribution Service Area.....	57

SECTION 1 INTRODUCTION

1.1 IDENTIFICATION OF DISTRIBUTOR AND TERRITORY

Canadian Niagara Power Inc. referred to herein as CNPI is a corporation, incorporated under the laws of the Province of Ontario and carries on the business of an electricity distributor.

CNPI is licensed by the Ontario Energy Board (OEB) to supply electricity to Customers as described in the Transitional Distribution License and thereafter by the Distribution License issued to CNPI on November 6, 2003 by the OEB. Additionally, there are requirements imposed on CNPI by the various codes referred to in the License and by the Electricity Act and the Ontario Energy Board Act.

CNPI is licensed to operate distribution facilities within its license territory as defined in CNPI's Electricity Distribution License ED-2002-0572 Schedule 1.

Nothing contained in this document or in any contract for the supply of electricity by CNPI shall prejudice or affect any rights, privileges, or powers vested in CNPI by Law under any Act of the Legislature of Ontario or the Parliament of Canada, or any regulations thereunder.

CNPI will normally provide one electrical service to each Customer's location at a nominal service voltage.

Electrical energy purchased from CNPI may not be re-sold at a profit by any Customer to a third party using the CNPI's rates. In the case of multi-tenant buildings with bulk metering, the owner must pay the total cost of electrical energy.

The Customer or their representative must make application for new or upgraded electrical services and temporary power services.

The Customer or their representative shall consult with CNPI concerning the availability of supply, the voltage of supply, service location, metering and any other details. These requirements are separate from and in addition to those of the Electrical Safety Authority (ESA). CNPI will confirm the characteristics of electric supply available at the specific site.

Customers may be required to pay capital contribution for the addition of new electrical services in accordance to calculations on overall system cost impact.

1.2 RELATED CODES AND GOVERNING LAWS

CNPI is limited in the scope of its operation by the:

1. Ontario Energy Board Act, 1998
2. Electricity Act, 1998
3. Electricity Pricing, Conservation and Supply Act, 2002
4. Ontario Energy Board Amendment Act (Electricity Pricing), 2003
5. Distribution License
6. Affiliate Relationships Code
7. Distribution System Code
8. Transmission System Code
9. Retail Settlement Code
10. Standard Service Supply Code

In the event of a conflict between this document and the Distribution License or regulatory codes issued by the OEB, or the Electricity Act, the provisions of the Act, the Distribution License and the associated regulatory codes shall prevail.

When planning and designing for electricity service, Customers and their agents must refer to all applicable provincial and Canadian electrical codes, and all other applicable federal, provincial, and municipal laws, regulations, codes and by-laws to ensure compliance with their requirements. The work shall be conducted in accordance with the Ontario Occupational Health and Safety Act, the regulations for Construction Projects and the Electrical & Utility Safety Association (E&USA) (or the OHSC Safety) Rulebook.

1.3 INTERPRETATIONS

Questions as to the interpretation or intent of any part of this document should be directed to Canadian Niagara Power (CNPI) and CNPI shall have the sole right to make such interpretation

- (a) Headings and underlining are for convenience only and do not affect the interpretation of these Conditions of Service.
- (b) Words referring the singular include the plural and vice versa.
- (c) Words referring to a gender include any gender.

1.4 AMENDMENTS AND CHANGES

Canadian Niagara Power (CNPI) reserves the right to make changes to these Conditions of Service at any time. The provisions of these Conditions of Service and any amendments made from time to time form part of any Contract made between CNPI and any connected Customer, generator or their agents.

In the event of changes to the Condition of Service, a public notice shall be made in the form of either a notice in a local newspaper or a notice on CNPI's Website, www.cnpower.com and www.easternontariopower.com.

The Customer is responsible for contacting CNPI to ensure that the Customer has obtained, or to obtain, the current version of the Conditions of Service. CNPI may charge a reasonable fee for providing a copy of this document.

1.5 CONTACT INFORMATION

CNPI has its offices located in the Town of Fort Erie, Ontario. Normal business hours are 8:00 a.m. to 4:30 p.m. Monday through Friday. The contact information for all services provided by CNPI is as follows:

Canadian Niagara Power Inc.
1130 Bertie Street
P.O. Box 1218
Fort Erie, Ontario
L2A 5Y2
Telephone: (905) 871-0330
Fax: (905) 871-8772
Email: info@cnpower.com
Website: www.cnpower.com

Eastern Ontario Power's normal business hours for general customer service inquiries are 8:00 a.m. to 4:30 p.m. Monday through Friday. The contact information for all services provided by EOP is as follows:

Eastern Ontario Power
P.O. Box 1179
Cornwall, Ontario
K6H 5V3
Telephone: (613) 382-2118
Fax: (613) 932-6498
Email: customer.service@easternontariopower.com
Website: www.easternontariopower.com

In the event of an emergency, CNPI may be contacted 24 hours a day at (905) 871-0330.

In Port Colborne, Customers may, in the event of an emergency, contact (905) 835-0051.

Eastern Ontario Power Customers may, in the event of an emergency, contact (613) 382-2118.

1.6 CUSTOMER RIGHTS AND LIABILITY

1.6.1 GENERAL

A Customer has the right to make application for service or modification to an existing service in accordance with these Conditions of Service. An application for and the provision of electrical service in accordance with these Conditions of Service shall constitute an implied contract between the Customer and CNPI.

The Customer has the right to have one free disconnect and reconnect for maintenance on the existing service each year (rolling year) without charge during normal business hours. Beyond normal business hours CNPI will charge the Customer the premium above the normal business hours cost. Additional works will be chargeable to the Customer.

A Customer may request a list of Retailers who have service agreements with CNPI. Customers have the right to receive Standard Supply Service from CNPI, or its agent, where:

1. The Customer has not chosen a retailer,
2. The Customer chooses to return from a retailer,
3. The Customer's retailer is unable to supply, and;
4. The Customer's retailer returns the Customer to CNPI.

1.6.2 IDENTIFICATION

The Customer is entitled to demand identification from any person purporting to be an authorized agent or employee of CNPI.

1.6.3 DAMAGES

A Customer who believes that he has incurred damages to his property or equipment as a result of negligence or willful misconduct on the part of CNPI, or from an electrical disturbance within the reasonable control of CNPI, then the Customer may submit a claim for damages to CNPI.

CNPI will investigate the claim and respond in writing within ten (10) business days of the receipt of the claim.

1.6.4 LIABILITY

A Customer shall be liable to CNPI for any damages which arise directly out of the willful misconduct or negligence of the Customer in being connected to CNPI's Distribution System.

1.7 CNPI'S RIGHTS

1.7.1 GENERAL RIGHTS

No employee, representative or agent of CNPI has the authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Conditions of Service and no such promise, agreement or representation shall be binding on CNPI.

Any notice under these Conditions of Service will be considered to have been given to the Customer on the date it is received by the Customer; or, when received by facsimile transmission as confirmed by the sender's transmission report; or, five (5) days following the date it was delivered or mailed by CNPI to the Customer's last known address, whichever is sooner.

Where CNPI believes that it has incurred damages to its property or equipment as a result of negligence or willful misconduct on the part of the Customer, or from an electrical disturbance within the reasonable control of the Customer, then CNPI may seek restoration for damages from the Customer.

Where the Customer has chosen to hire a contractor to construct distribution facilities that will form part of CNPI's Distribution System, CNPI has the right to require the contractor to submit proof of previous experience and satisfactory performance acceptable to CNPI prior to work commencing.

The Customer is required to provide CNPI sufficient lead-time in order to ensure: (a) the timely provision of supply to new and upgraded premises or (b) the availability of adequate capacity for additional loads to be connected in existing premises.

If special equipment is required or if equipment delivery problems occur, then longer lead times may be required. The Customer will be notified of any extended lead times.

Customers will be required to pay the cost of repair or replacement of CNPI's equipment that has been damaged through the Customer's actions or neglect.

The Customer 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 construction and operation of distribution lines, endanger CNPI's equipment, interfere with the proper and safe operation of its facilities or adversely affect compliance with any applicable legislation in the sole opinion of CNPI.

The supply of energy is conditional upon CNPI being permitted and able to provide such a supply, obtaining the necessary apparatus and material, and constructing works to provide the service. Should CNPI not be permitted to supply or not be able to do so, it is under no responsibility to the Customer whatsoever.

1.7.2 CNPI LIABILITY

CNPI shall not be liable for any failure to supply service for any cause beyond its reasonable control, nor shall it be liable for any loss, damage or injury caused by the use of services or resulting from any cause beyond the reasonable control of CNPI. CNPI shall only be liable to a Customer for any damages which arise directly out of the willful misconduct or negligence of CNPI in providing distribution services to the Customer or in meeting its obligations under the Distribution System Code or its licenses.

Notwithstanding the above, CNPI 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.

1.7.3 PROPERTY RIGHTS

The Customer shall:

- (a) Provide CNPI with access to the serviced premise at all reasonable hours for purposes of meter reading, replacing, removing or testing its equipment, and measuring or checking the connected load
- (b) Provide CNPI with space and cleared rights-of-way on private property for lines and equipment required to service the Customer
- (c) Trim or allow CNPI to trim all trees in close proximity to service lines in order to maintain such lines in a safe manner
- (d) Not unreasonably interfere with CNPI's access to its property
- (e) Not attach wires, cables or any other fixture to CNPI's poles or other property except by prior written permission from CNPI
- (f) Not erect any buildings or obstructions on CNPI's easements, lands or alter the grading of such lands without prior written approval of CNPI.

CNPI shall:

- (g) Have the right to install, remove or replace any of its property as it deems necessary
- (h) Maintain ownership of all equipment and facilities provided by CNPI, whether or not a Contribution In Aid of Construction (CIAC) may have been applied.

1.8 DISPUTES

If, following good faith negotiations between a Customer or other market participant and CNPI, a resolution cannot be reached, the dispute may be submitted to a dispute resolution process.

Any dispute which shall arise between CNPI and a Customer(s) and other market participants subject to the terms of these Conditions of Service concerning the rights, duties or obligations of CNPI or others subject to these Conditions of Service, shall be subject to the following dispute resolution procedure:

Mediation

- (a) Either party (the “Initiating Party”) may invoke the dispute resolution procedure by sending a written notice to the other party (the “Respondent Party”) describing the nature of the dispute and designating a representative of the Initiating Party with appropriate authority to be its representative in negotiations relating to the dispute. The Respondent Party shall, within five (5) business days of the receipt of such notice, send a written notice to the Initiating Party, designating a representative of the Respondent Party with the appropriate authority to be its representative in negotiations relating to the dispute.
- (b) Within ten (10) business days of the receipt by the Initiating Party of the written notice of the Respondent Party, the designated representatives shall enter into good faith negotiations with a view to resolving the dispute. If the dispute is not resolved in thirty (30) days of the commencement of such negotiations, or such longer period as may be agreed upon, either party may, by written notice to the other party, require that the parties be assisted in their negotiations by a mediator. The mediator shall be acceptable to both parties and have knowledge and experience in the matter under dispute, or professional qualifications, or experience in alternative dispute resolution, or both. The parties shall thereafter participate in mediation with the mediator through such process as the mediator, in consultation with the parties, may determine.
- (c) None of the parties shall be deemed to be in default of any matter being mediated until effective on or after the date mediation fails.

Referral to Dispute Resolution

Any dispute that is not resolved through mediation as described above shall be referred to a third party dispute resolution agency according to the following procedure:

- (a) Upon the written demand of either of the parties, the dispute shall be referred to an independent third party disputes resolution agency that has been approved by the Board.
- (b) An independent third party disputes resolution agency that has been approved by the Board, shall be selected within ten (10) days of the receipt of the demand by the other party.
- (c) The third party disputes resolution agency selected to hear the dispute shall be qualified by education and training to pass on the particular question in dispute.
- (d) The third party disputes resolution agency selected shall immediately proceed to hear the matter or matters in dispute. The decision of the third party disputes resolution agency shall be made within forty-five (45) days of the selection, subject to any reasonable delay due to unforeseen circumstances. Notwithstanding the foregoing, if the third party disputes resolution agency fails to make a decision within sixty (60) days of the selection, then either party may elect to have another third party disputes resolution agency hear the matter or matters as if none had previously heard the matter or matters.
- (e) The decision of the third party disputes resolution agency shall be in writing and signed by the agency. It shall be final and binding upon all the parties hereto as to any matter or matters so submitted to the third party disputes resolution agency and shall observe and implement the terms and conditions thereof.
- (f) The compensation and expenses of the third party disputes resolution agency (unless otherwise determined by the agency) shall be paid equally by the parties.

1.9 FORCE MAJEURE

1.9.1 GENERAL

CNPI shall not be held to have committed an event of default in respect of any obligation under these Conditions of Service if prevented from performing that obligation, in whole or in part, because of a force majeure event.

1.9.2 APPLICATION

If a force majeure event prevents CNPI from performing any of its obligations under these Conditions of Service and any applicable Connection Agreement, then CNPI shall:

- (a) Promptly notify the consumer of the force majeure event and its assessment in good faith of the effect that the event will have on its ability to perform any of its obligations. If the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practicable;
- (b) Not be entitled to suspend performance of any of its obligations under these Conditions of Service to any greater extent or for any longer time than the force majeure event requires it to do so;
- (c) Use its best efforts to mitigate the effect of the force majeure event, remedy its inability to perform, and resume full performance of its obligations;
- (d) Keep the consumer continually informed of its efforts; and,
- (e) Provide written notice to the consumer when it resumes performance of any obligations affected by the force majeure event.

1.9.3 LABOUR ACTIONS

Notwithstanding any of the foregoing, settlement of any strike, lockout, or labour dispute constituting a force majeure event shall be within the sole discretion of CNPI. The requirement that CNPI must use its best efforts to remedy the cause of the force majeure event, mitigate its effects, and resume full performance under these Conditions of Service shall not apply to strikes, lockouts, or labour disputes.

