



VERIDIAN
CONNECTIONS

CONDITIONS OF SERVICE

EFFECTIVE MARCH 1, 2015

FILED WITH THE ONTARIO ENERGY BOARD

Preface

The Distribution System Code (DSC) is a code of conduct for Electricity Distributors licensed by the Ontario Energy Board (OEB) to operate within defined areas of the province. Veridian Connections Inc. (Veridian) is such a Distributor. The DSC requires that Veridian produce its own "Conditions of Service" document (COS). The purpose of this document is to provide a means of communicating the types and level of service available to the Customers within Veridian's service territory. The Distribution System Code requires that the Conditions of Service be readily available for review by the general public. In addition, the most recent version of the document must be provided to the Ontario Energy Board (OEB) who in turn will retain it on file for the purpose of activating dispute resolutions in the event that a dispute cannot be resolved locally.

This DSC provides a template which outlines the minimum requirements for the content of these Conditions of Service. However, Veridian has expanded on the content to encompass local constraints and other specific requirements, as encouraged by the OEB. The form and layout of the Conditions of Service document are as required by the OEB.

*The **General** section contains references to services and requirements, which span across all Customer classes. This section covers such items as Rates, Billing, Hours of Work, Emergency Response, Power Quality, Available Voltage, etc.*

*The **Customer Specific** section contains references to services and requirements, which are specific to individual Customer classes. This section covers such items as Metering, Service Entrance Requirements, Delineation of Ownership, Special Contracts, etc.*

*The **Appendices** may include tables of data, rates, examples of contracts and agreements, etc., which are referred to in the body of the document, along with any other documentation which may not readily fall into the specific sections. Some of the Appendices will include references to or copies of documents which have their own OEB approvals (such as rates); therefore these documents may have effective dates or approval dates which are more recent than the date shown for the COS.*

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1.0 INTRODUCTION

1.1 IDENTIFICATION OF VERIDIAN AND TERRITORY

Veridian Connections Inc., referred to herein as “Veridian,” is a Corporation incorporated under the laws of the Province of Ontario and a distributor of electricity.

Veridian is licensed by the Ontario Energy Board (“OEB”) to supply electricity to Customers as described in the Transitional Distribution License issued to Veridian on April 1, 1999, by the OEB (“Distribution License”).

Additionally, there are requirements imposed on Veridian by the various Codes referred to in the License and by the Electricity Act, 1998 and the Ontario Energy Board Act, 1998.

Veridian 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, and is defined in S. 1.1.1 below.

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

1.1.1 Veridian’s Distribution Systems

Veridian operates the following Distribution Systems within Service Areas generally defined as noted below. Note that due to development activity, additions to the Service Area are made from time to time, and the descriptions below may at any time not be complete. Customers are encouraged to contact Veridian to confirm Service responsibility, or to enquire about Service in areas not specifically listed.

Ajax and Pickering

The entire municipalities of the Town of Ajax and the City of Pickering, using 44kV, 27.6kV, and 13.8kV distribution voltages. These voltages are not ubiquitous, and the 13.8kV and 27.6kV are usually mutually exclusive.

Clarington

Within the former municipal limits of Bowmanville, Newcastle, and Orono, using 44kV, 13.8kV, 8.32kV, and 4.16kV distribution voltages.

Uxbridge

Within the limits of the Town of Uxbridge, using 44kV and 4.16kV distribution voltages.

Brock

Within the limits of the municipalities of Beaverton, Cannington, and Sunderland, using 44kV, 4.16kV and 8.32kV distribution voltages.

Port Hope

Within the limits of the former Town of Port Hope, using 44kV, 27.6kV, and 4.16kV distribution voltages.

Belleville

Within the former limits of the City of Belleville, using voltages of 44kV, 13.8kV, and 4.16kV.

Gravenhurst

In the Town of Gravenhurst as at May 1, 1999:

Northerly, to the northern boundary of the Town of Gravenhurst;

From the Northern boundary southward along the easterly boundary of the Town of Gravenhurst to Concession 10 (between Ryde and Morrison Township);

The southerly boundary proceeds westerly along Concession 10 to Lot 26;

Northerly from Concession 10 Lot 26 to the middle of Concession 12 Lot 26, then westerly to Concession 12 Lot 35;

Then the boundary goes between Morrison Lake and South Muldrew Lake and goes through Wood Township to the westerly limit of the Town of Gravenhurst; and

From the westerly limit of the Town of Gravenhurst, Concession 12 Lot 8, to the northern boundary of the Town of Gravenhurst.

A map illustrating the service area is available from Veridian.

Using voltages of 44kV, 12.47kV and 4.16kV.

Scugog

The Village of Port Perry as of November 5, 1979, now the Town of Port Perry in the Township of Scugog using voltages 44kV and 4.16kV.

1.2 RELATED CODES AND GOVERNING LAWS

The supply of electricity or related services by Veridian to any Customer will be subject to various laws, regulations, and codes, including but not limited to the provisions of the latest editions of the following documents:

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

In the event of a conflict between this document and the Distribution License or regulatory codes issued by the OEB, or the Energy Competition Act, 1998 (the “Act”), the provisions of the Act, the Distribution License and associated regulatory codes will prevail in the order of priority indicated above. If there is a conflict between a Connection Agreement with a Customer and this Conditions of Service, this Conditions of Service will govern.

When planning and designing for electricity service, Customers and their agents must refer to all applicable provincial and Canadian electrical codes, and all other applicable federal, provincial, and municipal laws, regulations, codes and by-laws to also ensure compliance with their requirements. Note specifically that the requirements of the Ontario Electrical Safety Authority (ESA) govern all electrical work on private property and certain elements of work on the public roadway and utility lines. This Conditions of Service document may not be up to date at any given time with the requirements of the ESA. In all cases, the ESA requirements will be the minimum standard permissible.

Without limiting the foregoing, the work will be conducted in accordance with the requirements of the latest edition of the Ontario Occupational Health and Safety Act (OHSA), the Regulations

for Construction Projects, the harmonized rule book of the Electric & Utilities Safety Association (EUSA) rulebook, and applicable traffic safety and control requirements.

1.3 INTERPRETATIONS

Definitions of words or terms used throughout this document are intended to be consistent with the definitions used by the OEB in the DSC. In general, defined words are capitalized, for convenience only.

Unless the context otherwise requires, headings, paragraph numbers and underlining are for convenience only and do not affect the interpretation of the Conditions. Words referring to the singular include the plural and vice versa, and words referring to a gender include any gender.

1.4 AMENDMENTS AND CHANGES

The provisions of this Conditions of Service and any amendments made from time to time form part of any Contract made between Veridian and any connected Customer, Retailer, or Generator. This Conditions of Service supersedes all previous conditions of service, oral and written, of Veridian or any of its predecessor municipal electric utilities as of its effective date.

Any material change that represents a significant alteration to the Veridian - Customer relationship (as judged by Veridian) will be advertised either through the mail, press, or Veridian web site. Customers may be notified of changes to this document in their billing notices.

A current copy of this document is filed with the OEB as is required by the Distribution System Code (DSC).

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

1.5 CONTACT INFORMATION

- Address: 55 Taunton Road East
Ajax, Ontario L1T 3V3
- Telephone No.: 905-427-9870, 1-888-445-2881
- Fax No.: 905-619-0210
- Email: service@veridian.on.ca
- Normal Business Hours: Monday to Friday, 8:30 a.m. to 4:30 p.m.
- Emergency Contact Number for:
Life Support Power Failure
Personal Injury or Damage to Equipment
Any Power Problems
Disconnection/Reconnection

1-888-445-2881

1.6 CUSTOMER RIGHTS

The Customer will only be liable to Veridian and Veridian will only be liable to the Customer for any damages that arise directly out of the willful misconduct or negligence:

1. Of Veridian in providing distribution services to the Customer;
2. Of the Customer in being connected to Veridian's distribution system; or
3. Of Veridian or the Customer in meeting their respective obligations under this Conditions of Service, their licenses and any other applicable law.

Notwithstanding the above, neither Veridian nor the Customer will 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 said liability, loss or damages arise in contract, tort or otherwise.

The Customer, or Embedded Generator will indemnify and hold harmless Veridian, its directors, officers, employees and agents from any claims made by any third parties in connection with the construction and installation of a generator by or on the behalf of the Customer or the Embedded Generator.

1.7 VERIDIAN RIGHTS

In order to allow Veridian to practically and orderly manage its role as the licensed distributor, and in order to be fair and equitable to all customers, Veridian has the right to, and will, enforce the provisions of these Conditions of Service, as permitted by this document and Veridian's license. Some general conditions which customers must follow are noted below.

1.7.1 General Customer Responsibilities

Veridian shall have access to Customer's property in accordance with section 40 of the *Electricity Act, 1998*.

In addition to the foregoing, Customers will allow Veridian employees and agents free access at all reasonable hours to Veridian's meters, wires and other equipment. Where safety or reliability of the electrical distribution system is at risk, free access will be required at all times.

Veridian staff will exercise reasonable care to limit damage to customer property that might occur as a result of its maintenance and repair activities. The Customer is responsible to maintain unobstructed access to electrical plant on its property. Veridian will not be responsible to repair or replace landscaping features, asphalt or concrete paved areas or structures that might be disturbed in the course of making repairs to the electrical supply system on the Customer's property.

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

Customers will be required to pay the cost of repair or replacement of Veridian's equipment which has been damaged through the Customer's action, neglect, or any other reason.

The Customer will provide and maintain any or all civil works on private property and other facilities to accommodate Veridian service equipment, as outlined further in the Service Sections of this manual.

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

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

1.7.2 Liability

In addition to the provisions of section 1.6 above, the Customer shall indemnify and hold harmless Veridian, its directors, officers, employees and agents from any claims by any third parties in connection with the provision of electrical distribution services except where such loss or damage arises out of Veridian's willful misconduct or negligence.

Veridian shall assume no risk nor be liable for damages arising from the presence of its equipment on the Customer's property.

1.7.3 New Services

Early contact with Veridian is paramount to ensure that service as required can be made available, at the time required.

Customers must provide the following information to Veridian well in advance of commencing any construction:

- grading and site plans to scale
- detailed service single line drawings
- details of proposed electrical loads and intended usage
- details of any substation proposed
- type of service desired, and any special needs
- size and type of building(s) proposed
- required energization date

Where Veridian must order and/or install equipment specific to one (1) Customer, the Customer may be required to pay all or part of a fixed cost of Veridian's supply requirements.

When service is not available when required, as a result of insufficient time for Veridian to design, procure, and install necessary equipment, Veridian may, at the Customer's request and expense, provide temporary facilities where feasible, until such time as the necessary equipment is in place.

1.7.4 Existing Services

No changes, modifications, or alterations of any kind may be made to any part of a service entrance on the supply side of the metering point without Veridian's express consent, approval, and inspection.

When such alterations are undertaken, current day standards and regulations will apply.

No change in the size or rating of the Customer's main service device will be made without Veridian's express consent, approval and inspection.

The Customer must advise Veridian of any appreciable increase or decrease in electrical load or equipment with reasonable advance notice. Failure to do so may result in the Customer being held responsible for any damage to Veridian's equipment caused by such change in load.

1.7.5 Safety and Reliability of Equipment

The Customer will comply with all aspects of the Ontario Electrical Safety Code (OESC) with respect to ensuring that equipment is installed, properly identified and connected for metering and operation purposes and will take whatever steps necessary to correct any deficiencies, in particular cross wiring situations, in a timely fashion. If the Customer does not take such action within a reasonable time, Veridian may disconnect the supply of power to the Customer.

The Customer will take note that for certain high voltage connections as noted later herein, Veridian's requirements may exceed and be in addition to the requirements of the OESC, up to the operational demarcation point. These requirements will be clearly spelled out by Veridian during the consultation phase and as a condition of approval of the Customer's design(s). 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 running of distribution lines, endanger the equipment of Veridian, interfere with the proper and safe operation of Veridian's facilities or adversely affect compliance with any applicable legislation in the sole opinion of Veridian.

Veridian will 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 Veridian's business. Where in the opinion of Veridian the deficiency or substandard clearance is of a nature to constitute an immediate threat to Veridian's equipment or system, or to public safety, Veridian reserves the right to disconnect the service or otherwise remove the threat without prior notice. Veridian 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.

Veridian 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 Veridian's equipment and/or constitutes a threat to Veridian's equipment or system. Failing a satisfactory response from the constructor involved, or in the event the perceived violation is of a material nature, Veridian will report the incident to the Ministry of Labour out of due regard for worker safety, public safety, and Veridian's system security.

Customers will not use or interfere with the facilities of Veridian except in accordance with a written agreement with Veridian. The Customer must also grant Veridian the right to seal against unauthorized access, any point where a connection may be made on the line side of the metering equipment.

1.7.6 Operating Control

The Customer will provide a convenient and safe place, satisfactory to Veridian, for installing, maintaining and operating its equipment in, on, or about the Customer's premises. Veridian assumes no risk and will not be liable for damages resulting from the presence of its equipment on the Customer's premises or approaches thereto, or action, omission or occurrence beyond its control, or negligence of any Persons over whom Veridian has no control.

Unless an employee or an agent of Veridian, or other Person lawfully entitled to do so, no Person will remove, replace, alter, repair, inspect or tamper with Veridian's equipment.

Customers will be required to pay the cost of repairs or replacement of Veridian's equipment, on public or private lands, that has been damaged or lost by the direct or indirect act or omission of the Customer or its agents.

The operational demarcation point for different customer classes and connection types is generally defined in 5.1, Table 1. Veridian may in its sole right define the Operational Demarcation Point for unique connections at the time the connection is made and will endeavour to identify that point by suitable signage on the equipment itself.

1.7.7 Repairs 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 Veridian's distribution system. If the Customer does not take such action within a reasonable time, Veridian may disconnect the supply of power to the Customer. Veridian's policies and procedures with respect to the disconnection process are further described in these Conditions.

1.7.8 Repairs of Customer's Physical Structures

The Customer is responsible for providing, maintaining, repairing and replacing, in a location and a condition satisfactory to Veridian, all of the civil infrastructure on private property that Veridian deems necessary to supply electrical service to the customer. This will include but is not limited to underground ductbanks, cable chambers, cable pull rooms, transformer rooms, transformer vaults, transformer pads, tap boxes, handwells, and junction boxes to house Veridian's connection equipment.

The Customer will inspect its civil structures at regular intervals and where structural defects are noted, will make appropriate repairs as required. Where structural defects to customer owned civil structures are identified as a result of Veridian inspections, Veridian will notify the customer and provide a reasonable amount of time for the customer to correct the defects. If the customer does not make corrections within a reasonable time, Veridian may carry out the repairs at the Customer's expense. In so doing, Veridian 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 on the Customer's property.

1.7.9 Automatic Reclosing Equipment

In order to safeguard and protect the Distribution System, Veridian installs facilities for automatic reclosing of circuit breakers, and from time to time may change the reclosing time of any such reclosing facilities. The Customer will be responsible for providing, at their expense:

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

1.7.10 Preventative Maintenance Programs

Veridian has in place a variety of programs to help reduce the number of power interruptions and other system disturbances, and assist the public in conducting work near or around Veridian distribution system equipment.

1.7.10.1 Tree Trimming

Veridian will:

- regularly trim tree and shrub growth away from its overhead system wires and equipment on a cyclic basis,
- trim around all secondary services from the road allowance at no cost,
- inspect all privately owned distribution voltage lines on a cyclic basis, and notify the Customer if trimming is required. The Customer must ensure adequate clearances are maintained.

Customers are asked to call Veridian regarding any tree which appears to be interfering with a power line. Veridian staff will investigate and have the tree pruned if necessary.

