



ENMAX Power Corporation.

2022 Annual Performance-Based Regulation Rate Adjustment

December 3, 2021

Alberta Utilities Commission

Decision 26844-D01-2021

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Proceeding 26844

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1 Decision summary

1. In this decision, the Alberta Utilities Commission considers ENMAX Power Corporation's (ENMAX or EPC) 2022 annual performance-based regulation (PBR) rate adjustment filing. For the reasons that follow, the Commission has determined that:

- The proposed updates to ENMAX's distribution tariff terms and conditions (T&Cs), comprising customer ([Appendix 3](#)) and retailer ([Appendix 4](#)) components, and investment level ([Appendix 5](#)) and fee ([Appendix 6](#)) schedules, are approved effective January 1, 2022.
- ENMAX's request to recover or refund the transmission access charge deferral account (TACDA) amounts related to the historical errors for years 2015 through 2019 is denied. The 2020 TACDA true-up and associated TAC rider is approved subject to providing the clean version of supporting schedules showing the removal of the TACDA amounts related to the historical errors for years 2015 through 2019.
- The Type 1 capital placeholder for 2022 K factor adjustments is denied due to the outcome of Decision 26589-D01-2021.¹
- ENMAX is directed to file updated rate schedules to reflect the directions in this decision no later than December 10, 2021.

2. To promote regulatory efficiency, ENMAX may fulfill compliance with the direction in Decision 26589-D01-2021 as part of its compliance filing to this decision.

3. To facilitate the January 1, 2022, rate implementation, after conducting a preliminary review of ENMAX's compliance filing, the Commission will approve the implementation of rates on an interim basis, based on the assumption that the compliance filing aligns with the findings in this decision. If required, the public process to review the ENMAX compliance filing will commence subsequent to implementation of interim rates in January 2022 with any subsequent adjustments to rates to be implemented later in 2022.

2 Introduction

4. On September 10, 2021, ENMAX submitted its 2022 annual PBR rate adjustment filing to the Commission, requesting approval of its 2022 electric distribution service rates,

¹ Decision 26589-D01-2021: ENMAX Power Corporation, Type 1 Capital Tracker – Green Line Light Rail Transit Project, Proceeding 26589, November 24, 2021.

adjustments to its T&Cs, billing determinants and corresponding rate schedules, effective January 1, 2022, on an interim basis.

5. After issuing a notice of the application on September 13, 2021, the Commission received a statement of intent to participate from the Consumers' Coalition of Alberta (CCA) and the Office of the Utilities Consumer Advocate (UCA). The process steps established for this proceeding included information requests (IRs) to, and responses from, ENMAX, as well as written argument and reply argument.

6. On September 24, 2021, ENMAX updated its application to correct for the errors it identified in the calculation of historical TACDA balances. ENMAX provided the updated TAC rider rate and filed a revised set of applicable schedules to support its calculations.²

7. All parties filed argument and reply argument in this proceeding. The Commission considers the record to have closed on November 26, 2021, with the receipt of reply argument.

8. In reaching the determinations set out within this decision, the Commission considered all relevant materials comprising the record of this proceeding. Accordingly, references in this decision to specific parts of the record are intended to assist the reader in understanding the Commission's reasoning relating to a particular matter and should not be taken as an indication that the Commission did not consider all relevant portions of the record with respect to a particular matter.

3 Background

9. The PBR framework approved in Decision 20414-D01-2016 (Errata)³ provides a rate-setting mechanism (price cap for electric distribution utilities and revenue-per-customer cap for gas distribution utilities) based on a formula that adjusts rates annually by means of an indexing mechanism that tracks the rate of inflation (I) that is relevant to the prices of inputs the utilities use, less a productivity offset (X). Except for specifically approved adjustments, as discussed further below, a utility's revenues are not linked to its costs during the PBR term.

10. In Decision 20414-D01-2016 (Errata), the Commission approved the continuation of certain PBR rate adjustments to enable the recovery of specific costs where certain criteria have been satisfied. These include an adjustment for certain flow-through costs that should be recovered from, or refunded to, customers directly (Y factors), and an adjustment to account for the effect of exogenous and material events for which the distribution utility has no other reasonable cost recovery or refund mechanism within the PBR plan (Z factor).

11. As was the case in previous-generation PBR plans, the Commission determined that a supplemental capital funding mechanism, in addition to revenue provided under I-X, was required for the 2018-2022 PBR plans. However, in place of the capital tracker mechanism employed in previous-generation PBR plans, the Commission divided capital funding into two categories: Type 1 and Type 2 capital. For Type 1 capital, the Commission approved a modified

² Exhibits 26844-X0001.01, 26844-X0009.01, 26844-X0010.0.1 26844-X0027.01, and exhibits 26844-X0034-X0039.

³ Decision 20414-D01-2016 (Errata): 2018-2022 Performance-Based Regulation Plans for Alberta Electric and Gas Distribution Utilities, Proceeding 20414, February 6, 2017.

capital tracker mechanism with narrow eligibility criteria, with the revenue requirement associated with any approved amounts to be collected from ratepayers by way of a “K factor” adjustment to the annual PBR rate-setting formula. For Type 2 capital, the Commission approved a K-bar mechanism that provided an amount of capital funding for each year of the next-generation PBR plan based, in part, on capital additions made during the previous PBR term.⁴

12. Also, in Decision 20414-D01-2016 (Errata), the Commission established that each of the distribution utilities must submit its PBR rate adjustment filing by September 10 of each year in order to facilitate annual implementation of rates by January 1 of the following year. The annual PBR rate adjustment filing deals with all issues relevant to the establishment of the PBR rates and terms and conditions (T&Cs) for a given year, including:

- I factor and the resulting I-X index;
- K factor and K-bar factor adjustments related to approved Type 1 and Type 2 capital, respectively;
- Y factor adjustment to collect flow-through items that are not collected through separate riders;
- previously approved Z factors;
- billing determinants for each rate class;
- backup showing the application of the formula by rate class and resulting rate schedules;
- a copy of the Rule 005: *Annual Reporting Requirements of Financial and Operational Results* filing filed in the current year as well as the return on equity (ROE) adjustment schedules for prior years;
- certain financial reporting requirements;
- changes proposed to T&Cs; and
- any other material relevant to the establishment of current year rates.

13. ENMAX’s most recent annual rate filing dealing with 2021 PBR rates was approved on an interim basis in accordance with this framework in Decision 25865-D01-2020.⁵

14. To enhance regulatory efficiency and reduce administrative burden, in its decisions regarding the 2019 annual TACDA true-up, the Commission directed all distribution utilities to include their 2020 TACDA true-up applications and supporting materials as part of their 2022 annual PBR rate adjustment filings. The 2020 TACDA true-up component of ENMAX’s 2022 rates is discussed in Section 5.

15. The present application is the last annual PBR rate adjustment filing in the current 2018-2022 PBR term. In 2023, rates will be established based on a cost-of-service review of the

⁴ Decision 20414-D01-2016 (Errata), Section 6.4.2 (Type 1) and Section 6.4.3 (K-bar).

⁵ Decision 25865-D01-2020: ENMAX Power Corporation, 2021 Annual Performance-Based Regulation Rate Adjustment, Proceeding 25865, December 18, 2020.

distribution utilities' forecast costs. This review will also serve as rebasing for the next PBR term for Alberta distribution utilities that will commence in 2024.⁶

4 PBR rate adjustments

4.1 2022 PBR indices and annual adjustments

16. As detailed in Section 3, the current PBR plan for ENMAX provides a rate-setting mechanism based on a formula that adjusts rates annually by means of an indexing mechanism plus specifically approved adjustments. The annual parameters and adjustments utilized by ENMAX to arrive at its 2022 rates and the Commission's assessment of the applied-for amounts are detailed below. Additional discussion on select parameters is provided in the sections that follow.

I-X index

17. The I factor is calculated as a weighted average of two indexes published by Statistics Canada: one for labour costs and one for non-labour costs. In previous decisions, the Commission confirmed that the replacement of Canadian Socio-Economic Information Management System (CANSIM) tables with new data tables by Statistics Canada in 2018 did not warrant any changes to the approved I factor calculation methodology as long as the new tables contain the required data series. The approved X factor for the current PBR term is 0.3 per cent.⁷

18. ENMAX calculated the 2022 I-X index to be 1.46 per cent by subtracting the approved X factor of 0.3 per cent from the I factor of 1.76 per cent.⁸ To comply with the Commission's direction from a prior decision, ENMAX provided dated screenshots of the CANSIM tables used in determining its I factor. No party objected to ENMAX's applied-for I factor.⁹

19. The Commission has reviewed ENMAX's calculation of the 2022 I factor and finds it to be consistent with the methodology set out in Decision 20414-D01-2016 (Errata). Accordingly, the 2022 I factor of 1.76 per cent and the resulting I-X index of 1.46 per cent are approved.

Y and Z factor materiality threshold

20. The Y and Z factor materiality threshold is the dollar value of a 40-basis point change in ROE on an after-tax basis calculated on the distribution utility's equity used to determine the final approved notional 2017 revenue requirement on which going-in rates were established. This dollar amount threshold is escalated by I-X annually, on a compounding basis.¹⁰

21. ENMAX calculated the Y and Z materiality threshold to be \$1.94 million in 2022.¹¹ No party objected to these calculations.

⁶ Decision 26356-D01-2021: Evaluation of Performance-Based Regulation in Alberta, Proceeding 26356, June 30, 2021.

⁷ Decision 20414-D01-2016 (Errata), paragraph 5.

⁸ Exhibit 26844-X0001.01, application, paragraph 14.

⁹ Exhibit 26844-X0003, Appendix 3, Response to Commission Directions, paragraph 28.

¹⁰ Decision 20414-D01-2016 (Errata), Appendix 5, Section 8, Z factor, PDF page 101.

¹¹ Exhibit 26844-X0001.01, application, paragraph 23.

22. The Commission has reviewed ENMAX's calculations of its 2022 Y and Z factor materiality threshold of \$1.94 million and is satisfied that it has been calculated correctly. Accordingly, this threshold is approved.