SECTION 2 DISTRIBUTION ACTIVITIES (GENERAL)

2.1 CONNECTIONS

This section contains the information that is applicable to all Customer classes of CNPI. Information that is particular to a specific Customer class is covered in Section 3 – Customer Specific.

Under the terms of the Distribution Code, CNPI has an obligation to make an offer to connect any Customer located within its service territory. The Customer shall contact CNPI providing sufficient lead-time to ensure timely provision of service and adequate capacity. The Customer or its agent shall consult with CNPI on matters of location, loading, service voltage, metering and any other pertinent details of the service.

2.1.1 BUILDING THAT LIES ALONG

By definition a building “Lies Along” CNPI’s Distribution System if it is:

- (a) located within CNPI’s defined territory and along a public right-of-way,
- (b) the building can be connected to the existing Distribution System without an expansion or enhancement, and
- (c) it meets the conditions listed in these Conditions of Service.

Upon application for service by an applicant whose building Lies Along the Distribution System, and abuts on or has access to a maintained public right-of-way, and where CNPI has distribution facilities of the appropriate voltage and capacity, CNPI is obligated to offer a connection to the Distribution System.

The Standard Connection Allowance for each Customer Class is addressed in Section 3 – Customer Specific.

2.1.2 BASIC CONNECTION (BUILDING THAT LIES ALONG)

By definition a service is a Basic Connection to CNPI’s Distribution System when:

- (a) the service Lies Along the CNPI distribution System (see section 2.1.1),
- (b) the service lies within 30m of a maintained public roadway at a point where there is an existing overhead distribution line ,
- (c) the service will be supplied via an overhead triplex or quadruplex service wire, and
- (d) the service meets the definition of section 2.3.5.3 – Standard Overhead Supply

For Basic Connections, CNPI will provide at no cost to the Customer such services and facilities as described in the Standard Connection Allowance for each Customer Class. Costs associated with facilities and services beyond those described in the Standard Connection Allowance shall be the responsibility of the Customer. CNPI will require full payment prior to establishing a connection.

The Standard Connection Allowance for each Customer Class is addressed in Section 3 – Customer Class Specific.

2.1.3 EXPANSIONS / OFFER TO CONNECT

2.1.3.1 GENERAL

Upon application for service by an applicant whose building is located within CNPI's defined territory but does not Lie Along the Distribution System, or does not abut on or have access to a maintained public right-of-way, or has a load characteristic that is not compatible with existing distribution facilities, CNPI is obligated to offer a connection. This connection may include an expansion to CNPI's existing distribution system in the form of a physical extension of the existing system and/or upgrades in capacity of the existing system.

Any portion of the expansion to be owned by CNPI shall be constructed such that it is on a municipal right-of-way and is readily accessible from a maintained roadway, to allow for initial construction and any and all maintenance that may be required from time to time. In certain cases, all or part of the expansion to be owned by CNPI may be allowed on private land or lands, presuming Registered Easements can be obtained. Responsibility for acquiring any such Easements is the responsibility of the customer.

Any portion of the required connection which does not lie upon a municipal right-of-way shall be the responsibility of the customer, which is responsible for all costs and efforts associated with such a line on private property, including detailed design and engineering, negotiating and acquiring land rights, line construction, and ongoing maintenance.

Generally, distribution equipment on private property that only supplies that property is owned and maintained by the property owner.

2.1.3.2 CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)

The applicant may be required to pay CNPI a CIAC to offset the cost of the addition and/or expansion to the Distribution System. In addition to the CIAC, the Customer may (at the discretion of CNPI) be required to provide a security deposit in a form acceptable to CNPI. Such a security deposit may be held as guarantee of the Customer's load projections.

CNPI will use good utility practices, and guidelines as defined from time to time by the Ontario Energy Board (OEB), to determine the Distribution System expansion and/or enhancement and related costs required to service the applicant's building based on the service requirements provided by the applicant. CNPI will provide service without a CIAC from the applicant, if CNPI determines that the capital cost and on-going maintenance costs of the expansion and/or enhancement will be recovered by future incremental revenue from the Customer. In the event that the capital cost and on-going maintenance costs exceed the future incremental revenue recovered from the Customer, then a CIAC will be required from the applicant prior to execution of the project.

Such Contributions In Aid of Construction will be calculated using the guidelines set out in the OEB's Distribution System Code, Sections 3.2 and Appendix A. Other fixed costs not subject to the CIAC are detailed in Section 3 – Customer Class Specific.

Based on the service requirements provided by the applicant, CNPI shall determine an estimate of costs to construct the expansion and/or enhancement. The final cost charged to the applicant shall be based on the actual cost incurred by CNPI.

In situations where a single Customer was required to pay a CIAC and an additional Customer or Customer(s) connect to the expansion within five years of the original connection date then the additional Customer(s) shall be required to pay their share of the original contribution and

the original Customer shall be rebated based on a reasonable division of costs, if so requested by the original contributing Customer before the new connection is established.

This initial estimate will normally be provided at no charge to the customer. However, CNPI will generally require payment in advance before any detailed designs are prepared. In addition, the customer must prepay the amount of the CIAC before construction. Once all construction related to the connection is complete, the actual costs incurred by CNPI will be compared to the estimate, with any significant difference owed to or owing from the customer.

2.1.3.3 ALTERNATIVE BIDS

If an applicant is being required by CNPI to pay a CIAC, the applicant may, if he wishes, seek alternative bids from pre-qualified contractors to design and/or construct all or portions of the expansion. Work by others on CNPI's existing circuits is not permitted.

In the event the applicant chooses to use an alternative bidder to construct the expansion, the applicant must administer the contract and provide onsite supervision or contract CNPI to provide these services. CNPI reserves the right to inspect the expansion prior to connection and will be reimbursed by the applicant on a fee for service basis. As well, the applicant will reimburse CNPI for incidental costs incurred as a result of the work being performed by the alternative bidder; this includes items such as establishing worker protection and costs associated with connecting the expansion to the existing Distribution System. All works expansion must be constructed in compliance with CNPI's approved construction standards, and any other standards as required by statute.

If the Customer elects to use an alternative constructor, CNPI will revise its connection cost analysis in accordance with the new scope of works to be performed by CNPI, and the amount of the CIAC required by CNPI will be adjusted accordingly as per section 3.2 of the Distribution System Code,

CNPI reserves the right to approve the choice of constructor of these works.

2.1.4 CONNECTION DENIAL

CNPI is not obligated to connect or offer to connect any building within its service territory if the connection will result in any of the following:

- (a) A contravention of existing laws of Canada and/or the Province of Ontario.
- (b) A violation of CNPI's Distribution License.
- (c) Use of a Distribution System line for a purpose that is not intended by CNPI.
- (d) Adverse effect on the reliability and safety of the Distribution System.
- (e) Imposition of an unsafe work situation beyond normal risks inherent in the operation of the Distribution System.
- (f) A material decrease in the efficiency of CNPI's Distribution System.
- (g) A material adverse effect on the quality of distribution services received by an existing connection.
- (h) Discriminatory access to distribution services.
- (i) A potential increase to the monetary amounts that are already in arrears with CNPI.

- (j) Any other conditions documented in the Conditions of Service that are consistent with the conditions identified above and with the goals delineated in the *Energy Competition Act, 1998*.

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

2.1.5 INSPECTIONS BEFORE CONNECTION

All Customer-owned electrical installations shall meet the requirements of these Conditions of Service and be inspected and approved by the Electrical Safety Authority. CNPI requires notification from the Electrical Safety Authority granting approval of the installation prior to connection to the Distribution System. Existing installations that have been disconnected from the Distribution System for a period of six (6) months or longer shall also be inspected and approved by the Electrical Safety Authority prior to reconnection.

Customer-owned substations shall be inspected and approved by the Electrical Safety Authority and CNPI prior to being connected to the Distribution System.

Transformer rooms, vaults and pads shall be inspected and approved by CNPI prior to installation of CNPI-owned equipment.

Underground distribution facilities shall be inspected and approved by CNPI prior to connection to the Distribution System.

Provision for metering shall be inspected and approved by CNPI prior to installation of the metering equipment and connection to the Distribution System.

2.1.6 TEMPORARY SERVICE

Where a Customer has made special arrangements for temporary service with CNPI, the Customer shall pay CNPI, in advance, a temporary connection charge. Examples of temporary service are construction sites, mobile facilities, festivals, etc.

The temporary connection charge is calculated as the estimated labour and expense cost of installing and removing lines and equipment necessary to provide the service, including engineering costs, plus the cost of all issued material. Upon return to CNPI of any material in good reusable condition, the Customer will be issued an equivalent credit. All temporary lines and equipment shall conform to CNPI's construction standards.

There is no Standard Connection Allowance for Temporary Service. All costs associated with providing the service are determined by the Variable Connection Charge and a Basic Connection Charge.

At the discretion of CNPI, the Customer may be required to pay a security deposit prior to connecting the service.

The Customer's electrical installation will require an authorization from the Electrical Safety Authority prior to being connected to the Distribution System by CNPI.

2.1.7 RELOCATION OF PLANT

When requested to relocate distribution plant, CNPI shall exercise its rights and discharge its obligations in accordance with existing legislation such as the *Public Service Works on*

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

To greater clarity, the customer will be expected to pay CNPI all of its reasonable incremental costs associated with the relocation of distribution plant at the request of one or more property owners.

In situations where CNPI has already identified facilities to be relocated in its long-term Capital Plan, these costs may be limited to advancement costs if requested to perform this work sooner.

Requests by civic authorities to relocate distribution facilities related to road improvements will be done in accordance with the appropriate regulations and CNPI will exercise its rights and discharge its obligations in accordance with existing acts, by-laws, regulations, easements and laws.

2.1.8 EASEMENTS

To maintain the reliability, integrity and efficiency of the Distribution System, CNPI has the right to have supply facilities on private property registered against title to the property. Easements are required whenever CNPI's underground or overhead Distribution System is to be located on private property or crosses over adjacent private property to service a Customer other than the owner of that adjacent property.

The Customer shall grant, at no cost to CNPI, where required, an easement to permit installation and maintenance of the service. The width and extent of this easement shall be determined by CNPI in consultation with the Customer, but in no case shall it be less than the applicable C.S.A. Standard.

In the event that CNPI requires ongoing access to any such facilities through one or more adjacent properties, the Customer shall also furnish all such easements to CNPI at no cost to CNPI

The Customer will prepare at his own costs a reference plan and easement documents to the satisfaction of CNPI and register the easement. The requirement of an easement will be discussed at the consultation phase.

The Customer shall furnish to CNPI, free and clear of all encumbrances, sufficient easements to enable the servicing of all existing and proposed developments or subdivisions from plant located on the Customer's property.

Sufficient property at suitable locations shall be made available for the purpose of the installation of CNPI's assets.

2.1.9 CONTRACTS

It is not necessary in all cases for the Customer to sign a Standard Form of Contract prior to the service being connected to the Distribution System. However, notwithstanding the absence of a formal contract, the taking and using of service from CNPI by any person or persons constitutes the acceptance of all regulations, conditions and rates as established by CNPI, including without limitation CNPI's Conditions of Service and the terms of any applicable connection agreement. Such acceptance and use of service shall be deemed to be the acceptance of a binding contract with CNPI and the person so accepting shall be liable for payment for such service and the

contract shall be binding upon the person's heirs, administrators, executors, successors and assigns.

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

- (a) Temporary service;
- (b) General service;
- (c) Embedded generator;
- (d) Embedded distributor;
- (e) Private Area Lighting;

An owner of a serviced premise is responsible for the supply of electricity to the building and may request CNPI to terminate supply. Where the owner wishes to have the supply terminated temporarily, the owner may still be responsible for the monthly basic charge associated with that class of service during the period of disconnection. CNPI may refuse to terminate the supply of electricity to an owner's building when there are occupants in the building (i.e., during certain periods of the winter).

Where an occupant (not being the owner) has entered into a contract with CNPI for the supply of electricity service, CNPI will also require consent from the occupant prior to disconnection of service.

2.2 DISCONNECTION

CNPI reserves the right to disconnect the supply of electrical energy for causes, including but not limited to the following:

- (a) Where the service has been discontinued;
- (b) Where there is contravention of the laws of Canada or the Province of Ontario, including the Ontario's Electrical Safety Code.
- (c) Where, in the opinion of CNPI, the Customer's electrical system is defective and represents a danger to life or property, or has an adverse effect on the reliability and safety of the distribution system;
- (d) Where there is a material decrease in the efficiency of CNPI's Distribution System;
- (e) Where there is a potentially adverse effect on the quality of distribution services received by an existing connection;
- (f) Where there is electrical disturbance propagation caused by Customer equipment that is not corrected in a timely fashion;
- (g) Where the Customer has a building or structure under CNPI's wires which is within clearance recommended by the Canadian Standards Association;
- (h) Where the failure of the Consumer or Customer to comply with a directive of CNPI that CNPI makes for purposes of meeting its license obligations;
- (i) When ordered to do so by any authority having the legal right to issue such an order;
- (j) Overdue amounts payable to CNPI for the distribution or retail of electricity as permitted by legislation; or,

- (k) Where there is imposition of an unsafe worker situation beyond normal risks inherent in the operation of the distribution system;
- (l) Where there is an inability of CNPI to perform planned inspections and maintenance.
- (m) Where the customer fails to maintain customer owned equipment that CNPI believes poses a safety or system reliability risk;
- (n) Where CNPI reasonably believes that there is energy diversion, fraud or abuse;
- (o) Where the customer failed to provide a security deposit as required in this Conditions of Service document;
- (p) Where CNPI has the inability to access revenue meter data, or perform planned inspections, installations, or maintenance of revenue metering equipment;
- (q) Any other conditions identified in this Conditions of Service document.

CNPI may disconnect the supply of electrical energy to a Customer without notice in accordance with a court order, for an emergency, safety or system reliability reasons. In some instances, an inspection by the Electrical Safety Authority may be required prior to CNPI reconnecting the supply of electrical energy. It shall be the responsibility of the party requiring the reconnection to arrange for the inspection and the payment of fees.