1.7.10.2 Underground Cable Locating

Veridian will provide free cable locating for Veridian owned cables during normal hours.

If Customer will be exposing primary cable, charges may apply at Veridian's discretion for isolation. If isolation is not practical then charges may apply for a Veridian representative to stand by during the Customer's work.

1.7.10.3 Planned Interruptions

From time to time Veridian will find it necessary to interrupt the continuous supply of electrical energy to Customers, to allow for the performance of work on its electrical system or to prevent electrical hazard to others. Veridian will minimize such interruptions as much as practical, as respect for the inconvenience to its Customers. When interruptions are necessary, reasonable notice will be given. Whenever practical, arrangements may be made with the Customer to minimize any inconvenience.

Notice cannot be given where work is of an emergency nature involving risk of personal injury or damage to equipment or property.

1.7.10.4 Customer Isolations

The Customer has the right to have the electric service to their premises disconnected for the purpose of maintenance or upgrade/modification through a proper request to Veridian given with sufficient advance notice. Customers will receive one (1) free power interruption per year (rolling twelve months) during normal working hours. Charges will apply at all other times or for additional requests. Veridian will normally provide one electrical service to each customer's location at a nominal service voltage.

For the period of isolation, the customer will still be required to pay all fixed monthly charges applicable to the service.

1.7.11 Safety

Veridian has a comprehensive set of safety policies and work practices that its staff are required to abide by in the course of their work. These policies and practices may limit Veridian's response to customer trouble calls under adverse weather conditions. Veridian reserves the right, in its sole discretion, to suspend repairs to its system until safe working conditions for its staff can be assured.

Veridian's service territory encompasses areas in which travel over water or ice is necessary to reach customer premises. Veridian will not permit its staff to travel over water except during daylight hours and in relatively calm conditions. It also imposes restrictions on travel over ice during freeze up and spring thaw or during any period that ice conditions might be unsafe. Customers in water bound locations should be prepared for delays in Veridian's response to trouble calls.

1.7.12 Ownership of Distribution Transformers

Except in the case of legacy arrangements under which the customer owns its transformation facilities and is receiving a transformer ownership allowance:

- Veridian shall maintain ownership of all distribution voltage transformers with the high voltage rating of 27.6kV and below regardless of location.
- Veridian will not own transformers located in Customer-owned substations with the high voltage rating of 44kV.

1.7.13 Number of Services to a Property.

In general, and as more particularly discussed in the Customer Class Specific provisions of these Conditions of Service, Veridian will allow only one (1) service to a property. For definition purposes a property is a single parcel of land that has been approved by the Municipality's Building Department and that has one (1) municipal address. This applies to both new services and those being considered for upgrade by the Customer. In circumstances where more than one service is installed to a single property and any of the services are to be upgraded, the upgraded service will replace all of the existing services.

At the sole discretion of Veridian, the following exceptions may be considered where more than one (1) service may be allowed to a property:

- Large industrial properties where the provision of only one (1) service may be impractical due to the size of the property and /or the distance between facilities located on the property,
- Commercial, industrial and institutional properties where a second service from another supply point may be required to provide the property a loop supply rather than a radial supply.

1.7.14 Ability to Transfer Arrears from One Account to Another

Veridian shall have the right to transfer arrears for Distribution Services, electricity supplied, or other services provided by Veridian from one account in a Customer(s) name to any other account in that same Customer(s) name irrespective of rate classification or whether either account is in the name of other person(s) in addition to the Customer.

1.7.11 Miscellaneous

Electrical energy purchased from Veridian may not be resold at a profit by any customer to a third party using Veridian's rates. In the case of multi-tenant buildings with bulk metering, the Owner is the customer and the consumer and must pay the total cost of electrical energy consumed in the building.

1.8 DISPUTES

1.8.1 General

Customers who have a complaint about the services Veridian provides, whether general or as described in this document, are encouraged first to call the employee or person at Veridian who provided the service, if such is the case. In a general complaint, customers should call the Veridian Customer Care Centre toll free at 1-888-420-0070. If the Customer Care Representative cannot resolve the dispute, an internal process will be launched to escalate the complaint to an appropriate level within Veridian.

Customers will be provided full courtesy and opportunity to discuss their complaint with a person in Veridian who has suitable authority. Veridian's intent is that all complaints be resolved to the customer's understanding. In the event that Veridian cannot resolve the issue, the complaint may be made in writing (letter or email).

Written complaints will be considered formal and will be recorded and acted on in accordance with the provisions of Veridian's license, Section 23. For the purpose of formal complaint record keeping, a complaint must:

- Relate to service provided by Veridian Connections, and;
- Be received in writing, either by e-mail or hard copy, and;
- Contain an expression of dissatisfaction, or a formal allegation against a party.

Eligible complainants include all consumers and market participants that rely on the services of Veridian Connections. These include, but are not limited to electricity consumers, land developers, electricity retailers, embedded generators, and embedded distributors.

1.8.2 Complaint Resolution

Veridian has a responsibility to respond to customer complaints, either verbal or written, in a professional and ethical manner. The escalation of unresolved complaints will normally be as follows:

- Front line staff
- Field Supervisor/Supervisor
- Manager
- Executive Vice President
- President and CEO
- Ontario Energy Board*

*Complaints which cannot be resolved by Veridian can be escalated to a third party complaints resolution agency which has been approved by the Board. Until such time as the Board approves an independent third party agency, the Board will assume this role. Information on how to access the Board is publicly available through normal telephone assistance, internet, and provincial government agencies or representatives, and is available from Veridian.

1.8.3 Complaint Record Keeping

Under the Board's Reporting and Recording Keeping Requirements for electricity distributors, Veridian must maintain records of all written complaints and related responses for a period of two years. These records must include the following:

- The name and address of the customer;
- A description of the nature of the complaint including a copy of the written complaint;
- A description of the remedial action taken; and
- A copy of any correspondence received and/or sent with respect to each specific complaint.

2.0 DISTRIBUTION ACTIVITIES (GENERAL)

2.1 CONNECTIONS

Veridian has the obligation to either connect or to make an Offer to Connect for any Customers that lie in its service areas.

The Customer or a representative will consult with Veridian concerning the availability of supply, the supply voltage, service location, metering, and any other details. These requirements are separate from and in addition to those of the ESA. Veridian will confirm, in writing, the characteristics of the electric supply. The Customer or a representative will apply for new or upgraded electric services and temporary power services in writing. Requests may be by letter, Fax, or Email. Veridian will make every reasonable effort to respond promptly to a Customer's written request for connection: within fifteen (15) calendar days of receipt of the written request, and followed by an Offer to Connect where required within sixty (60) calendar days of receipt of the written request, unless other necessary information is required from the Customer before the offer can be made.

Veridian will make every reasonable effort to respond promptly to a generator's request for connection. Detailed requirements for generator connections are in Section 3.5 of this document.

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

Veridian, in its discretion, may require a Customer, generator, or distributor to enter into a Connection Agreement with Veridian including terms and conditions in addition to those expressed in this Conditions, and as provided for in the DSC.

In addition to any other requirements in this document, the supply of electricity is conditional upon Veridian being permitted and able to provide such a supply, obtaining the necessary apparatus and material, and constructing works to provide the service. Should Veridian not be permitted or able to do so, it is under no responsibility to the Customer whatsoever and the Customer releases Veridian from any liability in respect thereto.

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 Veridian has distribution facilities of the appropriate voltage and capacity.

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

the building can be connected to Veridian's distribution system without an Expansion or Enhancement to Veridian's distribution system; and,

- a) the service installation meets the conditions listed herein and as may be otherwise or additionally identified by Veridian; and,

- b) the Customer's service entrance equipment is in a location as identified and approved by Veridian, and;
- c) the Customer has obtained the approval of the ESA.

2.1.1.1 Overhead Service

All new services or service upgrades must be installed to underground standards. Where permitted by the municipality, overhead standards may be used. Overhead servicing standards may be more prevalent in areas designated as rural by the municipality. Veridian may also permit overhead installations in certain instances where the ground conditions or terrain make underground installations technically unreasonable. Such instances will be subject to municipal approval and at Veridian's sole discretion.

i) Residential Service at Secondary Voltage (see 2.3.4)

Veridian recovers the cost of basic residential service installations in its rates as approved by the OEB. The cost of a basic connection is called the Basic Connection Allowance (BCA). The BCA is calculated on the basis of two components: first, the installed cost of transformer capacity sufficient for a 200 amp service and; second, the installed cost of 30m of overhead wire.

The allowance that applies in any individual case will depend on whether a transformer is already available for service at that location. If Veridian must install a new transformer or upgrade an existing installation, the transformer component of the allowance will be applied as well as the wire allowance. If no transformer work is required, the allowance will be the wires component only.

Veridian updates the BCA annually to reflect current costs for these components. Please contact Veridian for the value of the allowance currently in effect.

Veridian will apply the BCA to the cost of connecting the customer and if the actual cost of connection is less than or equal to the allowance there will be no charge to the customer. If the BCA is insufficient to cover the cost of the connection, the customer will be required to pay Veridian the difference referred to as a Variable Connection Charge.

ii) Residential Service at Primary Voltage

In cases where Veridian determines that a customer connection point is too far from Veridian's system for a secondary service, the customer will be required to construct a private primary pole line from Veridian's system connection point to the service entrance point.

iii) General Service at Secondary Voltage (see 2.3.4)

Veridian will supply and install secondary overhead wire from its system on the road allowance to the customer's service entrance mast and make the final connection to its system. Veridian will charge the customer for the actual cost of the connection, also known as a Variable Connection Charge.

iv) General Service at Primary Voltage (see 2.3.4)

Where the customer's service entrance is too far from Veridian's system for a connection at secondary voltage, a primary service will be necessary. Veridian will charge the customer for the actual cost of the primary service. Ownership will be as specified in Table 1 of the Appendices.

2.1.1.2 Underground Service

Underground service is standard in most of Veridian’s service territory. See 2.1.1.1 for exceptions.

i) Residential Service at Secondary Voltage

Underground services are more costly to install than overhead services. Veridian provides a credit to the customer for the BCA described under the overhead service Section 2.1.1.1 and collects the difference between this amount and the actual cost of the underground service from the customer. The difference is a Variable Connection Charge.

ii) General Service at Secondary Voltage

Where new underground service is required, Veridian will provide cable installation from its system on road allowance to the customer’s service entrance. The customer will be responsible for supplying any civil works necessary to house the cable. Veridian will make the final connection to its system and the customer will be charged the actual costs of this work referred to as a Variable Connection Charge. Ownership will be as specified in Table 1 of the Appendices.

iii) General Service at Primary Voltage

Where the customer’s service entrance is too far from Veridian’s system for a connection at secondary voltage, a primary service will be necessary. Veridian will charge the customer for the actual cost of the primary service. Ownership will be as specified in Table 1 of the Appendices.

2.1.2 Expansions

Veridian will make an “Offer to Connect” to any Customer that is in Veridian’s service territory. When Veridian is required to add new Facilities and Equipment, alter existing Veridian Facilities and Equipment, or increase the capacity of the Distribution System to connect a new Customer (an “Expansion”), Veridian will perform an economic evaluation to determine the Customer’s share, if any, of the equipment, labour, material and on-going maintenance costs of the Expansion (the “Expansion Costs”). If the present value of the future revenue is not sufficient to recover the Expansion Costs, the Customer will be required to pay a capital contribution in accordance with the Capital Contribution policy set out in Section 2.1.2.5. 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 revenue.

Expansion Costs include but are not necessarily limited to:

i) the capital cost of expanding or modifying the distribution system to accommodate the customer connection. These modifications include additions or capacity increases to existing distribution lines, stations, transformers, secondary busses, services and land or land rights and are referred to as “Capital Costs”.

ii) the incremental operating, maintenance and administration costs attributable to the addition of new customers to the system. Veridian’s average system operating, maintenance and administration costs are used for this purpose and referred to as “OM&A Costs”.

iii) the historical system enhancement cost estimate per kilowatt attributable to system expansions. This is the three to five year rolling average of actual enhancement costs incurred by Veridian in system expansions. It is set annually and referred to as “Enhancement Costs”.

iv) when the Offer includes the final service connection and the service connection is not covered in a separate Offer a credit for the residential Basic Connection Allowance will be applied in the model to recognize the amount of connection cost already included in the rates.

Note that for embedded generators, there is no revenue or avoided costs attached to the project's production or outflow, and all costs become the Customer's costs.

Veridian performs the economic evaluation using a Discounted Cash Flow Model consistent with the OEB's requirements.

Veridian will make one Offer to Connect and prepare the design and estimate for such an Offer at no cost to the Customer, unless the Customer is a generator. If the Customer revises plans and requests a revised Offer, Veridian may do so at the Customer's expense.

2.1.2.1 Offer to Connect

Based on the results of its economic evaluation, Veridian will make an "Offer to Connect" that will, at a minimum, contain:

- a) a description of work required to build the Expansion to connect the Customer if a capital contribution is required from the Customer;
- b) a firm price for the cost of Expansion that would be revised in the event the nature or scope of the expansion changes;
- c) a statement of the capital contribution to be charged to the Customer to construct the Expansion along with the calculation used to determine the amount of the capital contribution including all of the assumptions and inputs used in the discounted cash flow model;
- d) a description and statement of the connection charges that would apply;
- e) identification of work for which the Customer may seek alternative bids (the "Contestable Work") along with the process to be followed to obtain an alternative bid;
- f) a description of, and costs for, the contestable work and the uncontestable work associated with the expansion broken down into labour, materials, equipment and overheads;
- g) the amount of any additional costs that will apply as a result of the customer electing an alternative bidder to complete the contestable work. These costs would include but not be limited to engineering design costs, coordination of Veridian work with the contractor's work, inspection of the contractor work to ensure that it meets Veridian design and construction standards and the costs of making the final connection to Veridian's system;
- h) for residential customers, a description of and the amount of the basic connection allowance;
- i) terms and conditions for payments and deposits required; and
- j) any additional information pertinent to the offer.

Once a customer accepts an Offer to Connect, Veridian will provide, upon the customer's request, an itemized list of the costs for the major items in each of the categories referred to in 2.1.2.1 (f). If the customer has not chosen an alternative bid for the work, the list will include all of the work involved in the expansion. If the customer has chosen an alternative bid for the work the list will include only the uncontestable work to be performed by Veridian. The customer will be charged the actual cost of preparing the itemized list.

2.1.2.2 Alternative Bids

a) Customers may seek alternative bids for the Expansion facilities from Qualified Contractors if the offer meets the following conditions:

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

b) The use of an alternative bid contractor does not in any way alter the Offer to Connect, nor the amount the customer is required to contribute to the Expansion, except for the following:

- The Customer will supply Veridian with the full details of the alternative bid, broken down into categories as identified by Veridian and in order to meet OEB regulatory accounting requirements;
- If the alternative bid is lower than the cost used in the economic evaluation, Veridian will use the alternative, lower cost, bid price from the contractor in lieu of Veridian's firm price for that work in order to recalculate the economic evaluation, and the customer's capital contribution.

c) At the request of the Customer, Veridian will provide a list of Qualified Contractors who can perform the work eligible for an alternative bid, and will ensure the customer and contractor have the detailed scope of work as prepared by Veridian for their bidding purposes.

d) The Customer will be responsible for:

- selecting, hiring, and paying the Qualified Contractor for the costs of the work eligible for the alternative bid;
- assuming full responsibility for the construction of that aspect of the Expansion project;
- administering the contract;
- obtaining all provincial, municipal, and other permits and licenses as may be required to perform for the construction;
- making all arrangements with joint use utilities for the orderly installation of Veridian's equipment with their equipment installation;
- constructing the System Expansion (line extension) in full adherence to Veridian's designs, standards, and work practices;
- paying Veridian for its costs for design, engineering, administration, inspection, monitoring, and approval where these costs result from the use of an alternative bid process; and
- paying all applicable ESA inspection fees.

e) The customer will also be responsible for paying certain additional deposits as set out in 2.1.2.4 below.

f) Veridian will be responsible for:

- providing the design specifications for the construction;
- obtaining all municipal and regulatory approvals for the design of the proposed work and equipment locations;
- obtaining design coordination and acknowledgement of Veridian's plans from all joint use parties;
- inspecting and authorizing the contractor's work for connection.

g) It is understood that at all times the work being performed by the contractor constitutes a supply and installation of Veridian's equipment, not the customer's equipment, and that as the equipment and facilities are installed by the contractor and connected by Veridian, Veridian accepts full and exclusive ownership and operating care, save and except for any workmanship guarantees the customer must provide Veridian.