Y factor

23. The Y factor allows a utility to flow through to customers costs that are either incurred at the direction of the Commission or meet specific criteria approved by the Commission, and are not otherwise included in a PBR plan.

24. ENMAX applied for the following Y factor adjustments for 2022 totalling of \$1.86 million:¹²

Table 1. Applied-for 2022 Y factor amounts

Y factor	2021 true-up	2022 forecast	2022 total Y factor
	(\$ million)		
Alberta Electric System Operator (AESO) load settlement costs	(0.03)	0.21	0.18
Hearing costs for interveners	(0.01)	0.16	0.15
AUC administration fee	(0.01)	1.55	1.53
Carrying costs	(0.00)	N/A	(0.00)
Total 2022 Y factor	(0.05)	1.91	1.86

Source: Exhibit 26844-X0001.01, Application, Table 2.5-1.

25. No party objected to this amount.

26. The Commission notes that the Y factor amounts shown in Table 1 are of a type that the Commission previously approved for Y factor treatment in Decision 20414-D01-2016 (Errata). The Commission has assessed these amounts and finds them adequately supported, properly calculated and in compliance with previous Commission directions. The Commission has also reviewed ENMAX's Y factor carrying costs and finds them to be properly calculated and consistent with the applicable provisions of Rule 023: *Rules Respecting Payment of Interest*. Accordingly, the applied-for Y factor amount is approved as filed.

Z factor

27. Z factors account for the impact of material exogenous events for which the company has no other reasonable cost recovery or refund mechanism within the PBR plan. ENMAX did not apply for any Z factor adjustments for 2022.

Q value

28. Q value represents the percentage change in billing determinants. For electric distribution utilities under the price cap mechanism, this percentage change is calculated across all billing determinants, including energy, demand and the number of customers.¹³

¹² Exhibit 26844-X0001.01, application, paragraph 18.

¹³ Decision 2013-435: Distribution Performance-Based Regulation, 2013 Capital Tracker Applications, Proceeding 2131, Application 1608827-1, December 6, 2013, paragraph 499.

29. No party objected to ENMAX's applied-for Q value of 1.47 per cent.¹⁴ The Commission has reviewed ENMAX's calculation of its 2022 Q value and finds it to be properly calculated and consistent with the approved methodology. Accordingly, the Commission approves ENMAX's 2022 Q value of 1.47 per cent.

K-bar factor

30. K-bar funding provides incremental Type 2 capital funding to supplement the revenues generated under the I-X mechanism.¹⁵ The 2018 K-bar was calculated by taking the difference between the revenue requirement associated with 2018 notional capital additions and the I-X related revenue for each project or program included in Type 2 capital.¹⁶ For each year, the K-bar is calculated following similar steps as those for 2018, with adjustments made to account for the effects of inflation and productivity growth, growth in billing units (Q value), and changes to the weighted average cost of capital.¹⁷ These updated parameters are to be used to calculate the amount of incremental Type 2 capital funding for a given year.

31. ENMAX applied for the 2022 K-bar funding of \$35.70 million, K-bar true-ups from 2020 and 2021 and associated carrying charges. ENMAX calculated its 2020 K-bar true-up as -\$0.96 million and the 2021 K-bar true up of -\$1.01 million, associated carrying costs totaled -\$0.06 million. No party objected to ENMAX's applied-for K-bar funding.

32. The Commission has reviewed ENMAX's schedules showing the calculation of the 2022 K-bar amount and finds that it followed the methodology set out in Decision 22394-D01-2018. Therefore, the Commission approves ENMAX's net 2022 K-bar funding of \$33.67 million, inclusive of true-ups and carrying charges. The 2022 K-bar amount will be subject to a further true-up for the 2022 actual approved cost of debt.

K factor

33. In the current PBR plan, K factor is used to recover the Type 1 capital funding that provides additional funding above that provided in base rates for projects that meet the specific criteria established by the Commission.¹⁸ Type 1 capital tracker projects can be approved on a placeholder basis if a utility submits an officer's certificate showing the internal approved forecast associated with the Type 1 capital tracker project for the upcoming year. K factor can also be used to deal with any capital tracker true-up amounts from the prior-generation PBR plan.

34. ENMAX currently has three Type 1 capital placeholders, approved in decisions 23892-D01-2018,¹⁹ 24875-D01-2019²⁰ and 25865-D01-2020 for the cost recovery of 90 per cent of the management-approved internal 2019, 2020 and 2021 forecasts. These costs are associated with relocation of ENMAX's infrastructure pursuant to the City of Calgary's Green Line Light

¹⁴ Exhibit 26844-X0001.01, application, paragraph 38.

¹⁵ Decision 22394-D01-2018: Rebasings for the 2018-2022 PBR Plans for Alberta Electric and Gas Distribution Utilities, First Compliance Proceeding, Proceeding 22394, February 5, 2018, paragraph 167.

¹⁶ Decision 22394-D01-2018, paragraph 169.

¹⁷ Decision 22394-D01-2018, paragraph 223.

¹⁸ Decision 20414-D01-2016 (Errata), paragraph 198.

¹⁹ Decision 23892-D01-2018: ENMAX Power Corporation, 2019 Annual Performance-Based Regulation Rate Adjustment Filing, Proceeding 23892, December 21, 2018.

²⁰ Decision 24875-D01-2019: ENMAX Power Corporation, 2020 Annual Performance-Based Regulation Rate Adjustment, Proceeding 24875, December 16, 2019.

Rail Transit (LRT) Project. The correspondingly approved incremental revenue requirement figures were \$1.02 million for 2019, \$1.25 million for 2020 and \$1.78 million for 2021.

35. In the present proceeding, ENMAX requested approval of a Type 1 capital placeholder for the amount of \$2.00 million, which is 90 per cent of the 2022 capital revenue requirement of \$2.22 million, associated with the Green Line LRT Project.

36. In Proceeding 26589, the Commission considered whether or not the Green Line LRT project meets the Type 1 capital criteria. The Commission issued Decision 26589-D01-2021²¹ on November 24, 2021, where it determined that the Green Line Project does not qualify for Type 1 capital tracker treatment and directed ENMAX to refund all associated placeholder amounts previously collected from customers in a compliance filing to that proceeding by December 10, 2021.

37. In light of the above, ENMAX's request for Type 1 capital placeholder in this proceeding is denied. In the compliance filing to this decision, the Commission directs ENMAX to remove the proposed Type 1 capital placeholder in the amount of \$2.00 million from its 2022 PBR rates.

4.2 Forecast billing determinants and variance analysis

38. Forecast billing determinants are generally used to allocate K, K-bar, Y and Z factors to rate classes and to calculate the resulting rate adjustments, and are also used in performing the annual use-per-customer adjustments for gas distribution utilities.

39. In Decision 23355-D02-2018,²² the Commission directed ENMAX to continue to provide annual and monthly forecasts of billing determinants in its future annual PBR rate adjustment filings. Detailed 2022 billing determinant forecasts were provided in Appendix 5 of the application. ENMAX indicated that its forecast was based on the same methodology approved in Decision 21508-D01-2017.²³

40. In Decision 25865-D01-2020, the Commission directed ENMAX to provide an analysis of its 2020 forecasted billing determinant with actual 2020 billing determinants with a variance of +/- five per cent or more. Each of ENMAX's rate classes experienced a billing determinant variance or more than +/- five per cent, based on total energy delivered. Each rate class, with the exception of the residential class, experienced a negative variance due to diminished demand caused by the COVID-19 pandemic. The residential rate class experienced a positive variance, due to customers working from home, also due to the COVID-19 pandemic.²⁴

41. The Commission considers that variances from forecasts such as those described by ENMAX for 2020 may reasonably be expected. Such occurrences do not generally call into question the predictive value of the methodology used to generate such forecasts and ENMAX is directed to continue to provide information on any variances from forecast to actual billing

²¹ Decision 26589-D01-2021: ENMAX Power Corporation, Type 1 Capital Tracker – Green Line Light Rail Transit Project, Proceeding 26589, November 24, 2021.

²² Decision 23355-D02-2018: Rebasement for the 2018-2022 Performance-Based Regulation Plans for Alberta Electric and Gas Distribution Utilities, Second Compliance Proceeding, Proceeding 23355, October 10, 2018.

²³ Decision 21508-D01-2017: ENMAX Power Corporation, 2015-2017 Capital Tracker Application, Proceeding 21508, December 13, 2017.

²⁴ Exhibit 26844-X0007, Appendix 6.

determinants by rate class and to identify and explain the cause of variances larger than \pm five per cent on an annual basis.

42. Based on its review and assessment of ENMAX's methodology and billing determinants in this proceeding, the Commission finds that the methodology employed and the resulting 2022 forecast billing determinants are reasonable.

5 TACDA true-up

43. All electric distribution utilities accessing the electric transmission system in the province are charged by the AESO for transmission services provided to customers in their distribution service areas. These costs are placed in a deferral account referred to as a TACDA. The purpose of the annual TACDA true-up is to ensure that the revenues collected through a distribution utility's transmission access charges in a year recover the AESO tariff charges that the utility pays to the AESO in that year. The resulting true-up amounts are collected from, or refunded to, customers by way of a rider mechanism which ENMAX refers to as a "transmission access charge (TAC) rider" in its distribution rate schedules and the Commission generically refers to as a "TACDA rider" in its decisions.

44. In the current PBR plan, TACDA amounts are considered to be a part of the Y factor and are treated as a dollar-for-dollar flow-through of the AESO tariff charges. In other words, the utility does not assume any volume or price risk, but also does not earn any return, nor risk losses, in flowing through these costs to customers.

45. The TACDA application schedules are based on the harmonized framework approved by the Commission for all four electric distribution utilities in Decision 3334-D01-2015.²⁵ ENMAX's last TACDA true-up was approved in Decision 25778-D01-2020.²⁶

46. As mentioned in Section 2, on September 24, 2021, ENMAX updated its application to correct for the errors it identified in the calculation of historical TACDA balances. In the remainder of this section, the Commission considers ENMAX's request to recover, through the TACDA true-up, expenses associated with its errors. In Section 5.1, the Commission denies ENMAX's request to recover or refund the TACDA amounts related to the historical errors for the years 2015 through 2019. In Section 5.2, the Commission approves ENMAX's 2020 TACDA true-up, subject to providing the clean version of supporting schedules showing the removal of the TACDA amounts related to the historical errors for years 2015 through 2019. In Section 5.3, the Commission approves the inclusion of the annual TACDA true-up in ENMAX's future annual PBR rate adjustment filings, with some interim arrangements in 2022 and 2023 due to the rebasing process.