CNPI may disconnect a service to make repairs or alterations to the Distribution System. Where reasonable and practical, CNPI shall give prior notice to the Customer.

2.2.1 DISCONNECTION AND RECONNECTION – PROCESS AND CHARGE

In accordance with applicable legislation and following the due date, procedures will be followed to collect the overdue amount of a bill for the provision of electricity service. If the overdue amount is still outstanding eighteen (18) calendar days after the due date and ten (10) calendar days after a disconnect notice has been delivered to the Customer, the service may be disconnected and not restored, or a Load Limiter Device may be installed, until satisfactory payment arrangements have been made, including payment of reconnection fees, and any applicable service charges. Disconnect notices will be in writing and may be delivered by prepaid mail, personal service or posted on the property in a conspicuous location. If given by prepaid mail the notice shall be deemed to be received on the third business day after mailing.

Such disconnection or restriction of service does not relieve the Customer of the obligation of the liability of arrears or other applicable charges for the balance of the term of contract. CNPI shall not be liable for any damage to the Customer's premises resulting from the discontinuance of service or restriction of service other than physical damage to facilities arising directly from entry on the Customer's property.

Notwithstanding the above, in the case of a residential Customer that has provided CNPI with documentation from a physician confirming that disconnection poses a risk of significant adverse effects on the physical health of the Customer or on the physical health of the Customer's spouse, or dependent family member or other person that regularly resides with the Customer, shall not be disconnected for non-payment until 60 days from the date on which the disconnection notice is delivered.

At the request of a residential Customer, CNPI shall send a copy of any disconnection notice issued to the Customer for non-payment to a third party designated by the Customer for that purpose provided that the request is made no later than the last day of the applicable minimum

notice period. As well, residential Customers may at any time prior to disconnection, designate a third party to also receive any future notice of disconnection.

Where CNPI installs a Load Limiter Device or disconnects a Customer for non-payment, CNPI will provide (i) the Fire Safety Notice of the Office of the Fire Marshal; (ii) any other public safety notices or information bulletins issued by public safety authorities and provided to CNPI, which provide information to consumers respecting dangers associated with the disconnection of electricity service, and when applicable, (iii) written notice to the Customer explaining the effect of a Load Limiter Device on service, along with a telephone number for the Customer to obtain further information.

Where a Load Limiter Device is installed or a service is disconnected by CNPI for non-payment, CNPI will remove the Load Limiter Device or reconnect the service within 2 business days of the outstanding account balance being paid in full or the Customer entering into an arrears payment agreement (only when a Load Limited Device has been installed). A Customer may request the continued use of the Load Limiter Device during the course of the arrears payment agreement.

All applicable charges are available via internet at www.cnpower.com and www.easternontariopower.com reconnection after six months.

Where a service has been disconnected by CNPI for a period of six months or longer, the Ontario Electrical Safety Code requires a re-inspection by the Electrical Safety Authority (ESA). It shall be the responsibility of the party requiring the reconnection to arrange for the inspection and the payment of fees.

CNPI will not reconnect any such service without a Connection Authorization issued by the ESA.

2.3 CONVEYANCE OF ELECTRICITY

2.3.1 GUARANTY OF SUPPLY

CNPI shall use good utility practices in providing regular and uninterrupted supply but does not guarantee a constant supply or the maintenance of unvaried frequency or voltage and will not be liable for damages to the Customer by any reason of any failure in respect thereof.

Customers requiring a greater degree of security than that described here are responsible to provide their own service conditioning equipment. Customers utilizing three-phase service are advised to install protective apparatus designed to mitigate possible damage to their equipment that may result from the interruption of single-phase or non-simultaneous switching of phases of CNPI's supply.

It is CNPI's intent to minimize inconvenience to Customers resulting from service interruptions, however occasionally it may be necessary to interrupt a Customer's supply to maintain, enhance or expand the Distribution System. Where feasible, CNPI will make reasonable efforts to schedule interruptions to minimize the inconvenience to its Customers. Where possible CNPI will endeavor to provide reasonable advance notice of a planned interruption. An exception would apply in the event of an extreme emergency, involving danger to life or limb, or impending equipment damage that could jeopardize the integrity of the Distribution System.

Depending on the duration of the interruption and the number of Customers affected, CNPI may issue a news release to advise the general public of the outage.

CNPI will endeavor to notify Customers prior to interrupting the supply to any individual service. However, if an unsafe or hazardous condition is found to exist, or if the use of electricity by

apparatus, or appliances, or other equipment is found to be unsafe or damaging to CNPI or the public, service may be disconnected without notice.

CNPI does not furnish or facilitate the installation of temporary back-up generators for customers in the event of a planned outage. If customers require such a generator, they must make their own arrangements.

2.3.2 UNAUTHORIZED ENERGY USE

The unauthorized use of electricity from CNPI's Distribution System through means such as tampering with meters, meter sockets, metering devices, wiring etc., is a violation of these Conditions of Service and is illegal. CNPI will investigate all reports of suspected unauthorized use of energy. If the investigation leads to the conclusion of probable theft of service, CNPI may release all necessary information to the legal authorities to conduct a criminal investigation. Upon identification of a possible unauthorized use of energy, CNPI will notify the retailer that services the consumers affected by the unauthorized use of energy.

CNPI may recover from the consumer or party responsible for the unauthorized energy use, all costs incurred by CNPI arising from the unauthorized use including security deposit, inspection and repair costs.

If, in the opinion of CNPI, the unauthorized use of energy has created an unsafe connection, CNPI shall disconnect the service and it will remain disconnected until such time as authorization to reconnect is issued by the Electrical Safety Authority.

A service disconnected due to unauthorized use of energy will not be reconnected until such time as all arrears resulting from the unauthorized use has been resolved to the satisfaction of CNPI.

2.3.3 POWER QUALITY

In response to a Customer power quality concern where the utilization of electric power affects the performance of electrical equipment, CNPI will perform investigative analysis in an attempt to determine the cause. Depending on the circumstances, this may include review of relevant power interruption data, trend analysis, and a field audit of the Customer's electrical installation and/or use of diagnostic equipment.

Upon determination of cause resulting in the power quality concern, where it is deemed a system delivery issue, and where industry standards of good utility practice have not been met, CNPI will recommend and/or take appropriate mitigation measures at its expense. If CNPI is unable to fully correct the problem due to the impact on other Customers, then it is not obligated to do so. If the cause is on the Customer's side of the ownership demarcation point, then CNPI may seek reimbursement for the time spent in investigating the problem.

Where CNPI has reason to believe that service to a Customer has or will have load characteristics that may cause undue interference with service to another Customer(s), the Customer shall upon written notice by CNPI provide and install at his expense and within a reasonable period of time, the equipment necessary to eliminate or prevent such interference. If the Customer does not take such action within a reasonable period of time, CNPI may disconnect the supply of electricity to the Customer.

2.3.4 ELECTRICAL DISTURBANCES AND UNPLANNED OUTAGES/EMERGENCY CONDITIONS

2.3.4.1 ELECTRICAL DISTURBANCES

CNPI shall follow good utility practice in managing power quality of CNPI's Distribution System and to meet the guidelines of Section 2.3.6 of this document. However, there are levels of voltage fluctuation and other electrical disturbances beyond its reasonable control, including without limitation Customer's equipment and the effects of lightning and storms. Examples of equipment that may contribute to a disturbance are large motors, welders, variable speed drives and equipment operating with switch mode power supplies.

Customers must ensure that their equipment does not cause any disturbance that might interfere with operation of other Customer's equipment that is connected to the Distribution System.

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

The Customer shall provide such protective devices as may be necessary to protect his property and equipment from any disturbance beyond the reasonable control of CNPI.

Customers taking three-phase supply are responsible for providing their own protective apparatus to avoid damage to their equipment that may be caused by the interruption of single-phase or non-simultaneous switching of the three-phase supply.

CNPI shall not be liable to the Customer for complete or partial failure or interruption of service, or for fluctuations in voltage, resulting from causes beyond its reasonable control or through the ordinary negligence of its employees, servants or agents.

2.3.4.2 UNPLANNED OUTAGE AND EMERGENCY CONDITIONS

CNPI may require a consumer or Customer or a party to a joint use agreement to comply with reasonable and appropriate instructions from CNPI during an unplanned outage or emergency situation.

To assist with Distribution System outages or emergency response, CNPI may require a Customer to provide CNPI emergency access to Customer-owned distribution equipment that normally is operated by CNPI or CNPI-owned equipment on Customer property.

During an emergency, CNPI may interrupt supply to a consumer in response to a shortage of supply or to effect repairs on the Distribution System or while repairs are being made to consumer-owned equipment.

CNPI requires consumers with permanently connected emergency generation equipment to notify CNPI regarding the presence of such equipment.

2.3.5 STANDARD VOLTAGE AND CAPACITY OFFERINGS

2.3.5.1 STANDARD VOLTAGES

CNPI will normally provide and maintain transformation to one of the following standard secondary voltages depending upon the requirements of the load and the characteristics of the Distribution System that Lies Along.

- a) Single-phase, 3 wire, 120/240 volts

- b) Three-phase, 4 wire, 120/208 volts
- c) Three-phase, 4 wire, 347/600 volts

Transformation to all other voltages will be provided, installed and maintained by the Customer.

2.3.5.2 CAPACITY CONSIDERATIONS

The supply voltage and circuit characteristics limit the capacity of a service to a Customer's building. Service shall be supplied at single-phase 120/240 volts where it is determined by CNPI, in consultation with the Customer, that the maximum demand is less than 75 kVA.

Service shall be supplied at one of the standard three-phase voltages where the maximum demand is determined to be 75 kVA or greater, and either the three-phase connected load is greater than 15 kVA, or, in the opinion of CNPI the nature of the load warrants three-phase voltage. CNPI may provide three-phase supply where the maximum demand is less than 75 kVA or the three-phase load is less than 15 kVA, if requested by the Customer, and a Contribution In Aid Construction is paid to CNPI to cover the extra cost of transformers and equipment required to provide the three-phase voltage. Such a contribution is in addition to a contribution that may apply for Distribution System Enhancements to provide three-phase voltage.

If sufficient equipment and transformers of adequate capacity exists at the location requested, a CIAC may not be required to provide three-phase voltage.

2.3.5.3 STANDARD OVERHEAD SUPPLY

From its overhead distribution system, CNPI will normally install and maintain overhead transformation and secondary circuits. For supply from an overhead circuit (secondary conductors) the following guidelines apply:

- (a) Single-phase, 3 wire, 120/240 volts to a maximum of 200 amps
- (b) Three-phase, 4 wire, 120/208 volts to a maximum of 200 amps
- (c) Three-phase, 4 wire, 347/600 volts to a maximum of 200 amps

All other services shall normally be supplied via an underground service connection.

Customers shall install and maintain underground secondary circuits including the terminators (excluding Residential Customers). CNPI will make connection of the secondary circuits to the secondary bus of the transformer.

Where a customer requests underground transformation in lieu of a standard overhead transformation, any incremental costs associated with the installation will be charged to the customer.

2.3.5.4 UNDERGROUND SUPPLY

For supply from an underground circuit (secondary conductors) the limitations are based on transformation and primary circuit capacity. CNPI will normally install and maintain transformation and associated equipment where the determined maximum demand will not exceed the following:

- (a) 75 kVA, single-phase, 3 wire
- (b) 300 kVA, three-phase, 4 wire where the available primary supply voltage is less than 5 kV

- (c) 500 kVA, three-phase, 4 wire where the available primary supply voltage is greater than 5 kV but less than 15 kV
- (d) 1000 kVA, three-phase, 4 wire where the available primary supply voltage is 15 kV or greater.

If the existing Distribution System does not have the capacity to support a proposed connection, a Distribution System Enhancement may be required and the Customer will be required to pay a CIAC (see section 2.1.3).

Generally, Customers whose demand exceeds these guidelines shall install and maintain their own substation with transformers and associated equipment to receive three-phase, 4-wire voltage at the primary voltage level.

Customers requiring a primary voltage supply are urged to contact CNPI, as soon in the design phase as possible, to determine which primary voltages are available to them.

2.3.6 VOLTAGE GUIDELINES

CNPI shall endeavor to maintain service voltage at the Ownership Demarcation Point within the guidelines of C.S.A. Standard CAN3-C235-87 (Latest Revision), which allows variations from the nominal voltage as shown below. In the event of a discrepancy C.S.A. Standard CAN3-C235-87 (Latest Revision) shall take precedence.

Recommended Voltage Variation Limits at Service Entrances taken from C.S.A. Standard CAN3-C235-87 (Latest Revision)				
Nominal System Voltage	Voltage Variation Limits Applicable at Service Entrances			
	Extreme Operating Conditions			
	Normal Operating Conditions			
120/240	110/221	113/226	127/254	130/259
120/208	110/ 191	113/196	127/220	130/225
347/600	319/552	326/564	368/636	375/648

Where voltages are outside of the indicated limits for Normal Operating Conditions but within the indicated limits for Extreme Operating Conditions, improvement or corrective action will be take on a planned and programmed basis, but not necessarily on an emergency basis. Where voltages are outside the indicated limits for Extreme Operating Conditions, improvement or corrective action will be taken on an emergency basis. The urgency for such action will depend on such factors as the location and nature of the load and the extent to which the levels are exceeded and the duration.

2.3.7 BACK-UP GENERATORS

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

Customers with permanently connected emergency generation equipment shall notify CNPI regarding the presence of such equipment. CNPI reserves the right to inspect the connection of this equipment.

CNPI does NOT provide temporary backup generators to customers in the event of planned or unplanned outages.

2.3.8 METERING

CNPI will normally provide, install and maintain revenue metering, instrument transformers, test panels and all interconnecting wiring required for retail settlement and billing of all Customers connected to CNPI's Distribution System, excluding embedded generation. The location and installation of indoor and outdoor metering shall be acceptable to CNPI and readily accessible at all times.