2.1.2.3 Transfer Price for Contestable Work

Where a customer has elected to have the expansion work performed under an alternative bid process Veridian will reflect a transfer price for the amount of the alternative bid work in its economic model, after the work has been inspected and accepted by Veridian. The transfer price will be based on the customer's actual cost of construction or the amount set out in Veridian's price to perform the contestable work whichever is lower. If the customer does not provide Veridian with cost information on a timely basis, Veridian will use the price it provided to the customer for the work as the transfer price.

The transfer price will be used to carry out a final economic evaluation of the expansion project once the facilities are energized in order to determine the actual capital contribution (if any) that the customer will be required to pay. Veridian takes a net payment approach to transfer price and capital contributions and settles once with the customer for all amounts owed or owing at the end of the expansion and connection process.

2.1.2.4 Expansion Deposits

a) Where Expansion Deposits are required by Veridian, they will be paid by cash, letter of credit from a Bank (as defined in the Bank Act) or surety bond in an amount determined by Veridian.

b) The Expansion Deposit will consist of two parts: the Forecast Deposit; and the Construction Deposit.

c) A Forecast Deposit may be taken for any projects where Veridian determines there is some risk that the proposed new connections or loads may be delayed or not appear at all.

- In general, a Forecast Deposit will be taken for loads proposed to be in excess of 1000kW where Veridian determines a reasonable uncertainty is involved, and for connections proposed to be made more than one year after construction of the expansion.
- The Forecast Deposit will be based on the present day value of the proposed revenue which would result from the load or connections Veridian believes to be uncertain.
- The Forecast Deposit will be returned to the customer in increments proportional to the actual connections or load, as the case may be, that materialize during the customer connection horizon defined in the economic evaluation. If forecasted connections or demand do not materialize within this horizon, the balance of the expansion deposit will be forfeited to Veridian as liquidated damages and not as a penalty.

d) The Construction Deposit may be taken where a customer has elected an alternative bid contractor to perform the contestable work.

- The construction deposit will be based on Veridian's estimated cost to construct the expansion.

- Veridian may retain a Construction Deposit in order to complete, repair or bring up to standard the facilities constructed by the contractor that do not meet the proper design and technical standards applicable to the expansion or to ensure that the facilities operate properly when energized.
- The balance of the Construction Deposit will be returned to the customer once the expansion facilities installed by the alternative bid contractor, or as completed, repaired and brought up to standards by Veridian, have been fully energized and finally accepted for performance by Veridian, subject to the Warranty Holdback below.

e) In addition, where the customer has elected to have the expansions facilities constructed under an alternative bid process, Veridian will retain 10% of the Construction Deposit for a warranty period of two years to pay for the costs of any repairs needed in the expansion facilities. The beginning of the two year warranty period is the date: a) the last of forecasted connection in the expansion project occurs or the date the actual demand reaches the last forecasted demand, or; b) the end of the customer connection horizon, whichever comes first.

2.1.2.5 Capital Contribution Policy

Veridian has established capital contribution policies by customer class as follows:

- Residential – capital contributions are only required when the cost of connection exceeds the Basic Connection Allowance.
- General Service – a capital contribution will be required for connection assets that will be owned by Veridian. In the case of a connection that also requires a system expansion, the amount of the contribution will be determined by applying the economic evaluation model referred to previously.

Rebates for Capital Contribution Customers

In the event that a Customer is added to an Expansion that was constructed and paid for by another Customer, within the connection horizon used in the related economic evaluation, Veridian will use the economic evaluation to recalculate the capital contribution of both the original and the new Customers, based on the forecasted load and revenue of the new Customer.

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

Veridian will make its best efforts, through its normal and reasonable business practices, to monitor and be aware of all situations on its system that may fall under this provision, however, Veridian will not be liable in any way for any such cost sharing/rebate situation which a customer may discover after the connection horizon has expired.

2.1.3 Connection Denial

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

- a) refusal by the Customer to sign any agreements required to be executed by the Customer under these Conditions of Service;
- b) the Connection will represent a contravention of the laws of Canada or the Province of Ontario;
- c) the Connection will cause Veridian to be in violation of the conditions in Veridian's Distribution License;
- d) the Connection will have a materially adverse effect on the reliability or the safety of the Distribution system;
- e) the Connection will cause a material decrease in the efficiency of the Distribution System;
- f) the Connection will have a material adverse effect on the quality of the Distribution service received by an existing Customer. Such affect on quality could be among other things, voltage flicker, harmonics or power outages;
- g) the person requesting the Connection is currently in arrears for Distribution Services, electricity supplied, or other services provided by Veridian;
- h) the Connection is not in compliance with these Conditions of Service;
- i) the Connection does not meet Veridian's design requirements;
- j) the Connection will impose an unsafe situation to workers or the public beyond the normal risks inherent in the operation of the Distribution System;
- k) the Connection will result in the inability of Veridian to perform planned inspections or maintenance;
- l) by order of the ESA;
- m) the Customer does not have the requisite approval(s) of the ESA for the Connection;
- n) the premises being connected are the subject of a stop work order under the Building Code Act ("Ontario"); or
- o) the Customer is within another Distributor's service area and Veridian does not wish to provide service.

Veridian will notify the Customer of the Connection denial with reasons in writing. Remedies will be suggested to the Customer where Veridian is able. If it is not possible for Veridian 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 wiring installations and electrical systems on the Customer's premises and within buildings are subject to electrical inspection by the ESA.

Veridian may not connect electrical service to any building or premises until the applicable installation and wiring has been inspected and approved by the ESA.

Note that reinspection by the ESA will be required prior to service reconnections after any upgrades or changes to the wiring, for services that have been altered subsequent to ESA approval, and for services that have been disconnected for a period of six months or longer need ESA approval prior to reconnection.

2.1.5 Relocation of Plant and Conversion to Underground

Veridian's standard construction for its main power supply system on public roadways, major corridors and rights-of-way, railways, and commercial/industrial parks is an improved appearance overhead system. Veridian's standard construction for new residential developments is underground.

When requested to relocate its plant, Veridian will do so in accordance with its rights and obligations under relevant acts and regulations including the Public Service Works on Highways Act (Ontario) for road authorities, existing documented agreements, conditions of easement, and the law. All such relocations will be undertaken on a like-for-like basis. In the event such laws or agreements are not applicable, Veridian is not obligated to relocate its plant.

Customers may from time to time request that Veridian's plant, such as poles or padmounted equipment, be relocated to suit their plans. Veridian will attempt to accommodate all such requests, where feasible, but any relocation or associated work would be done at the Customer's expense.

The use of underground construction standards may be an option in some of the above instances subject to physical space requirements, land rights and easements, access for construction, maintenance, routine operating requirements, and subject to the requesting party bearing the full incremental costs of doing so.

All costs of relocating Veridian's plant or placing Veridian's plant underground, including costs of land or land rights acquisition will be borne by the requesting party unless an existing agreement provides otherwise.

2.1.6 Easements

Where Veridian must install its electrical plant for a service or an expansion on private property, the Customer will be required to provide a registered easement satisfactory to Veridian before the service or expansion is constructed. Situations in which this requirement may arise include but are not limited to:

- property belonging to a third party lies between Veridian's lines and the Customer's delivery point. In this case the Customer must obtain a registered easement from the third party(s) for the installation and maintenance of whatever plant is necessary to supply the service.
- Multiple buildings on private property require that Veridian installs a distribution system to provide service. In this case the property owner must provide a registered easement to permit installation and maintenance of the system.

Note that some situations like this exist and have existed well before the coming into force of these Conditions of Service, for which no registered easement was established. These are considered Unregistered Easements. The Electricity Act provides that all property that is subject to unregistered rights prior to April 1, 1999 will continue to be subject to the right until the right expires or until it is released by the holder of the right.

2.1.7 Contracting for Service

All residential and commercial customers must contract for the supply of electricity if they wish to receive service, and such contract shall be entered into before Veridian will energize the electrical service to the Customer's premises. Contracts for service will be binding on the heirs, administrators, executors, successors and assigns of the person(s) who contracted for the supply of electricity. A sample of the contract is set out in Appendix 5.4. Depending on the nature and characteristics of the service, the contract may be in a different form than that set out in Appendix 5.4. For example, Veridian requires embedded generators, embedded distributors, and load customers with a demand in excess of 1000kW to sign a Connection Agreement. Please consult with Veridian for specifics of these Connection Agreements. Some connections

may have certain physical and technical issues that may require additional or altered terms and conditions and in these instances Veridian will tailor a Connection Agreement to suit the individual Customer's circumstances.

Failure of a new occupant to contract for service may result in the disconnection of the electric service within three (3) business days.

When a Customer opens an account and contracts for service with Veridian, the Customer accepts these Conditions of Service, including paying applicable connection costs and all applicable rates and charges authorized by the OEB in respect of service to the Customer.

Notwithstanding that a Customer has not entered into a contract with Veridian for the supply of electricity, Veridian has an implied contract with any customer that is connected to the Veridian distribution system and receives distribution services from Veridian. The terms of the implied contract are embedded in these Conditions of Service, the OEB's Rate Handbook, Veridian's rate schedules, Veridian's licence and the OEB's Distribution System Code. The connection of the customer and the Customer's use of Veridian's distribution service will be evidence of the Customer's willingness and intention to pay for the connection and all applicable rates and charges authorized by the OEB in respect of service to the Customer and acceptance of the terms of Veridian's contract.

When a tenant contacts Veridian to contract for service, Veridian's contract is with the tenant. Therefore, when the tenant advises Veridian that the tenant wishes to close their account, Veridian will disconnect the tenant's service as of the agreed-upon date despite any lease or verbal agreement between the landlord and tenant. If a tenant advises Veridian that he or she is no longer responsible for the account, a final bill will be issued.

Notwithstanding the foregoing, in accordance with section 2.8.3A of the OEB's Distribution System Code, landlords/owners may enter into a form of contract with Veridian whereby Veridian will provide continuous uninterrupted service to the rental unit between occupants. Landlord/owners agree to assume responsibility for taking delivery of and paying the authorized rates for any electrical service delivered to any rental unit at any time where service to the unit is available but a customer account is not open, or persons unidentified to Veridian use the service, or the unit has been vacated and the tenant's account has been closed, but Veridian has not been asked to disconnect the service. By selecting this option, the Landlord ensures that Veridian will not disconnect service to a unit solely as a result of a tenant closing or transferring its account in respect of a unit. If a new account is set up in the landlord's/owner's name, a change of occupancy charge will apply, even though the property may be vacant.

Landlord/owners are not obligated to elect continuous service between occupants. They may elect to allow the service to be disconnected between occupants. Veridian will reconnect service to a unit upon request by the Landlord or by a new tenant provided that all applicable reconnection charges are paid and, where a unit has been disconnected for more than six months, the Landlord or the new tenant must first have the unit inspected and approved by the Electrical Safety Authority. For greater clarity, in the event that Veridian disconnects service because a customer account is not open (including as a result of a tenant closing or transferring its account in respect of a Unit), in order to obtain reconnection, the Landlord/owner will be responsible for paying to Veridian all of the following:

- a) all of Veridian's costs of disconnecting service where the Landlord/owner has requested that the service be disconnected;
- b) all of Veridian's costs of reconnecting service if the Landlord requests reconnection, or if a new tenant requests reconnection and does not pay related costs; and without limiting

the foregoing, the costs of any Electrical Safety Authority inspection or approval that is required prior to reconnecting service.

Veridian will not be held responsible for any damages incurred as the result of electrical service being disconnected or reconnected due to the failure to contract for service.

2.2 DISCONNECTION

Veridian reserves the right to disconnect the supply of electrical energy for causes including, but not limited to, the situations listed below. Note that in many circumstances, reconnection may require the approval of the ESA.

Veridian will not exercise its rights to disconnect unreasonably, and will not and cannot disconnect a service when and where prevented from doing so by an Act or Regulation of Canada or the Province of Ontario.

In certain instances, Veridian may elect to limit the amount of electricity a customer is able to consume, rather than disconnect the service. Please see section 2.2.1 below for information about the use of load limiters.

- Overdue amounts payable to Veridian for the distribution or retail of electricity, including requests for deposits.
- Adverse effect on the reliability and safety of the distribution system.
- Imposition of an unsafe worker situation beyond normal risks inherent in the operation of the distribution system.
- A materially adverse effect on the quality of distribution services received by another existing Customer, including among others, electrical disturbance caused by Customer equipment.
- Discriminatory access to distribution services.
- Inability of Veridian to perform planned inspections and maintenance.
- Failure of the Customer to comply with a directive of Veridian that Veridian makes for purposes of meeting its license obligations.
- A material decrease in the efficiency of the Veridian distribution system.
- A Contravention by the Customer, related to the Service Connections and/or the use of electricity, of the laws of Canada or the Province of Ontario.
- Any other conditions identified in this Conditions of Service document.

Reconnection after a disconnection will normally require the payment of a set fee.

Services disconnected as a result of energy diversion, fraud or abuse on the part of the Customer, may not be reconnected until the Customer rectifies the condition and provides full payment to Veridian including all costs incurred by Veridian arising from unauthorized energy use, including inspections, repair costs, and the cost of disconnection and reconnection.

2.2.1 Use of Load Control Device

Veridian may at its sole discretion install a load control device instead of disconnecting supply to a customer for non-payment.

When Veridian installs a load control device Veridian will provide written notice, explaining the effect of the load limiter at least 7 days in advance that a load limiter will be installed if the outstanding payment is not received within that time. The written notice informs the customer that billing and payment options are available to all residential customers and that special

programs and financial assistance may be available for eligible low income customers, along with Veridian contact where customers may obtain further information.

When Veridian installs a load limiter device, either for nonpayment or at the Customer's request, Veridian shall provide a written notice to the Customer explaining 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.

Veridian will not install a load control device at a residential customer's property during the course of an arrears payment agreement, unless the agreement has been terminated in accordance with the provisions of the Distribution System Code.

Where Veridian had previously installed a load control device for non-payment and the residential customer then enters into an arrears payment agreement, Veridian shall remove the device within 2 business days of the customer entering into an arrears payment agreement.

Veridian shall remove the load control device within 2 business days of an outstanding account being paid in full.

2.2.2 Disconnection Process for Reasons Other than Non-Payment

Subject to Veridian's rights in Section 2.2.3 below, Veridian will provide notice of disconnection to the Customer for reasons other than non-payment by personal service, prepaid mail or by posting notice on the property in a conspicuous place. If the Customer does not remedy the situation that gave rise to Veridian's right to disconnect the Customer from the Distribution System within the time period specified by Veridian in the notice, Veridian may disconnect the Customer from the Distribution System or interrupt the distribution of electricity to the Customer on or after the date specified in the notice.