5.1 Treatment of identified TACDA errors

47. In its original application filed on September 10, 2021, ENMAX noted that it had discovered an issue with the calculation of its TACDA balances and riders. Specifically, ENMAX stated that due to misinterpreting the TACDA schedules template approved in

²⁵ Decision 3334-D01-2015: Commission-Initiated Review, Electric Transmission Access Charge Deferral Accounts – Annual Applications, Proceeding 3334, Application 1610728-1, July 21, 2015.

²⁶ Decision 25778-D01-2020: ENMAX Distribution & Transmission Inc., 2019 Annual Transmission Access Charge Deferral Account True-Up, Proceeding 25778, November 20, 2020.

Decision 3334-D01-2015, it had inadvertently been using the combination of its previously approved annual TAC rider true-up amount and its quarterly TAC riders to calculate its actual total rider collection for the given year, which resulted in a form of double counting. ENMAX indicated that it corrected this calculation error for the 2020 TACDA and was assessing the impact to historical TACDA true-up amounts.

48. In its September 24, 2021, application update, ENMAX stated the identified errors affect its TACDA balances and TAC riders stretching back to 2015. ENMAX indicated that its errors caused it to under-recover in some years and to over-recover in others. In terms of quantum, ENMAX calculated it over-recovered transmission access charges for 2015-2017 by \$0.49 million and under-recovered transmission access charges for 2018 and 2019 by \$10.76 million. As a result, ENMAX sought approval for a net collection of \$10.27 million associated with the revised historical TACDA amounts for the period 2015 to 2019.²⁷

49. ENMAX submitted that it should be permitted to correct the past errors in its TACDA because doing so is necessary to keep it and its customers (as the case may be) whole and to achieve the objective of the deferral account, which in its view is and has always been to flow costs through to customers dollar-for-dollar. ENMAX further submitted that it is not proposing to use the TACDA as a “catch-all” deferral account to be used to adjust costs recoveries and rates “for any purpose under the sun, including utility error,” rather, its error relates squarely to costs (system access service (SAS) charges) that the TACDA was specifically approved to flow through.²⁸

50. In ENMAX’s view, none of its claims for recovery amount to prohibited retroactive ratemaking. It asserted that the reconciliation process for the TACDA for the 2018 and 2019 years has not been yet finalized; and with respect to the years 2015 and 2016, the established knowledge exception would apply to the rule against retroactive ratemaking because parties were aware that the TAC portion of ENMAX’s rates were potentially subject to change.

51. The issue is whether ENMAX should be permitted to reach back to correct calculation errors it made between 2015 and 2019 with respect to its TAC deferral account. In other words, should the TACDA properly allow ENMAX to recover amounts that are based on its own calculation errors in the circumstances? For the following reasons, the Commission denies ENMAX’s request with respect to the years 2015 through 2019.

52. Generally speaking, ratemaking and rates must be prospective; a utility’s past financial results can be used to forecast future expenses, but a regulator cannot design future rates to recover past revenue deficiencies: *ATCO Gas, Re*, 2010 ABCA 132 (Deferred Gas Account (DGA) decision) at paragraph 46, citing, among other cases, *Northwestern Utilities Ltd., Re*, [1979] 1 S.C.R. 684 (S.C.C.).

53. That said, deferral accounts are one of the established exceptions to prohibited retroactive or retrospective ratemaking. The Supreme Court of Canada, in *Bell Canada v Canadian Radio-Television & Telecommunications Commission*, 2009 SCC 40, indicated that deferral accounts are an established tool in the ratemaking process that are used when particular expenses or revenues are difficult to predict. The Supreme Court stated at paragraph 54 in this regard:

²⁷ Exhibit 26844-X0046, EPC-AUC-2021OCT12-002(b), updated Table 7-1 on PDF page 5.

²⁸ Exhibit 26844-X0070, ENMAX reply argument, paragraph 32.

[D]eferral accounts “enabl[e] a regulator to defer consideration of a particular item of expense or revenue that is incapable of being forecast with certainty for the test year” [citation omitted]. They have traditionally protected against future eventualities, particularly the difference between forecasted and actual costs and revenues, allowing a regulator to shift costs and expenses from one regulatory period to another.

54. Justice Abella in the *Bell Canada* decision suggested that the use of deferral accounts may in fact preclude a finding of retroactivity or retrospectivity, at least insofar as credits or reductions in the deferral account in that case “were contemplated as a possible disposition of the deferral account balances from the beginning” (paragraph 63). In the DGA decision, discussed further on in this section, the majority of the Alberta Court of Appeal indicated that a key component when considering whether rates are prohibited is *knowledge* that rates were subject to change; the key question posed by the majority was whether “the affected parties [were] aware that the rates were subject to change” (paragraph 57).

55. The assessment as to whether expenses or revenues should or should not be included in past years’ deferral accounts, including consideration about whether the Commission has the jurisdiction to vary those accounts, is inherently fact-specific: *Epcor Generation Inc v Alberta (Energy & Utilities Board)*, 2003 ABCA 374 at paragraph 15; DGA decision at paragraph 56; *Capital Power Corp v Alberta Utilities Commission*, 2018 ABCA 437 at paragraphs 65-66.

56. In their submissions, parties to this proceeding pointed out that the issues raised in the current application surrounding the correction of historical errors have a number of similarities to the DGA decision. In the DGA decision, the Alberta Court of Appeal considered whether the Alberta Energy and Utilities Board (the board), predecessor to the Commission, had erred by allowing the utility, ATCO Gas, to recover past expenses through its gas deferral accounts where “there had been inaccurate reporting of gas being transported for other entities through ATCO’s pipeline network.” The court was unanimous that it was unreasonable for the board to have allowed ATCO to recover 85 per cent of adjustments it sought through its deferred accounts based on the utility’s inaccurate reporting over a number of years. The majority of the court pointed out that the past expenses claimed by the utility had not resulted from gas price volatility; rather, the reason for the recovery ATCO sought was entirely due to deficiencies within ATCO’s own system, which problem was exacerbated by a long delay in discovering it. In the majority’s view, the costs approved by the board did not fall within the original purpose of the gas deferral accounts, which were meant to adjust for gas price volatility. The majority of the court remitted the matter back to the board for reconsideration.

57. In coming to its conclusion, the majority in the DGA decision pointed out a number of comments (several of which are relevant to the present matter) that the board had made in its decision, which cumulatively suggested unreasonableness in the board’s ultimate conclusion to find largely in favour of the utility. Those comments were the following (DGA decision, paragraph 69):

- DGAs have evolved into a vehicle to fix all possible gas cost errors and pass them on to consumers;
- when first implemented reconciliations of the DGA were not expected to go back further than 12 months. Longer periods were sometimes accepted under special circumstances;

- the DGA “was never set up with the intention of permitting all prior period accounting errors, particularly those that would have been subject to ATCO’s management and control”;
- accounting errors should typically be absorbed by the utility’s shareholders;
- the DGA should not be treated as a catch-all for fixing errors, including those with a long history or resulting from human error, when adequate processes have not been in place to capture and correct the problem at an early stage;
- seven years represents a significant lag presenting obvious inter-generational equity issues;
- ATCO had an onus to ensure the System²⁹ was working properly and was providing correct data;
- it did not appear that ATCO implemented an appropriate and timely review process for System design;
- there was no evidence of actual internal or external audits being performed to ensure the design was valid as the System was being put into service;
- between 1998 and 2002 there was a lack of oversight by ATCO to test and develop appropriate controls to ensure that the System output generated was as intended.³⁰

58. While the majority in the DGA decision was not prepared to conclude that ATCO’s claim amounted to prohibited retroactive or retrospective ratemaking, it did indicate that the long delays associated with ATCO’s claim “gave rise to inter-generational equity issues which lie at the heart of the prohibition against retrospective ratemaking” (DGA decision, paragraph 71). In any event, in the circumstances of the DGA decision, the court was not satisfied the board had made a reasonable decision in permitting ATCO Gas to recover most of its past expenses through its deferral account.

59. In the Commission’s view, many of the observations and findings made in the DGA decision apply to ENMAX’s request. In this case, as already noted, ENMAX is seeking to recover or refund expenses associated with the TACDA deferral account stretching back to 2015 based on errors it made in interpreting the Commission’s TAC template. ENMAX continued to misinterpret the template on a yearly basis since the 2015 filing year, until the error was recently caught during this proceeding. ENMAX has acknowledged that its incorrect assumption in interpreting the Commission’s template was a weakness in its process. While ENMAX stated it had adequate internal control review processes and supervisory systems in place, the Commission observes that it took nearly six years to identify the misinterpretation and related impacts on annual TACDA true-up amounts.

60. The Commission also agrees with the CCA’s argument that the calculation error ENMAX made in interpreting the Commission’s template and the resulting effect on TACDA true-up balances should reasonably have been identified during the normal course of reconciling

²⁹ The “System” was defined in the DGA decision as “the new system, the transportation information system” (paragraph 11).

³⁰ *City of Calgary v ATCO Gas*, 2010 ABCA, paragraph 69.

accounting entries and balances between costs paid to the AESO and revenues received from customers.³¹ So it appears that lapses in accounting oversight took place in addition to the calculation errors.

