

CONDITIONS OF SERVICE



Preface

The Distribution System Code (“DSC”) requires that each distributor produce a “Conditions of Service” (CoS) document. The purpose of this document is to provide a means for communicating the types and level of service available to the Customers within Hearst Power Distribution Co. Ltd.’s service area. The DSC requires that the CoS be readily available for review by the general public. In addition, the most recent version of the document must be filed with the Ontario Energy Board (“OEB”), which in turn will retain it on file for the purpose of facilitating dispute resolutions in the event that a dispute cannot be resolved between the Customer and Hearst Power Distribution Co. Ltd.

This document follows the form and general content of the CoS document template appended to the DSC. The template outlines the minimum requirements. However as suggested by the DSC Hearst Power Distribution Co. Ltd. has expanded on the contents to encompass local characteristics and other specific requirements. The template also serves as a reference for Hearst Power Distribution Co. Ltd., in order to reflect in its CoS document changes prescribed by governing legislation, licences and codes.

Section 1 - Introduction: contains references to the legislation that covers the Conditions of Service, the rights of the Customer and of Hearst Power Distribution Co. Ltd., and the dispute resolution process.

Section 2 - Distribution Activities (General): contains references to services and requirements that are common to all Customer classes. This section covers items such as Rates, Billing, Hours of Work, Emergency Response, Power Quality, Available Voltages, and Metering.

Section 3 - Customer Class Specific: contains references to services and requirements specific to individual Customer classes. This section covers items such as Service Entrance Requirements, Delineation of Ownership, Special Contracts, etc

Other sections in the document include the Glossary of Terms, Tables and References or Appendices.

Subsequent changes will be incorporated with each submission to the OEB. A Revision Summary of the latest revisions to the Conditions of Service is posted on Hearst Power Distribution Co. Ltd.'s website. Comments to these revisions can be emailed to service@hearstpower.com. Hearst Power Distribution Co. Ltd. will file to the Ontario Energy Board a summary of public comments received from customers about the changes.

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1.0 Introduction

1.1 Identification of Distributor and Service Area

Hearst Power Distribution Co. Ltd., referred to herein as “Hearst Power,” is a corporation incorporated under the laws of the Province of Ontario to distribute electricity and to provide services to assist the government in achieving its goal in electricity conservation.

Hearst Power is licensed by the Ontario Energy Board (OEB) to distribute electricity. The licence, Electricity Distribution Licence ED-2002-0533, was issued to Hearst Power on April 24, 2003 by the OEB and will expire on March 31, 2023.

In addition to the obligations set out in Hearst Power’s distribution licence, Hearst Power is bound by the requirements of various codes enacted under the Electricity Act, 1998, and the Ontario Energy Board Act, 1998.

Hearst Power has the mandate to operate distribution facilities within its service area as defined in its distribution license. The defined area is the Town of Hearst town limits. This service area is subject to change with the OEB’s approval.

Nothing contained in these Conditions or in any contract for the supply of electricity by Hearst Power shall prejudice or affect any rights, privileges, or powers vested in Hearst Power by law under any Act of the Legislature of Ontario or the Parliament of Canada, or any regulations there under, as may be modified from time to time.

Hearst Power may only operate distribution facilities within its Licensed Territory as defined in its Distribution License. This service area is subject to change with the OEB's approval.

Nothing contained in these Conditions of Service or in any contract for the supply of electricity by Hearst Power shall prejudice or affect any rights, privileges, or powers vested in Hearst Power by law under any Act of the Legislature of Ontario or the Parliament of Canada, or any regulations hereunder.

1.1.1 Distribution Overview

Hearst Power distributes electricity through its 14.4 kilovolt (kV) and 25 kV primary distribution systems. The primary voltage supply to a Customer will depend on the proximity of the Customer's property to the nearest distribution facility, the geographic location of the property and the capacity required by the Customer. Not all voltage levels are available throughout the Hearst Power service

area.

Hearst Power does not own any substations. The “F1E”, a 115 kV transmissions line owned by Hydro One, is connected to the Hydro One “Hearst TS” substation, where the power is transformed to distribution voltages 14.4kV and 25 kV.

Hearst Power owns one feeder and is supplied by two Hydro One feeders. Open points exist between feeders and this determines the feeder geographical coverage. These feeders directly supply pole mounted, pad mounted or vault type distribution transformers that reduce the operating voltage to Customer Levels.

1.2 Related Codes and Governing Laws

The supply of electricity or related services by Hearst Power to any Customer shall be subject to various laws, regulations, and codes, including the provisions of the latest editions of the documents;

- Electricity Act, 1998, S.O. c15 Schedule A and Regulations
- Ontario Energy Board Act, 1998 S.O. c15 Schedule B and Regulations
- Electricity Distribution Licence
- Independent Electricity System Operator - Market Rules
- Affiliate Relationships Code
- Transmission System Code
- Distribution System Code
- Retail Settlement Code
- Standard Supply Service Code
- Occupational Health and Safety Act, R.S.O. 1990 and Regulations
- Ontario Electrical Safety Code
- Electricity and Gas Inspection Act R.S.,1985, C.e-4
- Environmental Protection Act, R.S.O. 1990, c.E19 and Regulations
- Electricity Retailer Code of Conduct
- Green Energy and Green Economy Act, 2009,S.O. 2009, c.12, Schedule A and Regulations
- Law Enforcement and Forfeited Property Management Statute Law Amendment Act, 2005

- Conservation and Demand Management Code
- Public Service Works on Highways Act, R.S.O. 1990 c.P.49
- Ontario Building Code
- Personal Information Protection and Electronic Documents Act (“PIPEDA”)
- Municipal Freedom of Information and Protection of Privacy Act (“MFIPPA”)
- Accessibility for Ontarians with Disabilities Act, 2005, S.O.2005, c.11

In the event of a conflict between the Conditions of Service and any of the Codes or Acts listed above, the Code or Act listed above shall prevail. In the event of a conflict between any of the Codes and any of the Acts listed above the Acts listed above shall prevail.

In the event of a conflict between the Conditions of Service and a Connection Agreement executed by the Customer and Hearst Power, the Connection Agreement shall govern.

When planning and designing for electricity service, Customers and their agents must refer to all Hearst Power's Conditions of Service, 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* (OHSA), the Regulations for Construction Projects and the Electrical Utility Safety Rules published by the Infrastructure Health & Safety Association

1.3 Interpretations

In these Conditions of Service, unless the context otherwise requires:

- Headings, capitalization, paragraph numbers and underlining are for convenience only and do not affect the interpretation of this COS document;
- Words referring to the singular include the plural and vice versa; and
- Words referring to a gender include any gender.

Should Hearst Power deem that the Customer is required to enter into an Offer To Connect (OTC) with Hearst Power, and should the terms and conditions in the OTC conflict with this COS document, the OTC shall govern.

Should a conflict exist within this COS document, the hierarchy shall be:

- Standards (Drawings); followed by

- Appendices and References; followed by
- Tables; followed by
- Text

1.4 Amendments and Changes

The provision of this CoS and any amendments including the appendices, constitutes the Hearst Power Conditions of Service document and thus Hearst Power's policy. For ease of electronic retrieval or printing, certain sections, particularly large sub-documents, forms, or special interest sections, may be separated into their own file.

Amendments to the Conditions of Service may be required from time to time. The most recent version of Hearst Power's Conditions of Service filed with the OEB will supersede all previous oral or written Conditions of Service of the Distributor, or those of its predecessor municipal electrical utilities.

In the event of changes to these Conditions of Service, Hearst Power will issue a notice with the Customer's bill. Hearst Power may also issue a public notice in a local newspaper.

A current copy of the Conditions of Service document shall be provided electronically or made available for review at Hearst Power's office to each person upon request. Hearst Power may charge a reasonable fee for providing the Customer with additional copies. The current version of the document is also posted on Hearst Power's website, and can be downloaded at www.hearstpower.com.

1.5 Contact Information

Hearst Power's regular business hours are 9:00 am to 4:30 pm, Monday to Friday, excluding weekends and statutory Holidays.

Hearst Power can be contacted by telephone, email and postal mail as described below:

Customer Care

Telephone: 705-372-2815

Fax: 705-362-5902

Email: service@hearstpower.com

Ontario One Call

1-800-400-2255

Power Outages

Telephone: 705-372-2815 during business hours or 705-372-1141 during evenings, weekends and holidays

Mail
General Correspondence

Hearst Power Distribution Co. Ltd.
925, Alexadra St., P.O. bag 5000
Hearst, ON, P0L 1N0

1.6 Customer Rights and Responsibilities

Hearst Power' shall only be liable to a Customer and a Customer shall only be liable to Hearst Power for any damages that arise directly out of wilful misconduct or negligence:

- of Hearst Power in providing distribution services to the Customer;
- of the Customer in being connected to Hearst Power's distribution system; or
- of Hearst Power or the Customer in meeting their respective obligations under the CoS document, their licences and any other applicable law.

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

The Customer shall indemnify and hold harmless Hearst Power, its directors, officers, employees and agents from any claims made by any third parties in connection with the construction and installation of an embedded generator, or other electrical apparatus by, or on behalf of, the Customer.

1.6.1 Access to Meter Information

The Customer has the right to interrogate the Customer's meter, and access meter information, or to assign these rights to others, in accordance with Section 11 of the Retail Settlement Code and any relevant technical specifications and codes

1.7. Distributor Rights and Responsibilities

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

1.7.1 Access to Customer Property

Hearst Power has the right to safe, unobstructed access to Customer's property and building in accordance with section 40 of the Electricity Act, 1998. When required, a Customer or Property owner shall provide Hearst Power non-exclusive right to enter the property and building for the following purposes (collectively, the "Use"):

- to install and service its equipment, conduct collections activities commencing at the property line;
- to install the equipment in electrical rooms and public spaces;
- to install equipment and cabling, specifically permitted by the Customer, Consumer, or property owner, terminating in specified locations on specified floors within the building;
- to obtain meter readings, performing meter changes or inspections;
- to operate, maintain and repair and replace all equipment installed by Hearst Power;
- to operate the Customer's electrical equipment as per Section 1.7 in addition to providing the required safe work zone for Hearst Power to work on its system safely;
- to access the property, including but not limited to access to those portions of the building that are from time to time designated by the Customer, Consumer, or property owner as for common areas such as driveways, walkways, hallways and exits and entrances, twenty-four (24) hours a day seven (7) days a week to perform any installation, operation or maintenance of Hearst Power's equipment, subject to the terms of these Conditions of Service;
- to use the property for the purpose of providing electrical services to the Customers at their respective premises in the building;
- to protect the equipment and other Hearst Power's improvements permitted under these Conditions of Service against damage;
- vegetation trimming around primary service as per OESC 2015 Rule 75-712
- to ensure compliance with electrical service agreements, including requirements that allow connection to the grid; and
- any other right of access permitted by Applicable Law.

Hearst Power may require a Customer, Consumer, or property owner to provide Hearst Power with emergency access to their property and building for operating distribution equipment under Hearst Power's control.

Hearst Power shall provide a means to identify Hearst Power's employees, contractors and contractors' employees (the "Authorized Individual") who require access to the property and building. Hearst Power shall ensure that each Authorized Individual, while on the property, shall display identification.

1.7.2 Safety and Reliability of Equipment

Hearst Power has the right to enforce this Conditions of Service document and amend it as required.

Hearst Power has the right to report to the ESA any unattended or uncorrected electrical deficiencies or substandard clearances involving private customer owned equipment which may come to its attention through the normal course of Hearst Power's business. Where in the opinion of Hearst Power the deficiency or substandard clearance is of a nature to constitute an immediate threat to Hearst Power's equipment or system, or to public safety, Hearst Power reserves the right to disconnect the service or otherwise remove the threat without prior notice. Hearst Power will not be liable to the Customer for any damages arising as a result thereof, other than physical damage to facilities arising directly from entry to the Customer's property.

Hearst Power will request the immediate cessation of, or alteration of procedures for, report to the Ministry of Labour any work practice or work procedure which in its sole opinion violates the limits of approach to Hearst Power's equipment and/or constitutes a threat to Hearst Power's equipment or system. Failing a satisfactory response from the constructor involved, or in the event the perceived violation is of a material nature, Hearst Power will report the incident to the Ministry of Labour out of due regard for worker safety, public safety, and Hearst Power's system security.

The customer will 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 operation of distribution lines, endanger Hearst Power's equipment, interfere with the proper and safe operation of Hearst Power's facilities or adversely affect compliance with any applicable legislation in the sole opinion of Hearst Power.

1.7.3 Tree and Vegetation Management and Removal of Obstructions

To ensure public safety and the continued reliable operation of the Distribution System Hearst Power maintains its rights of way on a continued and cyclical basis. The timing of this periodic re-clearing of existing rights of way is determined by system assessments, rights of way limitations, storm damage, diseased trees, and vegetation type. Re-clearing of rights of way typically affects trees and vegetation on private property. Hearst Power will notify and discuss the planned re-clearing of existing rights of way and equipment with property owners prior to performing the work in order to mitigate the impacts to the environment and the property. However, in the event of safety hazard/power restoration, Hearst Power may be unable to notify the property owner prior to performing the work.

In accordance with the Ontario Electrical Code section 75-712 which states that "all trees and woody growth adjacent to a line shall be trimmed so that minimum clearance to the nearest conductor horizontally at maximum conductor swing and vertically at maximum sag shall be (a) 1 m for secondary lines; and (b) 4 m for primary lines"

In any event, pursuant to subsection 40(4) of the Electricity Act, Hearst Power may enter any land for the purpose of cutting down or removing trees, branches or other obstructions, if in the opinion

of Hearst Power, it is necessary to do so to maintain the safe and reliable operation of the Distribution System.

Should the customer require removal of vegetation or removal of other landscaping, it is the owner's responsibility to hire a contractor. The activity will be at the owner's expense.

1.7.4 Operating Control

The customer will provide a convenient and safe place, satisfactory to Hearst Power, for installing, maintaining and operating Hearst Power's equipment in, on, or about the Customer's premises. Hearst Power assumes no risk and will not be liable for damages, or action, omission or occurrence beyond its control, or negligence of any Person over whom Hearst Power has no control. Unless an employee or an agent of Hearst Power, or other Person lawfully entitled to do so, no Person shall remove, replace, alter, repair, inspect or tamper with Hearst Power's equipment. Customers will be required to pay the cost of repairs or replacement of Hearst Power's equipment that has been damaged or lost by the direct or indirect act or omission of the Customer or its agents. The physical location on the Customer's premises or the public road allowances for non-metered connections at which a distributor's responsibility for operational control of the distribution equipment ends is defined by the Distribution System Code as the "operational demarcation point".

1.7.5 Repair of Defective Customer Electrical Equipment

The Customer will be required to repair or replace any equipment owned by the Customer that may affect the integrity or reliability of Hearst Power distribution system or the safety of the public or Hearst Power staff. If the Customer does not take such action within the time frame deemed by Hearst Power, Electrical Safety Authority or other regulatory agency, Hearst Power may disconnect the supply of power to the Customer. Hearst Power's policies and procedures with respect to the disconnection process are further described in these Conditions of Service.

If for any reason, the Customer's service needs to be disconnected by Hearst Power (e.g. storm damage to Customer owned equipment, an order from the Electrical Safety Authority, etc.), the service will not be reconnected by Hearst Power unless all aspects of the Customer's electrical equipment comply with these Conditions of Service.

To facilitate the maintenance of the Customer's equipment, the Customer may arrange with Hearst Power the necessary power interruption. This service will be scheduled during Hearst Power's normal business hours, Monday to Friday, and is not necessarily guaranteed. Hearst Power will charge for power interruptions arranged at the Customer's request. Weekend outages may be arranged and additional charges may apply.

1.7.6 Repair of Customer Physical Structures

Depending on the ownership demarcation point, the construction and maintenance of all civil works on private property owned by the Customer, including such items as transformer vaults,

transformer rooms, transformer pads, cable chambers, and cable pull rooms and underground conduit, will be the responsibility of the Customer. All civil work on private property must be inspected and accepted by Hearst Power and the Electrical Safety Authority. The Customer is responsible for the maintenance and safety of its structural and mechanical facilities located on private property.

1.8 Disputes

If a Customer, Consumers or other market participant has a complaint about Hearst Power regarding services provided by Hearst Power under its Electricity Distribution License, the Consumer may contact one of Hearst Power's Customer Care Representatives at 705-372-2815 during regular business hours, between 8:30 AM and 4:30 PM Monday to Friday, or e-mail the complaint to service@hearstpower.com. Eligible complainants include all consumers and market participants that rely on the services of Hearst Power Connections. These include, but are not limited to electricity consumers, land developers, electricity retailers, embedded generators, and embedded distributors.

Upon receipt of a written complaint Hearst Power will date stamp, record, acknowledge and where possible resolve the complaint within ten (10) business days. If resolution is expected to exceed ten (10) business days then Hearst Power will notify the Person, including the reasons for the delay. Hearst Power shall refer any disputes that lead to legal action against the corporation to its legal counsel.

Unresolved disputes will be referred to an independent third party complaints resolution agency, which has been selected by the Ontario Energy Board. Until the Ontario Energy Board approves an independent third party complaints resolution agency, such complaints will be referred to the Ontario Energy Board, which has assumed this role.

1.9 Liabilities

Hearst Power 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.

1.10 Force Majeure

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

- other than for Force Majeure Events related to Acts of God, promptly notify the other party of the Force Majeure Event and a good faith assessment of the effect that the event will have on the former party's ability to perform any of its obligations. If the immediate notice is not in writing, it shall be confirmed in writing as soon as reasonably practical;

- 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;
- use its best efforts to mitigate the effects of the Force Majeure Event, remedy its inability to perform, and resume full performance of its obligations;
- keep the other party continually informed of its efforts; and
- other than for Force Majeure Events related to Acts of God, provide written notice to the other party when it resumes performance of any obligations affected by the Force Majeure Event; and
- if the Force Majeure Event is a strike, lockout or other labour dispute involving Hearst Power's employees or authorized agents, Hearst Power shall be entitled to discharge its obligations to notify its Customers in writing by means of placing a notice in the local newspaper.

Hearst Power shall not be liable for any delay or failure in the performance of any of its obligations under this Conditions of Service document to supply power due to any events or causes beyond the reasonable control of Hearst Power, including without limitation, severe weather, flood, fire, lightning, other force of natures, acts of animals, epidemic, quarantine restriction, war, sabotage, act of public enemy, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes.

2.0 Distribution Activities (General)

2.1 Connections

Under the terms of its distribution licence, Hearst Power has the obligation to connect any Customer that lies along its distribution lines or, where feasible, make an offer to connect any Customer within its service area.

In addition to any other requirements in these Conditions, the supply of electricity is conditional upon Hearst Power being permitted and able to provide the requested connection. Hearst Power shall notify the Customer if an “Offer to Connect” can or cannot be made, or, if there is a chance of extended lead times. Extended lead times may arise if special equipment is needed, or equipment delivery problems occur. Should Hearst Power not be permitted or able to provide the offer then:

- Hearst Power shall provide the customer with the reason why it cannot provide an offer;
- Hearst Power is released from any liability in respect thereto.