2.2.3 Immediate Disconnection without Notice

Veridian may immediately interrupt a Customer, without notice, in accordance with a court order, a request by a fire department or for emergency, public safety, system reliability reasons or in order to inspect, maintain, repair, alter, remove, replace or disconnect wires or other facilities used to distribute electricity or where there is an energy diversion, fraud or abuse on the part of the Customer.

2.2.4 Liability for Disconnection

Disconnection does not relieve the Customer of the liability for arrears or minimum bills.

Under no circumstances will Veridian be liable for any damage resulting from, associated with or related to the disconnection or the limitation of distribution of electricity, including damage to the Customer or the Customer's premises and any business or other losses suffered by the Customer as a result of the disconnection.

2.2.5 Reconnection

Where the reason for the disconnection has been remedied to Veridian's satisfaction and the Customer requests reconnection of the distribution service, Veridian shall reconnect the 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, Veridian requires that the Customer obtain the approval of the Electrical Safety Authority prior to Veridian reconnecting the service:

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

2.2.6 Disconnection and Reconnection Related Charges

Unless specified elsewhere in these Conditions of Service, a charge shall apply in cases where it is necessary for Veridian to make a trip to the Customer's premises to collect payment for an overdue account, disconnect service, install a load control device or reconnect service.

2.2.7 Unauthorized Energy Use

Veridian 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 Veridian arising from unauthorized energy use, including inspections and repair costs, and the cost of disconnection and reconnection.

2.2.8 Service Removal

Where a Customer, or property owner, requests the physical removal of distribution service, , Veridian will remove Veridian owned delivery equipment, including, without limitation, power lines, transformer and meter. If reconnection is requested, the Customer will incur a cost to install appropriate delivery equipment on the basis that the connection requested by the customer is a new connection to the Veridian distribution system, and the Customer and Veridian shall follow the steps and processes for new connections set out in these Conditions of Service.

2.3 CONVEYANCE OF ELECTRICITY

2.3.1 Limitations on the Guarantee of Supply

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

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

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

During an emergency, Veridian may interrupt supply to a Consumer in response to a shortage of supply, or to effect repairs on the distribution system, or while repairs are being made to Consumer-owned equipment.

Veridian will have rights to access a 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, Veridian may require a Customer to provide Veridian with emergency access to Customer-owned distribution equipment that normally is not operated by Veridian or Veridian-owned equipment on Customer's property.

2.3.2 Power Quality

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

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

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

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

2.3.3 Electrical Disturbances

2.3.3.1 Single-Phasing/Automatic Reclosing

All Customers must be aware that the electrical supply system has automatic protective devices which may momentarily interrupt and instantly restore electrical supply, and that this may occur on any one (1), two (2), or all three (3) phases of the supply. In certain circumstances, it will be normal for a loss of supply to occur for a short time in one (1) or two (2) phases only, until supply is manually restored or completely interrupted. The Customer must take these conditions into account when designing, purchasing and operating certain sensitive equipment such as computers and motors. Veridian will not be liable in any way for damages due to such operations.

2.3.3.2 Electrical Disturbance

The nature of an electrical supply system is such that periodically there will be voltage fluctuations and other disturbances which can cause flickering lights and more serious difficulties for Customers connected to Veridian's distribution system. Veridian will take reasonable steps through its normal design, construction, maintenance, and operating practices, to aid in minimizing the incidence and severity of such disturbances.

No electrical equipment which may produce an undesirable system disturbance will be connected to a Customer's service. Examples of equipment which may cause disturbance are large motors, welders and variable speed drives. In planning the installation of such equipment, the Customer is required to consult with Veridian.

Veridian reserves the right to disconnect the Customer's service should the disturbance be severe enough or no action is being taken by the Customer to remove the disturbance.

2.3.4 Standard Voltage Offerings

2.3.4.1 General

Veridian operates a distribution system using a variety of high voltage primary lines, medium voltage primary lines, and low voltage secondary lines. These vary by geographic area and specific location, and in some locations, more than one primary voltage may be used. Veridian will determine what primary and/or secondary voltage will be made available for service to each Customer depending on the size, nature, and location of the connection.

Where the Customer requires a voltage other than Veridian's standard offerings, or service size greater than permitted as a standard, Veridian will determine specific special requirements which may include a Customer-owned private substation and a private distribution voltage supply line on the Customer's premises, as deemed suitable by Veridian.

Note that Veridian does not provide any facilities for service at 44kV. In all cases, Customers requiring 44kV service will supply and install their own supply lines, normally underground, and a privately-owned substation, subject to Veridian's general specifications and requirements. Veridian reserves the right to set requirements for the customer's equipment and facilities up to the secondary terminals of the power transformer(s) which may be in addition to and superior to the requirements of the ESA in order to ensure there is minimum impact on the reliability and performance of Veridian's distribution system. Veridian will perform all work involving existing circuits and will make all connections to the 44kV supply lines at the Customer's cost.

In all cases, the connection will be made at Veridian's designated supply point.

Notwithstanding any costs paid by the Customer, and other than a privately owned substation, all transformation, on public or private property, remains the sole property of Veridian.

2.3.4.2 Primary Voltage

The primary voltage to be used will be determined by Veridian for both Veridian-owned and Customer-owned transformation. Depending on the voltages of the lines readily available at the Customer's location, the preferred primary voltage will be one of the following:

- 44kV effectively grounded wye, three-phase, three-wire;
- 27.6/16kV grounded wye, three-phase, four-wire;
- 13.8/8kV grounded wye, three-phase, four-wire.

Note: In certain limited areas, Veridian continues to operate 8.32/4.8kV or 4.16/2.4kV systems. These areas will be converted to either 27.6kV or 13.8kV systems as above. Customers requesting a connection in these areas will be given special consideration in each case to determine the most cost effective way of supplying immediate service requirements while respecting the need to make a future conversion.

2.3.4.3 Secondary Voltage

The secondary voltage readily available at the Customer's location, or to be provided via new transformation, will be determined by Veridian for Customers using available supply lines and for Veridian-owned transformation. Customers deemed to require a private substation may elect to use a secondary voltage of their choice, but are strongly encouraged to keep to one of the standard offerings.

Standard voltages will be one of the following:

- 120/240 Volts, 1 Phase, 3 Wire;
- 120/208 Volts, 3 Phase, 4 Wire;
- 347/600 Volts, 3 Phase, 4 Wire.

2.3.4.4 Limitations of Supply

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

From Low Voltage (Secondary) lines readily available at the Customer's location, as determined by Veridian:

- 120/240 V, 1 phase – up to 50kVA
- 120/208 V, 3 phase – up to 75kVA
- 347/600 V, 3 phase – up to 100kVA

From High Voltage (Primary) lines readily available at the Customer's location, as determined by Veridian:

- 13.8/8kV, 3 phase – up to 1500kVA
- 27.6/16kV, 3 phase – up to 2500kVA
- 44kV, 3 phase – up to 10,000kVA

2.3.5 Voltage Guidelines

Veridian will endeavour to maintain the service voltage at the Customer's service entrance within the guidelines of C.S.A. Standard CAN3-C235-83 which allows variations from nominal voltage of,

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

Definitions of these conditions are:

- (a) Normal Operating Conditions

Where voltages lie within the indicated limits under this heading no improvement or corrective action is required. It is recognized that special situations may call for closer voltage control, but such cases are considered to be outside the application scope of this Standard; and

(b) **Extreme Operating Conditions**

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

Acceptable variations in voltage are shown in the Appendix 5.2, Table 2.

2.3.6 Back-up Generators

Customers or consumers with portable or permanently connected emergency backup generation facilities will comply with all applicable criteria of the Ontario Electrical Safety Code and in particular, will ensure that such facilities do not adversely affect Veridian's system.

Customers or consumers with permanently connected emergency backup generation facilities will notify Veridian regarding the presence of such equipment.

Such customers may be required to enter into and comply with the provisions of a Generator Connection Agreement.

2.3.7 Metering

Veridian will supply, install, own, and maintain all meters, instrument transformers, ancillary devices, and secondary wiring required for revenue metering, except for a customer with an embedded generation facility who must pay for and own or install their own meter in accordance with Veridian's requirements. All metering devices are subject to approval and inspection by Industry Canada.

Metered Market Participants in the Independent Electricity System Operator ("IESO") administered wholesale market must meet or exceed all IESO metering requirements.

2.3.7.1 General

The Customer will make provision for Veridian meters and metering equipment, as determined in consultation with Veridian. This will involve one or several of the following:

- approved meter sockets,
- approved lockable meter cabinets,
- approved lockable meter compartments in the Customer's metal enclosed switchgear,
- a meter room with outside access where all multiple-unit metering is aggregated.

Contact Veridian for the latest technical data and compatible suppliers/manufacturers.

Metering is always on the Low Voltage side (secondary side) of the service. In exceptional cases, High Voltage metering may be considered, and additional customer charges would apply.

The location of and means of access to the metering equipment must be acceptable to and approved by Veridian. Residential Customers with older inside meters wishing to relocate their meters to the outside must do so at their expense.

Multiple unit buildings, residential and commercial, will provide for individual metering of all units at one or more centralized meter locations. Bulk metering is no longer permitted. Customers wishing to convert bulk-metered buildings to individual metering must do so at their expense, and all normal connection/metering costs apply as per the requirements for new services.

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

Developers or owners of multi-unit residential rental buildings and new and existing condominiums (collectively known as “MURBs”), or boards of directors of condominiums, or authorized persons in charge of any other applicable class of unit under Ontario Regulation 389/10 have the following metering options:

- a) have Veridian install conventional metering (meter centers with socket bases),
- b) have unit smart metering installed by Veridian or by an alternate acceptable to Veridian,
- c) have Veridian install a bulk interval meter for the purpose of enabling unit sub-metering by a licensed unit sub-meter provider.

a) Installation of Conventional Metering by Veridian

The MURB owner or developer or a condominium board of directors may choose to have a centralized house metering point and enter into a contract for the supply of electrical energy for all common areas or shared services, and to provide individual metering points for each unit. Veridian will install the house meter and the unit meters at no charge.

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.

b) Installation of Unit Smart Metering by Veridian or alternate

The MURB owner or developer or a condominium board of directors may choose to have Veridian-owned 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 this case, each separate residential and commercial unit, as well as common areas, will become direct individual customers of Veridian, with the common area accounts held by the MURB developer, condominium corporation or the landlord as the case may be. The MURB developer or the condominium board of directors may choose to have Veridian install the metering facilities and pay the incremental costs of such an installation (as compared to the cost of conventional metering) or choose the alternative bid unit smart metering option.

Alternate Bid Unit Smart Metering Option

The MURB owner or developer or condominium board of directors may choose to install the metering facilities and then turn over the ownership, operation and maintenance to Veridian. In this case, the MURB developer, landlord or condominium board of directors is required to:

- a) select and hire a qualified contractor;
- b) ensure all work that is eligible for alternative bid is done in accordance with Veridian’s technical standards and specifications;
- c) obtain Veridian’s approval of the installation of the metering facilities;

- d) assume full responsibility for the installation and warranty all aspects for a period of 2 years from date of commissioning; and
- e) transfer the metering facilities to Veridian.

Where the MURB owner or developer or condominium board of directors transfers the metering facilities installed under the alternative bid option to Veridian, Veridian shall pay the MURB developer, landlord or condominium corporation, a transfer price that shall be the lower of the cost to the MURB owner or developer or condominium board of directors to install the metering facilities or Veridian'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 Veridian 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.

c) Installation of Bulk Interval Metering by Veridian

The MURB owner or developer or condominium board of directors may choose to have Veridian install a bulk interval meter to an exempt distributor for the purpose of enabling unit sub-metering by a licensed sub-metering contractor. The responsible party (i.e., the MURB developer, condominium corporation, or landlord, but not the unit sub-meter provider) shall enter into a contract with Veridian for the supply of electrical energy to the building. Under this option, the MURB owner or developer or condominium board of directors chooses to own and operate the sub-metering system and allocates the bill to individual units and the common areas.

2.3.7.3 Metering for Existing Multi-Unit Residential Rental Buildings and Condominiums

For existing MURBs with no house meter, where shared services are supplied through one or more unit meters, the MURB owner or developer or condominium board of directors shall enter into a contract with Veridian for the supply of electricity to such units. The house meter accounts shall be in the name of the MURB site or MURB owner who shall be responsible for the payment of energy supplied through such meters.

Where the MURB owner or developer or condominium board of directors with no house meter chooses to convert to individual metered dwelling units, the cost of such conversion will be at the MURB owner or developer or condominium board of directors' expense and the MURB owner or developer or condominium board of directors may choose from the options described in 2.3.7.2.

2.3.7.4 Instrument Transformer Enclosures

Where instrument transformers are to be incorporated in the Customer's low voltage switchgear, the size of the compartment and number of instrument transformers will be specified and is subject to approval by Veridian.

A separate meter cabinet must be supplied and installed by the Customer, located as close as possible to the instrument transformer compartment, to the satisfaction of Veridian.

There are certain very specific technical criteria for metering installations, concerning physical dimensions and location, and electrical, which must be complied with.

Veridian will issue specific metering requirements for installations where two or more circuits are totalized, or where remote totalizing is involved, or where instrument transformers are incorporated in high voltage switchgear (greater than 750V).

Detailed technical information on all such installations with up to date data and compatible suppliers/manufacturers is available from Veridian.

2.3.7.5 Smart Meters

Residential customers and small General Service customers, who are not presently billed on a demand basis, will be provided with a Smart Meter.

General Service customers who presently have an interval meter will continue to use that meter.

Prior to the installation of an interval meter, the Customer must consult with Veridian for any detailed technical requirements, and must provide a physical connection from their telephone room to the meter cabinet.

Veridian will arrange for the installation of a telephone line, terminated in the meter cabinet for the exclusive use of Veridian to retrieve interval meter data.

The Customer must supply, install and maintain any necessary communication equipment so that Veridian can remotely interrogate the meter on a daily basis. If Veridian is required to go out on site to read the meter due to a failure of the Customer's communication equipment, the Customer will be billed for the costs incurred. Minimum charges may apply.

2.3.7.6 Meter Reading

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

2.3.7.7 Final Meter Reading

When a service is no longer required, the Customer will provide sufficient notice of the date the service is to be discontinued so that Veridian can obtain a final meter reading as close as possible to the final service date. The Customer will provide access to Veridian or its agents for this purpose. If a final meter reading is not obtained, the Customer will pay a sum based on an estimate for electricity used since the last meter reading.

2.3.7.8 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). Veridian's revenue meters are required to comply with the accuracy specifications established by the regulations under the above Act. In the event of incorrect

electricity usage registration, Veridian will determine the correction factors based on the specific cause of the metering error and the Customer's electricity usage history. The Customer will pay a reasonable sum for all the energy supplied based on the reading of any meter formerly or subsequently installed on the premises by Veridian, due regard being given to any change in the characteristics of the installation and/or the demand. If Measurement Canada determines that the Customer was overcharged, Veridian will reimburse the Customer for the amount incorrectly billed. If the incorrect measurement is due to reasons other than the accuracy of the meter, such as incorrect meter connection, incorrect connection of auxiliary metering equipment, or incorrect meter multiplier used in the bill calculation, the billing correction will apply for the duration of the error.

Veridian will correct the bills for that period in accordance with the regulations under the Electricity and Gas Inspection Act.

2.3.7.9 Meter Dispute Testing

Measurement Canada has jurisdiction, under the *Electricity and Gas Inspection Act (Canada)*, in a dispute between Veridian and its Customer where the condition or registration of a meter or meters is in question. Veridian will inform Customers of the assistance provided by Measurement Canada in dispute investigations.