61. The Commission acknowledges the need for deferral accounts in regulatory accounting to keep utilities and customers whole with respect to certain costs that are outside the utility's control and are difficult to forecast with reasonable accuracy. However, the recovery of costs in a deferral account must reflect the scope of what the deferral account has been approved for. For instance, in a decision referred to by the UCA (Decision 22089-D01-2018), the Commission rejected an assertion by ENMAX that it should be entitled to recover incurred relocation project costs through an approved deferral account for cancelled projects. The Commission stated:

...whether certain costs are subject to a deferral account treatment should be approved in advance. Further, the Commission considers that the costs that a utility applicant is seeking to have recovered through a deferral account must reflect the scope of the deferral account that has been approved.³²

62. The claim was disallowed in that decision because the relocation was not directed by the AESO nor was it otherwise within the scope of the cancelled projects deferral account. The deferral account in that case had been approved to protect ENMAX in situations in which it had no control over which projects the AESO would cancel, which would allow the utility to recover prudent costs incurred at the AESO's direction.

63. ENMAX argued that in this case the errors it seeks to correct are squarely related to system access charges the TACDA was specifically approved to flow through. The Commission disagrees.

64. The errors ENMAX seeks to correct in this proceeding relate to the SAS deferral true-up component of its annual TACDA true-up. In its decisions dealing with annual TACDA true-ups by ENMAX and other electric distribution utilities, the Commission has consistently maintained that the purpose of a SAS deferral true-up is to reconcile the actual transmission access revenue received from customers to the actual transmission access costs paid to the AESO.³³ This is achieved by means of comparing the actual costs ENMAX paid to the AESO in a given year to the revenues collected from customers in that year through SAS rates and related quarterly riders that were based on ENMAX's forecasts of the AESO costs.³⁴

65. The Commission disagrees with ENMAX that the errors it has identified in this proceeding can be equated to the variance between actual and forecast costs.³⁵ In its decisions setting the PBR framework for ENMAX, the Commission stipulated it approves the flow-through treatment for the AESO-related costs because the utility has no control over them.³⁶

³¹ Exhibit 26844-X0072, CCA reply argument, paragraphs 3-9.

³² Decision 22089-D01-2018: ENMAX Power Corporation, 2014 Distribution and 2014-2015 Transmission Deferral Account Reconciliation, Proceeding 22089, January 12, 2018, paragraph 152.

³³ See for example, Decision 25778-D01-2020, paragraph 13.

³⁴ For example, refer to ENMAX's 2020 annual TACDA true-up schedules in Exhibit 26844-X00 27.01, Schedule 3.0.

³⁵ Exhibit 26844-X0065, EPC argument, paragraph 44.

³⁶ Decision 2012-237: Rate Regulation Initiative, Distribution Performance-Based Regulation, Proceeding 566, Application 1606029-1 September 12, 2012, paragraph 647 with reference to Decision 2009-035, paragraph 251. The same treatment was afforded for the current 2018-2022 PBR term.

In contrast, the error in this case was made in comparing the forecast to actual costs and the accuracy of such comparison is entirely within the control of ENMAX. Therefore, in the Commission's view, the SAS deferral true-up should not include the utility's own calculation errors, particularly because, in ENMAX's own words, the error was "a simple mathematical error."³⁷

66. On a related issue, in its decisions setting the PBR framework for ENMAX and other Alberta distribution utilities, the Commission accepted that the inclusion of numerous flow-through items can provide perverse incentives for firms to maximize costs that are passed through to customers outside the I-X mechanism, detracting from the incentives of PBR. While the Commission acknowledged the need for, and approved certain Y factor adjustments, it stated Y factors will only be approved in circumstances where there is a demonstrable need for them and eliminated certain deferral accounts when moving to PBR. From this perspective, expanding ENMAX's TACDA further to correct for internal calculation or accounting errors would be inconsistent with the intent of PBR to incentivise the company to manage its business, have fewer rate cases and retain any profit or loss incurred during the PBR term.

67. ENMAX also argues that because the 2018 and 2019 TACDA years have not yet been completely reconciled, they should be corrected as part of the reconciliation process. The thrust of its submission appears to be that there is no issue of prohibited retroactive or retrospective ratemaking because the accounting for those years has not yet closed. ENMAX points out that because of how long the final load settlement process takes, TAC riders are trued up two years following their approval by the Commission, once the final settlement process is complete. For instance, it says reconciliation of the 2018 TAC rider is done as part of the present 2020 TACDA true-up. Similarly, it points out that reconciliation of the 2019 TAC rider will be done in the 2021 TACDA true-up. For this reason, ENMAX's position is that 2018 and 2019 are still effectively interim and should therefore be corrected as part of the normal course deferral account reconciliation process.

68. The UCA and CCA disagreed with ENMAX. The UCA pointed out that the Commission has already approved ENMAX's 2018 and 2019 TACDA true-up amounts, in decisions 24807-D01-2019³⁸ and 25778-D01-2020, respectively. In each of those decisions, the Commission approved the methodology and the individual components (i.e., the actual amounts to be recovered) comprising the TACDA true-up for those years. According to the UCA, the only thing that has not yet been trued up for the 2018 and 2019 TACDA riders is whether ENMAX has in fact collected or refunded the amounts already approved by the Commission. The CCA made a similar argument to the UCA, adding that "ENMAX has provided no evidence or example where the original approved amount was varied and why the stated goal of the deferral account as articulated by the Commission should change."³⁹

69. The UCA also submitted that the TACDA rider true-up "was never intended to be used as a means to re-open the Commission's decisions approving the true-up amounts based on the evidence supplied by the utility in the applications filed for that purpose."⁴⁰ The UCA maintained its general view that the purposes of the deferral account should not be expanded to allow for the

³⁷ Exhibit 26844-X0065, ENMAX argument, paragraph 30.

³⁸ Decision 24807-D01-2019: ENMAX Power Corporation, 2018 Annual Transmission Access Charge Deferral Account True-Up, Proceeding 24807, November 18, 2019.

³⁹ Exhibit 26844-X0072, CCA reply argument, paragraph 32.

⁴⁰ Exhibit 26844-X0066, UCA argument, paragraph 37.

recovery of additional amounts from customers related to ENMAX's own errors resulting in an alleged under-recovery for past periods.

70. The Commission agrees with the views of the UCA and the CCA. The Commission has consistently stated in previous decisions that the purpose of a TACDA rider true-up is to ensure that, for each of the AESO charges, the amounts actually collected or refunded equal the amounts approved by the Commission. It would not typically involve the adjustment of the underlying TACDA true-up amounts approved by the Commission in earlier decisions.⁴¹ Doing so would expand the scope of the TACDA deferral account beyond the bounds of the function it was intended to perform.

71. With respect to the years 2015 through 2017 of the TACDA, ENMAX argued that despite the reconciliation for those years of the TACDA having been completed, recovery from or refunding expenses from those years is still permissible because it falls within the knowledge exception to prohibited ratemaking discussed in the DGA decision and other cases like *Atco Gas and Pipelines Ltd v Alberta (Utilities Commission)*, 2014 ABCA 28. Its basic argument is that if parties are aware that rates are subject to change, as they were in this case due to the nature of the TAC portion of its rates, any concerns about unpredictability and unfairness that underlie the general rule against retrospective ratemaking are less significant.⁴²

72. The Commission is not persuaded that anything necessarily turns on the possible knowledge exception to retroactive or retrospective ratemaking in this situation. Rather, the Commission is of the view that based on the facts in this proceeding, where ENMAX seeks a net recovery through its TACDA arising from its own calculation errors over a significant period of time, it would not be appropriate to grant the relief requested.

73. In short, the Commission denies ENMAX's request to recover or refund the TACDA amounts related to the historical errors for years 2015 through 2019. While ENMAX's claim may not, strictly speaking, be prohibited as retroactive ratemaking, it is not an acceptable use of the TACDA.

74. The above conclusion, however, does not apply to the true-up of the 2020 TACDA amounts. The true-up of the 2020 TACDA regarding previously approved forecast amounts and differences in collection of those amounts (without the inclusion of historical errors that relate to 2015-2019), are squarely within the scope of this proceeding. Based on ENMAX's presentation that "it had corrected this calculation error for the 2020 TACDA"⁴³ and in pursuit of regulatory efficiency to minimize the number of issues ENMAX has to address in the compliance filing, the Commission has considered the 2020 TACDA true-up based on the information provided in this

⁴¹ For example, in Decision 25778-D01-2020, the Commission indicated the following with respect to the 2017 TACDA rider true-up: "The purpose of a deferral account rider true-up is to ensure that, for each of the AESO charges, the amounts actually collected or refunded equal the amounts approved by the Commission. ENMAX's 2017 TAC rider, addressed in Decision 23817-D01-2018 [ENMAX Power Corporation, 2017 Annual Transmission Access Charge Deferral Account True-Up, Proceeding 23817, November 5, 2018], approved a net collection of \$31.40 million. ENMAX stated that it collected \$31.03 million over the collection period. The difference results in a required collection of \$0.38 million. [footnotes omitted]" What may be gathered from this quote is that the purpose of the TAC rider true-up component of the annual TACDA true-up process is simply to reconcile the actual collection and /or refund to the amount approved by the Commission. It does not involve correcting the amount approved by the Commission in an earlier decision.

⁴² Exhibit 26844-X0065, EPC argument, paragraphs 35-40.

⁴³ Exhibit 26844-X0034, 2021-09-24 EPC letter on Revision Filings.

proceeding that allows it to separate the amounts included in the 2020 TACDA true-up from the amounts related to the historical errors for years 2015 through 2019.

5.2 2020 TACDA true-up

75. In the previous section the Commission determined that ENMAX will not be permitted to recover or refund the TACDA amounts related to the historical errors for years 2015 through 2019. In light of the aforementioned scope limitations, in this section, the Commission considers the components of the 2020 TACDA true-up, allocation of the related amounts to customer classes and calculation of the TAC rider rate without the inclusion of the TACDA amounts relating to the historical errors for years 2015 through 2019.