Items that are applicable to a specific Customer class are covered in Section 3.

Where a Customer makes a written request to Hearst Power to connect a Building that lies along Hearst Power’s Distribution System, Hearst Power shall provide a Basic Connection at no charge for all Customers, excluding those who want to connect an Embedded Generation Facility. The Basic Connection consists of:

- supply and installation of standard overhead transformation, according to the Customer’s rate class, which includes secondary bus extensions or installations complete with conductor and anchoring;
- supply and installation of standard metering;
- an estimate and layout for the new service;
- connection of the Secondary or Primary Service at the described Ownership Demarcation Point and the Operational Demarcation Point; and
- for year-round residential and seasonal residential classes only, the supply and installation of up to 30 metres overhead secondary conductor for up to a 200 amp service, or an equivalent credit toward underground conductor. Year-round residential and seasonal residential Customers with Primary Services will be credited for the 30 meters of secondary wire.

A Basic Connection does not include the following additional costs, for which the Customer shall pay Hearst Power:

- for year-round residential and seasonal residential Customer classes the cost difference between overhead and underground secondary wire;
- incremental costs associated with the supply and installation of underground transformation;
- the supply and installation of poles, anchors, all secondary conductor over 30 metres, hardware, and structures, as required on Customer's property; and
- the cost of all changes required to the Distribution System exclusive of the secondary bus installation. These costs include pole changes, anchoring or hardware changes.

Where applicable and at their own expense, Customers will also be responsible for:

- the supply of tree and vegetation management on the Customer's property;
- any easements or property agreements as required by Hearst Power;
- the cost of any fees, permits, or other permissions required to connect the service;

The terms above may also apply to a Customer requiring an increase to its existing service capacity which does not trigger changes to the main Distribution System serving that Customer.

Should Hearst Power determine that this Basic Connection has been utilized to connect an Embedded Generation Facility within five years of the date of the original Basic Connection, Hearst Power will invoice the customer for the full connection costs incurred, in accordance with Section 3.5 of these Conditions of Service.

2.1.1 Building that Lies Along

For the purpose of this document "lies along" means a Customer property or parcel of land that is directly adjacent to or abuts onto a public road allowance where Hearst Power has distribution facilities of the appropriate voltage and capacity.

Hearst Power will connect a building or facility that "lies along" its distribution line, provided:

- the building can be connected to Hearst Power's distribution system without an Expansion or Enhancement to Hearst Power's distribution system; and,
- the service installation meets the conditions listed herein and as may be otherwise or additionally identified by Hearst Power; and,
- the Customer's service entrance equipment is in a location as identified and approved by Hearst Power, and;
- the Customer has obtained the approval of the ESA

The location of the Customer's service entrance equipment is subject to the approval of Hearst Power and the Electrical Safety Authority. The Customer or a representative will consult with Hearst Power concerning the availability of supply, the supply voltage, service location, metering, and any other details. These requirements are in addition to those of the ESA.

2.1.2 Expansions and Offer to Connect

The Distributor may require a customer to pay all or a part of the costs of electrical plant installed to supply only that customer. Such capital contributions will be calculated using the guidelines set out by the OEB in the Distribution System Code (DSC). If an expansion or enhancement of the distribution system is required to facilitate a connection, the LDC may need to perform an Economic Evaluation to establish the capital contribution required from the Customer.

2.1.2.1 Expansions

Under the terms of the Distribution System Code Section 3.1, Hearst Power is required to make an "offer to connect" if, in order to connect a Customer, Hearst Power must construct new distribution system facilities or increase the capacity of existing distribution facilities (i.e. an "Expansion" of its system).

To evaluate if a capital contribution is required for the expansion project, Hearst Power will perform an economic evaluation to determine the Customer's / developer's share of the equipment, labour, materials and ongoing maintenance of the expansion. If the present value of the future revenue is not sufficient to recover the Expansion Costs, the Customer will be required to pay a capital contribution; these contributions will be calculated using the methodology as set out in the DSC at Appendix B - Methodology and Assumptions for an Economic Evaluation. The capital contribution will not exceed the Customer's share of the difference between the present value of the Expansion Costs and the present value of the projected This calculation considers the twenty - five (25) year revenue stream to Hearst Power for forecasted electric loads connected on the lands in the first five (5) years, referred to as the connection horizon, calculated from the energization date of the facilities. A summary of the economic evaluation will be included in Hearst Power's offer to connect.

Where an Expansion is required to connect a Renewable Energy Generation Facility, Hearst Power shall comply with Section 3.2.5A and 3.2.5B of the DSC.

At the request of the customer, Hearst Power will provide an estimate for any plans submitted for an expansion project, at no expense to the Customer.

Upon acceptance from the Customer of the estimate provided and upon receipt of the required deposit, Hearst Power will begin engineering and construction of the expansion.

Hearst Power will designate the point of supply on its distribution system for all primary and secondary services. The location of the Customer's service entrance equipment is subject to approval of Hearst Power and the ESA.

The customer has the option to seek alternative bids for the contestable portion of the expansion work from Hearst Power approved contractors. Specifications shall be made in accordance with Hearst Power standards for design, materials and construction. The Customer, having selected to pursue the alternate bid option, shall completely administer the capital costs of the Expansion project.

2.1.2.2 Offer to Connect

Hearst Power will respond to requests for connection from Customers, excluding Embedded Distributors and Embedded Generators, within in (15) calendar days after receipt of the request. At this time, Hearst Power will specify any information that must be provided and any obligations that must be met, by the Customer in order for Hearst Power to process the request. An offer to connect will be made by no later than sixty (60) calendar days following Hearst Power's receipt of all necessary information and the Customer's meeting of all its obligations.

For a Micro - Embedded Generation Facility connection request Hearst Power will require a site assessment, an application to connect along with a \$500 for a residential customer and \$1000 for a commercial customer deposit for the preparation of the offer to connect. An offer to connect will be made by no later than thirty (30) calendar days following Hearst Power's receipt of all necessary information and the Customer's meeting of all its obligations. If Hearst Power declines to provide an offer to connect due to technical limits or constraints on the grid, the deposit will be refunded no later than thirty (30) days after the refusal. If the Customer does not accept Hearst Power offer to connect or the Customer withdraws its application, then Hearst Power will retain the connection deposit.

The response times vary for Customer's wishing to connect an Embedded Generation Facility depending on the size of the proposed generator. Please refer to section 6.2.12 and 6.2.13

If an expansion is needed in order for Hearst Power to connect a Customer the initial offer to connect will be presented to the Customer or the Customer's consultant/agent and will contain at a minimum:

- a statement as to whether the offer is a firm offer or is an estimate of the costs that would be revised in the future to reflect actual costs incurred;

- a reference to these Conditions of Service and information on how the Customer requesting Connection may obtain a copy of them;
- a statement as to whether a capital contribution will be required from a Customer;
- a statement as to whether Hearst Power will require an Expansion deposit from the Customer, and the amount of the Expansion deposit that the Customer will have to provide;
- a description of the Connection charges that would apply and a statement whether they will be charged separately from the capital contribution, and, if known, the amount of those connection charges;
- any additional information pertinent to the offer.

If Hearst Power will require a Customer to pay a capital contribution, Hearst Power will, in addition to complying with the above, also include in its initial offer, at no Cost to the Customer:

- the amount of the capital contribution that the Customer will have to pay for the Expansion;
- the calculation used to determine the amount of the capital contribution to be paid by the customer including all of the assumptions and inputs used to produce the economic evaluation using the methodology as set out at Appendix B - Methodology and Assumptions for an Economic Evaluation of the DSC.;
- a statement as to whether the offer includes work for which the Customer may obtain an alternative bid and, if so, the process by which the Customer may obtain the alternative bid;
- a description of, and Costs for, the work that is eligible for alternative bid and the work that is not eligible for alternative bid associated with the expansion broken down into the following categories:
 - labour (including design, engineering and construction);
 - materials;
 - equipment; and
 - overhead (including administration);
- an amount for any additional Costs that will occur as a result of the alternative bid option being chosen (including, but not limited to, inspection Costs);

2.1.2.3 Alternate Bid

Where the distributor requires a capital contribution from the customer, Hearst Power shall allow the customer to obtain and use alternative bids from Hearst Power qualified contractors provided that the customer agrees to transfer the expansion facilities to the distributor upon completion.

The following activities are not eligible for Alternative Bid;

- the planning and development of specifications for the materials, design, engineering, inspection, and layout of the Distribution System Expansion and Connection;

- construction work on existing Hearst Power facilities and equipment;
- the work involving existing Hearst Power distribution assets;
- the work that involves third party Support Structures; and
- the work that involves specifying, procuring, and installing revenue metrology equipment with the exception of Multiple Customer Metering System (MCMS).

The Customer shall be responsible for:

- the customer shall select, hire and pay a qualified contractor to do the work;
- the customer shall be responsible for the supply of material and expansion construction work;
- the Customer shall be responsible for all construction aspects of the expansion, including but not limited to: meeting Hearst Power's technical and material standards , the health and safety of workers and the public, environmental laws, land rights, required access and installation permits, financial obligations associated with the alternate bid work and warranty work.

Hearst Power shall be responsible for:

- providing the design standards and specifications for the construction; and
- inspecting and authorizing the line for connection, at the Customer's cost.

2.1.3 Connection Denial

Hearst Power may deny Connection to any Customer for any of the following reasons:

- refusal by the Customer to sign and deliver any agreements required to be executed by the Customer under these Conditions of Service;
- the Connection will represent a contravention of the laws of Canada or Ontario;
- the Connection will cause Hearst Power to be in violation of the conditions in the Licence;
- the Connection will have an adverse effect on the reliability or the safety of the Distribution System;
- the Connection will cause a material decrease in the efficiency of the Distribution System;
- the Connection will have a material adverse effect on the quality of the Distribution service received by an existing Customer, which effect could include voltage flicker, harmonics and power outages;
- the Connection will result in the discriminatory access to Distribution Services by other Customers;

- the person requesting the Connection is currently in arrears for Distribution Services, electricity supplied, or other services provided by Hearst Power;
- the Customer refuses or is unable to provide current and valid identification or references, if requested;
- the Connection is not in compliance with these Conditions of Service;
- the Connection does not meet Hearst Power's design requirements;
- the Connection will impose an unsafe situation to workers or the public beyond the normal risks inherent in the operation of the Distribution System;
- the Connection will result in the inability of Hearst Power to perform planned inspections or maintenance;
- by order of the Electrical Safety Authority;
- the Customer does not have the requisite approval(s) of the Electrical Safety Authority for the Connection; or
- the premises being connected are the subject of a stop work order under the Building Code Act (Ontario).

Hearst Power shall notify the Customer of the Connection denial with reasons in writing. Remedies will be suggested to the Customer where Hearst Power is able to do so. If it is not possible for Hearst Power to resolve the issue, it is the responsibility of the Customer to do so before a Connection will be made.

2.1.4 Inspections Before Connections

All Customer electrical installations shall be inspected and approved by the Electrical Safety Authority before Connection to the Distribution System. Hearst Power requires notification from the Electrical Safety Authority of this approval prior to Connection of a Customer.

Services that have been disconnected for the purposes of upgrades or change, or services that have been altered subsequent to ESA approval, must be re-inspected and approved by the ESA via a Connection Authorization prior to re-energization of a Customer's supply of electricity. Any service that have been disconnected for a period of six months or longer must also be re-inspected and approved by the ESA, prior to connection.

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

A permit is required from the ESA if a Customer needs the meter socket to be unscrewed (ex. for siding renewal).

Where Hearst Power has required the Customer to perform specified work associated with the installation of connection assets on the Customer's premises, the Customer shall obtain acceptance by Hearst Power of said work as a prerequisite to Connection to the Distribution System.

Before connecting to Hearst Power's Distribution System, Hearst Power will exercise its obligation to inspect all electrical connections and provisions for metering to ensure that they satisfy all technical requirements, unless a protective device that has been accepted by Hearst Power separates the Connection.

Hearst Power may at any time re-inspect any electrical connection or meter installation notwithstanding any previous inspection and acceptance of the installation.

2.1.5 Relocation of Plant

When requested to relocate distribution plant, Hearst Power will exercise its rights and discharge its obligations in accordance with existing acts, by-laws and regulations including the Public Service Works on Highways Act (Ontario), regulations, formal agreements, easements and common law. In the absence of existing agreement, Hearst Power is not obligated to relocate equipment. However Hearst Power will resolve the issues in a fair and reasonable manner. Resolution in a fair and reasonable manner will include a response to the requesting party that explains the feasibility of the relocation and a fair and reasonable charge for relocation based on full cost recovery principles.

2.1.6 Easements

To maintain the reliability, integrity and efficiency of the distribution system, Hearst Power has the right to have supply facilities on private property and to have easements registered against the title to the property. Easements are required where facilities serve property other than property where the facilities are located and/or Hearst Power deems necessary. The Customer will prepare at its own cost, a reference plan and associated documents to the satisfaction of Hearst Power. Easements will be registered on title prior to energization of the service. Details will be provided upon application for service.

2.1.7 Contracts

2.1.7.1 Contract for New or Upgraded Service

Hearst Power shall only connect a Building for a new or modified supply of electricity upon receipt by Hearst Power of a completed and signed contract for service in a form acceptable to Hearst Power, payment to Hearst Power of any applicable connection charge, and an inspection and approval by the Electrical Safety Authority of the electrical equipment for the new service.

2.1.7.2 Implied Contracts

In all cases, notwithstanding the absence of a written contract, Hearst Power has an implied contract with any Customer or Consumer that is connected to Hearst Power's distribution system and receives distribution services or uses electrical energy from Hearst Power. The terms of the implied contract are embedded in Hearst Power's Conditions of Service, the OEB's Rate Handbook, Hearst Power's Rate Orders, Hearst Power's Distribution Licence and the Distribution System Code, as amended from time to time.

The use of Hearst Power's distribution system by any person or persons constitutes acceptance of a binding contract with Hearst Power. The person so accepting the supply of electricity or related services shall be liable for and such contract shall be binding upon such person's heirs, administrators, executors, successors or assigns.

If a micro-embedded generator has no signed contract with Hearst Power, the contract is implied upon connection to the grid. The implied contract terms are embedded in the OEB's Distribution System Code and apply along with Hearst Power's Conditions of Service taking preference regardless of Customer participating in any generation program. Hearst Power reserves the right to request execution of a special contract, if circumstances warrant.

Pursuant to section 6.5.1 of the DSC, load transfer customers within Hearst Power's service territory which are physically supplied by another distributor, are deemed to have an implied contract with Hearst Power, the geographic distributor.

2.1.7.3 Special Contract

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

- Operating and Maintenance
- Construction sites
- Mobile facilities
- Farm and rural services
- Non-permanent structures
- Special occasions, etc.
- Embedded generation facilities
- Non-standard operating and maintenance
- Generation

- Support Structure Access (such as poles)
- Unmetered services
- Transfer of Equipment Ownership from Hearst Power to the Customer
- Work for Others Service and Maintenance

2.1.7.4 Connection Agreement: Embedded Generation Facilities

Hearst Power may require a Customer to enter into a Connection Agreement in a form acceptable to Hearst Power. Until such time as the Customer executes such a Connection Agreement with Hearst Power, the Customer shall be deemed to have accepted and agreed to be bound by all of the terms in the Connection Agreement attached to this as Appendix A- “Micro-Embedded Generation Facility Connection Agreement” or Appendix B – “Generation Facility Connection Agreement”

An Embedded Distributor shall enter into a Connection Agreement in a form acceptable to Hearst Power. Until such time as the Embedded Distributor executes such a Connection Agreement with Hearst Power, the Embedded Distributor shall be deemed to have accepted and agreed to be bound by all of the terms in this Conditions that apply to such Embedded Distributor.

Hearst Power shall make a good faith effort to enter into a Connection Agreement with a distributor connected to Hearst Power’s distribution system Conditions of Service in accordance with the requirements in the Distribution System Code issued by the Ontario Energy Board.

If there is a conflict between a Connection Agreement with a Customer, Generator, Wholesale Market Participant or Embedded Distributor and this Conditions of Service, the Connection Agreement shall govern.

2.1.7.5 Payment by Building Owner

A Building owner wishing to terminate the supply of electricity to its Building must notify Hearst Power in writing. Until Hearst Power receives such written notice from the Building owner or its authorized representative, the Building owner and/or the occupant(s), as applicable, shall be responsible for payment to Hearst Power for the supply of electricity to such Building. Hearst Power may refuse to terminate the supply of electricity to an owner’s Building when there are occupant(s) in the Building (i.e. during certain periods of the winter).

Effective April 1, 2011, after closure of an account opened pursuant to a request, directly or indirectly, from an occupant of the property other than the owner or its authorized representative, Hearst Power shall not seek to recover any charges for service provided to a rental unit in a residential complex or residential property from the owner of the residential complex or residential property, unless the owner has agreed to assume responsibility for those charges. An owner, either personally or through an authorized representative, may enter into an agreement with Hearst Power

whereby the owner agrees to assume responsibility for paying for continued service to the rental unit after closure of an occupant account. Where the owner has not agreed to assume responsibility for charges for continued service, Hearst Power may disconnect the service without notice. Hearst Power will not be responsible for any liabilities or damages, which may occur as a result of the service being disconnected.

Where a non-residential property has been vacated by an occupant of the property, and Hearst Power has not been notified that a new occupant should be billed for the electricity supplied to the property and the owner has not submitted a written request to disconnect the electricity supply, Hearst Power will bill the owner for the electricity supply to the property until such time as Hearst Power is notified by the owner or a new occupant that the occupant should be billed for the electricity supply.

2.1.7.6 Opening and Closing of Accounts

A Consumer who wishes to open or close an account for the supply of electricity by Hearst Power shall contact Hearst Power's Call Centre by phone, by written request (including requests submitted by facsimile), through Hearst Power's web site, or other means acceptable to Hearst Power. The Consumer shall be responsible for payment to Hearst Power for the supply of electricity to the property up to the date Hearst Power is notified of the termination of the account. A Customer or Consumer shall provide a minimum of 10-business days' notice when opening a new account or closing an existing account to ensure the request is processed in a timely manner.

Third party requests to open or close an account must be agreed to by the person(s) responsible for the account and related payments. Requests made in writing by a person's solicitor or person holding a valid Power of Attorney, are exempt.

In order to establish an account with Hearst Power, the Customer shall provide the information set out in Appendix C - Application for Service.

In the event that the account change is received without sufficient notice, the Customer or Consumer shall be responsible for payment to Hearst Power for the supply of electricity to the property up to the date Hearst Power is notified of the termination of the account.

If Hearst Power has not received a request to open an account in the name of the premise's occupant, a person(s) un-identified to Hearst Power uses the electricity, or the identity of the owner is not known, Hearst Power may proceed to disconnect the service, per Section 2.2, until someone contacts Hearst Power to assume responsibility for the electricity account. A fee to reconnect the service may apply, per Hearst Power's specific service charges.