Meter dispute testing is typically the last step in a multi-stage process between the Customer and Veridian. The process typically begins with a Customer bill inquiry, the object of which is to validate that the bill calculations, charges and bill determinants are accurate. The process may include any or all of the following steps, as required: collection of problem details from the Customer; analysis of billing details including calculation of charges and appropriateness of meter readings; comparison of estimated readings with past usage; obtaining a check meter reading; provision of information to assist the Customer understanding of and confidence in the bills; and field visit to the Customer premises to verify meter reading, meter data and test meter operation.

2.4 TARIFFS AND CHARGES

2.4.1 Service Connection

Where charges for service connections are required, they are set out in Section 2.1 of this document. Table 1 of the Appendices contains information on ownership and operational demarcation points.

2.4.2 Energy Supply

Energy will be conveyed by Veridian Connections for use by the customer in accordance with the provisions, rules and regulations laid out in the Retail Settlement Code and the Standard Service Supply Code.

Customers are automatically Standard Service Supply (SSS) Customers until such time that Veridian is informed of their switch to an electricity retailer. The Customer or Customer's authorized agent/retailer must make a Service Transfer Request (STR).

All Customers considering delivery of electricity through Veridian's distribution system (wheeling) must apply to Veridian and obtain information on current requirements, technical issues and applicable tariffs.

2.4.3 Deposits

Whenever required by Veridian, including, but not limited to, as a condition of supplying or continuing to supply Distribution Services, Customers shall provide and maintain security in an amount that Veridian deems necessary and reasonable. Veridian will not discriminate among Customers with similar risk profiles or risk related factors except where expressly permitted under the Distribution System Code.

Except for Consumers or Customers who meet the security deposit waiver conditions described below, all Consumers or Customers are required to provide an account security deposit to Veridian, which, at the Customer's election, must be in the form of;

- a. cash, cheque or Money Order, or, if approved by Veridian, Visa or MasterCard or
- b. for non residential Consumers or Customers, an automatically renewing irrevocable commercial letter of credit from a bank defined in the *Bank Act* (Canada), S.C. 1991, c.46.

Note: Veridian will not accept third party guarantees.

The amount of the account security deposit will be based on the billing factor times the estimated average bill during the most recent 12 months. The billing factors are as follows:

- 2.5 for monthly billed Consumers or Customers
- 1.75 for bi-monthly billed Consumers or Customers

Where there is no established historical electricity consumption information for the service premises, the deposit will be based on a reasonable estimate using information from a like property used for similar purposes.

If requested by the Customer, the Customer will be permitted to pay the security deposit in equal installments over a maximum of 4 months, or over a period of 6 months for residential Customers (including where a new security deposit is required due to Veridian having to apply the existing security deposit against amounts owing).

The security deposit may be waived based on the following criteria:

- a) The Customer has a good payment history based on the most recent customer history with some portion in the most recent 24 months, unless, during the relevant minimum time period set out below, the customer has received more than one disconnection notice from Veridian; more than one cheque given to Veridian by the Customer has been returned for insufficient funds; more than one pre-authorized payment to Veridian has been returned for insufficient funds; a disconnect/collect trip has occurred or Veridian had to apply a security deposit to offset amounts owed by a residential Customer in accordance with section 2.4.26A of the Distribution System Code and required the customer to repay the security deposit in accordance with section 2.4.26B of the Distribution System Code.

The minimum time period for good payment history is as follows:

- Residential - 1 year
- Non-residential <50 kW demand rate class - 5 years
- All other classes - 7 years

or

- b) The Customer provides a letter from another electricity or gas distributor in Canada confirming good payment history. The letter must contain information consistent with the good payment criteria described in this document. or
 - c) The Customer provides a satisfactory credit check at its expense. The acceptable Equifax Credit score for Residential Customers are as follows:
 - 700 or greater
- or
- d) Residential account deposits may be waived where the Customer enrolls in Veridian’s pre-authorized payment plan, provided that a deposit will be required if the pre-authorized payment plan is cancelled; or
 - e) The customer is a bulk-metered residential condominium as defined in the Condominium Act, 1998 and has provided Veridian with a signed declaration attesting to their legal status as a residential condominium corporation; or
 - f) The residential Customer has been qualified as an “eligible low-income customer” and requests a waiver.

The security deposit may be reduced for non residential Customers with 50 kW or greater demand, based on the following criteria:

Where the Customer has a credit rating from a recognized credit rating agency, (Dominion Bond Rating Service, Standard & Poor’s or Moody’s) the maximum amount of deposit required will be reduced as follows:

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

Equivalent ratings from other bond rating agencies would apply for the same reductions.

In the above case, the commodity price used to calculate the deposit shall be the same as the price used by the IESO for the purpose of determining maximum net exposures and prudential support obligations for market participants other than distributors, low-volume Customers and designated Customers. Interest will accrue monthly on security deposits commencing when the total deposit has been received. The rate shall be at the average Chartered Bank Prime Rate as published on the Bank of Canada Web site, less 2%. The interest rate shall be updated by Veridian at a minimum on a quarterly basis. The interest will be calculated and applied to the existing deposit prior to each update and at a minimum on a yearly basis.

Upon closure of the Customer's account with Veridian, including a Customer move from standard supply service ("SSS") to a competitive retailer where the retailer is performing the billing function (retailer consolidated billing), for all accounts types, Veridian may use the security deposit to set off other amounts owing by the Customer to Veridian. The balance of the security deposit plus accumulated interest, after all amounts owing are paid, will be returned to the Customer within six weeks of the closure of the account.

2.4.3.1 Interest Payments

Interest will accrue monthly on security deposits made by way of cash or cheque or other payment forms commencing upon receipt of the total deposit. The interest rate will be at the Prime Business Rate as published on the Bank of Canada website, less 2 percent. Interest will be applied directly to the account.

2.4.3.2 Deposit Reviews/Adjustments

Veridian will undertake an annual review of all security deposit requirements for each Consumer or Customer;

- Where it is determined that all or part of the deposit is no longer required, the account will be credited with the amount of the deposit plus accumulated interest.
- Where it is determined that a deposit is now required or needs to be adjusted upward, the amount of the deposit will be added to the next regular bill and is payable by the due date of that bill, except for residential Customers which they shall be permitted to pay the adjusted amount in equal installments paid over a period of at least 6 months. As with all outstanding balances payment arrangements that are satisfactory to Veridian may be made.
- For Consumers or Customers in the >5000 kW demand rate class, where the Consumer or Customer is in a position to have some or all of the deposit refunded, only 50% of the deposit will be returned. A higher refund requires a credit rating from a recognized credit rating agency based on the criteria previously stated.

Note: Where no deposit is on file or there is a deposit that does not meet the maximum amount, and the Consumer or Customer meets the good payment history criteria but does not meet the time frame, a new or increased deposit amount will not be added.

A Customer may, no earlier than twelve (12) months after payment of the security deposit or the making of a prior demand for review, demand in writing that Veridian undertake a review to determine whether the entire amount of the security deposit is to be returned to the Customer as the Customer is now in a position that it would be exempt from paying a security deposit had it not already paid a security deposit or whether the amount of the security deposit is to be adjusted based on a re-calculation of the maximum amount of the security deposit. Where a residential Customer has paid a security deposit in installments, the customer shall not be entitled to request a review of the security deposit until 12 months after the first installment was paid.

Where a Customer other than a Residential Customer has a payment history with more than one disconnection notice in a relevant twelve (12) month period, Veridian will use the Customer's highest actual or estimated monthly load for the most recent twelve (12) consecutive months within the past two (2) years to recalculate the maximum amount of the security deposit.

Where Veridian determines in conducting a review that some or all of the security deposit is to be returned to the Customer, Veridian will promptly return the amount to the Customer by crediting the Customer's account or issuing a refund cheque.

Where a Customer is moving outside of the Veridian service area, or changing from Standard Supply Service to a Competitive Retailer providing Retailer-Consolidated billing, the deposit will be applied to the final bill and any credit issued in the form of a cheque within six (6) weeks of the date of the final bill.

2.4.4 Billing

Veridian will determine the billing cycle and frequency of meter readings for each customer on the basis of customer classification and may, at its option, render bills to its Customers on a monthly, bimonthly or quarterly 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 Veridian.

Veridian will bill Standard Supply Service Customers.

Standard Supply Customers may discuss the charges shown on their bill by contacting Veridian at the contact methods shown on their bill.

Retailer Customers may be billed by Veridian 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 Equal Payment Plan

A pre-authorized equal payment plan is available to all Standard Supply Service Customers and retailer-enrolled Customers on Distributor Consolidated billing. To help smooth electricity costs over the year, the plan bills an equal portion of the previous year's charges per bill period and then reconciles the balance owing in the anniversary month. Customers on a budget plan are reviewed Semi-annually and Annually. Amounts are adjusted to reflect historic usage.

2.4.4.2 Aggregated Billing

Each ownership demarcation point or point of supply will be billed as a separate service. A Customer having two or more ownership demarcation points or points of supply will not be permitted to aggregate electricity usage for billing purposes.

2.4.5 Payments and Charges for Late Payment

Payments owing to Veridian may be made by way of cash, cheque, and various other bank and electronic instruments. Veridian provides pre-authorized payment plans, and other such options for the convenience of its Customers. Overdue payments are subject to a late payment charge as set out in Veridian's Tariff of Rates and Charges, available on request.

2.5 CUSTOMER INFORMATION

Section 11 of the Retail Settlement Code specifies the rights of consumers and retailers to access current and historical usage information and related data and the obligations of Veridian in providing access to such information. In general, Veridian will not disclose specific information about a Customer unless the release of information has been authorized by that particular Customer or unless necessary for compliance with Market Rules or any Board approved Code or Standard.

Veridian will not disclose Customer information to a third party without the consent of the Customer in writing, except where Customer information is required to be disclosed, as follows:

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

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

Upon written authorization by the Customer, Veridian will make information available to the Customer or the Customer's retailer, related to the meter(s), service location, account number, and recent billing determinants (usage, days used, period, reading method, adjustment factors). Certain customers, depending on the type of metering installation installed by Veridian or with additional optional equipment requested from and installed by Veridian at the customer's expense, may have continuous access to their metering data through electronic means. Contact Veridian for details.

Veridian will provide a Customer with 24 months, where available, of historical usage information, information about their meter configuration, and payment information. Such information can be released to the Customer or any third party designated in writing by the Customer.

Veridian will honour requests for any specific Customer and specific service location twice a year for historical data to Retailers and Customers, if not available electronically through the EBT system or other existing arrangement. Veridian may, at its discretion, charge a fee for any additional requests. A request is considered delivery of data to a single party.

3.0 CUSTOMER CLASS SPECIFIC

3.1 RESIDENTIAL

All residential customers with kilowatt-hour meters will be deemed to have a demand of 50kW or less.

3.1.1. Single Family Homes

This section pertains to the supply of electrical energy to detached and semi-detached, single-family homes. For definition purposes a single family home is a permanent structure or structures located on a single parcel of land and approved by the Municipal Building Department as a dwelling and occupied for that purpose by a single Customer.

3.1.1.1 Service Information

One (1) service 120/240V, single phase, three (3) wire, only will be installed to each new or existing home.

All new and upgraded services must be underground except as noted in this document. A minimum service entrance size of 100 amperes is required.

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

In circumstances where two (2) services are installed to a dwelling, and one (1) service is to be upgraded, the upgraded service will replace both of the existing services. Where revenue metering is located inside a residence it will be relocated by the Customer to the exterior of the building at the time of upgrading the electrical service.

3.1.1.2 Overhead Service

Overhead will be allowed only for upgrades in certain areas at Veridian's discretion. A maximum capacity of 200 amperes (service entrance equivalent) will be provided. Larger capacity services must be underground.

The service conductor up to the Customer's attachment point is owned and maintained by Veridian at its cost.

3.1.1.3 Underground Service

The maximum capacity of services supplied from Veridian's transformers on the public road allowance will be 200A. Services greater than 200A may require a separate supply at distribution voltage.

Veridian will supply and install the service conductor from the supply point to a delivery point on the Customer's premises at the Customer's expense on a flat rate basis. The Customer will provide direct buried PVC Type II duct to Veridian's requirements to accommodate the service conductors.

Veridian owns the secondary service conductor and will maintain it in perpetuity at its own cost. Veridian will not however, be responsible for the replacement or restoration of customer installed landscaping, decorative features, decks, patios, etc., which may have to be removed in

order to make repairs to the service. For clarity, the stack or conduit for service cable entry into the meterbase, and the meterbase, is the sole property and responsibility of the customer.

3.1.2 Street Townhouses

This section pertains to the supply of electrical energy to row housing consisting of Street townhouses, which are usually a freehold property, the land being owned by the individual Owners of each unit, fronting onto a municipal street.

The customer and consumer will generally be the same entity.

For definition purposes a townhouse development is a structure or complex of structures each containing more than two (2) residential units. Each unit would be occupied by a single residential Customer and have direct outside access at ground level.

3.1.2.1 Service Information

The Customer will enter into a Servicing Agreement with Veridian governing the terms and conditions under which the complete underground electrical distribution voltage system and services will be designed, supplied and installed by Veridian at the Customer's cost.

One (1) 120/240V, 200A maximum, single phase, three (3) wire service will be provided for each unit. Each unit will be separately metered with meters located at each unit or grouped. Veridian retains ownership of the entire distribution voltage system including transformers.

Refer to Veridian's Specification for Residential Underground Electrical Distribution Systems for further details.

3.1.3 Multiplexes

This section pertains to the supply of electrical energy to small residential apartment buildings.

For definition purposes a multiplex is a permanent structure(s) on a single parcel of land, approved by the Municipal Building Department for that purpose and containing three to six units with a common fronting on a municipal street.

The customer is generally the building as a whole, while the consumer is the individual occupant(s).

3.1.3.1 Service Information

Veridian will design, supply and install the underground electrical distribution voltage system and services at the Customer's cost.

One (1) 120/240V, 400A maximum, single phase, three (3) wire underground service will be provided for each building. Each unit will be separately metered with meters located at each unit or grouped.

Veridian retains ownership of the entire distribution voltage system including transformers. Refer to Veridian's Specification for Residential Underground Electrical Distribution Systems for further details.

3.1.4 Block Townhouses

This section pertains to the supply of electrical service to row housing in which all housing units are located on common land which is the property of a condominium or which is owned by one person. The Customer is the person or condominium.

These units usually front onto internal roads which are also privately owned.

For definition purposes a townhouse development is a structure or complex of structures each containing more than two (2) residential units. Each unit would be occupied by a single residential consumer and have direct outside access at ground level.

3.1.4.1 Service Information

The Customer will enter into a Servicing Agreement with Veridian governing the terms and conditions under which the complete underground electrical distribution voltage system and services will be designed, supplied and installed by Veridian at the Customer's cost. One (1) 120/240V, 200A maximum, single phase, three (3) wire service will be provided for each unit. Street lighting will be to ESA requirements and installed at the Customer's expense. This type of street lighting will be maintained by the Customer.

Veridian maintains ownership of the system to the Customer's meter base
Refer to Veridian Specification for Residential Underground Electrical Distribution Systems for further details.

3.2 GENERAL SERVICE

Customers not classified as residential above, are General Service customers. All Three Phase Customers will be classified as General Service and metered for energy usage in kWh and for peak monthly kW demand.

3.2.1 Single Commercial/Industrial Buildings

This section pertains to the supply of electrical energy to single commercial and industrial buildings.

For definition purposes a "single" building is a structure or structures on a single parcel of land occupied by one (1) Customer and is predominantly used for commercial or industrial purposes. Uses normally included here are churches, schools, shopping malls, plazas and institutional sites.

3.2.1.1 Service Information

One (1) service will be provided for the Customer in accordance with the provisions of Section 2 and Table 1 of the Appendices. Veridian will own, operate, repair and replace at its own cost the electrical components of the system that it owns as set out in Table 1 of the Appendices. The Customer will own, operate, repair and replace at its own cost all civil works components required to house Veridian's electrical components. The Customer will also own, operate, repair and replace at its own cost all components, both civil and electrical, beyond the ownership demarcation point.