76. Before the inclusion of the TACDA amounts related to the historical errors for years 2015 through 2019, ENMAX calculated the 2020 TACDA true-up to be a net refund to customers of \$0.92 million. The components of the total true-up amount are listed in Table 2 and are further described in this section:

Table 2. Components of the 2020 TACDA true-up amount excluding the amounts related to the historical errors for years 2015 through 2019

Component	True-up amount collection/(refund) (\$ million)	Methodology to attribute the true-up amount to rate classes
Previous deferral account rider true-up	1.16	Determined as the difference between the amount approved for collection or refund by rate class and the amount actually collected or refunded for each rate class.
2020 SAS deferral true-up	0.58	AESO costs are allocated to rate classes using ENMAX's Phase II cost-of-service methodology underlying its SAS rates.
AESO DAR [deferral account reconciliation] true-up	(2.73)	Allocated to the rate classes in proportion to the actual 2020 energy consumed by rate class.
2020 Balancing Pool true-up	0.02	Allocated to rate classes in proportion to the actual 2020 energy consumption by rate class.
Carrying costs	0.06	Allocated to the rate classes in proportion to their deferral balances (for which carrying costs have been assessed) allocated to them in the preceding components of this true-up calculation.
Total collect/(refund)	(0.92)	Calculated as the sum of all items.

Source: Exhibit 26844-X0046 EPC-AUC-2021OCT12-001, Table 7-1, column "Amount Requested in Original Application Filed Sept. 10", rows A to F.

77. The deferral account rider true-up ensures that the amounts collected or refunded through a previously approved rider equal the amounts approved by the Commission. In 2020, ENMAX was approved to collect \$37.79 million through its 2018 TAC rider.⁴⁴ Due to a difference in actual and forecasted collection ENMAX requires a further collection of \$1.16 million.

78. The SAS deferral true-up ensures the actual transmission access revenues received from system access service rates and related quarterly riders equal the actual transmission costs incurred. ENMAX's total 2020 transmission access revenues for distribution-connected customers, including revenues received through its quarterly TACDA true-up riders, amounted

⁴⁴ Decision 24807-D01-2019: ENMAX Power Corporation, 2018 Annual Transmission Access Charge Account True-Up, Proceeding 24807, November 18, 2019, paragraph 10.

to \$351.95 million which, compared to total costs of \$352.53 million, results in a required collection of \$0.58 million.⁴⁵

79. The AESO DAR deals with any variances between the actual costs the AESO incurs and the revenues it receives to ensure that "... on an annual basis, no profit or loss results from its operation."⁴⁶ Any such variances are refunded to, or recovered from, market participants by way of the AESO DAR, typically undertaken on an annual basis. The distribution utilities flow through these collections or refunds to customers in their service areas. The Commission approved the AESO's 2020 DAR in Decision 26541-D01-2021.⁴⁷ The reconciliation will result in a \$2.73 million refund to ENMAX.

80. ENMAX's Balancing Pool true-up ensures that its Balancing Pool refund to, or collection from, its customers matches its settlement with the AESO.⁴⁸ In 2020, the AESO collected \$23.08 million from ENMAX. Due to differences between forecast and actual billing determinants, ENMAX collected \$23.06 million from its customers in 2020, necessitating a net collection of \$0.02 million.

81. ENMAX calculated carrying costs on outstanding amounts related to the true-up balances in accordance with Rule 023. The rate used was the weighted average Bank of Canada monthly bank rate plus 1.5 per cent. ENMAX complied with the Commission's direction from Decision 25778-D01-2020 and excluded the 2020 AESO DAR from the calculation and allocation of carrying costs. The total carrying costs amounted to a \$0.06 million collection from customers.⁴⁹

82. ENMAX proposed to apply the 2020 annual TACDA true-up by way of a TAC rider. To smooth rates over time and promote rate stability, ENMAX proposed TAC rider to be in effect over a 12-month period from January 1, 2022, to December 31, 2022 – that is, coinciding with the same period over which ENMAX's 2022 PBR rates will be in effect. ENMAX calculated the TAC rider rate by summing the 2020 TACDA true-up components and related carrying costs by rate class and divided these amounts by the 2022 forecast billing determinants. Table 3 shows the proposed TAC rider rate by rate class.

⁴⁵ Exhibit 26844-X0001.01, application, paragraphs 77 and 81.

⁴⁶ Under Section 14(3) of the *Electric Utilities Act*.

⁴⁷ Decision 26541-D01-2021, Alberta Electric System Operator 2020 Deferral Account Reconciliation, Proceeding 26541, August 4, 2021.

⁴⁸ Under Section 82 of the *Electric Utilities Act*, each year the Balancing Pool is required to forecast its revenues and expenses to determine any excess or shortfall of funds. Based on this forecast, the Balancing Pool determines an annualized amount that will be refunded to, or collected from, electricity consumers over the year "... so that no profit or loss results, after accounting for the annualized amount under section 82(7) as a revenue or expense of the Balancing Pool." This amount, known as the consumer allocation, applies to all market participants who receive SAS from the AESO and is recovered through Rider F of the AESO tariff. The consumer allocation is based on the amount of electric energy consumed annually. In 2020, the Balancing Pool charged a consumer allocation of \$2.50 per megawatt hour (MWh).

⁴⁹ Exhibit 26844-X0001.01, application, Table 7-1: Annual TACDA True-up Summary, row E, column "Amount Requested in Original Application Filed Sept. 10" and as originally filed in Exhibit 26844-X0027 appendix 26, schedule 7.0, Excel row 74 (prior to any historical error revisions). Exhibit 26844-X0001.01, application, paragraph 93.

Table 3. True-up amounts and proposed TAC rider rate by rate class

Rate class	Total true-up (\$)	Rider rate (\$/kWh)
Residential	(13,571,775)	(0.004296)
Small Commercial	(777,378)	(0.001490)
Medium Commercial	2,562,326	0.001996
Large Commercial - Secondary	(3,956,415)	(0.001614)
Large Commercial - Primary	13,134,873	0.008765
Street Lights	1,683,960	0.033640
Total	(924,410)	

Source: Exhibit 26844-X0027 Appendix 26, Schedule 1.0 (as originally filed Sept 10).

83. Except for the inclusion of the TACDA amounts related to the historical errors for years 2015 through 2019, ENMAX's 2020 TACDA schedules are consistent with the harmonized framework approved by the Commission in Decision 3334-D01-2015. The Commission finds the amounts comprising the 2020 annual TACDA true-up, without the amounts related to the historical errors for years 2015 through 2019, to be reasonable. The Commission also finds the assignment of the individual components of the 2020 TACDA true-up to rate classes to be consistent with previously approved methodologies and reasonable in the circumstances. As well, the Commission finds ENMAX's use of the TAC rider to collect the 2020 TACDA true-up amounts to be reasonable because using a separate rider facilitates better tracking of these flow-through costs. The Commission also finds that implementing TAC rider over the same period as ENMAX's 2022 PBR rates will promote rate stability.

84. Accordingly, the Commission is prepared to approve a net refund of \$0.92 million set out in Table 2 and corresponding rider rates set out in Table 3 of this decision contingent on ENMAX providing a clean version of its 2020 TACDA schedules and 2022 PBR rates schedules in the compliance filing as directed elsewhere in this decision.

85. The most recent documents filed on the record of this proceeding supporting the TACDA rates show revised rates and amounts reflecting changes made by ENMAX to include the TACDA amounts related to the historical errors for years 2015 through 2019 that are not approved by the Commission, as explained in Section 5.1. Also of note, at this time the Commission cannot assess the total bill impact of ENMAX's 2022 PBR rates (inclusive of TAC rider) given the need to update these rates for changes requested in this, and other Commission decisions.

86. Accordingly, in the compliance filing to this decision, the Commission directs ENMAX to remove the inclusion of the TACDA amounts related to the historical errors for years 2015 through 2019 from its 2020 TACDA true-up and provide the clean version of TAC rider rates and supporting schedules that underly the numbers shown in Table 2 and Table 3 of this decision. In case there are any discrepancies between the numbers in the above tables and ENMAX's refiled schedules, ENMAX is directed to clearly explain the differences and justify them.

5.3 Inclusion of TACDA true-up in the annual PBR rate adjustment filing

87. The Commission indicated it would evaluate the effectiveness of including the 2020 TACDA true-up applications as part of the distribution utilities' 2022 PBR rate adjustment filings and, based on its review, may adopt it for all future TACDA applications. The Commission finds in general that including TACDA true-up applications as part of the annual PBR rate adjustment filings is effective in enhancing regulatory efficiency and reducing administrative burden.

88. However, there will not be annual PBR rate adjustment filings in 2022 and 2023 due to the ongoing rebasing process. Therefore, the annual TACDA true-up applications for 2021 and 2022 may be filed under standalone proceedings until annual PBR rate adjustment filings resume in the next PBR term. Under this approach, the Commission directs ENMAX to file its 2021 and 2022 annual TACDA true-up applications by September 10 of 2022 and 2023, respectively.

89. ENMAX may find an opportunity, or may be directed by the Commission, to combine the 2021 and/or 2022 TACDA true-ups with some other application, such as a compliance filing to establish 2023 or 2024 rates. In that event, unless instructed otherwise by the Commission, ENMAX is directed to inform the Commission of its proposed treatment of 2021 and 2022 annual TACDA true-up by September 1 of 2022 and 2023, respectively.

90. Subject to the outcome of a future proceeding to establish the parameters of the next PBR plan, the Commission then directs ENMAX to continue including the annual TACDA true-up in its future annual PBR rate adjustment filings, starting with the 2025 annual PBR rate adjustment filing.

6 2022 PBR rates

6.1 Distribution rates

91. The Commission has reviewed the schedules setting out ENMAX's 2022 PBR rate calculations and observes that these calculations are consistent with its practices and methodologies previously accepted by the Commission during the current PBR term. The Commission therefore accepts the general principles and methodologies utilized by ENMAX for calculating its 2022 PBR rates.

92. In previous sections of this decision, the Commission approved individual components of the PBR framework, including the I-X index, Y factor, and K-bar factor, all of which result in annual adjustments to ENMAX's 2022 PBR rates. The Commission also approved ENMAX's forecast billing determinants.

93. However, in Section 5.1, the Commission directed ENMAX to remove the TACDA amounts related to the historical errors for years 2015 through 2019 from the 2020 TACDA true-up. In Section 4.1, the Commission directed ENMAX to remove applied-for placeholder for the Green Light Project in the amount of \$2 million. In Section 6.4, the Commission directed ENMAX to update its Balancing Pool rider to reflect the currently approved AESO Rider F.