2.2 Disconnection

Hearst Power reserves the right to physically disconnect, refuse to connect, or, limit the amount of electricity that a Customer can consume for any of the following reasons:

- a. failure to pay Hearst Power any amounts due and payable for the Distribution of electricity or for supply of electricity under Section 29 of the Electricity Act;
- b. failure to pay any Connection costs due and payable;
- c. failure to notify Hearst Power of Customer responsibility for electricity account when a new party moves into an existing connected property and consumes electricity;
- d. non-payment of security deposits identified as a condition of service or a condition of continuing service;
- e. contravention of the laws of Canada or Ontario;
- f. imposition of an unsafe worker situation beyond normal risks inherent in the operation of the Distribution System;
- g. adverse effect on the reliability and safety of the Distribution System;
- h. a material decrease in the efficiency of the Distribution System; (x) a material adverse effect on the quality of Distribution Services received by an existing Connection;
- i. inability of Hearst Power to perform meter reading (manually, automatically or remotely), planned inspections, maintenance, repairs or replacement of all or any part of a Meter Installation;
- j. failure of the Customer to comply with a directive of Hearst Power that Hearst Power makes for the purposes of meeting its Licence obligations;
- k. failure of the Customer to comply with any requirements in these Conditions of Service or a term of any agreement made between the Customer and Hearst Power, including, but not limited to, a Connection Agreement;
- l. failure of the Customer to enter into a Connection Agreement required by these Conditions of Service;
- m. in compliance with a court order;
- n. by order of the Electrical Safety Authority;
- o. by order of the IESO; or
- p. for the reasons identified in these Conditions of Service.

Hearst Power may disconnect the supply of electricity to a customer without notice in accordance with a court order, or for emergency, safety or system reliability reasons. Hearst Power shall not be liable for any damage to the Customer's premises resulting from such a discontinuance of service.

2.2.1 Disconnection & Reconnection - Process and Charges

Immediately following the due date, Hearst Power may take action to collect the full amount of the electricity bill, which is considered overdue. This action could include the issuance of a disconnection notice.

If a satisfactory payment arrangement has not been made 10 days following the delivery of the disconnection notice, there will be an attempt to reach the client and the service may be disconnected.

Hearst Power shall provide no less than ten (10) calendar days notice, or, sixty (60) calendar days notice for critical care customers, before disconnecting for non-payment. Disconnection Notices shall be in writing and, if given by mail, shall be deemed to have been received on the third business day after mailing. The electric service may not be restored until payment arrangements, satisfactory to Hearst Power, have been made including the cost of reconnection, per Section 31 of the Electricity Act, 1998.

At the time of disconnection, all related safety notices issued by public safety authorities shall be included with any notice of disconnection left at the Consumer's or Customers property, per Section 4.2.1.2 of the DSC. Discontinuance of service for non-payment does not relieve the Consumer or Customer of the liability for arrears or other applicable charges for the balance of the term of contract, nor shall Hearst Power be liable for any damage to the Consumer's or Customer's premises resulting from such discontinuance of service.

Hearst Power may install a load control device in lieu of a full disconnection during the winter months. When Hearst Power installs a load limiter device, either for nonpayment or at the customer's request, Hearst Power shall provide a written notice to the customer for the operation of the device, the maximum capacity of the device, how to reset the device if the maximum capacity is exceeded, as well as a telephone number for the customer to obtain further information and an emergency telephone number to contact if the capacity is exceeded and the customer cannot manually reset the device for any reason. Hearst Power will also provide to the customer:

- the Fire Safety Notice of the Office of the Fire Marshal; and
- any other public safety notices or information bulletins issued by public safety authorities and provided to Hearst Power, which provide information to consumers respecting dangers associated with the disconnection of electricity service.

Where a Load limiter is installed or a service is disconnected by Hearst Power for non-payment, Hearst Power shall remove the load control limiter device within 2 business days of an outstanding account being paid in full or the customer entering into an arrears payment agreement. A customer may request to continue to use a load limiter during the course of the arrears payment agreement.

Upon discovery that a hazardous condition exists, Hearst Power will notify the Customer to rectify the condition at once. In case the Customer fails to make satisfactory arrangements to remedy the condition within seven calendar days after a disconnect notice has been given to the Customer, the service may be disconnected and not restored until satisfactory arrangements to remedy the condition have been made. Hearst Power shall not be liable for any damage to the Customer's premises resulting from such discontinuance of service. Disconnect notices will be in writing.

Customer initiated requests for disconnection for the purpose of performing work on or near electrical apparatus and the subsequent reconnection is referred to as "isolation / re-energization." Before isolating, Hearst Power may request evidence of prior occupant notification

(including, if applicable, a generator) outlining, as a minimum, the date and time of isolation, alternate date of isolation should the need arise, intent of the isolation and expected date and time of re-energization. Hearst Power may refuse to isolate an owner's premise until the customer has served notice of the pending isolation to Hearst Power Consumers located within the subject premise. The owner, before isolation, shall also pay for the cost of the isolation and re-energization, depending on the Customer's work required.

Where a Customer or property owner requests service cancellation, Hearst Power will remove certain delivery equipment, such as power lines, transformer and meter at the Customer's cost. If reconnection is requested, the Customer will incur a cost to reinstall appropriate delivery equipment and shall follow the steps and processes for new connections set out in these Conditions of Service.

2.2.2 Reconnection

Where the reason for the Disconnection has been remedied to Hearst Power's satisfaction, Hearst Power shall reconnect a Customer. All costs, including inspections, associated with the Disconnection and reconnection shall be paid for by the Customer prior to reconnection of the service.

Under any of the following circumstances, Hearst Power requires that the Customer obtain the approval of the Electrical Safety Authority prior to Hearst Power reconnecting the service:

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

2.2.3 Disconnection and Reconnection Related Charges

Unless specified elsewhere in these Conditions of Service, a charge shall apply in cases where it is necessary for Hearst Power to make a trip to the Customer's premises to collect payment for an overdue account, disconnect service, install a Load Limiter or reconnect service. The Customer will also be responsible for any incidental charges.

2.2.4 Unauthorized Energy Use

Hearst Power reserves the right to disconnect the Distribution of electricity to a Customer, without

notice, for causes including energy diversion, fraud or abuse on the part of the Customer. Such service shall not be reconnected until the Customer rectifies the condition and pays all uncollected charges, including late payment charges, and costs incurred by Hearst Power arising from unauthorized energy use, including inspections and repair costs, and the cost of disconnection and reconnection. Unauthorized use of energy is a criminal offence and the Ontario Provincial Police will be notified of all occurrences. Anyone found to be committing this criminal offence will be prosecuted to the full extent of the law.

2.3 Conveyance of Electricity

2.3.1 Limitations on the Guarantee of Supply

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

Consumers or Customers requiring a higher degree of security than that of normal electricity supply are responsible to provide their own back-up or standby facilities. Consumers or Customers may require special protective equipment at their premises to minimize the effect of momentary power interruptions.

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

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

During an emergency, Hearst Power may interrupt supply to a Consumer in response to a shortage of supply of electricity, or to effect repairs on its distribution system, or while repairs are being made to Consumer or Customer-owned equipment. Hearst Power shall have rights to access property in accordance with section 40 of the Electricity Act, 1998 and any successor acts thereto.

To assist with distribution system outages or emergency response, Hearst Power may require a Consumer or Customer to provide Hearst Power with emergency access to Consumer or Customer-owned distribution equipment that normally is operated by Hearst Power or Hearst Power -owned equipment on Consumer's property.

2.3.1.1 Indemnity and Liability

Hearst Power does not guarantee a constant power supply or give assurance that voltages and frequency will be unvaried. Furthermore, Hearst Power shall not be liable for damages to the Customer's or Consumer's equipment by reason of any failure in respect thereof.

Hearst Power is not responsible for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or, for 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.

Hearst Power will practice reasonable diligence in maintaining power levels, but, shall not be responsible for any variations caused by external forces, such as operating contingencies, exceptionally high loads, or, low voltage supply from the transmitter or generator(s). Hearst Power shall not be held responsible for failure of any of its obligations as outlined in these Conditions of Service due to any events beyond the reasonable control of Hearst Power, including, without limitation, severe weather, flood, fire, lightning, other forces of nature, acts of animals, pandemic, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, third party accident, restraint by court or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes (“Force Majeure”).

When access to its electrical equipment is impeded, Hearst Power shall not be held liable for damages to Consumer or Customer’s property or building incurred while obtaining safe access to metering or distribution equipment.

2.3.2 Power Quality

Hearst Power shall not be held liable for the failure to maintain supply voltages within standard levels due to Force Majeure as defined in Section 2.3.5 of this Conditions of Service. Voltage fluctuations and other disturbances can cause flickering of lights and other serious difficulties for Consumers connected to Hearst Power’s distribution system. Customers must ensure that their equipment does not cause disturbances such as harmonics and spikes that might interfere with the operation of adjacent Consumer equipment. Equipment that may cause disturbances includes large motors, welders and variable speed drives, etc. In planning the installation of such equipment, the Customer must consult with Hearst Power

Some types of electronic equipment, such as video display terminals, can be affected by the close proximity of high electrical currents that may be present in transformer rooms. Hearst Power will assist in attempting to resolve any such difficulties at the Customer’s expense. Consumers who may require an uninterrupted source of power supply or a supply completely free from fluctuation and disturbance must provide their own power conditioning equipment for these purposes.

2.3.2.1 Power Quality Testing

Where a Consumer or Customer provides evidence or data indicating that a power quality or EMI problem may be originating from Hearst Power’s distribution system, Hearst Power will perform investigative analysis to attempt to identify the underlying cause. Depending on the circumstances, this may include review of relevant power interruption data, trend analysis, and power quality monitoring.

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

2.3.2.2 Prevention of Voltage Distortion on Distribution

Customers having non-linear load shall not be connected to Hearst Power's distribution system unless power quality is maintained by implementing proper corrective measures such as installing proper filters, and/or grounding. Further, to ensure the distribution system is not adversely affected, power electronics equipment installed must comply with IEEE Standard 519-1992. The limit on individual harmonic distortion is 3%, while the limit on total harmonic distortion is 5%.

2.3.2.3 Obligation to Help in the Investigation

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

The Customer shall assist in the investigation and resolution of power quality problems by:

- maintaining and providing Hearst Power with a detailed log of exact times and dates of poor power quality;
- ensuring corrective measures such as filters and/or grounding are installed for non-linear loads connected to the distribution system;
- assisting Hearst Power in determining whether the Customer's equipment may be a source of undesirable system disturbances; and
- Ceasing operation of equipment deemed to be the cause of system disturbances until satisfactory remedial action has been taken.

The Customer or Consumer should be aware that some distribution system events such as capacitor switching may cause problems with highly sensitive equipment, and the Customer or Consumer shall be responsible for mitigating these effects.

2.3.2.4 Timely Correction of Deficiencies

If an undesirable system disturbance is being caused by Customer's equipment, the Customer will

be required to cease operation of the equipment until satisfactory remedial action has been taken by the Customer at the Customer's cost. If the Customer does not take such action within a reasonable time, Hearst Power may disconnect the supply of electricity to the property.

2.3.2.5 Notification for Interruptions

Hearst Power will provide metered Customers or Consumers with reasonable notice of any planned power interruptions. For those considered generators of electricity, Hearst Power will follow the OEB regulatory provisions in the Distribution System Code.

Immediately prior to doing meter work that would result in a service interruption, Hearst Power will attempt to notify the residential or small commercial Customer or Consumer in person at the affected premise.

Interruption times may change due to inclement weather or other unforeseen circumstances. Hearst Power shall not be liable to Customers or Consumers for failure to provide notice of planned power interruptions or for changes to the schedule for planned power interruptions.

During an emergency, Hearst Power may interrupt the supply of electricity to a property without notice in response to a shortage of supply of electricity, to affect repair on Hearst Power's distribution system, to facilitate repairs to Customer-owned equipment, or to conduct work of an emergency nature to address possible injury to a person or damage to property or equipment. Service interruption, without prior notice, may take place if an unsafe or hazardous condition is found to exist at a Customer's or Consumer's premise.

2.3.2.6 Emergency Interruptions for Safety

If an unsafe, hazardous or emergency condition is found to exist, or if the use of electricity by the Customer's apparatus, appliances or other equipment is found to be unsafe or damaging to Hearst Power or the public, service may be interrupted without notice. Refer to Section 2.2 Disconnection of this COS document.

2.3.2.7 Emergency Service (Trouble Calls)

Hearst Power will exercise reasonable diligence and care to deliver a continuous supply of electricity to the Consumer. However, Hearst Power cannot guarantee a supply that is free from interruption. When power is interrupted, the Consumer should first ensure that failure is not due to blowing of fuses within the installation. If there is a partial power failure, the Consumer should obtain the services of an electrical contractor to carry out necessary repairs. If, on examination, it appears that Hearst Power's main source of supply has failed, the Consumer should report these conditions at once to Hearst Power's by calling 705-362-2815 during office hours or 705-372-2846 for after hours. Hearst Power will initiate restoration efforts as rapidly as practicable.

2.3.2.8 Outage Reporting

Depending on the outage, duration and the number of Consumers affected, Hearst Power may issue

a news release to advise the general public of the outage. In turn, news radio stations may call for information on a 24-hour basis when they hear of an outage

2.3.3 Electrical Disturbances

Hearst Power shall not be held liable for the failure to maintain supply voltages within standard levels due to Force Majeure as defined in Section 2.3.5. Voltage fluctuations and other disturbances can cause flickering of lights and other serious difficulties for Consumers connected to Hearst Power's distribution system. Customers must ensure that their equipment does not cause disturbances such as harmonics and spikes that might interfere with the operation of adjacent Consumer equipment. Equipment that may cause disturbances includes large motors, welders and variable speed drives, etc. In planning the installation of such equipment, the Customer must consult with Hearst Power.

Some types of electronic equipment, such as video display terminals, can be affected by the close proximity of high electrical currents that may be present in transformer rooms. Hearst Power will assist in attempting to resolve any such difficulties at the Customer's expense.

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

2.3.4 Standard Voltage Offerings

Primary Voltage

The primary voltage to be used will be determined by Hearst Power for both Hearst Power owned and Customer owned transformation. Depending on what voltage of the plant that "lies along", the primary voltage will be at 24.9/14.4 kV grounded wye, three phase, four wire system.

Secondary Voltage

The Supply Voltage governs the limit of supply capacity for any Customer. General guidelines for supply from overhead street circuits are as follows:

- at 120/240 V single phase , or
- 347/600 V three phase, four wire, or
- * 120/208 V three phase, four wire,

OR

Where street circuits are buried, the Supply Voltage and limits will be determined upon application to Hearst Power.

OR

Where the Customer or Developer provides a pad on private property;

- at 120/240 V single phase, or
- at 120/208 V three phase, four wire, or
- at 347/600 V three-phase, four-wire

2.3.5 Voltage Guidelines

Hearst Power maintains service voltage at the Customer's service entrance within in the guidelines of C.S.A Standard CAN3-C235 (latest edition) which allows variations from nominal voltage of:

6% for Normal Operating Conditions

8% for Extreme Operating Conditions

Where voltages lie outside the acceptable limits for normal operating conditions, but within the acceptable limits for extreme operating conditions, improvement or corrective action may be taken on a planned and programmed basis, yet, not necessarily on an emergency basis. Where voltages lie outside the acceptable limits for extreme operating conditions, improvement or corrective action will be taken on an emergency basis. The urgency for such action will depend on factors such as the location and nature of load or circuit involved and the extent to which limits are exceeded with respect to voltage levels and duration, etc.

Hearst Power practices reasonable diligence in maintaining voltage levels, but is not responsible for variations in voltages related to external factors. External factors include, but are not limited to, those factors that necessitate operating contingencies and exceptionally high loads and low voltage supply from the transmitter or host distributor. Hearst Power shall not be liable for any delay or failure in performance of any of its obligation under these Conditions of Service due to any events or causes beyond the reasonable control of Hearst Power, including, without limitation, severe weather, flood, fire, lightning, other forces of natures, acts of animals, epidemic, quarantine restriction, war, sabotage, act of public enemy, earthquake, insurrection, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes (Force Majeure).

2.3.6 Backup Generators

A Customer with portable or permanently connected emergency backup generation shall comply with all applicable criteria of the Ontario Electrical Safety Code (OESC) and in particular, shall ensure that the Customer's emergency generation does not parallel with Hearst Power's system without the proper interface protection and does not adversely affect Hearst Power's distribution system.

Customers with permanently connected Emergency Backup Generation Facilities shall notify Hearst Power, in writing, regarding the presence of such equipment. Depending on the type and location of the generator system, the Customer may be required to sign a contract detailing Hearst

Power requirements and limitations. All applicable environmental requirements are the responsibility of the Customer. Customers shall consult with Hearst Power during the planning and prior to the installation of any portable or permanently connected Emergency Backup Generation Facilities.

2.3.7 Meter Installation and Meter Reading

Hearst Power will supply, install, own, and maintain all meters, instrument transformers, ancillary devices, and secondary wiring that are required for revenue metering.

2.3.7.1 General

Hearst Power will typically install metering equipment at the Customer supply voltage. The Customer must provide a convenient and safe location, satisfactory to Hearst Power, for the installation of meters, wires and ancillary equipment. Meters for new or upgraded residential services will be mounted outdoors on a meter socket approved by Hearst Power and ESA. No person, except those authorized by Hearst Power, may remove, connect, or otherwise interfere with meters, wires, or ancillary equipment owned by Hearst Power. The Customer will be responsible for the care and safekeeping of Hearst Power meters, wires and ancillary equipment on the Customer's premises. If any Hearst Power equipment installed on Customer premises is damaged, destroyed, or lost other than by ordinary wear and tear, tempest or lightning, the Customer will be liable to pay to Hearst Power the value of such equipment, or at the option of Hearst Power, the cost of repairing the equipment.

The location allocated by the owner for Hearst Power metering shall provide direct access for Hearst Power staff and shall be subject to satisfactory environmental conditions, some of which are:

- Maintain a safe and adequate working space in front of equipment, not less than 1.2 metres (48") and a minimum ceiling height of 2.1 metres (84")
- Maintain an unobstructed working space in front of equipment, free from, or protected against, the adverse effects of moving machinery, vibration, dust, moisture or fumes

Where Hearst Power deems self-contained meters to be in a hazardous location, the Customer shall provide a meter cabinet or protective housing.

Any compartments, cabinets, boxes, sockets, or other workspace provided for the installation of Hearst Power's metering equipment shall be for the exclusive use of Hearst Power. No equipment, other than that provided and installed by Hearst Power, may be installed in any part of the Hearst Power metering workspace.

2.3.7.1.1 Metering Requirements for Multi-Unit Residential Rental Buildings and Condominiums

Developers of new multi-unit residential rental buildings and new and existing condominiums

(collectively, “MURBs”), or boards of directors of condominiums, or authorized persons in charge of any other applicable class of unit under Ontario Regulation 389/10, may choose to have Hearst Power install unit smart metering, or to have Hearst Power install a bulk interval meter for the purpose of enabling unit sub-metering by a licensed unit sub-meter provider.

Installation of Unit Smart Metering by Hearst Power

Upon the request of a MURB developer or a condominium board of directors, Hearst Power will install unit smart metering that meets the functional specification of Ontario Regulation 425/06 – Criteria and Requirements for Meters and Metering Equipment, Systems and Technology (smart metering). In that case, each separate residential and commercial unit, as well as common areas, will become direct individual customers of Hearst Power, with the common area accounts held by the developer, Condominium Corporation or the landlord as the case may be.