3.2.2 Construction Power

This section pertains to the supply of electrical energy on a temporary basis to facilitate construction work. This includes pole mounted service equipment, trailers, cranes and similar applications.

Such services may be in place for a period of less than one (1) year. Longer periods may be permitted at the discretion of Veridian and will require re-inspection and approval by the ESA.

3.2.2.1 Service Information

In most cases, due to their temporary nature, some or all of a Construction Power service will be installed overhead, even though it may be connected to an underground system. All temporary services will be metered.

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

The Customer will pay the total cost of the installation and removal of a temporary service. Charges for each application will be quoted by Veridian on request.

3.2.3 Multiple General Service Buildings

This section pertains to the supply of electrical energy to a complex of multiple commercial and industrial buildings.

For definition purposes this may include:

- A complex of single occupant buildings on a single parcel of land.
- A complex of single and/or multiple occupant buildings on a single parcel of land.
- A single, multiple occupant building on a single parcel of land.

Each multiple occupant building will be divided into a separate unit for each occupant in compliance with all applicable Municipal Fire Department Regulations and Building Codes.

3.2.3.1 Service Information

- The Customer will enter into a Servicing Agreement with Veridian governing the terms and conditions under which the electrical distribution voltage system and services will be designed and installed.
- The Customer will provide, install and bear the cost of the complete civil works necessary to house the cable. The cable will be supplied and installed by Veridian at the Customer's cost. Veridian will own, operate, repair and replace at its own cost the electrical components of the system up to the ownership demarcation point set out in Appendices Table 1. The Customer will own, operate, repair and replace at its own cost all civil works components required to house Veridian's electrical components. The Customer will also own, operate, repair and replace at its own cost all components, both civil and electrical, beyond the ownership demarcation point.
- One (1) service will be provided for each multiple industrial building. Where the "multiple" is a complex of buildings contained within one (1) parcel of land, one (1) service will be provided for the complex, not for each building. A primary loop feed is considered to be a single service.

- Services to several buildings supplied from the same transformer cannot be directly connected to the transformer. Supply and installation of a secondary voltage distribution facility such as a service pedestal will be required.
- The service voltage will be established by Veridian and will be either,
 - 120/208 Volts, 3 Phase, 4 Wire
 - 347/600 Volts, 3 Phase, 4 Wire
- Such projects will be dealt with on an individual basis.

3.2.4 Small Metered Loads

3.2.4.1 Traffic Signals, Crosswalks, Traffic/Pedestrian Beacons

These services will be metered. The service voltage will be 120/240 volts, one (1) phase, three (3) wire. The method and location of supply will vary and will be established for each application.

3.2.4.2 Bus Shelters

- The nominal service voltage will be 120 Volts, single phase, three (3) wire.
- The service location will be established through consultation with Veridian staff for each application.
- The method of supply, overhead or underground, will be determined by Veridian and installed by the Customer.
- The service will be metered.
- These must be installed and maintained subject to the requirements of the ESA.
- An Offer to Connect will be made in each case, identifying among other items the costs to be charged to the Customer for connecting to Veridian's existing supply lines. Where additional work or equipment must be provided, a scope of work and quotation will be provided.

3.2.4.3 Billboards

- The nominal service voltage will, at the discretion of Veridian, be 120/240 Volts, single phase, three (3) wire.
- The method and location of supply will vary and will be established for each application through consultation with Veridian staff.
- The service will be metered.

3.2.4.4 Other Small Services

This section pertains to the supply of electrical energy for telephone booths, cable T.V. amplifiers, and similar small, scattered loads.

- The nominal service voltage will be 120 Volts, single phase, three (3) wire.
- The method and location of supply will vary and will be established for each application through consultation with Veridian staff.
- The service will be metered.

3.2.4.5 Fire Pumps

New services for Fire Pumps or similar, isolated, special purpose, infrequent-use loads must be metered. Customers requesting an upgrade, relocation, or other substantial change to any such existing services must as a minimum install a meter suited to the service size and load as required herein.

- The service voltage, details of service entry and metering will be established through consultation with Veridian staff.
- Where a large motor is to be installed reduced voltage starting will be required.

3.3 GENERAL SERVICE (ABOVE 50kW)

All non-residential Customers with an average monthly peak demand between 50kW and 999kW over the past twelve months are classified as General Service Demand customers above 50kW. For new Customers without prior billing history with Veridian, the peak demand will be based on maximum possible usage for the Customer's service entrance equipment as defined by the Ontario Electrical Code.

3.3.1 Apartment Buildings

This section also pertains to the supply of electrical energy to residential apartment buildings.

For definition purposes an apartment building is a permanent structure(s) on a single parcel of land, approved by the Municipal Building Department for that purpose and occupied by six (6) or more units. Entrances to dwelling units would be through common internal corridors. Apartment buildings will be individually metered.

3.4 GENERAL SERVICE (ABOVE 1000kW)

All non-residential Customers with an average peak demand of 1000kW or higher over the past twelve months are to be classified as Customers over 1000kW. For new Customers without prior billing history, the peak demand will be based on 90% of the installed transformer.

3.4.1 Customer-Owned Substations

3.4.1.1 General

Customer owned substations are a collection of transformers and switchgear located in a suitable room or enclosure owned and maintained by the Customer, and supplied at primary voltage from Veridian's system.

The Customer will install and maintain such equipment in accordance with all applicable laws, codes, regulations, and Veridian's requirements for high voltage installations. Veridian will provide Customer interface details, requirements, and planning details upon application for service.

It is recommended that Customers' transformers have voltage taps in their primary windings.

Customer owned substations must be inspected by both the ESA and Veridian prior to being energized. The Customer will arrange for and provide a pre-service inspection report,

performed by a contractor deemed qualified by Veridian, in accordance with Veridian's inspection requirements.

3.4.1.2 Routine Inspections and Maintenance

Veridian may perform a visual, non-contact, energized inspection of Customer-owned substations on a periodic basis, and report to the Customer any deficiencies found. This deficiency report may include an order to repair. Failure by the Customer to make repairs which in Veridian's opinion represent risk to public safety or to the integrity of Veridian's system may result in the supply to the substation being interrupted, until such time as repairs are made. Such inspection activity is made solely for Veridian's own interests and the protection of security to Veridian's electrical supply system. Veridian will not be liable to the Customer or any other party for failure to make such inspection, or for failure to observe any deficiency or risk to the Customer's property and continued electrical supply, or risk to public safety. The Customer will have sole responsibility to ensure the ongoing security and safety of its substation(s).

The Customer will have their substations inspected thoroughly in accordance with the Distribution System Code. The minimum inspection cycles for Customer owned substations are one year for open substations and three years for enclosed substations. This inspection requires the use of a qualified high-voltage substation contractor, and the de-energization of the equipment. To facilitate and encourage the maintenance of this equipment, Veridian will provide one power interruption annually, at no charge. This no-charge service must be scheduled during Veridian's normal business hours, Monday to Friday. There is a charge for additional interruptions within the year, and for power interruptions arranged at times other than as outlined above.

Note that the ESA has authority over re-energization of such substations, and their inspection will apply to any modifications or major repairs made.

3.4.1.3 Aged Equipment

Veridian has identified that certain older Customer-owned substations are equipped with vintage 44kV Air Break Switches using "cap and pin" style insulators. These insulators have generally been reported to suffer mechanical failure, randomly, or during switching procedures. Veridian will encourage Customers with such installations to plan for the replacement of these switches as soon as practicable for the Customer.

3.5 EMBEDDED GENERATION

Operation of a customer's embedded generator shall not endanger workers or jeopardize public safety, or adversely affect or compromise equipment owned or operated by Veridian, or the security, reliability and the quality of electrical supply to other customers connected to Veridian's distribution system.

When the Customer connects an embedded generator to the Veridian distribution system, an interface protection system shall be provided to minimize the severity and extent of disturbances to the Veridian distribution system and to minimize the effect on other customers. Veridian may require this protection to include a transfer trip scheme tied to the Veridian distribution feeder protection. The interface protection shall be capable of automatically isolating the generator(s) from Veridian Connection's distribution system and is subject to review and acceptance by Veridian Connections.

The customer may be required to supply equipment to allow Veridian to monitor the status of the protection components at the generator, as well as the generator's output, at the customer's expense.

The generating facilities shall be constructed in accordance with the Ontario Electrical Safety Code, Appendix F (Process for Connecting an Embedded Generator) of the Distribution System Code and IEEE Standards related to the interconnection of generators with electric distribution systems.

The customer will be required to enter into an Embedded Generation Connection Agreement for operating the generating facilities in parallel with Veridian Connection's distribution system.

3.5.1 Design Requirements

The customer shall provide the following information:

- i. An electrical single line drawing showing all primary and secondary voltage facilities connected to the generator(s) including any interlocking schemes, rating of protective devices or fuses, primary and secondary switchgear and metering facilities;
- ii. Trip settings and delays at the interface devices;
- iii. Layout of generating facilities including all associated switchgear and metering facilities; and
- iv. A protection philosophy and coordination study of all levels of protective devices is to be performed and provided to Veridian for review.

3.5.2 Connection of Micro-Generation Facilities

From every applicant for the connection of a micro-embedded load generation facility, Veridian requires information regarding capacity of the units, fuel type, technology and location of the facility.

Once the applicant receives all necessary approvals, Veridian will make all metering arrangements and connect the generation facility to the distribution system within the timelines specified in the Distribution System Code.

If an embedded load generation facility is located at an existing customer connection, Veridian Connections will connect the generator within the timelines specified in the Distribution System Code after receiving the completed application. Veridian will provide the applicant with at least 30 days to accept the offer to connect.

3.5.3 Connection of Other Generation Facilities

From every applicant for the connection of a generation facility, Veridian requires information regarding capacity of the units, fuel type, technology and location of the facility. The applicant must pay a CIA application fee to Veridian.

If the Customer who applies for connection of a generation facility requests a preliminary meeting with Veridian, it will be scheduled within 15 days after it was requested. Veridian will not charge the Customer for the preliminary meeting.

Veridian provides an applicant who requests connection of a generation facility with its assessment of the impact of the facility, a detailed cost estimate and an offer to connect the facility within the timelines specified in the Distribution System Code for a mid-sized and a large facility respectively. The assessment will cover the impact of the proposed generation facility

relating to voltage impact, connection feasibility, the need for line upgrades, transmission system protection and metering requirements.

If the customer makes any material changes in the design, equipment and connection, the information about the changes will be provided to Veridian Connections for preparation of the revised assessment. The generation facility will be connected within the timelines specified in the Distribution System Code after any required payments have been received by Veridian Connections and within the timelines specified in the Distribution System Code, after receiving of comments from the transmitter. Once the customer enters into the cost agreement, Veridian Connections will conduct a design review to ensure the detailed engineering plans are acceptable. Veridian Connections shall witness the testing and commissioning of the generating facility prior to authorizing the connection of the generating facility to the distribution system.

3.5.4 Net Metering

Load customers who install a generation facility in accordance with Ontario Ministry of Energy Regulation 541/05 and who meet the following criteria may participate in Net Metering:

- i. The generator generates the electricity primarily for the generator's own use;
- ii. The generator generates the electricity solely from a renewable energy source;
- iii. The maximum cumulative output capacity of the equipment used to generate the electricity that the generator intends to return to the distributor for net metering purposes is no greater than 500 kilowatts based on the rated maximum output capacity of the equipment; and
- iv. The generator conveys the electricity that is generated directly from the point of generation to another point for the generator's own consumption without reliance on the distributor's distribution system before conveying any electricity that is in excess of the generator's own needs at the time of generation into the distributor's distribution system.

The connection of an eligible generator to Veridian's distribution system is subject to any conditions in the distributor's license governing the connection of generation facilities to the distribution system. A net metering customer must meet all generation requirements for Generation Facilities, as applicable, in Section 3.5 of these Conditions of Service.

Eligible customers with generation facilities may return surplus generated energy back into the utility-owned distribution system to reduce their net energy consumption.

An electricity bill for a net metered customer will reflect the difference between the value of the units of electricity exported to the grid and the value of the units of energy consumed from the grid each month. If the difference results in a net export of electricity by the customer, a credit for the value of the units of net energy exported will appear on the customer's account and will be carried forward and applied in a future billing period(s). After issuing a bill in any billing period where a customer has carried an energy credit for all billing periods in the previous ten consecutive months, the value of any remaining accrued electricity credits will be reduced to zero dollars (\$0) for the purpose of the next billing period. Regulated electricity charges apply to the net consumption of electricity. Standard fixed monthly service charges apply to all customers.

To participate in net metering, the customer must utilize an operational bidirectional revenue meter that records energy consumed and energy delivered. Veridian shall supply and install the bidirectional meter at the customer's cost.

3.6 EMBEDDED MARKET PARTICIPANT

A Customer who is an embedded market participant will meet all requirements of the OEB and the IESO related to that status and will provide initial and regular information and data to Veridian as required by these agencies and the relevant Codes.

A Connection Agreement with Veridian will be required.

3.7 EMBEDDED DISTRIBUTOR

The terms and conditions applicable to the connection of an Embedded Distributor will be included in a Connection Agreement with Veridian.

3.8 UNMETERED CONNECTIONS

In general, all services will be metered. However, certain types of electrical loads are not practical to meter, or the cost of metering represents an inordinate expense to both the Customer and Veridian. Unmetered loads are loads that are billed based on an estimated usage and load profile. Veridian has the sole right to determine if a load is to be classified as unmetered.

Typical unmetered load in Veridian service territory may consist of municipally or provincially owned roadway lighting located on road allowance or a power supply for a temporary short-term event where the installation of a meter is not practical.

In all cases an Offer to Connect will be made, identifying among other items the costs to be charged to the Customer for connecting to Veridian's existing supply lines. Where additional work or equipment must be provided, a scope of work and quotation will be provided.

Unmetered Customers shall not allow other Customers to use the unmetered electrical power from their system without the written consent of Veridian.

Existing unmetered loads that do not fit the current criteria to be unmetered, shall remain unmetered at Veridian's discretion. Should a significant upgrade be made to the equipment, or the electrical supply to the equipment is upgraded by Veridian, the unmetered load shall become metered at the Customer's expense.

Veridian shall consult with unmetered load Customers prior to the implementation of rate-related materials that may materially impact unmetered load Customers.

3.8.1 Application Process

The Customer shall make application for a new unmetered load connection in writing to Veridian. The Customer shall provide a detailed calculation of connected loads for unmetered services that includes the following:

- Number of units
- Wattage of units
- Number of hours of operation per 24 hour period
- Totalized energy consumption in kWh, for a 1 month period

When the proposed equipment is new to Veridian, the calculation shall be signed and stamped by a Professional Engineer, licensed to practice in the Province of Ontario.

Veridian shall utilize the above calculation in the process of providing the Customer an Offer to Connect and for billing of the unmetered load.

Veridian reserves the right to verify the above calculations accurately reflect the energy consumed by the unmetered load at the Customer's expense. The same process shall be followed for this verification as outlined in section 3.8.3 Audit Process.

3.8.2 Updating of Unmetered Load Data

The Customer is obligated to inform Veridian in writing within 30 days of any revision to the load profile of existing unmetered load. The Customer shall provide Veridian with a detailed calculation of the revised load including the following:

- Number of units
- Wattage of units
- Number of hours of operation per 24 hour period
- Totalized energy consumption in kWh, for a 1 month period

Veridian shall utilize the above calculation in the process of revising the billing for the unmetered load.