94. Furthermore, in Decision 26589-D01-2021, the Commission directed ENMAX to refund all Green Light Project associated placeholder amounts previously collected from customers and file compliance filing by December 10, 2021.

95. In light of these directions, ENMAX's 2022 PBR rate calculations must be revised. Accordingly, ENMAX is directed to file a compliance filing to this decision by December 10, 2021, consistent with the directions provided in the body of this decision. To promote regulatory efficiency, ENMAX may fulfill compliance with the direction in Decision 26589-D01-2021 as part of its compliance filing to this decision.

96. To facilitate the January 1, 2022, rate implementation, after conducting a preliminary review of ENMAX's compliance filing, the Commission will approve the implementation of rates on an interim basis, based on the assumption that the compliance filing aligns with the findings in this decision. If required, the public process to review the ENMAX compliance filing will commence subsequent to implementation of interim rates in January 2022 with any subsequent adjustments to rates to be implemented later in 2022.

6.2 DAS adjustment rider

97. Consistent with its practice in past annual PBR rate adjustment filings, ENMAX proposed a distribution access service (DAS) true-up rider of \$0.10 million, effective January 1, 2022, to March 31, 2022.⁵⁰ The purpose of the rider is to collect the outstanding 2021 DAS adjustment rider amounts approved by the Commission (which was being collected during the period January-March 2021). Specifically, as a result of differences between the forecast and actual consumption in the collection period, ENMAX collected \$0.10 million less than what was approved (subject to application of carrying charges).

98. In Decision 20414-D01-2016 (Errata), the Commission continued the direction from a previous decision that rate adjustments associated with K, K-bar, Y and Z factors would be calculated using forecast billing determinants, and that there would be no subsequent true-up to account for differences between the forecast billing determinants and actual billing determinants.⁵¹ In Decision 25865-D01-2020, dealing with ENMAX's 2021 annual PBR rate adjustment, the Commission directed ENMAX to explain whether its DAS adjustment rider true-up practice to account for the differences in volume is consistent with this direction.

99. In response to this direction, ENMAX provided an overview of its DAS rider utilization over the last few years. ENMAX assured the Commission that it had not applied for any true-up of K, K-bar, Y and Z factors to account for the differences between forecast and actual billing determinants, with one exception, which was approved by the Commission.⁵² ENMAX explained that in that instance, the DAS adjustment rider was used to true up 2015 and 2016 K factor and refund amounts to customers given the Commission findings in Decision 23102-D01-2019⁵³ that dealt with ENMAX's utilization of METSCO's risk-based asset management framework. ENMAX stated that all rate riders, including the DAS adjustment rider, have historically been subject to volumetric true-up.⁵⁴

100. Because the proposed DAS rider adjustment is consistent with ENMAX's historical practice, approved by the Commission in past decisions, the Commission accepts this adjustment

⁵⁰ Exhibit 26844-X0001.01, application, paragraph 34.

⁵¹ Decision 20414-D01-2016 (Errata), page 93.

⁵² Exhibit 26844-X0004, Appendix 3, PDF pages 9-10.

⁵³ Decision 23102-D01-2019: Commission-Initiated Proceeding, METSCO's Risk-Based Asset Management Framework for ENMAX and EPCOR, Proceeding 23102, March 1, 2019.

⁵⁴ Exhibit 26844-X0004, paragraph 42.

for 2022. The Commission may revisit the matter of ENMAX's DAS rider true-up for volume differences in the next PBR term once the parameters of the next PBR plan are established.

6.3 System access service rates

101. Subsection 2(1) of the *Distribution Tariff Regulation* requires that a distribution tariff include a charge for providing SAS that is separate from the charges for other components of DAS. ENMAX receives transmission charges from the AESO in accordance with the AESO tariff and ENMAX passes these transmission costs on to its customers through the SAS component of its distribution tariff. In the present proceeding, ENMAX did not propose any changes to the SAS components of its 2022 distribution tariff rates.

6.4 Balancing Pool adjustment rider

102. Under the *Electric Utilities Act*, the benefits and costs associated with the Balancing Pool are shared among all electricity customers in Alberta.⁵⁵ Accordingly, each year the Balancing Pool is required to forecast its revenues and expenses to determine any excess (or shortfall) of funds. Based on this forecast, the Balancing Pool determines an annualized amount that will be remitted to (or collected from) electricity consumers over the year. Pursuant to Section 82 of the *Electric Utilities Act*, these distributions or charges are made through the AESO tariff, by way of Rider F.

103. In Decision 26082-D01-2020,⁵⁶ the Commission directed ENMAX to update its 2022 Balancing Pool adjustment rider as part of this proceeding, once the AESO applies for its 2022 Rider F charge. This approach was adopted to enhance regulatory efficiency and reduce administrative burden in lieu of ENMAX filing its 2022 Balancing Pool allocation rider as a stand-alone application.

104. The AESO filed its 2022 Rider F charge on November 15, 2021. This rider was approved by the Commission in Decision 26979-D01-2021.⁵⁷ ENMAX did not update the application to incorporate the approved 2022 Rider F. The Commission directs ENMAX to reflect the approved Rider F in its 2022 PBR rates as part of the compliance filing.

7 Other matters

7.1 AESO contributions hybrid deferral account

105. In Decision 24875-D01-2019, the Commission approved ENMAX's request to implement the treatment of its AESO contribution amounts similar to the hybrid deferral account approach approved for FortisAlberta Inc. in Decision 23505-D01-2018.⁵⁸ Under this approach, any changes to historical AESO contribution amounts will be captured in a deferral account and be subject to true-up. The incremental capital funding for new AESO contributions will continue

⁵⁵ *Electric Utilities Act*, Section 5(f).

⁵⁶ Decision 26082-D01-2020: ENMAX Power Corporation, 2021 Balancing Pool Allocation Rider, Proceeding 26082, December 3, 2020.

⁵⁷ Decision 26979-D01-2021: Alberta Electric System Operator, 2022 Balancing Pool Consumer Allocation Rider F Application, Proceeding 26979, November 24, 2021.

⁵⁸ Decision 23505-D01-2018, Commission-Initiated Review and Variance of Decision 22741-D01-2018, Proceeding 23505, November 7, 2018.

to be provided through the K-bar. Specifics of the hybrid deferral account methodology are as follows:

- Projects from the 2015-2017 PBR term where a permit and licence (P&L) had been issued by December 31, 2017, would be subject to deferral account treatment by way of a new PG547 Deferral Account; and
- Projects that receive a P&L after December 31, 2017, would be managed under the incentive properties of K-bar.

106. In the 2020 annual PBR rate adjustment application, ENMAX identified two projects (No. 7 Sub 138-25 kilovolt (kV) Transformer Upgrade and No. 162 Substation 2nd 138-25 kV Transformer Addition) from the 2015-2017 PBR term for which a P&L had been issued by December 31, 2017. As such, these projects would be subject to the hybrid deferral account treatment and not included in the K-bar calculations. In response to a Commission IR, ENMAX stated that the final AESO construction contribution decision for the two identified projects above were expected by the end of 2019 and in the first quarter of 2020.⁵⁹ As such, the Commission directed ENMAX to reflect any adjustments as part of 2021 annual PBR rate adjustment filing.

107. ENMAX complied with the Commission's direction. For purposes of the deferral account calculations, ENMAX applied the annual adjustments for refunds or costs related to the AESO contributions made during the 2015-2017 PBR term to the historical rate base (i.e., the 2017 closing rate base) associated with the AESO Contributions Program. The difference between the revenue collected through going-in rates (escalated each year by I-X and Q) and the revenue requirement associated with related true-ups is the deferral true-up amount.

108. In Decision 25865-D01-2020, the Commission approved a net increase in capital additions to rate base of \$5.73 million in 2019, which resulted in a 2019 deferral account true-up refund of \$0.25 million. Capital additions to rate base were \$0.11 million in 2020, which resulted in a 2020 deferral account true-up refund of \$0.38 million.

109. In this application, ENMAX applied for capital additions to rate base of \$0.03 million in 2020 and \$0.10 million in 2021. As the actual cost of debt for 2020 is now available, ENMAX also applied for a true-up of 2020 hybrid deferral account amounts collected in 2021. This results in a 2020 deferral account true-up refund of \$0.08 million and a 2021 deferral account true-up refund of \$0.49 million. The total adjustment for the AESO contribution hybrid deferral account is a refund of \$0.59 million, including associated carrying costs.

110. No party objected to ENMAX's proposed deferral account. The Commission finds ENMAX's calculations to be reasonable and consistent with the approved methodology for the AESO contributions hybrid deferral account. The adjustment refund of \$0.59 million is approved as filed.

⁵⁹ Proceeding 24875, Exhibit 24875-X0029, EPC-AUC-2019OCT09-004, PDF page 5.

7.2 Terms and conditions of service

111. Consistent with the Commission direction in Decision 20414-D01-2016 (Errata),⁶⁰ ENMAX amended its distribution T&Cs in accordance with the I-X mechanism. ENMAX adjusted its maximum investment levels and service fees by 1.46 per cent for 2022.⁶¹

112. ENMAX also proposed to modify its customer and retailer T&Cs. Specifically, customer T&Cs were amended to allow all retailers, in addition to the default supplier and regulated rate provider, to request ENMAX to de-energize and re-energize a customer site.⁶² Retailer T&Cs were expanded with additional specific information in sections 7.4 and 7.6, such as: under what circumstances de-energization and re-energization may or may not take place; what type of customer information may be required to verify such requests; and limitation of liability indemnifying ENMAX from involvement in a dispute between a customer and a retailer.

113. ENMAX stated that the proposed adjustments will align its practices with those of ATCO Electric Inc., EPCOR Distribution & Transmission Inc., and FortisAlberta Inc., and are consistent with the goals of Bulletin 2021-09⁶³ to standardize the terms and conditions of electric distribution utilities.

114. The Commission has reviewed the adjustments to ENMAX's distribution T&Cs and finds the revisions reasonable. Therefore, the revisions to its T&Cs outlined in appendixes 3 through 6 to this decision are approved as filed, effective January 1, 2022.