The MURB developer or condominium board of directors may choose an Alternative Bid for the installation of unit smart metering. In that case, the MURB developer, landlord or condominium board of directors is required to:

- select and hire a qualified contractor;
- ensure all work that is eligible for alternative bid is done in accordance with Hearst Power’s technical standards and specifications; and
- assume full responsibility for the installation and warranty all for a period of 2 years from date of commissioning.

Where the MURB developer or condominium board of directors transfers the metering facilities installed under the alternative bid option to Hearst Power, and provided Hearst Power has inspected and approved the facilities installed, Hearst Power shall pay the condominium corporation, landlord or developer a transfer price. The transfer price shall be the lower of the cost to the MURB developer or condominium board of directors to install the metering facilities or Hearst Power’s fully allocated cost to install the metering facilities.

Common Area Metering

Where units in a MURB are to be unit smart metered, the responsible party (MURB developer, condominium board of directors, or landlord) shall enter into a contract with Hearst Power for the supply of electrical energy for all common or shared services. Common or shared services typically include lighting of all common areas shared by the tenants, or unit owners, and common services such as heating, air conditioning, water heating, elevators, and common laundry facilities. In such cases, consumption for all common areas will be separately metered.

Installation of Bulk Interval Metering by Hearst Power

Where bulk interval metering is supplied by Hearst Power to an exempt distributor for the purpose of enabling unit sub-metering, the responsible party (i.e., the developer, condominium corporation,

or landlord, but not the unit sub-meter provider) shall enter into a contract with Hearst Power for the supply of electrical energy to the building.

2.3.7.1.2 Main Switch and Meter Mounting Devices

The Customer's main switch immediately preceding the meter shall be installed so that the top of the switch is 1.83 m or less from the finished floor and shall permit the sealing and padlocking of:

- the handle in the "open" position; and
- the cover or door in the closed position.

Meter mounting devices for use on Commercial/Industrial accounts shall be installed on the load side of the Customer's main switch and be located indoor.

The Customer is required to supply and install a Hearst Power approved meter socket for the use of Hearst Power's self-contained socket meters for the main switch ratings and supply voltages listed in Table 5 in Section 5 of this Conditions.

The Customer is required to supply and install a meter cabinet to contain Hearst Power's metering equipment for the main switch ratings and supply voltages listed in Section 2.3.4 of this Conditions of Service document.

Meter centers installed for individual metering applications must meet the requirements specified in Section 2.3.7.1 of this Conditions of Service document and ESA.

The Customer shall permanently and legibly identify each metered service with respect to its specific address, including unit or apartment number. The identification shall be applied to all service switches, circuit breakers, meter cabinets, and meter mounting devices.

2.3.7.1.3 Service Mains Limitations

The metering provision and arrangement for service mains in excess of either 600 A or 600 V shall be submitted to Hearst Power for approval before building construction begins. Additional standards and requirements for services metered above 600 V can be made available upon request.

2.3.7.1.4 Special Enclosures

Specially constructed meter entrance enclosures will be permitted for outdoor use upon Hearst Power's approval of a written application for use.

2.3.7.1.5 Barriers

Barriers are required in each section of switchgear or service entrance equipment between metered and unmetered conductors and/or between sections reserved for Hearst Power use and sections for Customer use.

2.3.7.1.6 Doors

Side-hinged doors shall be installed over all live electrical equipment where Hearst Power personnel may be required to work (i.e. line splitters, unmetered sections of switchgear, breakers,

switches, metering compartments, meter cabinets and enclosures). These hinged doors shall have provision for sealing and padlocking. Where bolts are used, they shall be of the captive knurled type. All outer-hinged doors shall open no less than 135°. All inner-hinged doors shall open to a full 90°.

2.3.7.1.7 Auxiliary Connections

All connections to circuits such as fire alarms, exit lights and Customer instrumentation shall be made to the load side of Hearst Power's metering. No Customer equipment shall be connected to any part of the Hearst Power metering circuit.

2.3.7.1.8 Working Space

Clear working space shall be maintained in front of all equipment and from all side panels in accordance with the Ontario Electrical Safety Code.

2.3.7.1.9 Meter Costs

Hearst Power shall provide a single phase smart meter (i.e., either 120/240V or 120/208V single phase) at no additional cost to the Customer or Consumer. Any additional equipment or costs required for the smart or conventional metering installation shall be paid by the Customer or Consumer. Where meters are installed for interval metering, the Customer or Consumer shall cover the cost of the new meter installation and the associated ongoing dedicated communication link.

Where meters are installed for purposes other than direct energy billing (i.e., for check metering, power quality, customer SCADA functionality, load studies, etc.), the Customer or Consumer shall pay for these meters and accessories.

Should a Customer's or Consumer's rate class change to where an interval meter is the standard or the Customer or Consumer requests a metering upgrade to an interval meter or to a non-standard metering configuration, the Customer or Consumer shall cover the cost of the new meter installation and the associated dedicated communication link. The Customer or Consumer shall be responsible for the ongoing monthly costs of operating the phone line and shall maintain its availability while the service exists. The phone line shall be direct dial, voice quality and operational 24 hours a day, for the exclusive use of Hearst Power.

2.3.7.2 Current Transformer Boxes

Where a current transformer box is required, it shall be CSA approved, of a size and type as stipulated by Hearst Power, and include a provision for padlocks. A removable plate shall be provided in the box for mounting the equipment.

As an alternative to a separate CT box and meter, a single enclosure combining both functions may be feasible.

In cases where the CTs only meter a portion of the metal clad switchgear (such as house loads), a separate disconnect switch must be installed ahead of the metering compartment so that the service can be de-energized without any interruption to the main service supply.

Generally, one house load meter only will be allowed. Additional house load meters will require authorization from Hearst Power.

On all electrical services that require current transformers and the neutral for metering, an isolated neutral block shall be provided in the current transformer box.

2.3.7.3 Interval Metering

Hearst Power shall install and maintain a meter installation for retail settlement and billing purposes for each customer connected to the distributor's distribution system.

Hearst Power may install a demand meter or interval meter for purposes of measuring demand in order to assign the customer to a rate class or to set the appropriate distribution services rate for that customer.

- Hearst Power shall provide an interval meter within a reasonable period of time to any customer who submits to it a written request for such meter installation, either directly or through an authorized party, in accordance with the Retail Settlement Code, subject to the following conditions:
- The customer that requests interval metering shall compensate Hearst Power for all incremental Costs associated with that meter, including the capital cost of the interval meter, installation Costs associated with the interval meter, ongoing maintenance (including allowance for meter failure), verification and reverification of the meter, installation and ongoing provision of communication line or communication link with the customer's meter, and cost of metering made redundant by the customer requesting interval metering.
- Hearst Power shall determine whether the meter will be a MIST or MOST meter, subject to the requirements of this Code.
- A communication system utilized for MIST meters shall be in accordance with the Hearst Power's requirements.
- A communication line shall be required in the case of inside or restricted access meters.

2.3.7.4 Meter Reading

The Customer or Consumer must provide or arrange free, safe and unobstructed access during regular business hours to any authorized representative of Hearst Power for the purpose of meter reading, meter changing, or meter inspection. Where premises are closed during Hearst Power's normal business hours, the Customer or Consumer must, on reasonable notice, arrange such access at a mutually convenient time.

2.3.7.5 Final Meter Reading

When a service is no longer required, the Customer or Consumer shall provide sufficient notice of the date the service is to be discontinued so that Hearst Power can obtain a final meter reading as close as possible to the final reading date. The Customer or Consumer shall provide access to Hearst Power or its agents for this purpose. If a final meter reading is not obtained, the Consumer shall pay a sum based on an estimated demand and/or energy for electricity used since the last meter reading, as determined by Hearst Power.

2.3.7.6 Faulty Registration of Meters

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

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

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

2.3.7.7 Crossed Meters or Billing Errors

When a billing error has resulted in over billing and Measurement Canada is not involved, the Customer or Consumer shall be credited with the erroneously paid amount for a period or error not exceeding two (2) years, starting from the point that can be factually identified or reasonably proven (default) when the problem/condition began.

The Customer or Consumer shall be refunded the overbilled amount by either a credit to their

account or by cheque, in accordance with Sections 7.7.1 and 7.7.2 of the Retail Settlement Code. If there are outstanding arrears on the account, Hearst Power will apply the refund to the account, first.

When a billing error has resulted in under billing and Measurement Canada is not involved, the Customer or Consumer will normally be charged with the amount erroneously under billed for a period not exceeding two (2) years, in the case of a Customer or Consumer who was not responsible for the error, or the duration of the defect for any proven cases of wilful damage or energy diversion. In the case of under billing, the Customer or Consumer, upon request, may be permitted to re- pay the amount over a period of time mutually agreed by both Hearst Power and the Customer or Consumer, but, no longer than the duration of the error and no less than ten (10) months for low-income customers. In cases of overbilling, Hearst Power shall refund the amount owed to the Customer or Consumer upon the completion of the investigation and over a period of time mutually agreed by both Hearst Power and the Customer or Consumer, but, no longer than the duration of the error.

Hearst Power will not charge interest on amounts owing due to billing errors, provided that the Customer or Consumer was not aware of the defect or has not tampered with or damaged Hearst Power metering installations. In such cases, the interest charge will be at the discretion of Hearst Power, in accordance with Section 7.7.9 of the Retail Settlement Code.

In cases in which Measurement Canada is involved, Measurement Canada will act as an arbitrator and determine the appropriate adjustment.

Billing corrections shall be calculated using the actual rates in place at the time of the error.

2.3.7.8 Meter Dispute

Under the federal Electricity and Gas Inspection Act, Measurement Canada has jurisdiction in a dispute between Hearst Power and its Customer where the condition or registration of a meter or metering installation is in question. Hearst Power will inform Customers of the assistance provided by Measurement Canada in dispute investigations. If the services of Measurement Canada are requested by the Customer or retailer to resolve the issue, Hearst Power will charge the Customer for the costs of processing the application to Measurement Canada and removing and transporting the meter to a testing location. If the dispute is substantiated by Measurement Canada and the resolution is in the favour of the Customer, the costs will not be recovered from the customer.

2.4 Tariffs and Charges

2.4.1 Service Connection

Charges for distribution services are made as set out in the Schedule of Rates available from Hearst Power.

2.4.1.1 Customers Switching to Retailer

There are no physical service connection differences between Standard Service Supply (SSS) customers and third party retailers' customers. The supply of electricity to both types of customers is delivered through Hearst Power's distribution system with the same distribution requirements.

2.4.2 Energy (Electricity) Supply

2.4.2.1 Standard Supply Service (SSS)

All existing Hearst Power customers are SSS Customers until Hearst Power is informed of their transfer to a competitive Retailer. The Service Transfer Request (STR) must be made by the Customer or the Customer's authorized Retailer as per the RSC.

2.4.2.2 Retailer Supply

Customers will be switched to their Retailer of choice only if the retailer has a Service Agreement with Hearst Power. Customers transferring from SSS to a Retailer shall comply with the STR requirements as outlined in Sections 10.5 through 10.5.6 of the RSC. All requests shall be submitted as electronic files and transmitted through Electronic Business Transaction (EBT) system. STR's shall contain information set out in section 10.3 of the RSC. If the information is incomplete Hearst Power will reject the STR and notify the requesting party that the request cannot be processed.

Disputes arising from charges relating to Retailer Service shall be directed to the Retailer.

2.4.2.3 Wheeling of Energy

All Customers considering the delivery of electricity through the Hearst Power distribution system are required to contact Hearst Power for technical requirements and applicable tariffs.

2.4.3 Deposits

As a condition of supplying or continuing to supply distribution services, Hearst Power will request security deposits from Customers. Security Deposits shall be determined and managed in accordance with Sections 2.4.6.1 to 2.4.28 of the DSC. Hearst Power shall not discriminate among Customers with similar risk profiles or risk related factors, except where expressly permitted under the DSC.

Except for Customers or Consumers who meet the energy use security deposit waiver conditions described below, all Consumers and Consumers are required to provide an account security deposit to Hearst Power.

Energy use security deposits shall be considered as advanced payments on accounts and become the property of Hearst Power until refunded. They are not considered security, as defined in the Bankruptcy and Insolvency Act (1992), Section 69(1).

The utility reserves the right to apply a security deposit if deemed necessary. When applicable, security deposits are calculated and applied according to the procedures described below;

2.4.3.1 Residential Customer Security Deposit

A residential Customer's security deposit amount is calculated according to the average bill of that account over the most recent consecutive 12- month span within the past two (2) years. Where billing history is available, the deposit amount shall be calculated as 2 times the average monthly bill. If less than twelve (12) months of billing history exists, Hearst Power will base the Residential Customer's security deposit upon a reasonable estimate.

If requested, the Consumer may pay their energy security deposit in equal instalments. The deposit must be paid within six months.

Customers opening an account may qualify for a deposit waiver, based on the following criteria:

- a Customer provides historical Hearst Power account information confirming a satisfactory payment history, where some of that satisfactory payment history has occurred within the previous 24 months and is in the same account holder name, or,
- a Customer provides a letter from another electrical or gas distributor in Canada, confirming a satisfactory payment history, where some of that good payment history has occurred within the previous 24 months and is in the same account holder name, or,
- a Customer provides a satisfactory credit check at their expense. Hearst Power is not responsible for the data integrity of external credit rating agencies, or,
- a Customer who has been qualified as an eligible Low Income Customer, in accordance with Section 2.4.11.1 of the DSC. Customers who apply for eligibility as a Low Income Customer shall be provided 21 calendar days to confirm eligibility, in accordance with Section 2.4.11.2 of the DSC.
- A Customer adheres to a preauthorized payment plan

Deposits shall be automatically refunded to the customer's account once twelve (12) months of satisfactory payment history is established, commencing from date the deposit was paid in full, or the customer's account is closed, whichever comes first.

Payment history is not satisfactory if one of the following events occur, during the relevant time period:

- the customer has received more than one payment reminder notice from Hearst Power,
- more than one cheque given to Hearst Power has been returned for insufficient funds,
- a disconnect / collect trip has occurred,
- a full or partial security deposit was applied to a Customer's arrears and that Customer was required to repay the security deposit.

Interest shall accrue on cash deposits, monthly, once the security deposit has been paid in full. The

interest rate shall be the Bank of Canada’s Prime Business Rate, less two (2) percent, as published on the Bank of Canada website and updated quarterly. Such interest shall be applied to the Consumer’s account at least annually.

Payment of a requested security deposit is a condition of service and continuing service, which shall be enforced through standard collection practices for amounts overdue.

2.4.3.2 Non Residential Customers Security Deposits

Non-residential customers shall provide a security deposit based on

- the product of an estimate bill based on average of twelve (12) consecutive months in the past twenty four (24) month period multiplied by a billing factor of 2; or
- Where a customer has had more than one disconnect notice in the past twelve (12) month period, the amount of the deposit may be increased to reflect the highest actual or estimated monthly load, multiplied by a billing factor of 2.5.

Non-residential customers opening an account may qualify for a deposit waiver, based on the following criteria;

- a customer provides historical Hearst Power account information confirming a satisfactory payment history, where some of that satisfactory payment history has occurred within the previous 24 months and is in the same account holder name, or,
- a customer provides a letter from another electrical or gas distributor in Canada, confirming a satisfactory payment history, where some of that good payment history has occurred within the previous 24 months and is in the same account holder name, or,
- The customer, other than a customer in a greater than 5,000kW demand rate class, provides satisfactory credit check at their own expense. Hearst Power is not responsible for the data integrity of external credit rating agencies.

Where a non-residential customer with a 50kW or greater demand has a credit rating from a recognized credit rating agency, the maximum amount of deposit required will be reduced as follows.

Credit Rating	Allowable Reduction
(Standard and Poor’s Ratings)	
AAA- equivalent and above	100%
AA-, AA, AA+ or equivalent	95%
A-, From A, A+ to below AA	85%
BBB-, From BBB, BBB+ to below A	75%
Below BBB-	0%

The minimum time frame for establishing satisfactory payment history, provided some payment history has occurred within the past 24 months, varies by Consumer class as follows:

- Commercial less than 50 kW demand: 3 years
- Commercial greater than 50 kW demand: 5 years

Hearst Power shall reduce the energy use security deposit held by Consumers greater than 5,000 kW, by a maximum of 50%, after five (5) years of good payment history has been achieved. The remaining balance of the security deposit will be refunded only when the account is closed.

Payment history is not satisfactory if more than one of the following events occur, during the relevant time period:

- the customer has received more than one payment reminder notice from Hearst Power,
- more than one cheque given to Hearst Power has been returned for insufficient funds,
- a disconnect / collect trip has occurred or Hearst Power,
- a full or partial security deposit was applied to a Customer's arrears and that Customer was required to repay the security deposit.

Acceptable forms of deposit are cash, cheque, or an automatically renewing, irrevocable letter of credit from a bank as defined in the Bank Act, 1999, c46. A customer may make arrangement to provide a security deposit in equal payments over 2 months.

For Consumers who change their billing option from distributor-consolidated billing to retailer-consolidated billing, Hearst Power shall apply their cash deposit plus accrued interest, or applicable portion thereof, to the final bill. Any residual credits shall be returned by cheque, within six (6) weeks of closure. Other acceptable forms of security shall be returned by mail.

Hearst Power will review deposit levels at least once per calendar year to assess refund eligibility. Consumers may request, in writing or by phone, a review of their deposit level or requirement, once 12-months have elapsed from the date the full deposit was paid. Consumers, who may be requested to increase their security deposit amount, shall be required to do so when their next regular bill becomes due.

Consumers, who have active accounts and are eligible for a partial or full deposit refund, shall have their cash deposit, plus accrued interest, applied to their account. Other acceptable forms of security shall be returned after suitable replacement is received, as applicable. Upon closure of an account, Hearst Power shall automatically transfer the balance to the Consumer's new Hearst Power account or, where none exists, apply the deposit and accrued interest to the final bill. Any residual credits shall be returned by cheque, within six (6) weeks of closure. Balances of less than \$5.00 will not be returned by cheque.

Interest shall accrue on cash deposits, monthly, once the security deposit has been paid in full. The

interest rate shall be at the prime business rate, less two (2) percent, as published on the Bank of Canada website and updated by Hearst Power, at a minimum, quarterly. Such interest shall be applied to the Consumer's account at least annually, or, on return of the deposit or closure of account, whichever comes first.

Payment of a requested security deposit is a condition of service and continuing service, which shall be enforced through standard collection practices for amounts due.

2.4.4 Billing

Hearst Power will determine the billing cycle and frequency of meter readings for each customer on the basis of customer classification and render bills to its Customers on a monthly basis. Bills for the use of electrical energy may be based on either a metered rate or for certain specific types of customer or loads on a flat rate basis, as determined by Hearst Power.

Hearst Power will bill Standard Supply Service Customers. Standard Supply Customers may discuss the charges shown on their bill by contacting Hearst Power at the contact methods shown on their bill.