CNPI may, at its discretion, install a demand meter or interval meter for purposes of measuring demand to assign the Customer to a Rate Class or to set the appropriate distribution services rate for that Customer.

2.3.8.1 GENERAL (METERING)

Generally, metering will be at the utilization voltage. Where CNPI owns the primary transformation, primary metering will be permitted at the discretion of CNPI. However, primary transformation owned by the Customer shall be primary metered, unless the building qualifies for individual tenant metering, as outlined in the Customer Class Specific section of this document (Section 3). The incremental cost of primary metering is the responsibility of the Customer.

For metering at the utilization voltage the Customer shall provide at his expense:

- (a) Space and location acceptable to CNPI, as outlined further in this Section, for the installation of the revenue metering equipment and if necessary associated communication equipment;
- (b) A proper meter socket;
- (c) Where required, a lockable enclosure with removable back plate, of dimensions outlined further in this Section;
- (d) Installation of instrument transformers (supplied by CNPI), when mounting revenue-metering equipment in switchgear, and conduit for instrument transformer leads, where required;
- (e) Direct access to the revenue meter and associated equipment by CNPI.

2.3.8.2 METERING CABINETS

Where metering cabinets are required, the Customer shall supply and install the cabinet to CNPI's specifications. The metering cabinet shall be CSA approved, painted or galvanized, and constructed of No. 16 gauge (minimum) sheet metal and include a provision for sealing and locking. The dimensions of the metering cabinet will depend on the size of the service. The relationship is as follows:

Metering Cabinet - Dimensions		
Service Configuration	Amperage	Dimensions
120/240 Volt, 3 Wire	200 to 400 Amps	1 m x 1 m x 0.3 m
120/208 Volt, 4 Wire	200 to 800 Amps	1.2 m x 1.2 m x 0.3 m
347/600 Volt, 4 Wire	200 to 800 Amps	1.2 m x 1.2 m x 0.3 m
3-Phase, 4 Wire	Greater than 800 Amps & NOT supplied through switchgear	1.2 m x 1.2 m x 0.3 m for the current transformers; and, 1 m x 1 m x 0.3 m for the meter.
Other	N/A	1 m x 1 m x 0.3 m for the meter only.

Metering cabinets shall normally be installed indoors, except where otherwise approved by CNPI. Cabinets installed outdoors shall be suitable for an outdoor environment and approved by CNPI. Cabinets shall be installed such that it is not less than 0.6 m to the bottom and not more than 1.9 m to the top of the cabinet as measured from the floor. A minimum safe working space of 1.2 m in front of the installation from floor to ceiling with a minimum ceiling height of 2.1 m is required. The Customer's main switch immediately preceding the meter shall be installed with provisions for sealing and locking with the handle in the **OPEN** position and the door closed.

Normally, for services 800 Amps and greater the current transformers shall be installed in the secondary bus of the switchgear, at the Customer's expense. The Customer shall submit the appropriate shop drawings to CNPI for approval.

2.3.8.3 INTERVAL METERING

The OEB's Distribution System Code, as amended time to time, requires CNPI to meter Customers of specific load levels with an interval meter that are interrogated remotely. CNPI may also require such metering on any Customer whose load characteristics may have a significant impact on the Net System Load Shape, or where reasonable access to the meter for the purpose of acquiring metering data may be limited.

Once an interval meter installation process is part of CNPI's settlement process, and as affected the Net System Load Shape, the installation shall not be changed back to a non-interval meter installation.

CNPI shall provide an interval meter within a reasonable period of time to any consumer or his agent who submits a written request in accordance with the Retail Settlement Code to CNPI for an interval meter. The consumer shall compensate CNPI for all incremental costs associated with the supply, installation and maintenance of the interval meter.

2.3.8.4 METER READING

CNPI or its agents shall have the right to read any meter installed on the Customer's premises, and the Customer shall maintain a safe environment and unobstructed access to the metering equipment.

All CNPI metering equipment located on the Customer's premise is in the care and at the risk of the Customer and if destroyed or damaged, other than by normal usage, the Customer will compensate CNPI for the cost of repair or replacement.

If CNPI is unable to obtain a meter reading due to circumstances beyond its reasonable control, CNPI may estimate the reading.

2.3.8.5 FINAL METER READING

When service is no longer required, or the Customer is switching energy providers, the Customer shall provide CNPI with a minimum prior notice of five (5) business days of the date that service is to be discontinued so that CNPI may obtain a final meter reading. The Customer will provide access to CNPI or its agent for this purpose.

If a final reading is not obtained, the Customer shall pay a sum based on an estimate for electricity used since the last meter reading.

2.3.8.6 FAULTY REGISTRATION OF METERS

Metering electricity usage for the purpose of billing is governed by the Federal Electricity and Gas Inspection Act and associated regulations, under the jurisdiction of Measurement Canada, Industry Canada.

In the event of incorrect electricity usage registration, CNPI will determine the correction factors based on the specific cause of the metering error and the Customer's electricity usage history. The Customer shall pay for all energy supplied, a reasonable sum based on the reading from any meter formerly or subsequently installed on the premise by CNPI, due regard being given to any change in the character of the installation.

If the incorrect measurement is due to reasons other than the accuracy of the meter, such as incorrect meter installation, incorrect connection of auxiliary metering equipment, or incorrect meter multiplier used in the bill calculation, the billing correction will apply for the duration of the error. CNPI will correct the bills for that period in accordance with the applicable regulations under the Act.

2.3.8.7 METER DISPUTE TESTING

CNPI will attempt to resolve billing enquiries. However, to give Customers confidence in the accuracy of electricity meters, CNPI will conduct an internal investigation to verify the accuracy of any meter the Customer believes to be recording incorrectly. If the internal investigation does not resolve the matter, the Customer or CNPI may request Measurement Canada to test the meter.

If the test indicates that the meter is not accurate, the Customer's historic billing will be adjusted and the meter dispute fee borne by CNPI. If the test indicates that the meter is accurate, the Consumer may be required to pay the meter dispute fee.

2.4 TARIFFS AND CHARGES

2.4.1 SERVICE CONNECTION

Charges for service connections are set out in CNPI's approved rates and may be obtained by request from CNPI. Notice of rate revisions may be published in local newspapers and or mailed

out to all Customers with the first billing issued at the revised rates. All current rates are available via internet at www.cnpower.com and www.easternontariopower.com.

2.4.2 ENERGY SUPPLY

- (a) Customers have the right to receive Standard Supply Service from CNPI, or its agent, where:
- (b) The Customer has not chosen a retailer,
- (c) The Customer chooses to return from a retailer,
- (d) The Customer's retailer is unable to supply, or;
- (e) The Customer's retailer returns the Customer to CNPI.

CNPI shall provide standard supply service for all (100%) of the electricity consumed by standard supply Customers.

Customers transferring from Standard Supply Service to a retailer must follow all requirements as outlined in the Retail Settlement Code.

2.4.3 DEPOSITS

2.4.3.1 RESIDENTIAL

CNPI may require a security deposit from any Customer before providing service or before reconnecting a service:

A security deposit is not required from Residential Customers:

- (a) Who have a good payment history in respect of another CNPI account in their name or with an affiliate of CNPI with some portion of the payment history within the most recent 24 months, during which the Consumer or Customer;
- (b) had no more than one (1) notice of disconnection; AND
- (c) had no more than one (1) payment returned for insufficient funds ("NSF"); AND
- (d) had no security deposit applied for amounts owing.
- (e) that supply a letter confirming a good payment history with another Ontario electric or natural gas distribution company;
- (f) that provide a satisfactory credit check (Consumer Score of 700 or greater) made at the Customer's expense;
- (g) that is a bulk-metered residential condominium as defined in the Condominium Act, 1998 and has provided the Company with a signed declaration attesting to their legal status as a residential condominium corporation;
- (h) is a residential customer and has been qualified as an "eligible low-income customer" and requests a waiver.

2.4.3.2 GENERAL SERVICE

All new Customers shall pay a security deposit before connection or reconnection except for Customers:

- (a) that supply a letter confirming a good payment history with another Ontario electric or natural gas distribution company;
- (b) that supply a satisfactory credit report provided to CNPI at the Customer's expense.
- (c) The following are acceptable types of security deposits:
 - o Cash, cheque, money order. (Please refer to Section 2.4.5. of this document, for complete listing of payment options)
- (d) An irrevocable letter of credit from a chartered bank, trust company or credit union for a minimum of three (3) years;
- (e) A bond from an insurance company.

2.4.3.3 AMOUNT OF SECURITY DEPOSIT

2.4.3.4 RESIDENTIAL:

- (a) Customers billed monthly: the amount of the security deposit shall be equal to 2.5 times the average bills for the service address during the most recent twelve (12) consecutive months within the previous twenty-four (24) months.
- (b) Customers billed bi-monthly: the amount of the security deposit shall be equal to 1.75 times the average bills for the service address during the most recent twelve (12) consecutive months within the previous twenty-four (24) months.

Security deposits are normally paid to CNPI before the Residential Customer moves into the premise. CNPI will allow Customers to pay security deposits in installments for a period of at least six (6) months. Failure to pay the deposit will result in disconnection of the electrical service.

2.4.3.5 NON-RESIDENTIAL AND COMMERCIAL/INDUSTRIAL GENERAL SERVICE CUSTOMERS:

- (a) Customers billed monthly: the amount of the security deposit shall be equal to 2.5 times the consumer's average monthly load with the distributor during the most recent twelve (12) consecutive months within the previous twenty-four (24) months.
- (b) Customers billed bi-monthly: the amount of the security deposit shall be equal to 1.75 times the consumer's average monthly load with the distributor during the most recent twelve (12) consecutive months within the previous twenty-four (24) months.

For non-residential customers greater than 50kW who provide a credit rating from a recognized credit rating agency will be eligible for a reduction in their security deposit reduced as follows:

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

Where usage information is not available for the Customer's for twelve (12) consecutive months within the past two years, the Customer's average monthly load shall be based on a reasonable estimate made by CNPI.

Security deposits are normally paid to CNPI before the General Service Customer moves into the premise. CNPI will allow Customers to pay security deposits in installments for a period of at least four (4) months. Failure to pay the deposit will result in disconnection of the electrical service.

2.4.4 DEPOSIT DURATION AND INTEREST

2.4.4.1 RESIDENTIAL:

Security deposits will be returned to residential Customers after twelve (12) consecutive months of paying their invoices provided the following criteria are met:

- (a) They have not received more than one (1) disconnection notice;
- (b) They have not had more than one (1) insufficient funds cheque posted to their account;
- (c) They have not had more than one (1) pre-authorized payment returned for insufficient funds;
- (d) There have been no disconnections due to non-payment.

A Customer that meets these criteria shall be deemed to have a good payment history.

2.4.4.2 NON-RESIDENTIAL AND COMMERCIAL/INDUSTRIAL GENERAL SERVICE CUSTOMERS:

Security deposits will be returned to non-residential and Commercial/Industrial General Service Customers after five (5) years of paying their invoices provided the following criteria are met:

- (a) They have not received more than one (1) disconnection notice;
- (b) They have not had more than one (1) insufficient funds cheque posted to their account;
- (c) They have not had more than one (1) pre-authorized payment returned for insufficient funds;
- (d) There have been no disconnections due to non-payment.

A Customer that meets these criteria shall be deemed to have a good payment history.

Otherwise, the security deposit will be held until the payment record meets the above criteria, or the Customer terminates service (whichever comes first). Subject to CNPI's right to use the security deposit to set off other amounts owing by the Customer, the security deposit shall be returned within six (6) weeks of closure of an account.

The interest rate for a cash or cheque security deposit is calculated at the prime business rate, as published on the Bank of Canada website, less two (2) percent (updated quarterly) and shall be posted to the Customer's account on a quarterly basis.

The Company shall review every Customer's security deposit at least once in a calendar year to determine whether the entire amount of the security deposit is to be returned to the Customer or adjusted.

Where the Customer moves within the CNPI service territory, the security deposit may be applied to the security deposit requirements for the Customer's new service address.

CNPI may adjust the security deposit in consideration of the historical consumption or the Customer's anticipated load profile at the new service address in accordance with the above calculations. In the event that the Customer has established a good payment history, a security deposit will not be requested for the new address.

In the event that a Customer changes service from Standard Supply Service (SSS) to a competitive retailer that uses retailer-consolidated billing, or the Customer changes billing options from distributor-consolidated billing to retailer consolidated billing, the distributor shall apply the Customer's security deposit plus interest to the Customer's account. CNPI will not pay any portions of the Customer's security deposit to a competitive retailer.

2.4.4.3 METHODS OF ENFORCEMENT

In addition to disconnection for non-payment of a security deposit, the Company may use any risk mitigation options available under law to manage Customer non-payment risk.

2.4.5 BILLING

Canadian Niagara Power may, at its option, render bills to its Consumers on either a monthly, bi-monthly, quarterly or annual basis. Bills for the use of electrical energy may be based on either a metered rate or a flat rate, as determined by Canadian Niagara Power.

2.4.5.1 PRORATING BILLS AND SERVICE CHARGES

Service charges may be prorated for the first bill, final bill, and over a rate change. Charges are based on a straight ratio calculation of the number of days occupied by the Customer to a standard 30-day month.

2.4.5.2 ESTIMATING BILLS

Reasonable attempts will be made to obtain a meter reading for all regular electricity bills. Bills will only be estimated when Canadian Niagara Power has been unsuccessful in obtaining a meter reading. If a bill is estimated, whenever possible it will be based on the Consumer's consumption history.

Demand will only be estimated after current practices for retrieving a reading have been exhausted. When a demand reading cannot be obtained, it will be estimated after reviewing the demand history and considering, for example, seasonality and change in use. This does not apply to interval metering.