Veridian reserves the right to verify the above calculations accurately reflect the energy consumed by the unmetered load at the Customer's expense. The same process shall be followed for this verification as outlined in section 3.8.3 Audit Process.

3.8.3 Audit Process

On an annual basis, or more frequently as determined by Veridian, Veridian and the Customer shall review records of unmetered load to ensure accuracy of the unmetered accounts. Should a field audit be necessary to verify accuracy, Veridian and the Customer shall each assume their own costs associated with the field audit.

Existing unmetered services shall be audited for energy consumption on a periodic basis at the sole discretion of Veridian. Veridian 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 Veridian, the Customer shall be asked to undertake, at their cost, electrical usage profile studies by using either a Veridian acceptable certified lab or acceptable in-field metering unit. The interim results and final report are to be signed and stamped by a Professional Engineer, licensed to practice in the Province of Ontario and provided to Veridian Connections in an acceptable format and on a timely basis.

3.8.4 Billing of Unmetered Loads

Veridian shall utilize the data provided in 3.8.1, 3.8.2 or 3.8.3, whichever is most current, for the purpose of billing the Customer.

Roadway lighting Customers shall be billed utilizing the approved Ontario Energy Board Street Lighting Load Shape Template.

The Customer shall be billed utilizing unmetered rates, as approved by the Ontario Energy Board.

3.8.5 Municipal/Provincial Lighting on Public Roadways

Veridian will require a formal joint-use agreement with each municipality for the installation of roadway lighting on Veridian owned equipment.

All street lighting plant, facilities, or equipment owned by the Customer, whether on public rights-of-way or municipal or provincial property, are subject to ESA requirements.

All plans for new lighting installations must be submitted for approval to Veridian. Veridian will ensure that proper clearances are available, any existing power poles to be used are adequate, overhead or underground supply circuits or supply points are available and adequate, and the lighting will not conflict with other plans underway. Attachment methods, and brackets and other items to be attached to or mounted on power poles must meet Veridian's standards and the requirements of the ESA. Pole locations, trench locations, and related equipment should comply with municipal roadway cross-sections and respect locations of existing buried plant and street furniture.

Since street lighting is an unmetered service, all new or replacement luminaires and photocontrols must meet basic Veridian requirements.

Veridian may allow an approved contractor to make the connection of new lights to existing available supply wires, or the reconnection of an upgraded light, on an application by application basis, and subject to approval from ESA.

All existing overhead circuits on Veridian poles which supply street lights mounted on Veridian poles, or which feed connections to underground street light circuits, are the property of Veridian. All existing underground circuits which supply street lighting only are the property of the Municipality.

New overhead circuits on Veridian poles which supply only street light loads are the property of the Municipality. Additions, extensions and alterations to these circuits will be made by Veridian in accordance with the provisions of these Conditions of Service, and in most cases are considered "expansions", may be chargeable to the municipality (or requesting party), and may be subject to alternative bids where a new pole line is proposed for overhead street light wire and luminaires only.

New underground circuits which supply only street lighting are the property of the municipality.

In all cases, new circuits must be connected to Veridian's supply system by a suitable disconnect device, approved by the ESA, and the location and access requirements must be consistent with standard joint use or joint occupancy provisions.

Contractors may not install new overhead supply circuits on power poles, any new transformers required for street light service, nor connect any new lights or street light supply wires, overhead or underground, to a transformer. This work may only be done by or under the direct supervision of Veridian.

New underground street light wiring and dedicated street light poles do not require specific Veridian approval, except as noted above, but must meet the requirements of the ESA.

3.8.5.1 Street Lighting

All services supplied to street or roadway lighting equipment owned by or operated for a municipality or the Province of Ontario will be classified as Street Lighting Service.

3.8.5.2 Decorative Lighting

This section pertains to the supply of electrical energy for outdoor decorative lighting installations owned by a municipality or the Province of Ontario. Such installations could be lighting for festive occasions or for “neighbourhood character” streetscapes. These must be installed and maintained subject to the requirements of the ESA.

Available service voltage will be 120/240 Volts, 1 phase, 3 wire or 120 Volts, 2 wire. The method and location of supply will vary and will be established for each application. Each service must be controlled by a photo-control device meeting Veridian specifications.

3.8.5.3 Sentinel Lights and Water Heaters

Legacy flat rate water heaters and sentinel lights (dusk-to-dawn) connected to unmetered wires will continue to have a flat rate monthly energy charge added to the regular Customer bill. Veridian will not connect any new unmetered sentinel lights and water heaters. It is Veridian's policy to phase these unmetered connections out over time.

4.0 GLOSSARY OF TERMS

“Accounting Procedures Handbook” means the handbook approved by the Board and in effect at the relevant time, which specifies the accounting records, accounting principles and accounting separation standards to be followed by the distributor;

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

“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;

“ancillary services” means services necessary to maintain the reliability of the IESO controlled grid; including frequency control, voltage control, reactive power and operating reserve services;

“bandwidth” means a distributor’s defined tolerance used to flag data for further scrutiny at the stage in the VEE process where a current reading is compared to a reading from an equivalent historical billing period. For example, a 30 percent bandwidth means a current reading that is either 30 percent lower or 30 percent higher than the measurement from an equivalent historical billing period will be identified by the VEE process as requiring further scrutiny and verification;

“basic connection allowance” means the amount Veridian has included in its rates for new residential services and which will be applied as a credit against the cost of installing a new residential service;

“bidirectional meter” means a meter capable of recording net energy flow by monitoring flows in both a forward and reverse direction;

“Board” means the Ontario Energy Board;

“Code” means the Distribution System Code;

"competitive retailer" is a person who retails electricity to consumers who do not take Standard Supply Service ("SSS").

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

“Conditions of Service” means the document developed by a distributor in accordance with subsection 2.3 of this Code that describes the operating practices and connection rules for the distributor;

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

“Connection Agreement” means an agreement entered into between a distributor and a person connected to its distribution system that delineates the conditions of the connection and delivery of electricity to 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

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on a distributor's main distribution system and the ownership demarcation point with that customer;

“construction deposit” is that part of the Expansion Deposit taken to ensure that expansion projects constructed under an Alternative Bid Process are completed to required standards;

“consumer” means a person who uses, for the person's own consumption, electricity that the person did not generate;

“customer” means a person that has contracted for or intends to contract for connection of a building or an embedded generation facility. This includes developers of residential or commercial sub-divisions;

“demand meter” means a meter that measures a consumer's peak usage during a specified period of time;

"disconnect/collect trip" is a visit to a customer's premises by an employee or agent of the distributor to demand payment of an outstanding amount or to shut off or limit distribution of electricity to the customer failing payment;

“disconnection” means a deactivation of connection assets that results in cessation of distribution services to a consumer;

“distribute”, with respect to electricity, means to convey electricity at voltages of 50 kilovolts or less;

“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” has the meaning described to it in the Retail Settlement Code;

“distribution services” means services related to the distribution of electricity and the services the Board has required distributors to carry out;

“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;

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

“distributor” means a person who owns or operates a distribution system;

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

“*Energy Competition Act*” means the *Energy Competition Act, 1998*, S.O. 1998, c. 15;

“Electrical Safety Authority” or “ESA” means the person or body designated under the *Electricity Act* regulations as the Electrical Safety Authority, and generally accountable for public electrical

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safety in Ontario and responsible for wiring inspections, general inspections, Canadian Electrical Safety Code advice and information, and product approval inspections;

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

“embedded generation facility” means a generation facility which is not directly connected to the IESO-controlled grid but instead is connected to a distribution system;

"embedded load displacement generation facility" means an embedded generation facility connected to the customer side of the revenue meter where the generation facility does not inject electricity into the distribution system for the purpose of sale;

“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;

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

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

“forecast deposit” means that part of the expansion deposit that is taken to protect against the risk that forecasted load on which an expansion project is based does not develop in whole or in part;

“four-quadrant interval meter” means an interval meter that measures kilowatt hours delivered or received, as well as kilovar hours leading and lagging for power delivered and received;

“general service” means the rate classification applicable to any service that does not fall into the residential class. General service class is composed of commercial, industrial and institutional customers;

“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;

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“geographic distributor,” with respect to a load transfer, means the distributor that is licensed to service a load transfer customer and is responsible for connecting and billing the load transfer customer;

“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;

“holiday” means a Saturday, Sunday, statutory holiday, or any day as defined in the Province of Ontario as a legal holiday;

“host distributor” means the distributor who provides electricity to an embedded distributor;

“IESO” means the Independent Electricity System Operator pursuant to the Electricity Act;

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

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

“large embedded generation facility” means an embedded generation facility with a nameplate rated capacity of 10MW or more;

“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;

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

“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;

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"micro-embedded load displacement generation facility" means an embedded load displacement generation facility with a nameplate rated capacity of 10kW or less;

"mid-sized embedded generation facility" means an embedded generation facility with a nameplate rated capacity of less than 10MW and: (a) more than 500kW in the case of a facility connected to a less than 15kV line; and (b) more than 1MW in the case of a facility connected to a 15kV or greater line;

"MIST meter" means an interval meter from which data is obtained and validated within a designated settlement timeframe. MIST refers to "Metering Inside the Settlement Timeframe;"

"MOST meter" means an interval meter from which data is only available outside of the designated settlement timeframe. MOST refers to "Metering Outside the Settlement Timeframe;" "*Ontario Energy Board Act*" means the *Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B*;

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

"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;

"ownership demarcation point" means the physical location at which a distributor's ownership of distribution equipment including connection assets ends at the customer;

"performance standards" means the performance targets for the distribution and connection activities of the distributor as established by the Board pursuant to the Act and in the Rate Handbook;

"physical distributor," with respect to a load transfer, means the distributor that provides physical delivery of electricity to a load transfer customer, but is not responsible for connecting and billing the load transfer customer directly;

"point of supply," with respect to an embedded generation facility, means the connection point where electricity produced by the generation facility is injected into the distribution system;

"rate" means any 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;

"Regulations" means the regulations made under the *Act or the Electricity Act*;

"residential service" means the rate classification that applies to single family dwelling units used for domestic purposes and includes seasonal residential dwellings. Residential services are deemed to be less than 50kW for purposes of these Conditions of Service;

"retail", with respect to electricity means, a) to sell or offer to sell electricity to a consumer, 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 consumer with respect to the sale or offering for sale of electricity. "Retail Settlement Code" means the code approved by the Board and in effect at the relevant time, which, among other things, establishes a distributor's obligations and

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responsibilities associated with financial settlement among retailers and customers and provides for tracking and facilitating customer transfers among competitive retailers;

“retailer” means a person who retails electricity;

“service area,” with respect to a distributor, means the area in which the distributor is authorized by its license to distribute electricity;

“Service Voltage” is the voltage at which the Customer agrees to take and Veridian agrees to supply electrical energy. This may be utilization voltage or some other higher voltage;

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

“total losses” means the sum of distribution losses and unaccounted for energy;

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

“Transmission System Code” 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 kilovolts;

“transmitter” means a person who owns or operates a transmission system;

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

“Utilization Voltage” is the voltage at which a Customer’s devices, equipment, and appliances commonly operate;

“validating, estimating and editing (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;

“Veridian” is a distributor and is properly known as Veridian Connections Inc., including its officers, employees and agents;

“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 a person that sells or purchases electricity or ancillary services through the IESO-administered markets;

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“wholesale supplier” means a person who sells electricity or ancillary services through the IESO-administered markets or directly to another person, other than a consumer.

5.0 APPENDICES

5.1 TABLE 1 OWNERSHIP, STANDARD ALLOWANCES - EFFECTIVE OCTOBER 1, 2007

| Ownership, Standard Allowances | | | |
|--|--|--------------------------|---|
| Type of Connection | | Reference Section | Ownership Demarcation Point* |
| | | | Standard Allowance |
| | | | Operational Demarcation Point |
| Residential – Low Voltage Supply | | 3.1 | Overhead - Top of Customer standpipe or mast. Underground - Line side of Customer’s meter base. |
| | | | 30m of overhead, 200A, low voltage wire and transformer capacity; or equivalent cost of underground service. |
| | | | Line side of meter base. |
| Residential – High Voltage Supply | | 3.1 | Overhead – Connection point to Veridian’s lines. Underground – Customer side of high voltage switch (to Customer’s cable) on/in Veridian’s line at/near Customer’s property. |
| | | | 30m of overhead, 200A, low voltage wire and transformer capacity; or equivalent cost of underground service. |
| | | | Line side of meter base. |
| Traffic Signals, Crosswalks, etc. | | 3.2.4 | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer’s first vault, hand-hole, or junction box. |
| | | | Not Applicable. |
| | | | Same as Ownership. |
| Decorative Lights – each light supplied from uncontrolled, available, Veridian supply lines. | | 3.8.1 | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer’s first vault, hand-hole, or junction box. |
| | | | Not Applicable. |
| | | | Same as Ownership. |
| | | | |

Veridian Connections – Conditions of Service

| Type of Connection | | Reference Section | Ownership Demarcation Point* |
|---|--|--------------------------|--|
| | | | Standard Allowance |
| | | | Operational Demarcation Point |
| Decorative Lighting String – lights supplied from municipal-owned, controlled circuits, with available Veridian supply lines. Per connection from Veridian supply to municipal circuit. | | 3.8.1 | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer's first vault, hand-hole, or junction box. |
| | | | Not Applicable. |
| | | | Same as Ownership, subject to restrictions where circuits occupy or are attached to Veridian equipment. |
| General Service – Low Voltage Supply, from Veridian Low Voltage circuits on the road. | | 3.2 | Overhead or Underground – Connection point to road circuits or transformers. |
| | | | Not Applicable. |
| | | | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or main disconnect switch in Customer's service entrance equipment. |
| General Service – High Voltage Supply | | 3.2 | Load side terminals of Veridian's transformer(s). |
| | | | Not Applicable. |
| | | | Load side terminals of Veridian's transformer(s). |
| General Service - Customer Owned Substations | | 3.4.1 | Load side of the disconnect device. |
| | | | Not Applicable. |
| | | | Line side of the customer's main disconnect device. |

* Ownership Demarcation Point for Residential and General Service Connections installed prior to October 1, 2007 will remain as they were prior to that date. New or upgraded service connections installed after October 1, 2007 will follow the ownership set out in Table 1.