Retailer Customers may be billed by Hearst Power depending on the billing options selected by the retailer in accordance with the Retail Settlement Code. Retailer Customers may discuss the charges shown on their bill by contacting their Retailer.

2.4.4.1 Account Set-up Charges

When a Customer establishes a new account, an account setup charge is applied to their first bill. This charge applies to both those Consumers who are new to Hearst Power's distribution service area and those who have moved locations within Hearst Power's distribution service area.

2.4.4.2 Use of Estimates

In months where a bill is issued but no reading is obtained, Hearst Power will estimate energy and demand in order to determine billing quantities. The estimate is based on historical usage for the premise, or a predetermined quantity if there is no historical usage information available.

2.4.4.3 Arrears Certificate

A charge is levied to provide a certificate of arrears per Service Address. This is typically provided to lawyers during a property purchase.

2.4.4.4 Power Factor Adjustment

A Customer shall be billed for Demand based on the measured kilowatts or 90% of the measured kilovolt-amperes, whichever is greater. This provides an adjustment for a Customer with a power Factor that is less than 90% leading or lagging.

2.4.4.5 Measurement Error Correction Factors (MEC)

Where Hearst Power is the Meter Service Provider (MSP), MEC losses shall not be applied. If the generator chooses another MSP, the generator is responsible for determining the measurement error correction factors and providing to Hearst Power for approval. The MEC needs to be compliant with the IESO and Measurement Canada requirements, as well as, signed and sealed by a Professional Engineer of Ontario.

2.4.5 Payments and Overdue Account Interest Charges

2.4.5.1 Payment Options

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

- cheque or money order mailed with the remittance stub portion of the bill to Hearst Power at the address on the stub;
- in person at most Canadian financial institutions;
- in person at the front desk of Hearst Power's head office at 925 Alexandra st, Hearst, ON;
- through automated banking machines, telephone banking or Internet bill payment services offered through the Customer's financial institution;
- via email money transfer to service@hearstpower.com; or
- online with a Visa or Mastercard credit card (a small fee is applicable).

All payments must be in Canadian dollars.

Hearst Power also offers pre-authorized payment options.

Furthermore, Hearst Power offers the Equal Billing monthly payment plan as defined below:

The Equal Billing monthly payment plan is determined by taking the aggregate of the total electricity charges billed to the Customer in the preceding twelve (12) months, and dividing that value by twelve (12).

If a customer has been receiving service from Hearst Power Distribution for less than twelve (12) months, the customer's average monthly billing amount will be based on the previous resident(s)' consumption.

A customer may request an increase of his monthly payments if he believes the fixed amounts are not adequate.

The equal monthly payment amount may be revised and adjusted in the event of changes in a customer's electricity consumption during the term.

On the twelfth month, the sum due will reflect the amount of payments received, versus

the customer's actual electricity consumption in the preceding twelve (12) months. The sum due may be higher than the pre-established monthly payment, or may be a credit if the actual consumption is lower than the sum paid over the 12-month term.

At the end of the twelve (12) months, Hearst Power will determine a new monthly payment amount based on the past twelve (12) months consumption.

Hearst Power may refuse to provide an equal monthly payment plan option to a customer who's account is in arrears, and may cancel an active plan, without notice, where a customer does not provide monthly payments by the due date.

2.4.5.2 Late Payment Charges

Bills are due and payable by the due date shown on the invoice. A late payment charge of 1.5% per month (19.56% annually) is applied to all accounts not paid by the due date. This charge is levied on any bill, including final bills, with no minimum set. Where the Consumer has made a partial payment on or before the due date, the late payment charge will apply only to the amount of the bill outstanding at the due date, inclusive of arrears from previous billings. Credit balances arising from Consumer overpayments may be refunded at the request of the Consumer. In such instances, no interest shall be applied to the amount.

2.4.5.3 Arrears Payment Agreement

Residential customers may qualify for an arrears payment agreement which assists customers pay overdue amounts over an extended period of time. Residential customers may obtain more details by contacting Hearst Power's Customer Service at 705-372-2815.

2.4.5.4 Unprocessed Payment Charge

A non-sufficient funds (NSF) charge is applied for each payment that cannot be processed

2.4.5.5 Reconnection Charge

A Consumer or Customer disconnected for non-payment is required to pay a reconnection fee.

2.4.5.6 Credit Refunds

A credit refund for final accounts will not be initiated until 10-business days have elapsed from the final payment date. When an account holder has another active account with Hearst Power, the credit balance may be transferred into that active account. Otherwise, a refund cheque will normally be issued within six weeks of account closure. Balances of less than \$5.00 will not be returned by cheque.

2.4.6 Generation Payments

Customers with generation supplied to Hearst Power's electricity distribution grid will receive payments in accordance with the Customer's supply contract with the Independent Electricity

System Operator (IESO) (which now includes the former Ontario Power Authority (OPA)) and in the manner and frequency as determined by the Ontario Energy Board (OEB). Hearst Power will issue a check or make a pre-authorized deposit prior to the 20th business day following the Customer's last bill read date shown on its monthly generation invoice credit.

2.4.7 Eligible Low Income Customers

Hearst Power adheres to the Low Income Assistance Program (LEAP) and the Ontario Electricity Support Program (OESP) for Eligible Low Income Customers issued by the Ontario Energy Board. These provisions are set out in the Distribution system Code, the Retail Settlement Code and the Standard Supply Service Code. Qualified LEAP and OESP customers may be eligible for emergency financial assistance, energy conservation programs as well as special rules for Eligible Low Income customers relating to:

- rate assistance
- security deposits
- billing errors;
- equalized billing options
- disconnection grace period; and
- arrears payment arrangements

For more information or to register for OESP, please contact:

Communication, 810 George St., Hearst, ON, Tel: 705-372-1141

Or

Phone number: 1-855-831-8151

Website: OntarioElectricitySupport.ca

For more information or to register for LEAP please contact:

Cochrane District Social Services, 1425 Front St., Hearst, ON, Tel: 705-362-5663

2.5 Customer Information

Hearst Power will not disclose information regarding a Customer, Retailer, Wholesale Market Participant or Generator to any other party without the written consent of the Customer, Retailer, Wholesale Market participant or generator, except where such information is required to be disclosed

- to comply with any legislative or regulatory requirements;
- for billing, settlement or market operations purposes;

- for law enforcement purposes; or
- to a debt collection agency for the processing of past due account of the Customer or Retailer.

Additionally, Hearst Power has a Privacy Policy in accordance with the Personal Information Protection and Electronic Documents Act and other applicable provincial legislation.

Upon receiving an inquiry from a Customer connected to its distribution system, Hearst Power will either respond to the inquiry if it deals with its own distribution services or provide the Customer with contact information for the entity responsible for the item of inquiry, in accordance with Chapter 7 of the Retail Settlement Code.

2.5.1. Current Usage Data

Customers with cumulative volume, demand and non-remotely read Interval Meters shall receive their current usage data on their electricity bill from Hearst Power. Customers with remotely read or non-remotely read Interval Meters shall have access to meter usage data in accordance with the Read Only Access agreement to be executed by Hearst Power and the Customer and in accordance with the standards set out in the Retail Settlement Code.

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

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

2.5.2 Disclosure of Historical Information

Provision of Customer-specific information to retailers through the Electronic Business Transaction (EBT) system shall be provided at no charge. For requests to deliver data directly to Retailers and Customers, if not delivered through the EBT System, Hearst Power may, at its discretion, charge a reasonable fee for such additional requests. A request is considered to be data

delivered to a single address.

Hearst Power will provide a Customer with at least 12 months, where available, of historical usage information, information about the Customer's meter configuration, and payment information ("Historical Information"). The Historical Information can be released to the Customer or any third party designated by the Customer, subject to the following:

- if the third party is a Retailer, the Customer has provided the Retailer with written authorization for the release; or
- if the third party is someone other than a Retailer, the Customer shall have provided Hearst Power with written authorization for the release.

2.5.3 Usage Data Generated by Smart Meters

Customer access to their electricity usage information will be available over the internet; access to this information is subject to acceptance of the End User Agreement on the Hearst Power website..

2.5.4 Aggregated Information

Hearst Power will disclose information regarding Consumer, Retailers, Wholesale Market Participants or Generators where the information has been sufficiently aggregated such that their particular information cannot reasonably be identified, at no charge to another distributor, a transmitter, the IESO or the OEB. Hearst Power may charge a fee that has been approved by the OEB for all other requests for aggregated information.

2.5.5. List of Retailers

At the request of a Customer Hearst Power will provide a list of Retailers that have service agreements in effect within the service area. The list will inform the Customer that an alternative Retailer does not have to be chosen in order to ensure that the Customer receives electricity and the terms of service that are available under SSS.

3.0 Customer Class Specific

Where connections are referred to in this Section, it is understood that all conditions outlined in Section 2.1 – Connections have been satisfied.

3.1 Residential Service

This section refers to the supply of electrical energy to residential Customers residing in detached, semi-detached, duplex, triplex, or townhouse dwelling units, as defined in the following sections. Residential services will be offered at 120/240V, 1-phase and 3-wire.

3.1.1 Point of Demarcation

In all cases the final Demarcation Point will be the decision of the Distributor. The Customer must obtain a Demarcation Point Location from the Distributor before proceeding with the installation of any service. Failure to do so may result in the Demarcation Point having to be relocated at the Customer's expense.

3.1.1.1 Overhead

- a) Secondary: For residential secondary overhead services, the line of electrical ownership, maintenance and operational demarcation between Hearst Power and the Customer is the first contact point with the building/pole where the customer owns and is responsible for the support structures on their building/pole.
- b) Primary: For overhead primary services, the line of electrical ownership, maintenance and operational demarcation is the supply point. Typically this is the distribution isolating device nearest or on the property line.

3.1.1.2 Underground

- a) Secondary: For residential secondary underground services, the line of electrical ownership, maintenance and operational demarcation between Hearst Power and the Customer is the Customer's property line. The Customer owns and is responsible for the support structures of electrical equipment on their property.
- b) Primary: For underground primary services, the line of electrical ownership, maintenance and operational demarcation is the first distribution-isolating device nearest or on the Customer's property. Service and maintenance costing (see the relevant Sections 3.1.2.3, or 3.1.3.7), easements and any specific maintenance agreements between Hearst Power and the Customer shall determine the financial responsibilities.

3.1.2 Residential Underground Subdivisions

New Residential Subdivisions involving the construction of new city streets and roadways are treated as Non-Residential Class Customers and involve capital contribution for "Expansion" work, in addition to any applicable Connection Charges.

New Residential Subdivisions not involving new Town streets and roadways, but only private property, will follow the general terms and conditions for Connection Charges and Capital Contribution for the appropriate General Class Customers.

In all cases, all of the electrical service must be constructed to Hearst Power's standards and in compliance with the Ontario Electrical Safety Code, applicable laws, regulations and codes.

The Developer is required to enter into a Supply Agreement with Hearst Power and to pay Hearst Power the deposit for ordering of equipment and associated design and construction work for the installation of the proposed underground electrical distribution system. This amount will be paid concurrently with the signing of the Supply Agreement.

In case of conflict between the Supply Agreement and the terms herein, the Supply Agreement shall be binding. All design work including service locations and trench routes must be approved by Hearst Power.

3.1.2.1 Servicing Requirements

Servicing of the units will be underground; however, main trunk supply to the boundary of the subdivision may be overhead, unless feasible and the developer requests underground supply at their Cost.

3.1.2.2 Site Information

Prior to establishing service details, Hearst Power will require the following information from the Customer:

- Project name;
- Unit servicing detail;
- Number of units to be serviced;
- A plan of subdivision, to scale, showing the buildings in relation to existing and proposed property lines, other buildings, streets, street entrances, driveways, and the location of other services, gas, telephone, water, cablevision, waste water (sewage and storm, including catch basins);

- A grading plan;
- Landscaping plan;
- Proposed construction schedule, and phasing of the development;
- Developer detail.

One hard copy and one electronic copy of all drawings, in a Hearst Power approved file format, must be provided.

3.1.2.3 Servicing Cost

Since residential subdivisions require an expansion or enhancement to the distribution network, the servicing Cost for the subdivision shall be based on the result from the Economic Evaluation Model. The basic credit per property is considered in the model. Hearst Power's Offer to Connect will stipulate the servicing Cost and options. The expansion and enhancement Cost to Hearst Power's normal standard will be reduced in whole or in part by a credit based on the future net revenue of Hearst Power. The normal net revenue horizon of Hearst Power will be based on 25-years subject to change depending on the type of development.

These Costs are determined independent of the rate classification used for energy billing purposes.

3.1.3 Residential Single Family Homes

This section pertains to the supply of electrical energy to detached and semi-detached, single-family homes. A single family home is a permanent structure or structures located on a single parcel of land and approved by the municipality's building department as a dwelling and occupied for domestic or household purposes by a single Customer.

3.1.3.1 Service Requirement

- a. One service will be provided for each property. In circumstances where more than one service is installed to a single property, and any of the services is to be upgraded, the upgraded service will replace all of the existing services.
- b. The maximum service size is typically limited to 200A, 120/240V. Due to technical constraints, single-phase secondary services greater than 200A may not be available in all areas.

The location of the service entrance point and the meter base will be established through consultation with Hearst Power and/or ESA requirements for both new and upgraded electrical services. Failure to comply may result in relocation of the service at the Customer's expense.

- c. Where revenue metering is located inside a residence, the Customer will be required to relocate the meter to the exterior of the building when upgrading the electrical service,

working on service conductors within or relocating the service entrance. This may not apply to designate significant heritage resources as noted in Section 3.0.5.

3.1.3.2 Overhead Service (where permitted by law)

Hearst Power shall designate the supply point from which the service will be supplied and the location of the standpipe.

Hearst Power will provide up to 30m of service conductor to the ownership demarcation point. The Customer will contribute to the cost of services that exceed 30m in length, and in some circumstances may be required to construct a private pole line.

The maximum capacity of a secondary overhead service is 200A. Larger capacity services will be installed underground.

In addition to the requirements of the Ontario Electrical Safety Code, the following conditions shall apply:

- (i) A clevis type insulator is to be supplied and installed by the Customer.
- (ii) This point of attachment device must be located:
 - (a) Not less than 4.5 metres (15 feet) nor greater than 5.5 metres (18 feet) above grade (to facilitate proper ladder handling techniques). Building must have a minimum offset from property of 1.2 metres (4 feet).
 - (b) Between 150 millimeters and 300 millimeters (6 – 12 inches) below the service head.
 - (c) Within 914 millimeters (3 feet) of the face of the building.
- (iii) Clearance must be provided between utility conductors and finished grade of at least 6 metres (19 feet) over traveled portions of the road allowance and 4.5 metres (15 feet) over all other areas.

A minimum horizontal clearance of 1.0 metres (39 inches) must be provided from utility conductors and any second storey windows.

- (iv) A large, 4 jaw meter socket of an approved manufacturer shall be provided. Certain areas will require a 5-jaw socket as determined by Hearst Power. The Customer should contact Hearst Power to confirm details.
- (v) Clear unobstructed access must be maintained to and in front of the meter location.

- (vi) Service locations requiring access to adjacent properties (mutual drives, narrow side set-backs, etc.) will require the completion of an easement or written consent from the property owner's involved.
- (vii) The approved meter base shall be mounted directly below the service mast such that the midpoint of the meter is 1.73 m (+ or – 100 mm) above finished grade within 914 mm of the face of the building (in front of any existing or proposed fence), unless otherwise approved by Hearst Power.
- (viii) The owner shall ensure that any intended and/or existing and future tree planting has appropriate clearance from overhead electrical plant.
- (ix) The owner shall pay for any necessary road crossings.

3.1.3.3 Underground Service (where permitted by law)

Hearst Power will specify the location of the meter base.

Hearst Power will install secondary service conductors to a maximum length of 30m using standard Hearst Power secondary conductors considering voltage drop and ampacity characteristics. The Customer will contribute to the cost of services that exceed 30m in length.

Customers requesting an underground service in an overhead area will be required to pay 100% connection costs for the underground service less the Standard Allowance for an overhead service. An estimate of the costs will be provided upon request.

The owner shall pay for any necessary road crossings.

The trench route must be approved by Hearst Power and ESA and is to follow the route indicated on the underground drawing approved by Hearst Power. Any deviation from this route must be approved by Hearst Power. The Customer will be responsible for Hearst Power's costs associated with re-design and inspection services due to changes or deviations initiated by the Customer or its agents.

The owner will assure the provision for the service entrance and meter meets Hearst Power approval.

Where other services are to be installed (e.g. gas, telephone, cable) these shall be coordinated to avoid conflict with Hearst Power's underground cables.

It is the responsibility of the owner or his/her contractor to obtain clearances from all of the utility companies before digging.

It is the responsibility of the owner to contact Hearst Power and ESA to inspect each trench prior to the installation of Hearst Power's service cables.

The owner shall provide unimpeded access for Hearst Power to install the service.

The owner shall ensure that any intended tree planting has appropriate clearance from underground electrical plant

3.1.3.4 Site information

Prior to establishing service details, Hearst Power will require the following information from the Customer:

- A site plan, to scale, showing the building in relation to existing and proposed property lines, other buildings, streets and driveways, and the location of other services, gas, telephone, water and cablevision. In certain situations, a grading plan may be required. Site plans for pre-planned subdivisions shall follow the City of Hearst mapping coordinate system standard.
- Civic address;
- Customer billing information such as Customer name, billing address, telephone number;
- Requested energization date;
- Service amperage wanted;

3.1.3.5 Metering

The Customer will supply and install an approved meter socket at the location agreed with Hearst Power.

3.1.3.6 Inspection

The electrical installation from inside the home and out to the demarcation point must be inspected and approved by the Electrical Safety Authority (ESA)

- Hearst Power requires notification from the ESA indicating that an inspection has been conducted, from the demarcation point to the first Customer owned device, and subsequent approval has been granted in the form of a Connection Authorized Certificate, prior to the electrical installation being energized.
- The service entry components up to, and including the meter base, shall be inspected and approved by Hearst Power prior to energization.

3.2 General (Non-Residential) Service (General Service under 50kW)

This section shall include small apartment buildings, dense condominium arrangements, small commercial, agricultural, billboards, industrial and institutional developments supplied from the road right-of-way or Hearst Power easement. This section does not apply to residential services (see Section 3.1 and 4). Larger services may require a primary supply (see Section 3.3).

3.2.1 Point of Demarcation

The point of electrical ownership demarcation between Hearst Power and the Customer varies depending on the overhead or underground supply configuration, unless there is specific written agreement between Hearst Power and the Customer. Typically, the point of demarcation is the Customer's is the first contact point with the building/pole where the customer owns for overhead service or the Customer's property line for underground service. In all cases the final Demarcation Point will be the decision of Hearst Power.

The Customer will own and maintain the electrical service equipment up to the point of ownership and is responsible for the support structures of electrical equipment on their property. Service costing (see Section 3.2.6), easements and any specific maintenance agreements between Hearst Power and the Customer shall determine the financial responsibilities between the parties.