7.3 Financial reporting requirements and senior officer attestation

115. In Decision 20414-D01-2016 (Errata), the Commission adopted the requirement from Decision 2012-237 that each distribution utility be required to provide the following financial information in its annual PBR rate adjustment filing:

- (a) A copy of its Rule 005 filing.
- (b) A schedule showing disallowed costs, excluded from a distribution utility's ROE.
- (c) Attestations and certifications signed by a senior officer of the distribution utility.⁶⁴

116. The Commission provided a detailed summary or description of each of the above requirements in Section 4.6 of Decision 23355-D02-2018.⁶⁵

117. The Commission has reviewed the financial information provided by ENMAX⁶⁶ and is satisfied that it has complied with the financial reporting requirements set out in Decision 20414-D01-2016 (Errata).

⁶⁰ Decision 20414-D01-2016 (Errata), Section 6, PDF page 100.

⁶¹ Exhibit 26844-X0021, ENMAX Distribution Tariff, Terms and Conditions Change Log.

⁶² Exhibit 26844-X0001.01, application, paragraph 146.

⁶³ Bulletin 2021-09: Stakeholder consultation to standardize terms and conditions of electric distribution utilities' connection process, April 29, 2021.

⁶⁴ Decision 20414-D01-2016 (Errata), Appendix 5, Section 10, Financial reporting requirements, PDF pages 101-102.

⁶⁵ Decision 23355-D02-2018, paragraphs 71-74.

⁶⁶ Exhibit 26844-X0012, Appendix 10.

8 Order

118. It is hereby ordered that:

- (1) ENMAX Power Corporation is directed to file a compliance filing to its 2022 annual PBR rate adjustment application, reflecting the findings in this decision, by December 10, 2021.
- (2) The distribution tariff terms and conditions, and investment level schedule and fee schedule are approved effective January 1, 2022.

Dated on December 3, 2021.

Alberta Utilities Commission

(original signed by)

Carolyn Dahl Rees
Chair

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
ENMAX Power Corporation (ENMAX or EPC)
Consumers' Coalition of Alberta (CCA)
Office of the Utilities Consumer Advocate (UCA) Brownlee LLP

<p>Alberta Utilities Commission</p> <p>Commission panel C. Dahl Rees, Chair</p> <p>Commission staff A. Culos (Commission counsel) B. Edwards A. Jukov C. Robertshaw</p>

Appendix 2 – Summary of Commission directions

This section is provided for the convenience of readers. In the event of any difference between the directions in this section and those in the main body of the decision, the wording in the main body of the decision shall prevail.

1. In this decision, the Alberta Utilities Commission considers ENMAX Power Corporation’s (ENMAX or EPC) 2022 annual performance-based regulation (PBR) rate adjustment filing. For the reasons that follow, the Commission has determined that:
 - The proposed updates to ENMAX’s distribution tariff terms and conditions (T&Cs), comprising customer (Appendix 3) and retailer (Appendix 4) components, and investment level (Appendix 5) and fee (Appendix 6) schedules, are approved effective January 1, 2022.
 - ENMAX’s request to recover or refund the transmission access charge deferral account (TACDA) amounts related to the historical errors for years 2015 through 2019 is denied. The 2020 TACDA true-up and associated TAC rider is approved subject to providing the clean version of supporting schedules showing the removal of the TACDA amounts related to the historical errors for years 2015 through 2019.
 - The Type 1 capital placeholder for 2022 K factor adjustments is denied due to the outcome of Decision 26589-D01-2021.
 - ENMAX is directed to file updated rate schedules to reflect the directions in this decision no later than December 10, 2021. paragraph 1
2. In light of the above, ENMAX’s request for Type 1 capital placeholder in this proceeding is denied. In the compliance filing to this decision, the Commission directs ENMAX to remove the proposed Type 1 capital placeholder in the amount of \$2.00 million from its 2022 PBR rates. paragraph 37
3. The Commission considers that variances from forecasts such as those described by ENMAX for 2020 may reasonably be expected. Such occurrences do not generally call into question the predictive value of the methodology used to generate such forecasts and ENMAX is directed to continue to provide information on any variances from forecast to actual billing determinants by rate class and to identify and explain the cause of variances larger than \pm five per cent on an annual basis. paragraph 41
4. Accordingly, in the compliance filing to this decision, the Commission directs ENMAX to remove the inclusion of the TACDA amounts related to the historical errors for years 2015 through 2019 from its 2020 TACDA true-up and provide the clean version of TAC rider rates and supporting schedules that underly the numbers shown in Table 2 and Table 3 of this decision. In case there are any discrepancies between the numbers in the above tables and ENMAX’s refiled schedules, ENMAX is directed to clearly explain the differences and justify them. paragraph 86
5. However, there will not be annual PBR rate adjustment filings in 2022 and 2023 due to the ongoing rebasing process. Therefore, the annual TACDA true-up applications for 2021 and 2022 may be filed under standalone proceedings until annual PBR rate adjustment filings resume in the next PBR term. Under this approach, the Commission

- directs ENMAX to file its 2021 and 2022 annual TACDA true-up applications by September 10 of 2022 and 2023, respectively. paragraph 88
6. ENMAX may find an opportunity, or may be directed by the Commission, to combine the 2021 and/or 2022 TACDA true-ups with some other application, such as a compliance filing to establish 2023 or 2024 rates. In that event, unless instructed otherwise by the Commission, ENMAX is directed to inform the Commission of its proposed treatment of 2021 and 2022 annual TACDA true-up by September 1 of 2022 and 2023, respectively. paragraph 89
7. Subject to the outcome of a future proceeding to establish the parameters of the next PBR plan, the Commission then directs ENMAX to continue including the annual TACDA true-up in its future annual PBR rate adjustment filings, starting with the 2025 annual PBR rate adjustment filing. paragraph 90
8. In light of these directions, ENMAX’s 2022 PBR rate calculations must be revised. Accordingly, ENMAX is directed to file a compliance filing to this decision by December 10, 2021, consistent with the directions provided in the body of this decision. To promote regulatory efficiency, ENMAX may fulfill compliance with the direction in Decision 26589-D01-2021 as part of its compliance filing to this decision. paragraph 95
9. The AESO filed its 2022 Rider F charge on November 15, 2021. This rider was approved by the Commission in Decision 26979-D01-2021. ENMAX did not update the application to incorporate the approved 2022 Rider F. The Commission directs ENMAX to reflect the approved Rider F in its 2022 PBR rates as part of the compliance filing. paragraph 104

Appendix 3 – Customer terms and conditions

[\(return to text\)](#)



Appendix 3 -
Customer T&Cs

(consists of 93 pages)

Appendix 4 – Retailer terms and conditions

[\(return to text\)](#)



Appendix 4 - Retailer
T&Cs

(consists of 57 pages)

Appendix 5 – Investment level schedule

[\(return to text\)](#)



Appendix 5 -
Investment level sche
(consists of 3 pages)

Appendix 6 – Fee schedule

[\(return to text\)](#)



Appendix 6 - Fee
schedule

(consists of 4 pages)

ENMAX POWER CORPORATION

DISTRIBUTION TARIFF

Proposed Customer Terms and Conditions

Effective January 1, 2022

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INTRODUCTION

Who are we?

We are ENMAX Power Corporation, referred to in these **Terms and Conditions** as “EPC,” “we” or “us.” Related words such as “our” or “ours” also refer to **EPC**.

We own and operate an **Electric Distribution System** that we use to transport **Electricity** in our service area, which includes Calgary and some areas surrounding Calgary.

In these **Terms and Conditions**, we may refer to **Customers** as “you.” Related words, such as “your” or “yours” also refer to our **Customers**.

These **Terms and Conditions** set out the rules that we must follow when we provide services required to transport **Electricity** by means of our **Electric Distribution System** and that you agree to follow in order to receive service from our **Electric Distribution System**.

None of our employees have the right to change these **Terms and Conditions** or a **Rate Schedule**.

In these **Terms and Conditions**, you will see words and phrases that are **bolded**. These words and phrases have specific legal meanings. These meanings are set out in the Glossary in Part C of these **Terms and Conditions**.

These **Terms and Conditions** apply to you and **Your Property** in our service area if you have or require a **Service Connection** to our **Electric Distribution System**. These **Terms and Conditions** govern the relationship

Bolded words and phrases have specific legal meanings

These Terms and Conditions apply to our Customers

***We transport your
Electricity***

***We do not sell
electricity***

between **EPC** and our **Customers**. By taking service from us, you are deemed to have accepted these **Terms and Conditions**.

These **Terms and Conditions** do not apply to you if you are a **Retailer**, unless you are requesting a service from us on behalf of one of your customers. There are separate **Retailer Terms and Conditions** for **Retailers** that govern **Retail Access Services**, and they can be found on the enmax.com website.

We are a distribution utility. We construct, operate and maintain the **Facilities** required to transport electricity by means of our **Electric Distribution System**. The services that we provide under these **Terms and Conditions** are **Connection Services**.

In our capacity as a distribution utility, we do not sell **Electricity**. Alberta has a competitive market for **Electricity**, so you have the right to purchase **Electricity** from a **Retailer** that you choose or from the **Regulated Rate Provider** if you do not choose a **Retailer**. You can find a list of **Retailers** on the Utilities Consumer Advocate website: <https://ucahelps.alberta.ca/>.

If you buy your **Electricity** from a **Retailer, Regulated Rate Provider** or **Default Supplier**, you will receive a bill from them for the electricity you have used. That bill will also include the amounts that we charge for services we provide under these **Terms and Conditions**, including

These Terms and Conditions form part of our Distribution Tariff

We are regulated by the AUC and must comply with the legislation that applies to us

We may amend these Terms and Conditions

transporting **Electricity** by means of our **Electric Distribution System**.

These **Terms and Conditions**, the **Retailer Terms and Conditions** and our **Rate Schedules** together make up our **Distribution Tariff**. These **Customer Terms and Conditions** and the **Retailer Terms and Conditions** together form the **ENMAX Power Corporation Distribution Tariff Terms and Conditions**.