Veridian Connections – Conditions of Service

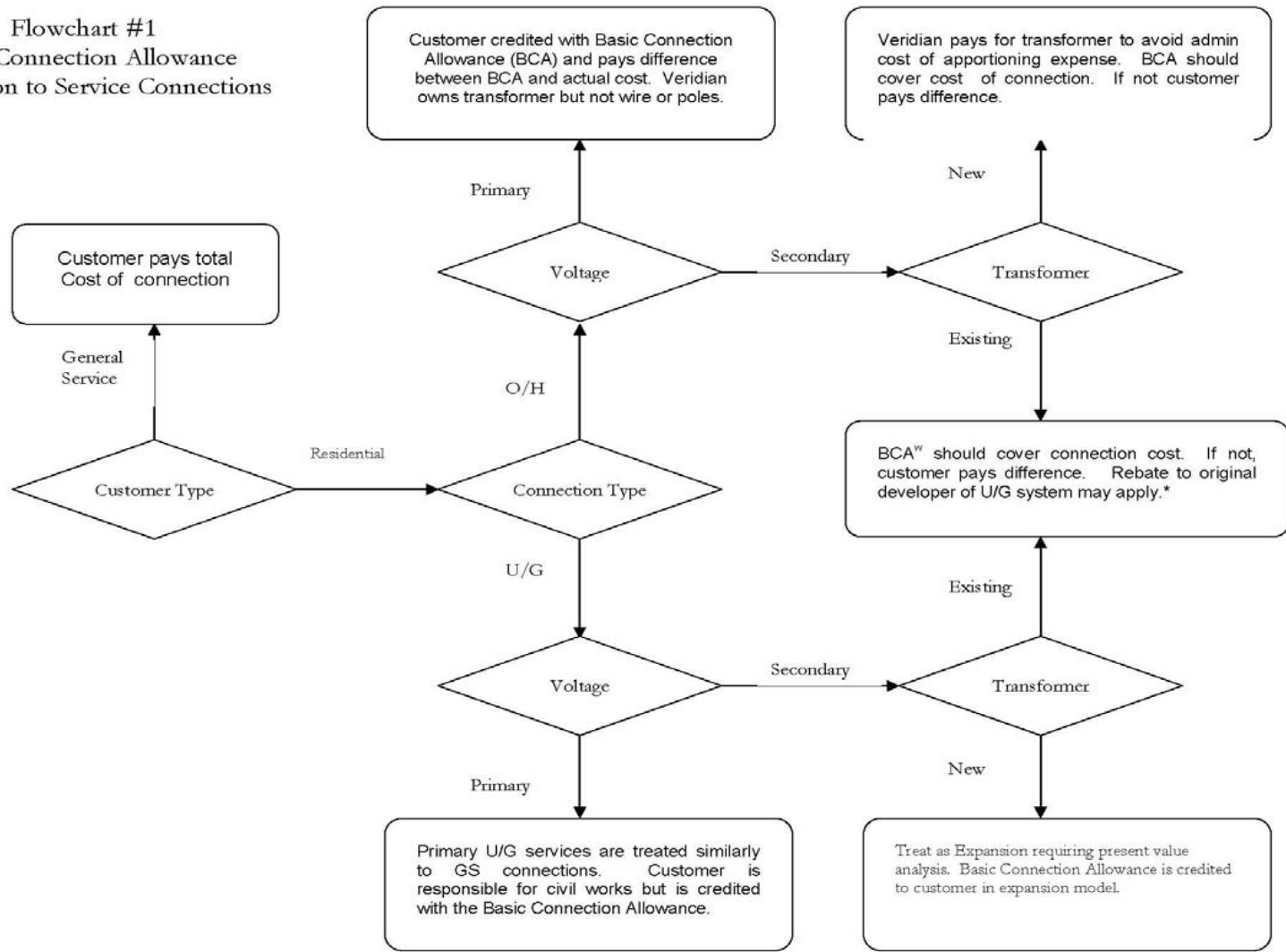
5.1 TABLE 1B OWNERSHIP, STANDARD ALLOWANCES - PRIOR TO OCTOBER 1, 2007

| Type of Connection | Ownership Demarcation Point |
|---|--|
| | Standard Allowance |
| | Operational Demarcation Point |
| Residential – Low Voltage Supply | Overhead - Top of Customer standpipe or mast. Underground - Line side of Customer's meter base. |
| | 30m of overhead, 200A, low voltage wire and transformer capacity; or equivalent cost of underground service. |
| | Line side of meter base. |
| Residential – High Voltage Supply (existing only – no longer available) | Overhead – First point of support or attachment on Customer's property, to be no more than 30m from connection to Veridian's lines. Underground – Customer side of high voltage switch (to Customer's cable) on/in Veridian's line at/near Customer's property. |
| | 30m of overhead, 200A, low voltage wire and transformer capacity; or equivalent cost of underground service. |
| | Line side of meter base. |
| Traffic Signals, Cross Walks, etc. | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer's first vault, hand-hole, or junction box. |
| | Not Applicable. |
| | Same as Ownership. |
| Decorative Lights – each light supplied from uncontrolled, available, Veridian supply lines. | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer's first vault, hand-hole, or junction box. |
| | Not Applicable. |
| | Same as Ownership. |
| Decorative Lighting String – lights supplied from municipal-owned, controlled circuits, with available Veridian supply lines. Per connection from Veridian supply to municipal circuit. | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or disconnect switch in Customer's first vault, hand-hole, or junction box. |
| | Not Applicable. |
| | Same as Ownership, subject to restrictions where circuits occupy or are attached to Veridian equipment. |
| General Service – Low Voltage Supply, from Veridian Low Voltage circuits on the road. | Overhead or Underground – Connection point to road circuits or transformers. |
| | Not Applicable. |
| | Overhead - Top of Customer standpipe or mast. Underground - Line side of fuse or main disconnect switch in Customer's service entrance equipment. |

Veridian Connections – Conditions of Service

| Type of Connection | Ownership Demarcation Point |
|---------------------------------------|--|
| | Standard Allowance |
| | Operational Demarcation Point |
| General Service – High Voltage Supply | Overhead or Underground – Line side of connection device to Veridian’s circuits on the road. |
| | Not Applicable. |
| | Overhead or Underground – Load side terminals of Customer’s high voltage transformer(s). voltage |

Flowchart #1
Basic Connection Allowance
Application to Service Connections



Notes: * if within original 5 year connection horizon

5.2 TABLE 2 VOLTAGE LIMITS FOR CIRCUITS UP TO 1000V, AT SERVICE ENTRANCES

| Nominal System Voltages | Voltage Variation Limited Application at Service Entrances | | | |
|--|--|-----------------------|-----------------------|-----------------------|
| | Extreme Operating Conditions | | | |
| | Normal Operating Conditions | | | |
| Single-Phase 120/240 240 600 | 106/212 212 530 | 110/220 220 550 | 125/250 250 625 | 127/254 254 635 |
| Three-Phase 4-Conductor 120/208Y 347/600Y | 110/190 306/530 | 112/194 318/550 | 125/216 360/625 | 127/220 367/635 |
| Three-Phase 3-Conductor 240 600 | 212 530 | 220 550 | 250 625 | 254 635 |

Taken from C.S.A. Standard CAN3-C235-83.

5.3 TABLE 3 EMERGENCY SERVICES

Response to Power Outages and Service Problems

Veridian is responsible for the safety and reliability of its distribution system. That means dealing with power outages, accidents, downed wires, live wires and other emergencies related to our system. It also means responding to power outages or service quality issues on customer property and customer equipment. Veridian’s full responsibility in this regard ends at the Ownership Demarcation Point as defined herein and by the DSC. However, in cases where the Operational Demarcation Point extends further into customer property, beyond the Ownership Demarcation Point, Veridian will ensure that public safety and the reliability of the distribution system are protected, and will make its best efforts to assist the Customer affected to make repairs and restore power. Under no circumstances may Veridian make temporary or permanent repairs to the Customer’s equipment without ESA inspection.

Veridian will provide the following level of service as part of its 24-hour trouble response service:

| Residential Service | |
|---|---|
| Supplied from Low Voltage Circuits on the Road Allowance | <p>Veridian will locate the problem and make any repairs/replacements necessary, up to the Ownership Demarcation Point.</p> <p>Where an immediate repair is not possible, Veridian will arrange for a temporary connection if at all possible, until the Customer arranges for permanent repairs, subject to ESA.</p> <p>In the event the repair requires a disturbance to customer owned equipment, landscaping, or construction, Veridian will take all care to minimize the disturbance, but will not be held responsible for its restoration.</p> |
| Supplied from Low Voltage circuits on private property (private service, condominium, etc.) | <p>Veridian is not responsible for these services, but will respond on site and identify, where possible, the location of the problem.</p> <p>Where Veridian’s Trouble Response personnel are not able to identify the problem, Veridian will isolate, if necessary, the most appropriate equipment, to permit the customer’s contractor to conduct the necessary repairs in a safe manner. Veridian will re-energize the equipment at any time once notified that a repair has been made, and subject to ESA inspection/notification.</p> |
| Apartments, units in multi-tenant buildings, etc. | Veridian has no involvement with such services. The customer must contact the property owner/manager. |
| General Service | |
| General Service - Low Voltage | Same as Residential above. |
| General Service - High Voltage | Veridian will locate the problem and make any repairs/replacements necessary, up to the Ownership Demarcation Point. All repairs and detailed fault locating are at Veridian’s cost. Where Veridian owns the tranformer, the problem locating effort will include the tranformer, and Veridian will replace or repair the tranformer at no charge. |

5.4 FORM 1

CUSTOMER CONTRACT (GENERAL ARRANGEMENT)



1465 Pickering Parkway, Suite 200
Pickering, ON., L1V 7G7

TEL 905-420-8440/1-888-420-0700
FAX 905-837-7861

Electrical Service & Energy Contract

Name: _____ Account No: _____

Service Address: _____ Date of Occupancy: _____

Deposit Requested: _____

Mailing Address: _____ Date Received: _____

Received By: _____

The undersigned, hereinafter called the "Customer", hereby requests Veridian Connections Inc., hereinafter called "Veridian", to make the necessary service connections and to supply electricity at the above premises, owned by:

Assessed Owner _____ and occupied by _____
Of Property _____ (If Owner mark "Same") _____

The Customer and Veridian agree to comply with Veridian's published Conditions of Service ("Conditions") as revised from time to time and as approved by the Ontario Energy Board, noting particularly those terms on Page 2 hereof which terms are part of the Conditions, and agree that the said Conditions are part of this contract, and that the Conditions govern the Customers taking and Veridian delivering of electrical service to the premises.

The Customer further agrees to pay Veridian at the authorized rates from the date on which the service is connected.

Veridian will make every effort to ensure bills are accurate, however billing errors can occur. Veridian reserves the right to collect on under billed amounts at any time.

| | |
|--|-------------------------|
| Residential | |
| Owner/Tenant: | Home Phone: |
| Landlord's Name: | Place of Employment: |
| Landlord's Address: | Business Phone: |
| S.I.N No.: | Driver's License No.: |
| Commercial | |
| Company Owner/Official: | Title: |
| Residential Address: | Business Phone: |
| Home Phone: | Business Phone: |
| Type of Business: | Area of Premises (ft2): |
| Property Owner: | Owner's Address: |
| I, _____ am duly authorized to sign on behalf of _____ | |

And do accept the contract as stated, _____
Signature

Accepted on behalf of Veridian by: _____ on _____
Date

TERMS

Veridian reserves the right to discontinue service, without notice, on all accounts unpaid 14 days after due date, and in the event of such discontinuance, Veridian will not be liable for any loss or damage occasioned thereby, and the Customer does hereby waive all claims in law and in equity for all loss, damage, and inconvenience which may hereafter be caused by Veridian exercising such right of discontinuance of service.

An interest charge of 1.5% per month will apply to all accounts not paid in full on or before the due date.

1. Veridian may revise the authorized rates from time to time, subject to the approval of the Ontario Energy Board.
2. The Customer agrees to provide and maintain convenient and safe space either inside a building or outside on the premises as Veridian will decide, free of charge or rent, for Veridian's meters, poles, wires, cables, transformers and other appliances, and that the properly authorized servants, agents and workers of Veridian, together with all necessary tools, equipment and materials, will at all reasonable hours have free access to the premises for the purpose of reading, examining, repairing or removing the meters, wires, transformers, and other appliances, and further agrees that no one who is not a servant or agent of Veridian or otherwise lawfully entitled to do so, will be permitted to remove, inspect or tamper with any of the said equipment of Veridian. Space provided by the Customer for Veridian's meters, wires, transformers, and other appliances will not have an alarmed door, and/or a security system hindering access.
3. Meters and all other appliances of Veridian in the premises, will be in the care and at the risk of the Customer and if destroyed or damaged by fire, or any cause whatsoever other than ordinary wear and tear, the Customer will be liable to pay to Veridian the value of such meters and appliances or the cost of repairing or replacing same.
4. The Customer acknowledges that Veridian, at its option, may remove the meters and all other material and appliances installed at its expense and cut off the supply of electricity and terminate this contract whenever default is made in payment of any indebtedness of the Customer to Veridian whether incurred under this Contract or otherwise, including without limitation whenever default is made in giving security, when requested, or upon violation by the Customer of any of the terms of this contract.
5. Veridian will use all reasonable diligence to provide a continuous supply of power hereunder, but will not be responsible for failure to do so by reason of damage to Veridian's lines or other works, breakdown thereof, act of God, or any other cause beyond Veridian's control, nor does it guarantee the maintenance of unvaried frequency or voltage, and Veridian will not be liable to the Customer for any loss, damage or injury resulting from failure to supply power by reason of any of the causes aforesaid or to maintain a constant frequency or voltage or for any cause whatsoever. The Customer acknowledges that three-phase electricity delivered to the premises may and will at times operate with only two phases or one phase as a result of the normal operation of Veridian's protective devices in the power delivery system, and that the Customer must install equipment on their service at their expense to protect against such single phasing. Veridian will not be liable for any damages to the Customer as a result of such operation.
6. The Customer agrees that on request of Veridian they will provide such security as Veridian may require to be held by Veridian as a guarantee that the Customer will fulfill all the terms

of this contract.

7. The point of delivery of service and energy hereunder will be the Ownership Demarcation Point as set out in the Conditions of Service. The Customer will take delivery at the said point and will from that point provide all works necessary, and will construct, maintain and operate the said works safely and efficiently, all in accordance with the Regulations of the Electrical Safety Authority at the Customer's expense.
8. The Customer will provide all wiring on the premises and all lines connecting the premises with the point of delivery and will maintain the same with proper devices, the whole according to the requirements of the Canadian Fire Underwriters' Association, the Electrical Safety Authority, and any other authority governing the supply.
9. It is agreed that the signature of the parties hereto will be binding upon their successors or assigns and that the vacating of the premises herein named will not release the Customer from this contract except at the option and by written consent of Veridian.
10. If required for the purpose of fixing the basis of billing, the Customer hereby authorizes Veridian to install necessary devices at the Customer's expense or to make tests to determine the amount of power used. The Customer agrees to advise Veridian, in writing, of any increase in load of apparatus. Such written notice to be given at a reasonable time before the change is affected and acknowledged by Veridian in writing otherwise the Customer will assume full responsibility for any damage to Veridian's equipment.
11. All electrical equipment used by the Customer will be subject to the reasonable approval of Veridian, failing which Veridian reserves the right to withhold the supply. If the Customer makes use of the electrical energy supplied so as to interfere with the supply to other customers or with the satisfactory distribution of the general supply, Veridian reserves the right to disconnect the supply to the Customer with or without notice. Where special supply facilities are required by Veridian and provided by Veridian, special charges will apply.
12. If the Customer is not the owner of the premises, or of intervening property, the Customer agrees to obtain from the property owner or owners, the necessary easements and other consent necessary to the installation and maintenance in the said premises and in or about such intervening property of all such wiring or other equipment as may be necessary or convenient for the supply of electrical energy under this contract.
13. If a meter in any month ceases to register or has registered incorrectly, the Customer will pay for the energy supplied during such month, a reasonable sum based on the reading of any meter formerly or subsequently installed on the premises, due regard being given to any change in character of the installation and/or the demand.
14. Veridian will not be liable under this contract for damages resulting from the presence of Veridian's appliances on the Customer's premises.
15. This contract will not be binding upon Veridian until accepted by it through its proper officer, and will not be varied or affected by any contract or representation of any agent or employee of Veridian unless in writing. This contract will continue in force for a period of one year from the date on which the service is connected and will continue in force thereafter until terminated by at least one month's notice in writing given by either party to the other.
16. In the event of a Customer, who has notified Veridian to disconnect the service, or whose service has been disconnected under Clause 4 of these conditions, failing to arrange for the admittance of Veridian's employees for the purpose of obtaining a final meter reading, the Customer will pay a reasonable sum based on former meter readings for the energy supplied since the last meter reading, together with all outstanding indebtedness incurred by the Customer prior to date of final meter reading.
17. Nothing, contained in this contract will prejudice or affect any right, privileges, or powers vested in Veridian by law or by any regulations made under any Act of Parliament.
18. This contract is subject to the rules and regulations of the Ontario Energy Board.