3.2.2 Service Requirement

The service voltage will be established by Hearst Power, depending upon the location of the premise and will be one of the following:

- 120/240 volts, 1-phase, 3-wire, up to 200A overhead (subject to municipal bylaw) or underground;
- 120/240 volts, 1-phase, 3-wire, 400A underground in designated areas; and,
- 347/600 volts, 3-phase, 4-wire, up to 200A overhead or underground in designated areas; 347/600 volts, 3-phase, 4-wire, 400A underground in designated "downtown" areas.

One service will be provided for each property. In circumstances where more than one service is installed to a single property and any of the services is to be upgraded, the upgraded service will replace all of the previous services.

Hearst Power will establish the location of the service entrance to the property and to the premise.

3.2.3 Site Information

Prior to preparing a design for service to the premise, the Customer must provide the following information to Hearst Power:

- A grading plan and site plan, to scale, showing the building in relation to existing and proposed property lines, other buildings, streets and driveways and the location of other services such as gas, telephone, water, and cablevision;
- Civic address;
- Customer billing information such as Customer name, billing address, telephone number;
- Requested energizing date;

- Service amperage;
- Preferred voltage;
- Preferred service entrance location;
- Estimated initial kilowatt demand and ultimate maximum demand;
- A single-line diagram showing the provision for metering facilities and a listing of all significant loads such as lighting, motors, cooling, heating, welders, etc;
- A proposed total load details in kVA and / or kW (Winter and Summer);
- In the event that an electrical room is to be installed, a plan to scale showing this room and provision for metering equipment must be provided.

All drawings should be provided electronically in a Hearst Power approved file format.

3.2.4 Metering

The Customer will supply and install an approved meter socket at the location agreed with Hearst Power.

3.2.5 Inspection

The electrical installation inside the building and out to the ownership demarcation point must be inspected and approved by the ESA.

- Hearst Power requires notification, in the form of an ESA Connection Authorization Certificate, to indicate that this inspection has been done and that subsequent approval has been confirmed prior to the electrical installation being energized.
- The service entry components to and including the meter base, shall be inspected and approved by Hearst Power prior to energization.

3.2.6 Servicing Cost

The Customer shall construct or install all civil infrastructure (including but not limited to poles, UG conduits, cable chambers, cable pull rooms, transformer room/vault/pad) on private property, that is deemed required by Hearst Power as part of its Connection Assets. All civil infrastructures are to be in accordance with Hearst Power's current standards, practices, specifications and this Conditions of Service and are subject to Hearst Power's inspection and acceptance.

Hearst Power is responsible for the maintenance and repairs of its Connection Assets **but not** the Transformer Room (s) or any other civil structure that forms part or is part of the Customer's building.

When effecting changes the Customer shall maintain sufficient clearances between electrical equipment and Buildings and other permanent structures to meet the requirements of the Ontario Electrical Safety Code and Occupational Health & Safety Act and Regulations.

Hearst Power will carry out the necessary construction and electrical work to maintain existing supplies by providing standard overhead or underground supply services to Customers affected by Hearst Power's construction activities.

If a Customer requests special construction beyond the normal Hearst Power standard installation, the Customer shall pay the additional costs, including engineering and administration fees.

Estimate of the costs will be provided by Hearst Power upon Customer's request. The Customer shall provide and install all electrical works and civil infrastructure for the service up to the demarcation point, plus the connection Costs. For expansion or enhancement of the system, the actual Cost will be recovered from the Customer with a credit for the future revenue from the service, through the use of an Economic Evaluation Model. This Model uses rate class information to determine future operating Costs.

3.2.7 Electrical Requirements (as applicable)

For low voltage supply, the Customer's service entrance equipment shall be suitable to accept conductors installed by Hearst Power. The Customer's cables shall be brought to a point determined by Hearst Power for connection to Hearst Power's supply.

The owner is required to supply and maintain an electrical room of sufficient size to accommodate the service entrance and meter requirements of the tenants and provide clear working space in accordance with the Ontario Electrical Safety Code.

Access doors, panels, slabs and vents shall be kept free from obstructing objects. The Customer will provide unimpeded and safe access to Hearst Power at all times for the purpose of installing, removing, maintaining, operating or changing transformers and associated equipment.

Outside doors providing access to electrical rooms must have at least 150-mm clearance between final grade and the bottom of the door. Electrical rooms 'on' or 'below' grade must have a drain including a "P" trap complete with a non-mechanical priming device and a backwater valve connected to the sanitary sewer. The electrical room floor must slope 6-mm/300 mm or 2% towards the drain.

The electrical room shall have a minimum ceiling height of 2.2 m clear, be provided with adequate lighting at the working level, in accordance with Illuminating Engineering Society (I.E.S.) standards, and a 120 V convenience outlet. The lights and convenience outlet noted above and any required vault circuit shall be supplied from a panel located and clearly identified in the electrical room.

3.2.8 Underground Service Requirements

The Customer shall construct or install all civil infrastructure (including but not limited to poles, UG conduits, cable chambers, cable pull rooms, transformer room/vault/pad) on private property, that is deemed required by Hearst Power as part of its Connection Assets. All civil infrastructures are to be in accordance with Hearst Power's current standards, practices, specifications and this Conditions of Service and are subject to Hearst Power's inspection/acceptance.

The Customer is responsible to maintain all its structural and mechanical facilities on private property in a safe condition satisfactory to Hearst Power.

The trench route must be approved by Hearst Power. Any deviation from this route must also be approved by Hearst Power. The Customer will be responsible for Hearst Power's costs associated with re-design and inspection services due to changes or deviations initiated by the Customer or its agents or any other body having jurisdiction.

It is the responsibility of the owner or his/her contractor to obtain clearances from all the utility companies before digging.

It is the responsibility of the owner to contact Hearst Power and ESA to inspect each trench prior to the installation of Hearst Power's service cables.

3.3 Commercial and Industrial Developments (General Service above 50kW)

This section shall include apartment buildings, commercial, agricultural, industrial, and institutional developments requiring a connection with a connected load greater than 50 kW.

The decision as to whether or not a transformer vault or pad-mount transformer is required rests solely with Hearst Power and under no circumstances are Customers to be advised in this regard without consultation with Hearst Power. Hearst Power will not install multi-pole overhead transformer structures. When these structures require upgrading, Hearst Power will disconnect and remove its equipment, or may sell the structure, change the demarcation point and perhaps retain ownership of the transformers at its discretion.

3.3.1 Point of Demarcation

For general service above 50 kW the line of electrical ownership demarcation varies depending on Secondary Service (Section 3.3.1.1) or Primary Service (Section 3.3.1.2) unless there is specific written agreement between Hearst Power and the Customer. General service Customers with complex primary electrical distribution systems may consult Hearst Power for the ownership demarcation points.

In all cases the final Demarcation Point will be the decision of Hearst Power.

The Customer shall own and maintain the electrical service up to their respective point of ownership demarcation. Hearst Power shall own and maintain the primary electrical service of their respective point of ownership demarcation. Service costing (see Section 3.3.6), easements and any specific maintenance agreements between Hearst Power and the Customer shall determine financial responsibilities. The Customer shall own and maintain the civil structures, protective

bollards, grounding system, and auxiliary equipment (fences, ventilation, 120V systems such as lighting and receptacles) on their property unless there is a specific Hearst Power agreement indicating otherwise.

Hearst Power shall maintain operating control of the Customer owned primary voltage disconnect switch as designated by Hearst Power.

3.3.1.1 Secondary Service

A General Service Customer Demarcation Point for customers above 50 kW is at the secondary side of the transformer, or as otherwise set by Hearst Power, beyond which the Customer bears full responsibility for installation and maintenance.

The Demarcation Point might be located on an adjacent property. In such cases, a registered easement must exist.

In some instances, where it is in the best interest of the operation of the distribution system, Hearst Power may establish the Delivery point at the top of stack for overhead services or at the meter base for underground services.

The location of the service entrance, routing of duct banks and all other works will be established through consultation with Hearst Power.

Maintenance of the portion of the Secondary Service owned by Hearst Power included repair and replacement of wire or cable that has failed irreparably.

3.3.1.2 Primary Service

For Primary Service, the Demarcation Point is the primary connection at Hearst Power's distribution system.

In some circumstances the owner may be required to construct a private pole line. Primary conductors will be terminated complete with cut-out (s) at the Demarcation Point by Hearst Power at the owners' expense.

Where a private pole line is to be constructed by the Owner with an approved contractor, this shall be constructed to the ESA and Hearst Power's requirements.

An electrical requirement in excess of 300 kVA may require a customer owned substation.

Any transformer(s) owned by the customer shall be maintained and repaired at the customer's cost. Hearst Power will not be liable for any losses if the customer is unable to replace its transformer.

In some instances primary metering may be required.

3.3.2 Service Requirement

One primary supply point will be provided as the standard for each property. An open loop is considered one supply point;

- Hearst Power will establish one supply point to the property;
- The service voltage will be established by Hearst Power depending upon the location of the premise and will be as described in Section 2.3.4 “Standard Voltage Offerings.”
- The owner is required to supply and maintain an electrical room of sufficient size to accommodate the service entrance and meter requirements of the tenants and provide clear working space in accordance with the Ontario Electrical Safety Code.

The electrical room shall not be used for storage or contain equipment foreign to the electrical installation within the area designated as safe working space. All stairways leading to electrical rooms above or below grade shall have a handrail on at least one side as per the Ontario Building code, and shall be located indoors.

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

- To accommodate the developer’s subdivision phasing, Hearst Power will determine if a temporary distribution system configuration is feasible during which the normal or planned normal electrical backup may not be available up to one year. Where the development is a multi- year and multi - phase project, Hearst Power will install a temporary Distribution System backup at the Cost of the developer.

3.3.3 Site Information

Prior to the preparation of a design for a service to a premise, the following information is to be provided by the Customer to Hearst Power:

- A grading plan and site plan, to scale, showing the building in relation to the existing and proposed property lines, other buildings, streets and driveways and the location of other services such as gas, telephone, water, and cablevision. Site plans shall follow the City [City Name] mapping coordinate system standard.
- Civic address;
- Customer billing information such as Customer name, billing address, telephone number;
- Requested energizing date;
- Service amperage;
- Preferred voltage;
- Preferred service entrance location;
- Estimated initial kilowatt demand and ultimate maximum demand;

- A single-line diagram showing the provision for metering facilities and a listing of all significant loads such as lighting, motors, cooling, heating, welders, etc.;
- A proposed total load details in kVA and / or kW (Winter and Summer);
- A plan to scale showing the electrical room and provision for metering equipment shall be provided.

All drawings should be provided electronically in a Hearst Power approved file format.

3.3.4 Metering

The Customer shall supply metering equipment as required and approved by Hearst Power.

3.3.5 Inspection

The electrical installation inside the building and out to the ownership demarcation point must be inspected and approved by the ESA.

- Hearst Power requires notification, in the form of an ESA Connection Authorization Certificate, to indicate that this inspection has been done and that subsequent approval has been confirmed prior to the electrical installation being energized.
- The service entry components to and including the meter base, shall be inspected and approved by Hearst Power prior to energization.

3.3.6 Servicing Cost

Same rules apply as per Section 3.2.6 except where new development requires expansion of Hearst Power's distribution system.

The Developer shall pay the entire cost of all electrical and civil costs from the supply point to the electrical ownership demarcation point that only benefits the Developer within a five-year time horizon.

Also, per the Economic Evaluation Model, the Developer will contribute the actual cost of the system expansion that brings the service to the development supply point plus the system enhancement cost based on diversified load.

The expansion Cost to Hearst Power's normal standard will be reduced, in whole or in part, by a credit based on the future net revenue of Hearst Power. The normal net revenue horizon will be based on 15-years of load usage subject to change depending on the type of development.

The load used for calculating the credit will be based on typical diversified demand based on the service entrance size or on load projections provided by the Customer. An agreement with the Customer may be required to guarantee the loading schedule (when services will be connected and electricity used) for the development. The agreement will be reviewed, per the Distribution System Code, on the fifth year anniversary and the security will be reduced based on the actual load

experience. The load security deposit will be reduced if the loading schedule is realized as per the OEB's Distribution System Code.

These costs are determined independent of the rate classification used for energy billing purposes.

3.4 Intermediate User (General Service above 1500kW)

Refer to Section 3.3

3.5 Embedded Generation Facility

This section applies to renewable and non-renewable embedded generators or other Energy Resource Facilities. Facilities are categorized according to size, per the OEB's Distribution System Code. Hearst Power requires all Customers wishing to connect to its distribution system to execute a Connection Agreement, in accordance with the OEB's Distribution System Code and Hearst Power's Conditions of Service.

Each Feed In Tariff (FIT) Customer shall maintain full force and effect insurance coverage as per its executed agreement with Hearst Power. Each micro Feed In Tariff (microFIT) Customer is encouraged to maintain in full force and effect insurance coverage.

Connection of embedded generators or energy resource facilities shall be provided where technically feasible. The Customer is responsible for the cost of connection and related protections to ensure the safety of the public, employees and security of the system in accordance with the Distribution System Code. A Connection Cost agreement will be executed with the Customer per the Ontario Energy Board's Distribution System Code. The property owner is responsible to manage all Service capacity changes and planned outages with the electrical Service users on the Property. If damage or increased operating costs result from a connection with a generator, Hearst Power shall be reimbursed for these costs by the generator.

When embedded generation is connected to Hearst Power's distribution system, the Customer shall provide an interface protection that minimizes the severity and extent of disturbances to Hearst Power's distribution system and the impact on other Customers. The interface protection shall be capable of automatically isolating the generator(s) from Hearst Power's distribution system for the following situations:

- Internal faults within the generator
- External faults in Hearst Power's distribution system
- Certain abnormal system conditions, such as over/under voltage, over/under Frequency

The Customer shall disconnect its embedded generation from Hearst Power's distribution system when:

- a remove trip or transfer trip is included in the interface protection and
- the Customer effects changes in the normal feeder arrangements other than those agreed upon in the operating agreement between Hearst Power and the Customer

Administrative and technical requirements can be found in the Distribution System Code (“DSC”) Sections 6.2.5 through 6.2.30, at the Ontario Energy Board website (www.oeb.gov.on.ca).

3.5.1 Net Metering

If a customer of Hearst Power meets the criteria of subsection 7(1)(2), O. Reg. 541/05, Net Metering, then that customer may apply to be a net metering participant. Net metering shall be made available on a first-come, first-served basis until the generation capacity in Hearst Power’s licensed service area is reached, in accordance with Section 6.7.2 of the DSC. Billing will be in accordance with the Net Metering Regulation, provided Section 2(2) is met. A Customer wishing to participate in the Net Metering program may access more details on the OEB website at www.oeb.gov.on.ca under Green Energy Initiatives.

3.6 Embedded Market Participant

Refer to the Distribution System Code

3.7 Embedded Distributor

Refer to the Distribution System Code

3.8 Unmetered Services

Unmetered Loads are Loads that are billed based on an estimated usage and Load profile. Hearst Power has the sole right to determine if a Load is to be classified as unmetered.

Unmetered loads are intended for small Load use within the public Road Allowance. The specific Service is for publicly owned utility plant, other utilities that are licensed for their plant access with the road authority, government agencies, traffic signals, communication power supplies, bus shelters, railroad signals and telephone booths. These services do not normally require system Enhancements or Expansions for connection. When unmetered Service connections are requested and system Enhancements or Expansions are needed, the Customer shall bear the cost of such connection. The Customer must contact Hearst Power for a quote.

When a Customer is eligible for an un-metered service and has chosen such, Hearst Power may choose to meter the load at any time and for any duration to, for example, verify or study typical usage (i.e., amount or profile) at the Customer’s expense. Also, when requested by Hearst Power, the Customer or Consumer shall undertake at their cost, electrical usage profile studies by using either a Hearst Power acceptable certified lab or acceptable in-field metering unit. The interim results and final report shall be provided to Hearst Power in an acceptable format and time to Hearst Power. Un-metered Consumers shall not allow other Consumers to use unmetered

electrical power from their system without the written consent of Hearst Power.

By selecting the un-metered service option, the Customer gives Hearst Power consent to share or release load detail, plus energy and demand data to persons including, but not limited to, utilities, electrical associations, interest groups and Hearst Power's regulators or as required by law. However, unless required by law or with the Customer or Consumer's written consent, their identity shall remain confidential and not be disclosed by Hearst Power. Except otherwise noted, these conditions do not apply to metered services.

3.8.1 Street Lighting, Traffic and Pedestrian X-Walk Signals

All services supplied to street lighting, traffic and pedestrian X-walk equipment owned by the municipality or the Province of Ontario shall be classified as Street Lighting Service.

Equipment owned by the Customer are subject to the Electrical Safety Authority (ESA) requirements. The Customer is responsible for the costs of connection, maintenance and repairs of its own equipment.

3.8.2 Sentinel Lighting and Billboards

Hearst Power no longer offers new sentinel lights or billboards unmetered connections. Any changes requested by the customer with an existing sentinel light(s) or major Hearst Power distribution system work on the specific sentinel light poles will result in the removal of the light(s) and will required metering. All new and upgraded sentinel light or billboard shall be metered as per Section 3.2.

3.9 Temporary Service

This section pertains to the supply of electrical energy on a planned temporary basis; temporary basis is defined as;

Temporary Service has three meanings with Hearst Power:

- the first meaning is a planned temporary service that is an ESA inspected electrical service and granted temporarily for a period of less than one year for purposes such as pole mounted service equipment, construction sites, trailers, cranes, boathouses, or special events. The default temporary service is defined as single phase, not more than 200A service that lies along an existing electrical distribution system and existing required transformation;
- the second meaning is an unplanned temporary service conductor that is provided by Hearst Power for a faulted underground secondary conductor. This temporary service conductor will be removed by Hearst Power as soon as seasonally possible to effect repairs or replacement to the normal permanent service conductor, and
- the third meaning is a planned temporary distribution system configuration during an underground primary system expansion, the normal backup may not be available up to one

year to accommodate the developer's subdivision construction phasing. Note that the requestor pays for all planned temporary works;

Please note that services for temporary accommodation such as portable schoolrooms are not permitted.

The Customer will be responsible for all associated costs for **the installation and removal** of equipment required for a temporary service to Hearst Power's point of supply. Temporary services may be provided for a period of no more than 12 months.

Temporary services must be renewed thereafter if an extension is required and the equipment for such temporary service must be re-inspected at the end of the 12-month period.

Where meter bases are required, they must be approved by Hearst Power and shall be securely mounted on minimum 152 mm diameter poles (or alternative if approved by Hearst Power) so that the midpoint of the meter is 1.73 m (+ or – 100 mm) from finished grade.

The Customer must pay all temporary service costs and a transformer rental charge will apply for temporary services other than the default temporary service.

Customers who install and maintain the load equipment are also responsible for installing and maintaining the service conductors from the supply point to the load.

If for some reason a supply point is relocated, the Customer will be contacted and informed that the service conductors must be extended at a cost to the Customer to the new supply point. If any personnel, including contractor or sub-contractor, (such as floor sander or terrazzo grinder) takes supply from the line side of the meter or jumps the fuse, the service to the facility or building will be disconnected immediately.