2.4.5.3 BILLING DISPUTES

The Customer may dispute charges shown on the Customer's bill or other matters by contacting and advising Canadian Niagara Power of the reason for the dispute. Canadian Niagara will promptly investigate all disputes and advise the Customer of the results

2.4.6 PAYMENTS AND LATE PAYMENT CHARGES

2.4.6.1 PAYMENT OPTIONS

Customers may pay their electricity bills using any of the following methods:

Cheque or money order (either mailed or delivered to CNPI's drop box) with the remittance stub portion of the bill to CNPI's address on the stub; at most Canadian financial institutions; through

automated banking machines, telephone banking or Internet bill payment services offered through the Customer's financial institution. All payments must be in Canadian dollars. CNPI also offers a pre-authorized payment option.

Payment plans are available to Customers as per section 2.6.2 of the Standard Supply Service Code. Except where the Customer is in arrears on payment to CNPI for electricity charges and has not entered into an arrears payment agreement with CNPI, an equal monthly payment plan option, whereby an equalized payment amount is automatically withdrawn from a Customer's account with a financial institution on a monthly basis, is available for qualifying residential Customers. Except where the Customer is in arrears on payment to CNPI for electricity charges and has not entered into an arrears payment agreement with CNPI, an equal monthly billing plan option, whereby a monthly bill is issued to a Customer and the amount due in each bill is equalized over the course of a year, is available to Eligible Low-Income Customers.

2.4.6.2 PAYMENT ALLOCATION

Any payments received will be applied to the total outstanding balance of the electricity account. An outstanding balance could include the billed amounts, security deposits, late payment, or other changes. Payment cannot be directed to specific portions of the outstanding balance.

2.4.6.3 INTEREST

All classes of electricity Customers have eighteen (18) days from the date of invoice to pay their account. Bills are payable in full by the due date; otherwise, overdue interest charges will apply at a rate of 1.5% monthly (compounded) or 19.56% annually. 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 at the due date.

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

Outstanding bills are subject to the collection process and may ultimately lead to the service being discontinued. Service will be restored once satisfactory payment and/or payment arrangements have been made (refer to section 2.2.1).

2.5 CUSTOMER INFORMATION

CNPI adheres to the Personal Information Protection and Electronic Documents Act.

2.5.1 RELEASE OF CURRENT INFORMATION TO THE RETAILER

Upon authorization by a Customer, CNPI shall make available the following current information to the retailer that provides electricity to a consumer within CNPI's service area:

- (a) Customer's meter number;
- (b) Customer's premise address;
- (c) Customer's account number;
- (d) The date of the most recent meter reading;
- (e) The date of the previous meter reading;
- (f) Multiplied kWh recorded at the time of the most recent meter reading;
- (g) Multiplied kWh recorded at the time of the previous meter reading;

- (h) Multiplied kW for the billing period (if demand metered);
- (i) Multiplied kVA for the billing period (if available);
- (j) An indicator of the read type;
- (k) Average distribution loss factor for the billing period.

2.5.2 RELEASE OF HISTORICAL INFORMATION TO A CUSTOMER AND/OR RETAILER

Upon written consent and payment of an administrative fee by a Customer, CNPI shall provide to the Customer and/or one or more retailers the usage data, meter data and payment information as defined below:

- (a) Customer's account number;
- (b) Customer's service address;
- (c) Customer's billing address;
- (d) Identification of current regulated rates that apply to the consumer;
- (e) Multiplied kWh used in each billing period;
- (f) Multiplied kW for each billing period (if demand metered);
- (g) Multiplied kVA for each billing period (if relevant);
- (h) Date of actual or estimated meter read for each billing period;
- (i) An indicator of the read type;
- (j) The next scheduled meter read date;
- (k) The next scheduled bill date;
- (l) The distribution loss factor for the billing period.

For any of the above information, CNPI will provide data for up to twenty-four (24) billing periods, if available.

SECTION 3 CUSTOMER CLASS SPECIFIC

Customer class specific refers to services and requirements that are unique to individual Customer classes. This includes items such as line of demarcation, metering, service requirements, ownership and operational responsibilities, special contracts and other conditions specific to a particular Customer class. Also inspection of works not normally within the scope of the Electrical Safety Association is defined.

3.1 RESIDENTIAL SERVICE

For purposes of these Conditions of Service, “residential” generally pertains to the supply of single-phase electrical energy to detached and semi-detached, single-family homes, and farms. A single-family home being a permanent structure or structures located on a single parcel of land and approved by a civic authority as a dwelling and occupied for that purpose by a single Customer on a year-round basis.

In these Conditions of Service, subdivisions, multi-units or townhouses developments, and customers requiring the construction of primary lines on private property, are considered as General Services rather than Residential Services for purposes of new connections if an expansion to CNPI’s distribution system will be required, or if CNPI is to assume ownership of assets once municipal rights-of-way are to be established. Refer to section 2.1.3 of this document, for information on expansions to CNPI’s system.

Multi-unit residential refers to a structure or structures constructed on a single parcel of land containing more than one single family dwelling unit. These units may be individually metered or metered with a bulk meter exceeding 200 amps. The customers of these developments will ordinarily be billed at the appropriate residential rate class.

3.1.1 GENERAL INFORMATION

Normally, CNPI will provide one service or delivery point to each residence. The normal service voltage will be 120/240 volts, 60 Hz. The minimum service size for new and upgraded services shall be 100 amperes and the maximum size shall be 200 amperes. Residential services above 200 amperes or requiring 3-phase supply will require consultation with and the approval of CNPI prior to construction, with the guidelines set out in section 3.2 General Service, of this document.

In circumstances where two existing services are installed to a residence and one is being upgraded, the upgraded service will replace both of the existing services. Where existing revenue metering is located inside the residence, the Customer will relocate it to the exterior of the building at the time of upgrading the existing service.

3.1.2 EARLY CONSULTATION

To avoid unexpected delays and/or expenses to the customer, the location of the service entrance point and the meter base will be established through early consultation between the Customer and CNPI for both new and upgraded services. This consultation should be initiated by the Customer and take place not less than ten (10) business days prior to the required in-service date. Additional time should be allowed for services requiring expansions or enhancements to the Distribution System in accordance with section 2.1.3 of this document. The Customer, if required, shall supply the following information during the consultation:

- (a) the required service date,

- (b) service capacity and voltage rating,
- (c) location of other services such as gas, telephone, water and cable TV,
- (d) details of any equipment which may demand a high consumption of electricity if applicable, and
- (e) site plan showing proposed location of the service entrance with respect to the lot lines.

3.1.3 RESIDENTIAL SERVICE TYPES

3.1.3.1 OVERHEAD - SECONDARY

CNPI will designate the pole (or span) from which the service will be supplied and the location of a rigid service mast.

As per 3.1.4 of this document, CNPI will provide up to thirty (30) meters of overhead service conductor from the street line to the point of demarcation at no charge.

Where the distance from the main line (or secondary crossing pole) exceeds 30 meters, the customer will be required to contribute towards any additional costs incurred by CNPI. If CNPI is required to furnish one or more service poles, the customer will provide access along a maintained road to allow for initial construction and ongoing maintenance as may be required from time-to-time.

The Customer will provide a rigid service mast, to ESA requirements, with sufficient height to maintain proper minimum clearance in accordance with ESA requirements.

3.1.3.2 OVERHEAD - CUSTOMER-OWNED PRIMARY / CNPI-OWNED SECONDARY

Where the distance from the Main Line to the desired point of service prevents the supply of 120/240V using 3/0 aluminum triplex, the customer shall be responsible to furnish and maintain their own primary pole line and secondary service to their point of attachment.

This line must be constructed in compliance with the current version of the Ontario Electrical Safety Code (OESC). The transformer pole must also comply with CNPI's approved construction standards. CNPI will require a Connection Authorization from the Electrical Safety Authority (ESA) prior to connection of such a line to CNPI's primary system.

In consultation with the Customer, CNPI will designate the pole from which the primary service will be supplied, the location of the transformer pole, and the location of secondary metering equipment.

CNPI will install and maintain all hardware and anchoring required on CNPI's primary distribution system to facilitate the connection including a primary disconnect device (fused) to serve as CNPI's operational point of demarcation (load side of switch). CNPI will also install a distribution transformer and appropriate secondary metering on the Customer's property.

3.1.3.3 UNDERGROUND - SECONDARY

CNPI will specify the connection point of the proposed service to CNPI's distribution system, as well as the location of the customer-owned meter base.

CNPI will normally install and maintain underground service conductors from the nearest connection point on the Distribution System to the line side of the customer's meter base at the customer's expense. The customer will receive credit for the equivalent overhead service of

thirty (30) meters. The amount of this credit is available via internet at www.cnpower.com and/or www.easternontariopower.com .

The Customer will provide the trench and mechanical protection of the conductors located on the Customer's property to CNPI specifications. The trench and protection shall be inspected by CNPI prior to backfilling.

The customer shall install, own, and maintain secondary service conductors under any of the following conditions:

- (a) Conductor terminations are inside the Customer's building;
- (b) Conductor is a non-standard installation; or
- (c) Where the conductor exceeds fifty (50) meters (cable length) on private property;

Customer owned underground services shall be constructed in accordance with the latest version of the Ontario Electrical Safety Code (OESC). CNPI will require a connection authorization from the Electrical Safety Authority (ESA) prior to the energization of these services.

3.1.3.4 UNDERGROUND - PRIMARY

Within the voltage guidelines of Section 2.3.6 of this document, where the distance from the Main Line to the desired point of service prevents the supply of 120/240V using 250kml aluminum conductor, the customer shall be responsible to furnish, own and maintain their own primary underground service.

This line must be constructed in compliance with the current version of the Ontario Electrical Safety Code (OESC). The transformer pad and grounding must also comply with CNPI's approved construction standards and the installation must be inspected prior to backfill. CNPI will require a Connection Authorization from the Electrical Safety Authority (ESA) prior to connection of such a line to CNPI's primary system.

In consultation with the Customer, CNPI will designate the pole from which the primary service will be supplied, the location of the transformer pad, and the location of secondary metering equipment.

CNPI will install and maintain the connections to CNPI's primary distribution system including a primary disconnect device (fused) to serve as CNPI's operational point of demarcation (load side of switch). CNPI will also install a pad-mount distribution transformer and appropriate secondary metering on the Customer's property.

The customer will be expected to pay a contribution to offset CNPI's installed cost of the disconnect device and transformer. However, the customer will be entitled a credit equivalent to the SCA (see section 3.1.4), and will receive a credit equivalent to a portion of the installed cost of an overhead distribution transformer.

3.1.4 STANDARD CONNECTION ALLOWANCE AND VARIABLE CONNECTION CHARGE

The Standard Connection Allowance (SCA) for a residential service includes the labour and materials costs for:

- (a) One estimate and layout for the new service (There may be charges by CNPI if the customer requires more one estimate and layout due to changes in the customer's needs).

- (b) Up to thirty (30) meters of overhead service conductor, to a maximum size of 3/0 aluminum triplex.
- (c) Connectors required to connect the service conductor to the Distribution System and to the Customers service wires;
- (d) Mechanical strain connectors to attach the service conductors to the Distribution System and the Customers service attachment;
- (e) Miscellaneous tape, sealants, protectors and corrosion inhibitors as required
- (f) Standard revenue metering

and if required,

- (g) One crossing pole and anchoring required for overhead road crossing or an equivalent non-refundable credit towards the customer's cost of installing an underground service under a roadway (where municipal consent can be obtained)
- (h) Installation of standard overhead transformation
- (i) Revenue metering instrument transformers

A Variable Connection Charge shall be calculated by CNPI as the costs associated with the installation of plant and equipment above and beyond the Standard Connection Allowance for basic connection. These costs may include but not be limited to the following:

- (a) incremental costs associated with the supply of underground transformation;
- (b) the supply and installation of poles, anchors, all secondary over thirty (30) meters, hardware, and structures, as required on Customer property; and
- (c) the costs associated with all make-ready work required on the Distribution System to support the new service exclusive of the secondary bus installation. These costs include pole, anchoring or hardware changes.

CNPI will recover the Variable Connection Charge from the Customer **prior** to the connection of the service.

3.1.5 POINT OF DEMARCATION

The Point of Demarcation is where CNPI's operational and ownership responsibilities end, and the Customer begins.

Unless specific arrangements between CNPI and the customer are made, the following will be deemed to be the Point of Demarcation:

- (a) **Overhead - Secondary:** the electrical connections at the service mast.
- (b) **Underground - Secondary:** the source side electrical connections of the meter base.
- (c) **Overhead or Underground - Primary:** the load side of the primary disconnect device. CNPI will own and maintain the distribution transformer, but the customer is responsible to own and maintain the transformer's supporting structure in good condition.

In all installations the revenue meter and, if applicable, all revenue instrument transformers, are owned and maintained by CNPI. The meter base remains the responsibility of the Customer.

3.1.6 ACCESS

The Customer will provide unimpeded and safe access to CNPI at all times for the purpose of installing, removing, maintaining, constructing, operating distribution equipment and reading or changing metering and associated equipment.

3.1.7 METERING

The Customer will supply, install and maintain a meter socket and suitable space for auxiliary equipment if required, and it will be readily accessible to CNPI personnel. The meter base will be installed on the exterior of the residence at 1.7 meters above finished grade to the center of the meter. The meter shall be installed on the line side of the main disconnect device.

3.1.8 INSPECTION

The electrical installation inside and outside of the residence, including the meter base, service mast and any other customer-owned primary equipment, must be approved by ESA and an authorization issued prior to connection.

The service entry components including the meter base and service wire attachment must be acceptable to CNPI prior to connection.

Underground service installations shall be inspected by CNPI prior to backfilling.

3.1.9 SEASONAL RESIDENTIAL

For purposes of these Conditions of Service, "seasonal residential" pertains to the supply of electrical energy to detached and semi-detached, single-family homes. A single-family home being a permanent structure or structures located on a single parcel of land and approved by a civic authority as a dwelling and occupied for that purpose by a single Customer only during parts of the year. A seasonal residential service will not benefit from a contribution to a system expansion or enhancement as described in Sections 2.1.3 of this document. The provisions of the standard connection allowance detailed in Section 3.1.4 of this document, shall apply.

Due to the varied nature of seasonal dwellings, some special arrangements may be required to service or reconnect service to these locations. Arrangements will be made in such a manner, suitable to CNPI, to provide services such as power restoration, maintenance and new construction without endangering the safety of CNPI personnel.

3.1.10 SUBDIVISION, MULTI-UNIT AND TOWNHOUSE DEVELOPMENT

Developers proposing subdivision, multi-unit and townhouse development shall consult with CNPI prior to submitting a design for electrical service. Prior to preparing a design the developer shall submit, at a minimum, the following to CNPI:

- (a) A fee to defray CNPI's costs in preparing any required designs
- (b) A grading and site plan showing the buildings in relationship to existing and proposed property lines as well as other buildings, streets and other services such as water, gas, telephone and cable television;
- (c) Civic addresses;
- (d) Legal reference plan;
- (e) A layout showing the number of units and electrical service requirements;

(f) Required service date.

CNPI will make an offer to connect based on its CIAC Policy. The developer may be entitled to a non-refundable credit from CNPI, to offset CNPI's costs to install and connect the secondary services equivalent to the SCA as outlined in section 3.1.4 of this document, for each such secondary installed.

The developer is responsible for all civil works. If the developer intends to place meter bases anywhere other than on the individual residences being served, the developer is expected to furnish, at no cost to CNPI, a Registered Easement (in CNPI's favor) that encompasses any land that CNPI may need to cross or fixtures to which CNPI may need to attach for the service(s).

CNPI will follow the guidelines established in the Distribution System Code to determine any required Contributions in Aid of Construction (CIAC) and Sureties (such as a Letter of Credit) to guarantee any revenue credits awarded to the developer during CNPI's Discount Cash Flow (DCF) process.

3.2 GENERAL SERVICE

For purposes of these Conditions of Service, general service pertains to the supply of electrical energy to all non-Residential services as described in section 3.1 of this document. These include multi-unit residential (apartments and condominiums) and single commercial and industrial buildings. Single commercial and industrial building is interpreted as a structure or structures on a single parcel of land occupied by one Customer.

3.2.1 GENERAL INFORMATION

Normally, CNPI will provide one service or delivery point for each General Service Customer. At CNPI's sole discretion, more than one delivery point may be allowed. Any such arrangement with a Customer must also be acceptable to the Electrical Safety Authority (ESA).

3.2.2 EARLY CONSULTATION

NOTE: If a customer is required to own and install primary equipment (i.e. greater than 750V) as part of a new service connection, it is imperative that they consult with CNPI regarding planned primary voltage conversion programs. CNPI may require the installation of equipment rated to operate at a future nominal voltage in addition to the nominal voltage available at the time of connection. CNPI will not be responsible for future voltage conversion costs on customer-owned equipment for services connected on or after August 1, 2016, if they were identifiable at the time of connection or subsequent upgrade.

Prior to the preparation of a design for a general service, the Customer will be required to provide the following information to CNPI, where applicable:

- (a) The approximate date the Customer will require service;
- (b) Site and grading plans showing the location of the building relative to property lines, public rights-of-way, driveways and parking lots;
- (c) Locations of other services including gas, water, sewer, cable TV and telephone;
- (d) The preferred routing for a duct bank, subject to approval by CNPI;
- (e) Preferred location of the transformer, subject to approval by CNPI;
- (f) The location of the revenue metering installation, subject to approval by CNPI;

- (g) Amperage of the service;
- (h) Preferred voltage of the service;
- (i) Preferred location of the service entrance;
- (j) Estimated initial electrical demand and ultimate maximum demand;
- (k) Single line diagram;
- (l) Listing of all significant loads such as lighting, motors, cooling, heating, X-ray units, welders, etc.;
- (m) Copies of service entrance switchgear, detailing metering equipment installation;
- (n) Substation information including transformer capacity, primary and secondary voltages, tap positions, impedances, connection details, grounding details and coordination information.

3.2.3 STANDARD CONNECTION ALLOWANCE AND VARIABLE CONNECTION CHARGE

CNPI provides the services and facilities described in the Standard Connection Allowance (SCA) for General services at no cost to the Customer. The SCA for General services varies based on the type of service being installed (i.e. Overhead vs. Underground, Primary vs. Secondary). The SCA for each type of service is described under its respective section hereafter.

A Variable Connection Charge shall be calculated by CNPI as the costs associated with the installation of plant and equipment above and beyond the Standard Connection Allowance for each type of service.⁶

3.2.4 GENERAL SERVICE – SECONDARY SUPPLY

3.2.4.1 OVERHEAD - SECONDARY

Within the capacity limitations stated in Section 2.3.5 of this document, CNPI will normally provide one overhead service to a General Service Customer using service cable up to 3/0 aluminum triplex or quadruplex in size and up to 75 kVA single phase pole mounted transformers. Padmount transformers and underground installations are required for larger services. CNPI will designate the pole (or span) from which service will be supplied and the location of a rigid service mast.

CNPI will provide up to thirty (30) meters of overhead service conductor from the street line to the point of demarcation at no charge.

Where the distance from the main line (or secondary crossing pole) exceeds 30 meters, the customer will be required to contribute towards any additional costs incurred by CNPI. If CNPI is required to furnish one or more service poles, the customer will provide access along a maintained road to allow for initial construction and ongoing maintenance as may be required from time-to-time.

The Customer will provide a rigid service mast, to ESA requirements, of sufficient height to maintain proper minimum clearance in accordance to the ESA requirements. The maximum capacity of an overhead service is 200 amperes; larger capacity services will be installed underground.

Standard Cost Allowance (SCA)

The Standard Connection Allowance (SCA) for a General Overhead Secondary Supply service includes the labour and materials costs for:

- (a) One estimate and layout for the new service
- (b) Up to thirty (30) meters of overhead service conductor, to a maximum size of 3/0 aluminum triplex
- (c) Connectors required to connect the service conductor to the Distribution System and to the Customers service wires;
- (d) Mechanical strain connectors to attach the service conductors to the Distribution System and the Customers service attachment;
- (e) Miscellaneous tape, sealants, protectors and corrosion inhibitors as required
- (f) Standard revenue metering

and if required,

- (g) One crossing pole and anchoring required for overhead road crossing (if required)
- (h) Installation of standard overhead transformation
- (i) Revenue metering instrument transformers

3.2.4.2 OVERHEAD – CUSTOMER-OWNED PRIMARY / CNPI-OWNED SECONDARY

Where the distance from the Main Line to the desired point of service prevents the supply of standard secondary service, the customer shall be responsible to furnish, own and maintain their own primary pole line to their point of attachment. For connection purposes, the customer is responsible to ensure that this line utilizes CNPI standard wire gauges and connection components.

This line must be constructed in compliance with the current version of the Ontario Electrical Safety Code (OESC). The customer-owned transformer pole must also comply with CNPI's approved construction standards. CNPI will require a Connection Authorization from the Electrical Safety Authority (ESA) prior to connection of such a line to CNPI's primary system. In consultation with the Customer, CNPI will designate the pole from which the primary service will be supplied, the location of the transformer pole, and the location of secondary metering equipment.

CNPI will install and maintain all hardware and anchoring required on CNPI's primary distribution system to facilitate the connection including a primary disconnect device (fused). CNPI will also install and maintain a distribution transformer and appropriate secondary metering on the Customer's property.

Standard Cost Allowance (SCA)

The Standard Connection Allowance (SCA) for a General Overhead Customer-Owned Primary CNPI-owned Secondary Supply service includes the labour and materials costs for:

- (a) One estimate and layout for the new service
- (b) Up to thirty (30) meters of overhead service conductor, to a maximum size of 3/0 aluminum triplex

- (c) Connectors required to connect the service conductor to the Distribution System and to the Customers service wires;
- (d) Mechanical strain connectors to attach the service conductors to the Distribution System and the Customers service attachment;
- (e) Miscellaneous tape, sealants, protectors and corrosion inhibitors as required
- (f) Standard revenue metering
- (g) Supply and installation of a overhead distribution transformer (on customer-owned pole)
- (h) Supply and installation of a fused primary disconnect device.

3.2.4.3 UNDERGROUND SECONDARY SUPPLY

CNPI will specify the point from which the service will be connected to CNPIs distribution system as well as the location of the meter base.

Overhead Transformation

Within the capacity limitations stated in Section 2.3.5 of this document, CNPI will normally supply one underground service supplied from an overhead transformer installation to a General Service Customer. The Customer will provide and install the underground service to the overhead transformer installation, including a service mast attached to the transformer pole at the Customer's expense and to the satisfaction of CNPI. CNPI will install and maintain the connections to the transformer. All Customer-owned equipment shall be installed in compliance with both the OESC and CNPI's construction standards, and must be inspected by the ESA.

Pad mounted Transformation

Within the capacity limitations stated in Section 2.3.5 of this document, CNPI will normally provide one underground service supplied from a pad mounted transformer installation to a General Service Customer. At CNPI's sole discretion, more than one secondary delivery point may be allowed. Any such arrangement with a Customer must also be acceptable to the Electrical Safety Authority (ESA).

The Customer will provide and install the underground service to the pad mounted transformer installation, including the proper connectors to connect at the secondary bus of the pad mounted transformer, at his expense and to the satisfaction of CNPI. CNPI will install the connectors on the secondary bus of the transformer.

Where required, the Customer will provide at his expense, the following:

- (a) Trenching, duct structure, safety marking and back filling from the Distribution System to the transformer;
- (b) A transformer pedestal acceptable to CNPI, complete with all appropriate grounding equipment and traffic barriers;

If it is not practical to use a pad mounted transformer the Customer shall provide at his expense a suitable vault or enclosure, acceptable to CNPI, in the building for the exclusive use by CNPI for its equipment necessary to supply and maintain service to the Customer.

Standard Connection Allowance and Variable Connection Charge – Underground Secondary Supply

The standard connection allowance for an underground general service – Secondary Supply includes:

- (a) Switches, fuses, lightning arrestors and guards, as required – labour and materials;
- (b) Connection of the Customer’s secondary connectors to the secondary bus of the transformer - labour;
- (c) Inspection of the trench and duct installation - labour;
- (d) Miscellaneous tape, sealants, protectors and corrosion inhibitors as required - labour and materials; and
- (e) revenue meter and instrument transformers, if required - labour and materials.

A Variable Connection Charge shall be calculated by CNPI as the costs associated with the installation of plant and equipment above and beyond the Standard Connection Allowance for basic connection using its CIAC policy. CNPI will recover the Variable Connection Charge from the Customer prior to the connection of the service.

3.2.5 GENERAL SERVICE - PRIMARY SUPPLY

Customer taking primary service and supplying their own transformation shall take one of the following voltages, depending on availability:

- (a) 2,400 / 4,160 volts 3-phase 4 wire
- (b) 4,800 volts 3-phase 3 wire
- (c) 4,800 / 8,320 volts 3-phase 4 wire
- (d) 16.0 / 27.6 kilovolts 3-phase 4 wire
- (e) 19.9 / 34.5 kilovolts 3-phase 4 wire

It is recommended that Customers’ transformers have high voltage taps ranging from 107.5% to 97.5%. The Customer should consult with CNPI prior to procuring the transformer.

Shop drawings of the switchgear, transformer nameplate data and a single line diagram of the proposed system should be submitted for CNPI review. The Customer or his representative will coordinate fuse selection and/or relay settings with CNPI prior to commissioning. The Customer shall maintain an adequate supply of fuses to ensure service availability.

Lightning arrestors are recommended and should be installed at the termination pole.

All Customer-owned substations must be inspected by the ESA and CNPI and a pre-service inspection report will be provided to CNPI by the owner.

To facilitate and encourage maintenance of the Customer-owned substations, CNPI will provide one power interruption annually. This is a free service if schedule during CNPI’s normal business hours. Beyond normal business hours CNPI will charge the Customer the premium above the normal business hours cost. Additional works will be chargeable to the Customer.

Standard Connection Allowance and Variable Connection Charge – Primary Supply

There is no Standard Connection Allowance associated with Primary Supply.

All costs associated with system expansion or enhancement shall be borne by the Customer. A Variable Connection Charge shall be calculated by CNPI as the costs associated with the installation of all plant and equipment associated with the service as per the CIAC Policy. CNPI will recover the Variable Connection Charge from the Customer prior to the commencement of construction.

For Primary Supply services larger than 1000kVA, CNPI will require the installation of primary revenue metering at the customers expense. At its sole discretion, CNPI may require the installation of primary metering for smaller services if required for technical reasons.

3.2.6 POINT OF DEMARCATION

The Point of Demarcation is where CNPI's operational and ownership responsibilities end, and the Customer begins.

Unless specific arrangements between CNPI and the customer are made, the following will be deemed to be the Point of Demarcation:

- (a) **Overhead - Secondary Supply:** the electrical connections at the service mast.
- (b) **Overhead - Customer-Owned Primary / CNPI-Owned Secondary:** the customer (i.e. load) side of the CNPI-Owned primary disconnect device.
- (c) **Underground - Secondary Supply (Overhead Transformation):** the connection at the secondary terminals of the transformer installation.
- (d) **Underground - Secondary Supply (Pad mounted Transformation):** the connection at the secondary terminals of the transformer installation. The customer is responsible for the service cable terminations (lugs).
- (e) **Primary Supply:** the isolation device at the termination pole or point of underground connection. The isolation device and pole are the responsibility of the Customer.

In all installations the revenue meter and, if applicable, any revenue instrument transformers, are owned and maintained by CNPI. The meter base is the responsibility of the Customer.

3.2.7 LOCATION OF TRANSFORMERS AND OTHER EQUIPMENT

To minimize potential expense, the Customer shall consult with CNPI to determine the optimal location of the transformer or other equipment during the early consultation phase of the project.

3.2.8 SUPPLY OF EQUIPMENT

Normally, CNPI will supply, install and construct all equipment located on the utility side of the point of demarcation. The Customer will supply, install and construct all equipment located on the Customer's side of the point of demarcation. Details as to the appropriate supply of equipment will be determined in the early consultation phase of the project.