3.9.1 Service Requirements

- a) The service voltage will be established by Hearst Power depending upon the location of the building/construction site and will be one of the following:
 - 120/240 volts, 1-phase, 3-wire, up to 400A overhead supplied;
 - 120/240 volts, 1-phase, 3-wire, 400A underground supplied in designated areas;
 - 347/600 volts, 3-phase, 4-wire, up to 200A overhead supplied in designated areas;
 - 347/600 volts, 3-phase, 4-wire, up to 400A underground supplied in designated areas.
 - Larger services may require a temporary primary service (see Section 3.3).
- b) Hearst Power will establish the location of the service entrance to the property and to the building.

3.9.2 Service Information

- a) At the discretion of Hearst Power one or more temporary services may be provided for a site,

subject to the requirements of the ESA.

- b) The location of the service entrance point and details of metering will be established through consultation with Hearst Power. Failure to comply may result in modifications at the Customer's expense.

3.9.3 Supply from Pole Line (where permitted by bylaw)

The Customer will provide the secondary overhead conductor to the supply point or pay for Hearst Power to provide the conductor. Hearst Power will install and connect the service conductor at the supply point. The Customer will supply any anchoring, as required.

Pole mounted services require a weatherproof cabinet at a size sufficient to house the service and meter equipment. The cabinet shall have provision for padlocking. No metering or service equipment may be attached on the Hearst Power poles. Hearst Power may provide an overhead primary service for large projects, at the Customer's expense. Line poles provided for utility equipment shall be a minimum of Class 4.

3.9.4 Supply from Underground Distribution System

There are areas where only an underground system has been installed. It will be necessary to consult with Hearst Power to establish the method and cost of obtaining temporary construction service.

Due to the wide variation in these services, the Customer will pay the costs incurred by Hearst Power.

3.9.5 Site Information

The Customer is to provide the following information to Hearst Power:

- Civic address;
- Customer billing information such as Customer name, billing address, telephone number;
- Requested energization and removal dates;
- Service amperage;
- Preferred voltage;
- Preferred point of service entrance;
- Estimated kilowatt demand;
- A listing of all significant loads such as large motors;
- A site plan showing the location of the delivery point relative to lot lines and the street;

- A load estimate.

3.9.6 Metering

The Customer shall supply metering equipment as required and approved by Hearst Power.

Glossary

Sources of Definitions:

Electricity Act, 1998, Schedule A, Section 2, Definitions

IESO Market Rules for the Ontario Electricity Market, Chapter 11, Definitions

Distribution System Code Definitions

Retail Settlement Code Definitions

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

Actual Cost means Hearst Power's charge for equipment, labour and materials at Hearst Power's standard rates plus Hearst Power's standard overheads and interest thereon;

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

Backup generator means permanent or temporary generation that does not back feed into the Distributor's system;

Basic Connection Charge means the charge for the standard allowance for basic connection consistent with the defined ownership demarcation point and can be connected without requiring an Expansion;

Billing demand means the metered demand or connected load during a billing and is measured in kilowatts (kW). Adjustments have been made for power factor, intermittent rating, transformer losses and minimum billing;

Board or OEB means the Ontario Energy Board (OEB);

Board of Directors refers to the Board of Directors of Hearst Power;

Bulk Meter means a revenue class Measurement Canada approved meter and/or installation that is used as a single point of measurement which Hearst Power uses to bill the Customer's energy account for a Premise. A Bulk Meter is not a customer-owned revenue meter or a meter which is owned and operated by a licensed Sub-Metering provider;

Business days mean Mondays to Fridays, 8:00am to 4:30pm, and does not include hours outside those stated or weekends or statutory holidays or holidays;

Code means the Distribution System Code;

Competent Person shall have the meaning ascribed to it in O.Reg. 22/04;

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

Conditions of Service or CoS means these Conditions of Service which are developed in accordance with the Distribution System Code;

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

Connection Agreement means an agreement entered into between Hearst Power and a person whose Customer Equipment is or is to be connected to the Distribution System. This agreement sets out the conditions of the Connection and delivery of electricity to or from that Connection;

Connection assets means that portion of the distribution system used to connect a Customer to the existing main distribution system, and consists of the assets between the point of connection on a Distributor's main distribution system and the ownership demarcation point with that Customer;

Consumer means a Person who uses, for the Person's own consumption, electricity that the Person did not generate;

Critical Care Customer means a Customer who has provided Hearst Power with a physician's written confirmation that a Disconnection will pose a risk of significant adverse effects on the physical health of the Customer or other Person that regularly resides with the Customer;

Customer means a Person that has contracted for or intends to contract for connection of a building(s) or an embedded generation facility. This includes Developers of residential or commercial sub-divisions and Embedded Distributors;

Customer Equipment means all electrical and mechanical equipment that is owned by the Customer and is used by the Customer and only supplies the Customer's home or business and does not include any Hearst Power Facilities and Equipment;

Demand means the average value of power measured over a specified interval of time, usually expressed in kW. Typical demand intervals are 15, 30 and 60 minutes;

Demand meter means a meter that measures a Consumer's peak usage during a specified period of time;

Disconnection means a deactivation of connection assets that result in cessation of distribution services to a Consumer;

Disconnect/Collect Trip means a visit to a Customer's premises by an employee or agent of Hearst Power to demand payment of an outstanding amount or to shut off or limit distribution of electricity to the Customer failing payment;

Distribute, with respect to electricity, means to convey electricity at voltages of 50 kV or less;

Distributor means a Person who owns or operates a Distribution System;

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

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

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

Distribution System Code or DSC means the code, approved by the Board, and in effect at the relevant time, which, among other things, establishes the obligations of the Distributor which respect to the services and terms of service to be offered to Customers and Retailers and provides minimum technical operating standards of distribution systems;

Distribution System means a system for distributing electricity, and includes any structures, equipment or other things used for that purpose. A distribution system is comprised of the main system capable of distributing electricity to many Customers and the connection assets used to connect a Customer to the main distribution system;

Distributor means an entity who owns or operates a distribution system;

Electricity Act means the *Electricity Act, 1998*, S.O. 1998, c.15, Schedule A;

Electricity Distribution Rate Handbook means the document issued by the OEB that outlines the regulatory mechanisms that will be applied in the setting of Distributor's Rates;

Electrical Safety Authority or ESA means the person or body designated under the

Electricity Act regulations as the Electrical Safety Authority;

Electrical Safety Code means the code referred to in O. Reg.164/99, as amended;

Electricity System means the integrated power system and all facilities connected to that system;

Eligible low-income customer means:

- (a) a residential electricity consumer who has been approved by the Centralized Service Provider(CSP) for the OESP; or
- (b) a residential electricity consumer who has been approved by a LEAP Intake Agency for Emergency Financial Assistance;

Embedded distributor means a distributor who is not a wholesale market participant and that is provided electricity by a host distributor;

Embedded Generator or Embedded Generation Facility means a Generation Facility that is not directly connected to the Independent Electricity System Operator controlled Grid, but instead is connected to a Distribution System;

Embedded retail generator means a customer that:

- (a) is not a wholesale market participant or a net metered generator (as defined in section 6.7.1);
- (b) owns or operates an embedded generation facility, other than an emergency backup generation facility; and
- (c) sells output from the embedded generation facility to the Ontario Power Authority under contract or to a distributor;

Embedded wholesale consumer means a consumer who is a wholesale market participant whose facility is not directly connected to the IESO-controlled grid but is connected to a distribution system;

Emergency means any abnormal system condition that requires remedial action to prevent or limit loss of a distribution system or supply of electricity that could adversely affect the reliability of the electricity system;

Emergency backup generation facility means a generation facility that has a transfer switch that isolates it from a distribution system;

Emergency Financial Assistance means emergency financial assistance under LEAP; “Energy Competition Act” means the Energy Competition Act, 1998, S.O. 1998, c. 15;

Energy means the product of power multiplied by time, usually expressed in kilowatt-hours (kWh);

Enhancement means a modification to the main distribution system that is made to improve system operating characteristics such as reliability or power quality or to relieve system capacity constraints resulting, for example, from general load growth, but does not include a renewable enabling improvement;

Expansion means a modification or addition to the main distribution system in response to one or more requests for one or more additional customer connections that otherwise could not be made, for example, by increasing the length of the main distribution system, and includes the modifications or additions to the main distribution system identified in section 3.2.30 of the DSC but in respect of a renewable energy generation facility excludes a renewable enabling improvement;

Force Majeure means events or causes beyond the reasonable control of Hearst Power, including, without limitation, severe weather, flood, fire, lightning, other forces of nature, acts of animals, epidemic, quarantine restriction, war, sabotage, act of public enemy, earthquake, insurrection, riot, civil disturbance, strike, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes;

Four-quadrant interval meter means an interval meter that records power injected into a distribution system and the amount of electricity consumed by the Customer;

Financial Loss means any liability, loss, claim, settlement payment, cost or expense, interest, award, judgment, damages (including punitive damages), diminution in value, fines, fees and penalties, or other charge, other than a litigation expense;

FIT means the Independent Electricity System Operator's Feed-In-Tariff Renewable Energy program. This program previously belonged to the Ontario Power Authority;

General Service or GS means any service supplied to premises other than those designated as residential and includes multi-unit residential establishments such as apartments buildings supplied through one service (bulk-metered);

Generate, with respect to electricity, means to produce electricity or provide ancillary services, other than ancillary services provided by a transmitter or distributor through the operation of a transmission or distribution system;

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

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

Good utility practice means any of the practices, methods and acts engaged in or approved by a significant portion of the 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 act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in North America;

GS < 50 kW means a Customer classification that applies to a non-residential account taking electricity at 750 V or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW;

GS > 50 kW means a Customer classification that applies to a non-residential account whose average monthly demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 1500 kW. For new Customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer;

Intermediate customer means a Customer classification that applies to a non-residential account whose average monthly demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 1500 kW but less than 5000 kW. For new Customers without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer;

Holiday means the following statutory Holidays: New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day;

Host distributor means the registered wholesale market participant Distributor who provides electricity to an embedded Distributor;

House service means that portion of the electrical service in a multiple occupancy facility which is common to all occupants, (i.e. parking lot lighting, sign service, corridor and walkway lighting, fire alarms etc.);

IESO-controlled grid means the transmission systems with respect to which pursuant to agreements, the IESO has authority to direct operation;

Independent Electricity System Operator (IESO) manages the Ontario power grid, provides the hourly energy spot market prices, and sets and enforces the market rules for participating in the Ontario electricity market. On January 1, 2015, the Ontario Power Authority (OPA) merged with

the IESO;

In service date means the date that the Customer and Hearst Power mutually agree upon to begin the supply of electricity by Hearst Power;

Interval meter or interval metering means a meter that measures and records electricity use on an hourly or sub-hourly basis;

Large embedded generation facility means an embedded generation facility with a name-plate rated capacity of more than 10 MW;

LEAP means the Low-Income Energy Assistance Program established by the Board;

LEAP Intake Agency means a social service agency, municipality or government agency that assesses a residential electricity consumer's eligibility for Emergency Financial Assistance;

Load means any device (i.e., equipment, apparatus) or collection of devices that rely on electricity to function;

Load Control Device means a load limiter, timed load interrupter or similar device that limits or interrupts normal electricity Service;

Load displacement means, in relation to a generation facility that is connected on the customer side of a connection point, that the output of the generation facility is used or intended to be used exclusively for the customer's own consumption;

Load transfer customer means a customer that is provided distribution services through a load transfer;

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

Local Distribution Company or LDC means a Distributor licensed by the Ontario Energy Board;

Market Rules means the rules made under section 32 of the Electricity Act;

Measurement Canada means the Special Operating Agency established in August 1996 by the Electricity and Gas Inspection Act, 1980-81-82-83, c. 87, and Electricity and Gas Inspection Regulations (SOR/86-131);

Meter service provider means any entity that performs metering services on behalf of a distributor or generator;

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

Metering services means installation, testing, reading and maintenance of meters;

Micro-embedded generation facility means an embedded generation facility with a name-plate rated capacity of 10 kW or less;

microFIT means the Feed-In-Tariff program under the Independent Electricity System Operator (which now includes the former Ontario Power Authority) generation programs for micro-embedded renewable generation with a name plate rating of 10 kW or less;

Mid-sized embedded generation facility means an embedded generation facility with a name-plate rated capacity of 10 MW or less and;

(a) more than 500 kW in the case of a facility connected to a less than 15 kV line; and

(b) more than 1 MW in the case of a facility connected to a 15 kV or greater line;

MIST refers to “Metering Inside the Settlement Timeframe”;

MIST meter means an interval meter from which data is obtained and validated within a designated settlement timeframe.

Monthly Billing means a notional and approximate 30-day period for a billing cycle, not a calendar month;

MOST refers to “Metering Outside the Settlement Timeframe”;

MOST meter means an interval meter from which data is only available outside of the designated settlement timeframe;

Municipal street lighting means all services supplied to street lighting equipment owned by the municipality;

MUSH refers to municipalities, universities, schools, hospitals, or other similar government institutions or agencies;

Net Metered Generation Facility means an Embedded Generation Facility that meets the requirements of O. Reg. 541/05 “Net Metering”;

OESP means the Ontario Electricity Support Program established pursuant to section 79.2 of the Ontario Energy Board Act;

Ontario Electrical Safety Code means the code adopted by O. Reg. 164/99 as the Electrical Safety Code;

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

Operating agreement means an agreement entered into between a Distributor and a Customer connected to the distribution system that delineates ownership, responsibilities and operating control of the equipment connected;

Operational demarcation point means the physical location at which a Distributor's responsibility for operational control of distribution equipment including connection assets ends at the Customer;

Owner means an individual, partnership, corporation, association, or other incorporated or unincorporated organization or legal entity that has legal ownership of a property;

Ownership demarcation point means the physical location at which a Distributor's ownership of distribution equipment including connection assets ends at the customers;

Performance standards means the performance targets for the distribution and connection activities of the Distributor as established by the Board pursuant to the *Ontario Energy Board Act* and in the Rate Handbook);

Person means any individual, partnership, franchise holder, association, corporation or any Government Authority and its employees, agents or Representatives;

Point of supply, with respect to an embedded Generator, means the connection point where electricity produced by the Generator is injected into a distribution system;

Power factor means the ratio between real power and apparent power (i.e. kW/kVA);

Prescribed property means one of the properties or classes of property prescribed by Ontario Regulation 389/10;

Primary service means any electrical service that is supplied with a nominal voltage greater than 750 V;

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

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

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

Reconnection means reactivation of Connection assets and results in the Customer's ability to use their electrical Service;

Regulations mean the regulations made under the *Ontario Energy Board Act* or the *Electricity Act*;

Regulated Price Plan or RPP means the Rate plan established by the Ontario Energy Board for retailing of electricity to eligible consumers, as defined by regulations made pursuant to the *Ontario Energy Board Act*. Regulated prices are established for tiered pricing or time-of-use pricing;

Renewable Energy Expansion Cost Cap means, in relation to a Renewable Energy Generation Facility, the dollar amount determined by multiplying the total name-plate rated capacity of the Renewable Energy Generation Facility referred to in Section 6.2.9(a) (in MW) by \$90,000, reduced where applicable in accordance with Section 3.2.27A of the Distribution System Code;

Renewable Energy Generation Facility has the meaning given to it in the *Ontario Energy Board Act, 1998*;

Residential Customer means a Customer who uses a Residential Service and resides in a single dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning designation. Separately metered dwellings within a town house complex or apartment building are also Residential Customers;

Retail Settlement Code means the code approved by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes a Distributor's obligations and responsibilities associated with financial settlement among Retailers and Customers and provides for tracking and facilitating Customer transfers among competitive Retailers;

Retail, with respect to electricity means,

- a) to sell or offer to sell electricity to a Customer;
- b) to act as agent or broker for a Retailer with respect to the sale or offering for sale of electricity; or
- c) to act or offer to act as an agent or broker for a Customer with respect to the sale or offering for sale of electricity;

Retailer means an entity who Retail electricity;

Secondary service means any electrical service that is supplied with a nominal voltage less than 750 V;

Service means the conductor and equipment for transferring electrical Energy between Hearst Power's Distribution System and the Customer's Premise;

Service agreement means the agreement that sets out the relationship between a licensed Retailer and a Distributor, in accordance with the provisions of Chapter 12 of the Retail Settlement Code (RSC);

Service area, with respect to a Distributor, means the area in which the Distributor is authorized by its licence to distribute electricity;

Service Layout (Point of Connection Plan) means a contract with Hearst Power when a Customer requests a new or upgraded electrical service;

Single Phase means a system that supplies a single alternating current electricity supply;

Small embedded generation facility means an embedded generation facility which is not a micro-embedded generation facility with a name-plate rated capacity of 500 kW or less in the case of a facility connected to a less than 15 kV line and 1 MW or less in the case of a facility connected to a 15 kV or greater line;

Smart Grid means the advanced information exchange systems and equipment described in subsection 1.3 of the *Electricity Act*;

Smart Meter means a device (including metering equipment, systems and technology and associated equipment, systems and technologies) that measures electrical Energy use (kilowatt-hours, kWh) and is part of an integrated data management system which records, stores, and transmits date and time stamped meter readings to Hearst Power for billing purposes. In the case of a Commercial metering point, Demand quantities (kW and/or KVA) on an hourly or sub-hourly basis;

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

Standard allowance means the standard allowance for basic connection and is up to 30 meters of 200 A, low-voltage overhead wire or equivalent credit for underground service, and also transformation capacity or an equivalent credit for transformation equipment. The standard allowance does not include road crossings;

Street Lighting means a Customer classification that applies to an account for roadway lighting with a municipality, regional municipality, Ministry of Transportation and private roadway lighting, controlled by photocells. The consumption for these Customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template;

Subdivision means two or more lots that require an expansion of underground primary cable complete with a transformer;

Sub-metering or Unit Sub-metering shall have the meaning ascribed to it in Part III of the *Energy Consumer Protection Act*, 2010, S.O. 2010, c.8;

Sub-service means a separately metered service that is taken from the main building service;

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

Support structure means any equipment that physically supports and routes the distribution system between the substation and the Customer. This includes poles, duct structures, transformer and switchgear vaults, hand holes, guy wires and anchors;

Temporary Service means one of the following: (i) a planned Temporary Service that is an Electrical Safety Authority inspected electrical Service and granted temporarily for a period of less than one year for purposes such as pole mounted Service equipment, construction sites, trailers, cranes, boathouses, or special events; (ii) an unplanned Temporary Service conductor that is provided by Hearst Power for a faulted underground secondary conductor, or (iii) a planned temporary Distribution System configuration during an underground primary system Expansion and is implemented where subdivision construction is to proceed in phases;

Tenant means a Person, Persons or entity that has entered into a tenancy agreement with the Owner or agent of a building in accordance with the applicable regulations;

Termination means a removal of connection assets that result in the service location no longer being connected to the distribution system, and results in a cessation of distribution services to a Consumer;

Total losses means the sum of distribution losses and unaccounted for energy;

Transformer room means an isolated enclosure built to applicable codes, Hearst Power standards and which will house transformers and associated electrical equipment;

Transmission system means a system for transmitting electricity, and includes any structures, equipment or other things used for that purpose;

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

Transmit, with respect to electricity, means to convey electricity at voltages of more than 50 kV;

Transmitter means a Person who owns or operates a transmission system;

Three Phase means a system having three distinct alternating currents 120 degrees between each phase;

Unaccounted for energy, means all energy losses that cannot be attributed to distribution losses. These include measurement error, errors in estimates of distribution losses and unmetered loads, energy theft and non-attributable billing errors;

Unmetered connections means a Customer classification that applies to an account taking electricity at 750 V or less whose average monthly maximum demand is less than, or is forecast to be less than, 5 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The Customer will provide detailed manufacturer information / documentation with regard to electrical demand / consumption of the proposed unmetered load;

Unmetered loads means electricity consumption that is not metered and is billed based on estimated usage;

Upgrade means replacement of an existing component of a distribution system with a new component for purposes of improving the distribution system's operating characteristics;

Validating, estimating and editing, or VEE, means the process used to validate, estimate and edit raw metering data to produce final metering data or to replicate missing metering data for settlement purposes;

Variable Connection Charge means the calculation of the costs associated with the installation of connection assets above and beyond the standard allowance. Hearst Power may recover this variable connection fee, which shall be based on firm cost;

Wholesale buyer means a Person that purchases electricity or ancillary services in the IESO-administered markets or directly from a Generator;

Wholesale market participant, means an entity that sells or purchases electricity or ancillary services through the IMO-administered markets;

Wholesale settlement cost means costs for both competitive and co-competitive electricity services billed to a Distributor by the IESO or a host Distributor, or provided by an embedded retail generator or by a neighbouring Distributor.