3.2.9 SHORT CIRCUIT CAPACITY

The Customer shall ensure that his service entrance equipment has an adequate short circuit interrupting capability. CNPI will provide, on request, the maximum available short circuit symmetrical fault level at any specific location.

3.2.10 ACCESS

Service locations requiring access to adjacent properties (mutual drives, narrow setbacks, etc.) will require the completion of Legal Easements for all such properties, at the Customer's expense.

The Customer will provide unimpeded safe access to CNPI at all times for the purpose of installing, removing, constructing, maintaining, operating or changing metering and distribution equipment.

3.2.11 METERING

In all installations the revenue meter and, if applicable, the instrument transformers are owned and maintained by CNPI. The meter base is the responsibility of the Customer.

Where a metering cabinet is required the Customer shall supply and install equipment as specified in Section 2.3.8.2 Metering Cabinets.

Where telecommunications equipment is required for retail settlement the Customer will make available to CNPI such facilities as described in Section 2.3.8.3 Interval Metering.

Where a primary metering installation is required the Customer may be required to contribute to the cost of the metering equipment in accordance with the CIAC Policy stated in Appendix A.

3.3 APPLICABLE RATES FOR GENERAL SERVICE

A General Service customer will be charged for its electrical service and consumption under a Rate Order approved by the Ontario Energy Board based on the following criteria:

3.3.1 GENERAL SERVICE (LESS THAN OR EQUAL TO 50 kW)

A customer is considered to be in this category if their measured peak monthly demand consistently lies less than or equal to 50kW. CNPI will review its metering and billing and metering information on a regular basis (at least once every twelve months), and reclassify a customer if its demand characteristics so require.

All sections of this document shall apply, particularly 2.3.5 (Standard Voltages and Capacity) and 3.2 General Services.

3.3.2 GENERAL SERVICE (ABOVE 50 kW AND BELOW 1000 kW)

A customer is considered to be in this category if their measured peak monthly demand consistently lies between 50 and 1000kW (inclusive). CNPI will review its metering and billing and metering information on a regular basis (at least once every twelve months), and reclassify a customer if its demand characteristics so require.

All sections of this document shall apply, particularly 2.3.5 (Standard Voltages and Capacity) and 3.2 General Services.

3.3.3 GENERAL SERVICE (ABOVE 1000 kW)

A customer is considered to be in this category if their measured peak monthly demand consistently exceeds 1000kW. CNPI will review its metering and billing and metering information on a regular basis (at least once every twelve months), and reclassify a customer if its demand characteristics so require.

All sections of this document shall apply, particularly 2.3.5 (Standard Voltages and Capacity) and 3.2 General Services.

Special attention should be made to the Capacity provisions of section 2.3.5.4 of this document.

3.4 EMBEDDED GENERATION

CNPI will make every reasonable effort to respond promptly to an Embedded Generator's request to connect to the Distribution System. CNPI will provide an opportunity for initial consultation with the Embedded Generator regarding the process to connect to the Distribution System within thirty (30) calendar days of receiving a written request from the Embedded Generator. The Connection and operation of a Customer's embedded generator must not endanger workers or jeopardize public safety, or adversely affect or compromise equipment owner or operated by CNPI, or the security, reliability, efficiency or the quality of electrical supply to other Customers connected to CNPI's distribution system.

The generation customer must meet all requirements outlined by the IESO, Distribution System Code, and Electrical Safety Authority. In general, CNPI will require a proposed Embedded Generation facility to conform to the requirements of the current version of the Hydro One document "*Distributed Generation Technical Interconnection Requirements*". A copy of this document, or a link to an on-line copy of this document is available upon request.

An Embedded Generator must enter into a Connection Agreement in a form acceptable to CNPI prior to connection of generation facilities to CNPI's distribution system. Provided the Embedded Generator has provided CNPI with all the information requested in a timely manner, CNPI will make a final offer to connect the Generator within ninety (90) calendar days of receiving the initial request.

The maximum CNPI may charge an Embedded Generator for Enhancements and/or Additions to the Distribution System required to connect the Embedded Generator is the Embedded Generator's share of the present value of the projected present worth of the capital cost and ongoing maintenance cost for the equipment. CNPI's costs associated with preliminary review, study and final proposal are the responsibility of the Embedded Generator.

Prior to being connected to the Distribution System, the Embedded Generator will pay CNPI all charges determined by the cost sharing methodology together with CNPI's costs for review and consultation. In addition, the Embedded Generator will enter into a connection agreement with CNPI for the operation and connection of the Embedded Generator's facilities. The form of this connection agreement shall conform to the requirements of the Distribution System Code.

3.5 EMBEDDED MARKET PARTICIPANT

Under the "Market Rules for the Ontario Electricity Market", Chapter 2, Section 1.2.1, "No persons shall participate in the IESO – administered markets or cause or permit electricity to be conveyed into, through or out of IESO – controlled grid unless that person has been authorized by the IESO to do so".

All Embedded Market participants, within the service jurisdiction of CNPI, once approved by the IESO are required to inform CNPI of their approved status in writing, 30 days prior to their participation in the Ontario Electricity Market.

CNPI will make every reasonable effort to respond promptly to a Market Participant's request to connect to the Distribution System. CNPI will provide an opportunity for initial consultation with the Market Participant regarding the process to connect to the Distribution System within fifteen (15) calendar days of receiving a written request from the Market Participant. Provided the Market Participant has provided CNPI with all the information requested in a timely manner, CNPI will make a final offer to connect the Market Participant within sixty (60) calendar days of receiving the initial request. Section 3.2 of these Conditions of Service shall apply with respect to applicable charges to connect.

An Embedded Market participants must enter into a Connection Agreement in a form acceptable to Canadian Niagara Power and agreed to be bound by all of the Connection Agreement Terms and Conditions.

3.6 EMBEDDED DISTRIBUTOR

CNPI will make every reasonable effort to respond promptly to an Embedded Distributor's request to connect to the Distribution System. CNPI will provide an opportunity for initial consultation with the Market Participant regarding the process to connect to the Distribution System within thirty (30) calendar days of receiving a written request from the Embedded Distributor. Provided the Embedded Distributor has provided CNPI with all the information requested in a timely manner, CNPI will make a final offer to connect the Embedded Distributor within ninety (90) calendar days of receiving the initial request.

Section 3.2 of these Conditions of Service shall apply with respect to applicable charges to connect.

CNPI will make a good faith effort to enter into a connection agreement with another distributor to connect to CNPI's Distribution System. The form of this connection agreement shall conform to the requirements of the Distribution System Code.

3.7 UNMETERED CONNECTIONS

In instances where it is determined by CNPI that the nature of the Customer's load characteristic is constant over the billing period, normally with minimum energy consumption, CNPI may, at its discretion, designate the service to be unmetered. Energy consumption will be based on the connected wattage and calculated hours of use. Examples of unmetered services are traffic lights, area lighting, billboards, etc.

Special rules may apply with respect to additions and/or enhancements required to connect to the Distribution System.

The Customer's electrical installation will require an authorization from ESA prior to being connected to the Distribution System by CNPI.

3.7.1 GENERAL

Except as may be otherwise specified in this section of this document, the rights and obligations of both CNPI and unmetered load customers remain as specified in sections 1.6 and 1.7 of this document.

3.7.1.1 UNMETERED CONNECTIONS – CNPI OBLIGATIONS

For any changes related to cost allocation studies, load profile studies or other rate-related materials that may materially impact unmetered load customers, CNPI will communicate with all unmetered load customers in a timely fashion via the email address on file for the account(s). This communication will provide a summary of the proposed changes and impacts, with instructions on how to provide feedback or become engaged, if the customer desires to do so.

3.7.1.2 UNMETERED CONNECTIONS - CUSTOMER OBLIGATIONS

Working with each entity that has unmetered connections, CNPI will determine a process to ensure that changes to the locations, quantities and/or electrical characteristics of such connections are communicated promptly to CNPI and that any subsequent changes to the electrical billing quantities are communicated from CNPI to that customer.

It is the responsibility of the customer to notify CNPI of any such changes in a timely manner. CNPI accepts no responsibility for billing discrepancies that may arise from any lack of such notification. In the event that CNPI discovers that one or more such connections were created or modified without notification, CNPI reserves the right to apply retroactive billing, dating back to the time when such notifications should have taken place.

3.7.2 BILLBOARDS

Provision of electrical service for the illumination of billboards is subject to the following conditions:

- (a) Nominal service voltage, at the discretion of CNPI, will be 120/240 volt 3 wire;
- (b) The method and location of the service will be established by CNPI in consultation with the Customer;
- (c) Billing will be based on the connected wattage and the calculated hours of use;
- (d) Where transformation does not exist the Customer will pay a CIAC to offset the cost of material and labour;
- (e) CNPI will provide and install overhead service conductors up to a maximum distance of fifteen (15) meters from the nearest point of supply on the existing Distribution System. Additional lengths will be supplied and installed at the expense of the Customer. All civil work associated with the provision for underground service will be at the expense of the Customer. Cost to supply and install the underground conductor will be credited with the cost of providing fifteen (15) meters of overhead service conductor;
- (f) Any addition and/or enhancement to the Distribution System required to connect the service will be at the expense of the Customer.

3.7.3 DECORATIVE LIGHTING, ROADWAY LIGHTING & AREA LIGHTING

Provision of electrical service for the operation of privately owned decorative lighting, roadway lighting, area lighting, etc. is subject to the following conditions:

- (a) Nominal service voltage, at the discretion of CNPI, will be 120/240 volt 3 wire;
- (b) The method and location of the service will be established by CNPI in consultation with the Customer;
- (c) Billing will be based on the connected wattage and the calculated hours of use;
- (d) Where transformation does not exist the Customer will pay a CIAC to offset the cost of material and labour;
- (e) CNPI will provide and install overhead service conductors up to a maximum distance of fifteen (15) meters from the nearest point of supply on the existing Distribution System. Additional lengths will be supplied and installed at the expense of the Customer. All civil work associated with the provision for underground service will be at the expense of the Customer. Cost to supply and install the underground conductor will be credited with the cost of providing fifteen (15) meters of overhead service conductor;
- (f) Any addition and/or enhancement to the Distribution System required to connect the service will be at the expense of the Customer.

3.7.4 TRAFFIC SIGNALS

Provision of electrical service for the operation of traffic signals is subject to the following conditions:

- (a) Nominal service voltage, at the discretion of CNPI, will be 120/240 volt 3 wire;
- (b) The method and location of the service will be established by CNPI in consultation with the Customer;
- (c) Billing will be based on the connected wattage and the calculated hours of use;
- (d) Transformation will be supplied and installed by CNPI at its expense;
- (e) CNPI will provide and install overhead service conductors up to a maximum distance of thirty (30) meters from the nearest point of supply on the existing Distribution System. Additional lengths will be supplied and installed at the expense of the Customer. All civil work associated with the provision for underground service will be at the expense of the Customer. Cost to supply and install the underground conductor will be credited with the cost of providing thirty (30) meters of overhead service conductor;
- (f) Any addition and/or enhancement to the Distribution System required to connect the service will be at the expense of the Customer.

3.7.5 CABLE TV AMPLIFIERS

Provision of electrical service for the Cable TV amplifiers is subject to the following conditions:

- (a) Nominal service voltage, at the discretion of CNPI, will be 120/240 volt 3 wire;
- (b) The method and location of the service will be established by CNPI in consultation with the Customer;
- (c) Billing will be based on the connected wattage and the calculated hours of use;
- (d) Where transformation does not exist the Customer will pay a CIAC to offset the cost of material and labour;
- (e) CNPI will provide and install overhead service conductors up to a maximum distance of fifteen (15) meters from the nearest point of supply on the existing Distribution System. Additional lengths will be supplied and installed at the expense of the Customer. All civil work associated with the provision for underground service will be at the expense of the Customer. Cost to supply and install the underground conductor will be credited with the cost of providing fifteen (15) meters of overhead service conductor;
- (f) Any addition and/or enhancement to the Distribution System required to connect the service will be at the expense of the Customer.

3.7.6 OTHER SMALL SERVICES

Provision of electrical service for other small services such as bus shelters, phone booths, etc. are subject to the following conditions:

- (a) Nominal service voltage, at the discretion of CNPI, will be 120/240 volt 3 wire;
- (b) The method and location of the service will be established by CNPI in consultation with the Customer;
- (c) Billing will be based on the connected wattage and the calculated hours of use;

- (d) Where transformation does not exist the Customer will pay a CIAC to offset the cost of material and labour;
- (e) CNPI will provide and install overhead service conductors up to a maximum distance of fifteen (15) meters from the nearest point of supply on the existing Distribution System. Additional lengths will be supplied and installed at the expense of the Customer. All civil work associated with the provision for underground service will be at the expense of the Customer. Cost to supply and install the underground conductor will be credited with the cost of providing fifteen (15) meters of overhead service conductor;
- (f) Any addition and/or enhancement to the Distribution System required to connect the service will be at the expense of the Customer.

3.8 PRIVATE AREA LIGHTING

CNPI will provide private area dusk to dawn lighting to its Residential or General Service Customers. For private area lighting service, CNPI shall use its best efforts to provide illumination during the hours of darkness for a total of approximately 4000 hours per year. Customers requesting private area lighting will be required to enter into a contract with CNPI for this service. A copy of the contract and applicable rates are available at the office. The service will be unmetered; rates are subject to change.