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Hearst Power Distribution Co. Ltd.

925 Alexandra St., P.O. bag 5000

Hearst, ON, P0L 1N0

Tel: 705-372-2815

www.hearstpower.com

APPENDIX A

MICRO-EMBEDDED GENERATION FACILITY CONNECTION AGREEMENT

In consideration of the Hearst Power Distribution Company Ltd. (Hearst Power) agreeing to allow you to connect your 10 kW name-plate rated capacity or smaller generation facility to the Hearst Power's distribution system, you hereby agree to the following terms and conditions.

1.0 Eligibility

- 1.1 You agree that your generation connection shall be subject to all applicable laws and bound by the terms and conditions of Hearst Power's Conditions of Service, as amended from time-to time, which have been filed with the OEB and are available on request.

2.0 Technical Requirements

- 2.1 You represent and warrant that you have installed or will install prior to the connection of your generation facility to the Hearst Power's distribution system, an isolation device satisfying Section 84 of the Ontario Electrical Safety Code and agree to the Hearst Power's staff operation of this as required for the maintenance and repair of the distribution system.
- 2.2 You agree to perform regular scheduled maintenance to your generation facility as outlined by the manufacturer in order to assure that connection devices, protection systems, and control systems are maintained in good working order and in compliance with all applicable laws.
- 2.3 You agree that during power outage on the Hearst Power's system, your generation facility will shut down, unless you have installed special transfer and isolating capabilities on your generation facility. You agree to the automatic disconnection of your generation facility from the Hearst Power's distribution system, as per the generator protective relay settings set out in this Agreement, in the event of a power outage on the Hearst Power's distribution system or any abnormal operation of the Hearst Power's distribution system.

- 2.4 You covenant and agree that the design, installation, maintenance, and operation of your generation facility are conducted in a manner that ensures the safety and security of both the generation facility and the Hearst Power's distribution system.
- 2.5 Due to the Hearst Power's obligation to maintain the safety and reliability of its distribution system, you acknowledge and agree that in the event the Hearst Power determines that your generation facility
 - (i) causes damage to: and/or
 - (ii) is producing adverse effects affecting other distribution system customers or the Hearst Power's assets, you will disconnect your generation facility immediately from the distribution system upon direction from the Hearst Power and correct the problem at your own expense prior to reconnection.

3.0 Liabilities

- 3.1 You and Hearst Power will indemnify and save each other harmless for all damages and/or adverse effects resulting from either party's negligence or wilful misconduct in the connection and operation of your generation facility or Hearst Power's distribution system.
- 3.2 Hearst Power and you shall not be liable to each other under any circumstances whatsoever for any loss of profits or revenues, business interruptions 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.

4.0 Compensation and Billing

- 4.1 If you are not an embedded retail generator, you agree that, subject to any applicable law:
 - 4.1.1 Hearst Power will not pay you for any excess generation that results in a net delivery to Hearst Power between meter reads; and
 - 4.1.2 There will be no carryover of excess generation from one billing period to the next unless you are, at the relevant time, a net metered generator (as defined in section 6.7.1 of the Distribution System Code).
- 4.2 If you are an embedded retail generator selling output from the embedded generation facility to the Ontario Power Authority under contract, you agree that Hearst Power will pay you for generation in accordance with the Retail Settlement Code.
- 4.3 If you are an embedded retail generator delivering and selling output to Hearst Power, you agree that Hearst Power will pay you for generation in accordance with the Retail Settlement Code.

5.0 Termination

You understand that you have the right to terminate this agreement at any time, and that by doing so you are required to disconnect your generation facility and notify Hearst Power of such action.

6.0 Assignment

You may assign your rights and obligations under this Agreement with the consent of Hearst Power, which shall not withhold its consent unreasonably. Hearst Power shall have the right to assign its rights and obligations under this Agreement without your consent.

I understand, accept and agree to comply with and be bound by the above terms and conditions governing the connection of my generation facility to Hearst Power’s distribution system.

Customer Signature: _____ Date: _____
(dd/mm/yyyy)

Print name and Hearst Power account number: _____

I confirm that the following information is true and accurate:

Nameplate rating of Generator: _____kW Total installed generation _____kW

Type: Wind Turbind
 Photovoltaic (Solar)
 Hydraulic Turbine
 Fuel Cell
 Other: _____

Inverter Utilized: Yes No

Inverter Certification: **C22.2 #107.1** **UL 1741** **Site Certified by the ESA**

<i>For office use:</i>		
<i>Station</i>	<i>Feeder:</i>	<i>Date connected:</i>

Generator Protective Relay Settings

Table 1B Inverter Based Generation

The following relay settings shall be used for inverters built to the CSA standard:

Source: CSA C22.2 No. 107.1-01 Table 16

System Voltage V _n ' V nominal V (Volts)	Frequency F (Hertz)	Maximum number of cycles to disconnect	
		Seconds	Cycle
V < 0.5 V _n	60	0.1	6
0.5 V _n # V < 0.88 V _n	60	2	120
1.10 V _n # V < 1.37 V _n	60	2	120
V > 1.37 V _n	60	0.033	2
V _n	F < 59.5*	0.1	6
V _n	F > 60.5	0.1	6

* The UL1741 & IEEE P1547 Standards use F < rated-0.7 i.e. 59.3 Hz. To update if CSA C22.2 No. 107.1-01 is changed

Table 2 B Non B Inverter Generation

LDC s minimum requirements, for other generation are as follows:

System Voltage V _n ' V nominal V (Volts)	Frequency F (Hertz)	Maximum clearing time*	
		Seconds	Cycles
V < 0.5 V _n	60	0.16	9.6
0.5 V _n # V < 0.88 V _n	60	2	120
1.10 V _n # V < 1.20 V _n	60	1	60
V \$ 1.20 V _n	60	0.16	9.6
V _n	F < 59.3	0.16	9.6
V _n	F > 60.5	0.16	9.6

*Clearing time is the time between the start of the abnormal condition and the generation ceasing to energize the LDC s distribution system

- If you are uncertain about your generation equipment s protective relay settings, please check with your generating equipment supplier.
- Automatic reconnect setting time for your generator is after 5 minutes of normal voltage and frequency on the LDC s distribution system.



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APPENDIX B

FIT - GENERATION FACILITY CONNECTION AGREEMENT

1.1 Disclaimers

All references to embedded generator(s), embedded generation facility(s) or embedded generation is to include but not be limited to the following; the operator, owner, leasee or leasor, contractor, facility manager.

Hearst Power will not be held liable for any damage to the property or equipment of any embedded generator(s) or embedded generation facility resulting from the parallel or non parallel operation with the Hearst Power Distribution System notwithstanding the Terms and Conditions of this Connection Agreement.

All references to Hearst Power in the document refers to Hearst Power Distribution Company Limited, their contractor(s) or representative (s).

1.2 Purpose of Connection Agreement

The purpose of this Agreement is to set forth the following:

- Minimum requirements that a generator shall meet in designing, maintaining and operating an embedded generating facility;
- Communication protocols and procedures between the embedded generator and Hearst Power;
- Ownership of equipment and property; and
- Terms and conditions of financial penalties and settlements.

1.3 Term and Termination of Connection Agreement

1.3.1 Term of Agreement

The Term of the Connection Agreement shall begin on the later of either the execution date of this Agreement by both parties as set out in. The Agreement shall remain in full force effect until terminated in accordance with this Agreement.

1.3.2 Termination of Agreement

Either non-defaulting Party may terminate the Connection Agreement at any time during the Term by giving the other Party a minimum of six (6) months written notice.

The Notice of Termination must be signed by the Signing Authority (or equivalent) in the Form of Connection Agreement and must include a date of Termination of the Connection Agreement.

1.3.3 Disconnection of non-defaulting party

If the non-defaulting party has submitted a Notice of the Termination of Agreement, Hearst Power will disconnect the connection facility on the date specified in the Termination of Agreement.

1.4 Terms and Conditions for Disconnection and Reconnection

1.4.1 Voluntary Disconnection

The embedded generator may permanently disconnect their facilities from the Hearst Power distribution system at their discretion in accordance with the procedures set out in this Agreement.

1.4.2 Penalties and Fees for Voluntary Disconnection

The embedded generator shall pay all associated costs, including the decommissioning, disconnection, and removal of Hearst Power property that are attributable to the voluntary disconnection.

1.4.3 Involuntary Disconnection

Hearst Power may disconnect the embedded generator,

- Upon Termination of this Agreement.
- If the embedded generator is a defaulting party.
- If directed by an order from the IESO, OEB an independent arbitrator or any other governing body.
- During an emergency.

1.4.4. Penalties and Fees for Involuntary Disconnection

(This section intentionally left empty)

1.4.4 Re-connection After Voluntary Disconnection

Hearst Power will re-connect the embedded generator after a voluntary disconnection provided there exists a Connection Agreement. All costs associated with the reconnection of an embedded generation facility will be paid by the embedded generation facility.

1.4.5 Re-Connection After Involuntary Disconnection

Hearst Power will re-connect the embedded generator after an involuntary disconnection provided that:

- a) Hearst Power is satisfied that the reason for disconnecting has been remedied to their satisfaction.
- b) The embedded generating facility has taken all reasonable steps to prevent the disconnection from reoccurring.

1.4.6 Right to Remove Assets

The Owner of the embedded generator agrees that if this Agreement were terminated for any reason whatever, Hearst Power reserves the right to enter the premises to remove all assets belonging to Hearst Power.

In the event that Hearst Power does not remove their assets within a certain period of time, this does not constitute a forfeit of the ownership of the assets nor does it constitute a forfeit of the right to remove the assets at a later date.

1.5 Access to Connection Facilities and Right to Connect

1.5.1 Hearst Power Access to Embedded Generator Facility

Unconditional and unobstructed access to the connection facility shall be available to Hearst Power, seven (7) days a week, twenty-four (24) hours a day.

1.5.2 Right to Connect the Embedded Generation Facility to Hearst Power Distribution Network

The embedded generator shall have the right to connect the embedded generation facility to Hearst Power distribution network, subject to the Terms and Conditions set forth in this Agreement.

1.6 Circumstances Requiring Re-negotiation of Connection Agreement

1.6.1 Change in ownership of Generating Facility

If at any time the Ownership of the Equipment and/or Property changes from that identified in, the Connection Agreement will become null and void as of the date of the change of Ownership and will require re-negotiation with the new Owners.

1.6.2. Ownership of Equipment and Property

Identification of Ownership of all Equipment and Property can be found in Access to Connection Facilities and Right to Connect.

1.7 Equipment Requirements and Equipment Standards

1.7.1 Equipment Standards

Without limiting Section 3.1.2 of the OEB Distribution System Code, all electrical equipment in the embedded generation facility shall be provided, installed and maintained in accordance with the Electrical Safety Authority in the Province of Ontario.

The embedded generation facility shall maintain all necessary inspection records from the Electrical Safety Authority and provide a copy upon request to Hearst Power within seven (7) calendar days.

1.7.2 Equipment Requirements

Without limiting Section 6.2.9 of the OEB Distribution System Code, the embedded generator shall provide, install and maintain at its expense all equipment that shall be necessary from time to time during continuance of this Agreement.

The embedded generation facility shall install at their cost any equipment necessary to correct any operation of the embedded generation facility that may adversely affect the quality of supply, reliability of supply or the physical equipment of Hearst Power distribution system, including but not limited to, the safety of Hearst Power employees, its contractors, agents and the public.

1.8 Licenses, Permits and Approvals

The embedded generation facility shall comply with all applicable laws and regulations and shall obtain and maintain all necessary licenses, permits, authorizations and approvals for the embedded generation facility.

1.9 Operational Standards

The embedded generating facility shall operate to prevent any disturbance, fluctuation, surge or interference with the Hearst Power distribution system.

Operation while in Default of Agreement

The embedded generator shall not operate the connection point in parallel with the Hearst Power distribution system if the embedded generator is in default of this Agreement.

Permission to Synchronize

The embedded generator shall not operate in parallel with the Hearst Power system except with the express permission of Hearst Power and the embedded generator shall obtain such permission from the Hearst Power Leadhand prior to every attempt to synchronize and operate.

Operational Status of Hearst Power Distribution System

The embedded generator shall only operate in parallel during normal operating conditions on the Hearst Power system. The Hearst Power Leadhand shall make the decision of normal system operating conditions.

Emergency Operations

Without limiting Section 4.5.6 of the OEB Distribution System Code, the embedded generator shall participate in emergency plans as developed by Hearst Power.

In the event that changes to the embedded generation facility are required to allow the facility to participate in emergency operations the allocation of costs shall be in accordance with IMO & OEB requirements.

Operating Voltage

The embedded generation facility shall operate with the excitation system of the generator in power factor control mode, with a set point 100% or 1.0 per unit, unless instructed otherwise by Hearst Power Leadhand.

Operating Frequency

The embedded generation facility shall operate at a frequency of 60 Hertz (Hz).

1.10 Worker Protection, Safety to the Public and the Environment

Right to Disconnect

Without limiting Section 3.1 of the OEB Distribution System Code, Hearst Power reserves the right to physically disconnect and remove all Hearst Power assets from the embedded generators facility (including overhead lines, underground cables, disconnects, metering equipment etc.) if at any time the actions of the embedded generator jeopardizes the safety of any human life, the safety of the public or the environment.

Hold-offs

Hearst Power reserves the right to apply secure hold-offs on any distribution circuits with or without parallel, embedded generation.

The embedded generator shall allow for provision in their circuit breaker control circuitry to permit Hearst Power to remotely block the closing signal for the generating unit(s) synchronizing breaker(s).

If at any time it is not possible for Hearst Power to apply a hold-off from an embedded generator's connection facility, the embedded generator shall discontinue operating in parallel with the Hearst Power distribution system until such time that the hold-off is removed by the Hearst Power Leadhand.

Requirements for System and Generating Plant Protection

The embedded generator shall install at their cost all equipment necessary to automatically disconnect the generator(s) from Hearst Power Distribution System in the event of abnormal conditions.

1.11 Requirements for Reporting Equipment Characteristics of Configurations

Engineering Documentation

The embedded generator shall provide Hearst Power with two (2) copies of the following documentation:

- a) Accurate single line diagram of the station as finally built and approved for service.
- b) Three line diagram(s) of protective relaying system as finally built and approved for service.
- c) Control Diagram(s) for generator circuit breaker(s) and/or paralleling circuit breaker(s) as finally built and approved for service.
- d) Protection tripping logic diagram as finally built and approved for service.
- e) Protective Relay settings as finally built and approved for service.
- f) Equipment Data Sheets.

Hearst Power reserves the right to request additional information at any time from the embedded generation facility.

Changes in Equipment Characteristics

Hearst Power shall approve any changes to the equipment characteristics or layout prior to the modifications being made.

In the event the original equipment characteristics are modified, the embedded generator shall provide updated copies of documentation to Hearst Power.

Changes in Equipment Electrical Configurations

Hearst Power shall approve any changes to the equipment electrical configurations or layout prior to the modifications being made.

In the event the original equipment electrical configuration is modified, the embedded generator shall provide updated copies of all documentation to Hearst Power.

1.12 Generation Output Metering Requirements

Without limiting the generalities of Hearst Power, the embedded generator shall install at their cost all metering required by the Ontario Energy Board Distribution System Code, Section 5.2.

1.13 Inspection, Maintenance and Testing of Equipment

The embedded generator shall inspect, maintain and test its equipment in accordance with recognized, safe work practice.

1.14 Requirements for Communication with Hearst Power Distribution Network

Day to Day Communications

The embedded generator shall provide Hearst Power with a means to communicate with the operational staff of the embedded generation facility for Normal Day-to-Day Communications.

If required, the embedded generator shall supply, install and maintain dedicated communication lines for remote tripping capabilities.

Emergency Communications

The embedded generator shall provide Hearst Power with a means to communicate with operational staff of the embedded generation facility for Emergency Communications.

An operational contact from the embedded generator will be available twenty (24) hours per day, seven (7) days per week using the communication means as specified by Hearst Power.

Hearst Power reserves the right to specify the communication platform, hardware, bandwidth, wavelength and/or protocol if the system provided by the embedded generator is not sufficient to meet the needs of an Emergency Communication System.

Schedule A – Form of Connection Agreement

This Connection Agreement is made the _____ day of _____
in the year _____, BETWEEN, **Hearst Power Distribution Company Limited**, a Corporation incorporated pursuant to the laws of the Province of Ontario, (the “Distributor”) and _____ licensed by the Ontario Energy Board.

PARTY OF THE FIRST PART:

and _____, a Corporation incorporated pursuant to the laws of the Province of Ontario, (the “Customer”)

PARTY OF THE SECOND PART.

RECITAL

In accordance with its license and the Market rules, the Distributor has agreed to offer, and the Customer has agreed to accept the terms and conditions of the Connection Agreement IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by the signatures of their proper officers duly authorized in that behalf.

Hearst Power Distribution Company Ltd.

Generator

Name:
Title:

Name:
Title:

Name:
Title:

Name:
Title:

Schedule B – Ownership of Equipment and Property

Hearst Power Distribution Company Ltd. The “Distributor” owns the following listed equipment and/or property	The “Embedded Generator” owns the following listed equipment and/or property
Land:	Land:
Disconnect:	Disconnect:
Circuit Breaker:	Circuit Breaker:
Metering Installation:	Metering Installation
Transformer:	Transformer:
Overhead Line:	Overhead Line:
Underground Cable:	Underground Cable:
Fuse holders and fuses:	Fuse holders and fuses:
SCADA RTU	SCADA RTU

Schedule C – Facility Contact Information

Embedded Generation Facility		Hearst Power
Facility Name:		
Facility Location:		
1.0	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:
2.0	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:
3.0	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:
4.0	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:	Contact Name: Position: Telephone (days): Telephone (nights): Cellular Phone: Fax: Email:

APPENDIX C
Application for service