Provision of private area lighting is subject to the following conditions:

- (a) Within the terms of the contract, CNPI will provide a maximum of thirty (30) meters of overhead wire and one (1) pole per fixture requested. The costs of additional poles and wire will be paid by the Customer in advance of the installation.
- (b) CNPI will make all repairs necessary to maintain service during normal working hours, Monday through Friday, only. However, where lighting fixtures or lamps are wantonly, willfully, or negligently damaged or destroyed (other than through the negligence of CNPI) CNPI, may at its discretion after contacting the Customer, remove the facilities and end monthly billing thirty (30) days following removal. The Customer may choose to pay for the repairs in advance in order to maintain service.
- (c) CNPI will supply the energy required.
- (d) CNPI will not be required to provide private area lighting where, in the opinion of CNPI, the service is unsuitable for the task or where the nature of the activities carried out in the area would likely result in damage to the poles, wiring or fixtures.
- (e) CNPI shall supply only certain fixture sizes utilizing an efficient lighting source in accordance with current industry standards.
- (f) The location of fixtures and poles shall be determined by CNPI in consultation with the Customer. After poles and fixtures have been installed they shall not be relocated except at the expense of the Customer.
- (g) CNPI does not guarantee that fixtures used for private area lighting will illuminate any specific area.
- (h) CNPI, at its discretion, will not supply additional private area lighting to a Customer that is or has been in arrears with CNPI in the preceding twenty-four (24) months.
- (i) If the Customer requires the private area lighting on a temporary basis, three years or less, than he will be required to pay, in advance of the installation and in addition to the monthly rental charge, a temporary connection charge. This charge will be calculated as

the estimated labour cost of installing and removing the facilities, including engineering costs, plus the cost of non-salvageable material.

SECTION 4 GLOSSARY OF TERMS

4.1 DEFINITIONS

ARC – Affiliate Relationships Code – sets out the standard and conditions for the interaction between electricity distributors or transmitters and their respective affiliated companies.

Basic Connection Fee – Is a fixed fee associated with the provision of service to recover costs not included in rates and not recovered by a Standard Connection Allowance or a Variable Connection Charge.

CIAC – Contribution In Aid of Construction – A monetary contribution by a *Customer* to CNPI towards the cost of a distribution facility or system improvement that is necessary to provide electrical service to that *Customer*, but is beyond that provided in the *Standard Connection Allowance*. Payment of a CIAC does not entitle the Customer to own all or part of the asset.

Connection – Electrical connection of the Customer’s building to the Distribution System.

Customer – A person, company or developer that requires electrical servicing from Canadian Niagara Power Inc.

Demarcation Point - The specific point on the electrical system where ownership and maintenance responsibility changes from one party to another. In terms of this document, this is the point where responsibility changes between CNPI and the Customer.”

Distribution System – A system for distributing electricity at voltages less than 50 kilovolts and includes any structures, equipment or other things used for that purpose.

Distributor – one who owns or operates a Distribution System.

DSC – Distribution System Code – the code approved by the OEB and in effect at the relevant time, which among other things, establishes the obligations of the 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.

Easement – a right to cross or otherwise use someone else’s land for a specified purpose.

Electricity Act – the Electricity Act, 1998, S.O. 1998, c.15, Schedule A

Eligible Low Income Customer – A residential electricity customer who has been qualified by a social service agency that partners with Canadian Niagara Power Inc, based on criteria contained in section 1.2 of the Distribution System Code

Embedded Distributor – a distributor who is not a wholesale market participant and that is provided electricity by a host distributor.

Embedded Generator – a generator whose generation facility is not directly connected to the IMO-controlled grid, but instead is connected to a Distribution System.

ESA – Electrical Safety Authority – the person or body designated under the Electricity Act regulations as the Electrical Safety Authority.

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 judgment 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 acts generally accepted in North America.

Interval Meter – a meter that measures and records electricity consumption on an hourly or sub-hourly basis.

Load Limiter Device - a device that will allow a customer to run a small number of electrical items in his or her premises at any given time, and if the customer exceeds the limit of the load limiter, then the device will interrupt the power until it is reset.

Metering Installation – the meter and, if so equipped, the instrument transformers, wiring, test links, fuses, lamps, loss of potential alarms, meters, data recorders, telecommunications equipment and spin-off data facilities installed to measure power past a meter point, provide remote access to the metered data and monitor the condition of the installed equipment.

MIST Meter – Meter Inside Settlement Timeframe – an interval meter from which data is obtained and validated within a designated settlement timeframe.

MOST Meter – Meter Outside Settlement Timeframe – an interval meter from which data is only available outside of the designated timeframe.

OEB – Ontario Energy Board – a regulatory agency of the Ontario Government that is an independent, quasi-judicial tribunal created by the Ontario Energy Board Act.

Point of Demarcation – The point of separation between the Customer-owned facilities and CNPI's electrical distribution facilities.

Retailer – one who retails electricity (does not include a provider of standard supply service)

Right-of-way – the right, established by usage or grant, to pass along a specific route through grounds or property belonging to another.

RSC – Retail Settlement Code - sets the minimum obligations that a distributor and retailer must meet in determining the financial settlement costs of electricity retailers and consumers in facilitating service transaction requests where a competitive retailer provides service to a consumer.

SSSC – Standard Supply Service Code - sets out the rules that govern the conduct of Ontario electricity distributors in the provision of electricity to Customers connected to their Distribution System.

Standard Connection Allowance – A standard allowance for basic connection and includes at a minimum supply and installation of an overhead transformer not larger than 75 kVA or equivalent credit and up to thirty (30) meters of overhead conductor or equivalent credit. The standard connection allowance shall be recovered tariffs or rates.

Temporary Service – Electrical service provided by CNPI that is not connected to a permanent Customer premise and therefore does not allow cost recovery through rates.

TSC – Transmission System Code - sets out the transmitter's obligations with respect to Customers, including performance standards, technical requirements and expansions and connections.

Variable Connection Charge – Calculated cost associated with the installation of assets above and beyond the standard connection allowance for basic connection.

SECTION 5 APPENDICES

APPENDIX A -

Methodology and Assumptions for an Offer to Connect

To achieve consistent business principles for the development of the elements of an economic evaluation model, the following parameters for a discounted cash flow (DCF) approach will be followed by CNPI. This will standardize the elements to be used in the DCF analysis as well as establish the parameters for the costs and revenues that are the inputs to that analysis.

The DCF calculation for individual projects will be based on a set of common elements and related assumptions listed below:

Revenue Forecasting

The common elements of any project will be as follows:

- (a) Total forecasted Customer connections over the Customer Connection Horizon, by class;
- (b) Customer Revenue Horizon as specified below;
- (c) estimate of average energy and demand added by Customer (by project) which reflects the mix of Customers to be added – for connections of various classes of Customers, this should be carried out by class;
- (d) Customer additions, as reflected in the model for each year of the Customer Connection Horizon specified in the document; and
- (e) rates derived from the existing rate schedules for CNPI reflecting the distribution rates.

Capital Costs

Common elements are:

- (a) An estimate of all capital costs directly associated with the connection of the forecasted Customer additions.
- (b) For connections to the Distribution System, costs of the following elements, where applicable, should be included:
 - distribution stations;
 - distribution lines;
 - distribution transformers;
 - secondary busses;
 - services, and
 - land and land rights.

Note that the “Ownership Demarcation Point” as specified in the text will define the point of separation between a Customer’s facilities and CNPI’s Distribution System.

- (c) Estimate of incremental overheads applicable to the Distribution System expansion.

Expense Forecasting

Common elements are:

- (a) Attributable incremental operating and maintenance expenditures – any incremental attributable costs directly associated with connection of new Customers to the system are included in the operating and maintenance expenditures.

- (b) Income and capital taxes based on tax rates underpinning the existing rate schedules.
- (c) Municipal property taxes based on projected levels.

Specific Parameters/Assumptions

Specific parameters of the common elements are:

- (a) A maximum Customer connection horizon of five years. Longer horizons will require a written explanation to the Board.
- (b) A maximum Customer revenue horizon of twenty-five (25) years, calculated from the in service date (projected) of new Customers.
- (c) A discount rate equal to the incremental after-tax cost of capital, based on the prospective capital mix, debt and preference share cost rates, and the latest approved rate of return on common equity.
- (d) Discounting to reflect the true timing of expenditures. Up-front capital expenditures will be discounted at the beginning of the project year and capital expenditure throughout the year will be mid-year discounted. The same approach to discounting will be used for revenues and operating and maintenance expenditures. For certain projects capital expenditures may be staged and can occur in any year of the five year Connection Horizon.
- (e) Wires only charges – distribution specific are calculated based on distribution (wires only) rates.

Discounted Cash Flow Methodology (DCF)

Net Present Value (“NPV”)	=	Present Value (“PV”) of operating cash flow + PV of CCA Tax Shield – PV of Capital
1. PV of Operating Cash Flow	=	PV of Net Operating Cash (before taxes) – PV of Taxes
a) PV of Net Operating Cash	=	PV of Net Operating cash Discounted at CNPI’s discount rate for the Customer revenue horizon. Mid-year discounting is applied. Incremental tax weighted average cost of capital is used in discounting.
Net (Wires) Operating Cash	=	Annual (Wires) Revenues – Annual (Wires) O&M
Annual (Wires) Revenue	=	Customer Additions * [Appropriate (Wires) Rates * Rate Determinant]
Annual (Wires) O&M	=	Customer Additions * Annual Marginal (Wires) O&M Cost per Customer
b) PV of Taxes	=	PV of Municipal Taxes + PV of Capital Taxes + PV of Income taxes (before interest tax shield)
Annual Municipal Taxes	=	Municipal Tax Rate * Total Capital Cost
Total Capital Taxes	=	Capital Tax Rate * Closing Undepreciated Capital Cost Balance
Annual Capital Tax	=	Capital Tax Rate * {Net Operating Cash – Annual Municipal Tax – Annual Capital Tax}

The Capital Tax Rate is a combination of the Provincial Capital Tax Rate and the Large Corporation Tax (Grossed up income tax where appropriate).

Note: Above is discounted, using mid-year discounting, over the Customer revenue horizon.

2. PV of Capital = PV of Total Annual Capital Expenditures

a) PV of Total Annual Capital Expenditures

Total Annual Expenditures over the Customer's revenue horizon discounted to time zero

Total Annual Capital Expenditure = {for additions and/or enhancements investment + Customer Specific Capital + Overheads at the project level}

This applies to implicated system elements at the utility side of the Ownership Demarcation Point

Note: Above is discounted to the beginning of one year over the Customer addition horizon.

3. PV of CCA Tax Shield

PV of the CCA Tax Shield on Total Annual Capital

The PV of the perpetual tax shield may be calculated as:

PV at time zero of:

$$\frac{[(\text{Income Tax Rate}) * (\text{CCA Rate}) * \text{Annual Total Capital}]}{(\text{CCA Rate} + \text{Discount Rate})}$$

or,

Calculated annually and present valued in the PV of Taxes calculation.

Note: An adjustment is added to account for the ½ year rule.

SECTION 6 DEFINITION OF DISTRIBUTION SERVICE AREA

This Schedule specifies the Licensee's service area.

1. The Town of Fort Erie as of December 31, 1990 as per *Regional Municipality of Niagara Act*, R.S.O. 1990.
2. The customer located at 7780 Stanley Avenue, Niagara Falls.
3. The Town of Gananoque as of the date of this License.
4. The customers located in the Township of Leeds and the Thousand Islands, formerly in the Townships of the Front of Leeds and Lansdowne:
 - Concession 1 Broken Front lots 1-8 and the west half of lot 9, the south half (south of Hwy 401) of Concession 1 lot 9 and the islands of Pike Island; Sister Island, Cherry Island, Cunningham Island and part of Red Horse Island.
5. The customers located in the Township of Frontenac Islands, formerly in the Township of Howe Islands:
 - Fuller Road: Lot 21, Concession NR.
6. The customers located at the following lots and concessions or with the following civic numbers and future customers that lie along the Licensee's distribution system in the City of Kingston, formerly the Township of Pittsburgh:
 - Concession 2 lots 7 – 18 excluding existing customers that front on Joyceville Road and future customers that lie along that Hydro One Networks Inc. (HONI) distribution system, but including CNPI customers with civic numbers 1680, 1682 and 1776 Joyceville Road, and including lots 25 to 38 excluding one HONI navigation light service in lot 27.
 - Concession 3 lots 2 to 38, south of Hwy 401 including the existing customers on John F Scott Rd and future customers that lie along that CNPI distribution system, excluding existing customers that front on Joyceville Road and future customers that lie along that HONI distribution system and excluding one customer lot 18 with address Highway 401 at Exit 632 and excluding lot 38 customers with civic numbers 2101, 2931, 2131 and 2173 Deer Ridge Road and excluding future customers that lie along that HONI distribution system.
 - Concession 7: one station service Washburn Generating Station.
 - Concession 8: one house with civic address 3012 Brewer's Mill Road and one station service Brewers Mill Generating Station.
 - Concession 9: one station service at Jones Falls Generating Station.
 - Kingston Mills Road: 563, 537, 531, 513, 509, 501, 500, 497, 493, 492, 490, 480, 473, 474, 464, 462, 460, 456, 452, 448, 444, 436, 432, 429 and 431.
 - Old Kingston Mills Road: 946 and 950.
 - County Road #15: 1986 and 1993.
 - Abbey Dawn Road: 1560, 1707, 1671, 1655, 1635, 1619, 1597, 1570 and 1569.
 - County Road #2: 3206, 3211, 3122 and 3275.

7. The customers located at the following civic numbers and future customers that lie along the Licensee's distribution system in the City of Kingston, formerly in the Township of Kingston:
 - Italia Lane: 1174, 1110 and 104.
 - Montreal Street: 401 parking lot, 1648, 1620, 1684, 1670, 1658 and 1702.
 - Thompson Crescent: 965, 949, 943, 937, 931, 927, 924, 921, 916, 905, 906 and 903.
 - Kingston Mills Road: 892, 885, 876, 875, 799, 793, 787, 781, 775, 773, 765, 759, 753, 749, 743, 737, 733, 727, 723, 719, 715, 711, 709, 707, 703, 697, 693, 689, 685, 681, 675, 669 and 661.
 - Daylan Avenue: 1628, 1633, 1632, 1672, 1668, 1646, 1650, 1654, 1656, 1655, 1658, 1660, 1682, 1686 and 1692.
8. The Town of Port Colborne as of December 31, 1990 as per *Regional Municipality of Niagara Act*, R.S.O. 1990.