We and our **Distribution Tariff** are regulated by the Alberta Utilities Commission, or **AUC**. We must comply with all of the requirements in the *Electric Utilities Act*, or **EUA**, and the regulations made under the **EUA** that apply to owners of electric distribution systems.

These **Terms and Conditions** have been approved by the **AUC**. If you have a question or a complaint about the **ENMAX Power Corporation Distribution Tariff Terms and Conditions**, you may direct that question or complaint to us or to the **AUC**.

We may amend these **Terms and Conditions**, but any amendments must be approved by the **AUC**.

If we wish to amend these **Terms and Conditions**, we may file a notice of amendment with the **AUC**. This notice must set out the amendments we wish to make, a description of the types of **Customers** will be affected by the amendments, and an explanation of how we will notify our **Customers** of the amendments.

***Structure of these
Terms and Conditions***

The **AUC** will either accept our notice of amendment within 60 days after we file it or will establish a process for dealing with the proposed amendments.

If the **AUC** accepts our notice of amendment, the amendments described in that notice will be effective on the 61st day after the date we filed the notice.

If the **AUC** does not accept our notice of amendment but approves our proposed amendments using another process, the **AUC's** order approving the amendments will indicate when those amendments are effective.

You can find the most up to date version of these **Terms and Conditions** on the enmax.com website.

These Terms and Conditions are made up of three parts and two schedules.

Part A deals with the provision of **Connection Services**. 0 outlines the additional requirements that apply specifically to **Distributed Energy Resources**, while 0 outlines the additional requirements that apply specifically to **Transmission Connected Customers**. 0 describes how we invest in **Service Connections** for residential developments, and 0 describes how we invest in **Service Connections** for non-residential developments.

Part B sets out general requirements, including those dealing with notices, defaults, dispute resolution and **Force Majeure**.

Part C is the glossary, where we define the bolded words and phrases used in these **Terms and Conditions**.

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Schedule A sets out the fees that we charge related to matters in the **Terms and Conditions**.

Finally, Schedule B sets out our standard investment amounts for various types of non-residential **Service Connections**.

PART A: CONNECTION SERVICES

This part of the **Terms and Conditions** sets out the requirements for obtaining **Connection Services** from us. Among other things, it describes what you must do to receive and maintain **Connection Services**, and it sets out the circumstances in which we have the right to **De-Energize** your **Site** or to discontinue, restrict, or interrupt your **Connection Services**.

If **Your Property** is in our service area and is connected to our **Electric Distribution System** and you wish to buy **Electricity**, you must buy it from a **Retailer** or **Regulated Rate Provider**. A complete list of **Retailers** and **Regulated Rate Providers** is found on the website of the Utilities Consumer Advocate. (<https://ucahelps.alberta.ca/>)

SECTION 1—APPLYING FOR CONNECTION SERVICES

We provide Connection Services

1.1 Connection Services

The service we provide to **Customers** is referred to as **Connection Services**. If we agree to provide **Connection Services** to you, we will make reasonable efforts to provide **Connection Services** to **Your Property** that will allow for the supply of **Electricity** to you at a nominal 60 Hertz alternating current and at the nominal voltage level available for your **Service Connection**, and in providing **Connection Services**, we will comply with the *Alberta Electrical Utility Code*.

You must apply for Connection Service

1.2 Eligibility

You can apply for **Connection Services** if you meet our credit and other requirements and you own or rent the property at which you wish to receive **Connection Services**. We provide **Connection Services** to **Customers** who satisfy all of our requirements.

You may apply for **Connection Services** yourself, or a **Retailer** or other person you have appointed may apply on your behalf. If someone else applies on your behalf, they must provide us with your written authorization to make the application. The authorization must be signed by you and must include your name, the date, and a statement that you want to obtain **Connection Services** at the location described in the authorization.

You must use our application form

1.3 Application

We may require you, or a person applying on your behalf, to complete and return an application using our application form.

We have different requirements that you must meet in order to connect **Your Equipment** to our **Electric Distribution System**, depending on whether you are located inside or outside the boundaries of what we call the **Network**. If you are not sure whether you are inside or outside the **Network**, we can tell you, if you provide us with your address.

If you are in the **Network**, the requirements that apply to you are set out in the **Network Servicing Policies and Guidelines** and related documents, which you can find on the enmax.com website.

If you are outside the **Network**, the requirements that apply to you are set out in the **Requirements for Distribution Wires Access**, which you can find on the enmax.com website.

You must provide us with certain information before we can process your application

1.4 Required Information

We will require some or all of the following information in order to process your application for **Connection Services**:

- the address of **Your Property**,

- credit information or references,
- your **Connected Load** (shown using a single line diagram),
- your preferred supply conditions, including your interconnection requirements and requested installation date,
- your site mechanical and final grading plans showing roads, driveways, sidewalks, building outlines, requested transformer location, final grade, landscaping, and gas and deep utility plans,
- the information described in our **Requirements for Distribution Wires Access, Network Servicing Policies and Guidelines** and related documents, which you can find on the enmax.com website, and
- any other information that we reasonably require.

We will tell you what kind of Connection Service we will provide to you

1.5 Your Connection Services

Once you have provided us with the information we need to assess your application, and unless we reject your application in accordance with these **Terms and Conditions**, we will tell you what kind of **Connection Services** (if any) we can provide to you and whether there are any conditions that you must satisfy before we will provide you with **Connection Services**.

How we construct any facilities needed to provide the **Connection Services** you have requested depends on the nature and scope of those services. In most cases, we manage the work ourselves.

However, all new **Service Connections** for new residential developments are provided through our Underground Residential Distribution, or URD, model. This model is overseen by the Calgary

Shallow Utilities Consortium so that construction of the facilities required for all of the utilities (electricity, gas and telecommunications) for new residential developments are efficiently coordinated.

Certain non-residential **Connection Services** projects are eligible for our Developer Choice model. Under that model, you may select one of several pre-qualified contractors to do the work needed to provide your **Connection Services**. You can find details about the Developer Choice model on the enmax.com website by searching for “Developer Choice.”

If you have questions about how the facilities needed to provide your requested **Connection Services** will be provided, please contact us. You can find out how to contact us by clicking on the “Contact Us” link at the bottom of the enmax.com webpage.

We will provide you with a cost estimate for your Service Connection, and we will update our estimate in certain circumstances

1.6 Cost Estimate

After we have approved your request for **Connection Services**, you will be provided with a written estimate. The estimate will contain the following information:

- the estimated cost of your **Service Connection**,
- the amount that we will invest (if any), and
- your **Customer Contribution**.

If the estimated cost of your **Service Connection** is over \$25,000, and we are managing the work needed for your **Service Connection**, our estimate will also show the estimated cost by component as follows:

- construction (includes labour, equipment and services);
- materials; and

- engineering, project management, and administrative.

We will not start work to provide your **Service Connection** until you have accepted the estimate in writing.

If we are managing the work needed for your **Service Connection**, we will provide you with a new estimate in the following circumstances:

- if the estimated customer contribution of your **Service Connection** goes up by more than 10% but the scope of work needed to provide your **Service Connection** do not otherwise change;
- if we must change the scope of work needed to provide your **Service Connection**; or
- if you ask us to change the scope of work needed to provide your **Service Connection**.

If there is a change in the scope of work needed to provide your **Service Connection**, we will not proceed with those changes until you have accepted the new estimate in writing.

We may require that you provide an initial payment for the preliminary engineering or design work

1.7 Initial Payment

We may require that you make an initial payment for the estimated cost of preliminary engineering or design work related to an application for **Connection Services** before we carry out any preliminary engineering or design work. If you cancel or withdraw your application for service, we will return to you any part of your initial payment that we have not used to carry out preliminary engineering or design work.

Once we have completed the preliminary engineering and design work, if you decide to proceed with the next phase of the work, we will apply any unused portion of the initial payment to this next phase of work.

We may require you to pre-pay construction and other costs or provide a deposit or other security before we construct any Facilities

If you decide not to proceed with the next phase of the work, we will charge or refund you the difference, if any, between the initial payment and the actual cost of the preliminary engineering and design work.

1.8 Pre-payment, Credit and Security Requirements

If, after we have completed the preliminary engineering and design work, you decide to proceed with the next phase of the work, we may, at our sole discretion, require you to pre-pay the full estimated cost of any work that we must do in order to provide you with **Connection Services**.

If we do not require such a pre-payment, we may instead, at our sole discretion, require you to provide one of the following forms of security:

- a guarantee of payment in a form that is satisfactory to us,
- an irrevocable letter of credit in a form that is satisfactory to us, or
- a deposit.

We have the right to deny you credit, at our sole discretion.

If you cancel or withdraw a request for Connection Services, you must pay any costs that we have incurred

1.9 Cancellation or Withdrawal of a Request for Connection Services or a Service Connection

If you cancel or withdraw a request for **Connection Services** or a **Service Connection** after we have begun work to provide those services or that connection, you must pay all of the costs that we have incurred that are related in any way with your request and its cancellation or withdrawal. We will calculate these costs and will provide you with an invoice outlining what you must pay us. Our calculation will take into account any initial payment or security that you have already paid to us.

SECTION 2— YOU ARE RESPONSIBLE FOR OBTAINING ALL PERMITS

You are responsible for obtaining all required permits

2.1 Permits, Certificates and Licenses

You are responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations and right-of-way agreements that are required for us to install our **Facilities** and provide the **Connection Services** to **Your Property**. You must provide copies of these documents to us if we ask for them. We will not start or continue installing or providing **Connection Services** unless you have complied with:

- the requirements of all governmental authorities,
- the requirements set out in any permits, licenses, or other authorizations, and all right-of-way agreements, and
- all of our requirements relating to the **Connection Services**.

We have the right to ask you to prove, to our satisfaction, that you have complied with all of these requirements.

SECTION 3– WE MAY REJECT YOUR APPLICATION***We may reject an application for Connection Services*****3.1 Rejection of Application**

We may reject your application for **Connection Services**, at our sole discretion, if:

- we do not provide the type of **Connection Services** you have applied for in the area you requested,
- you have not satisfied one or more of the conditions or requirements set out in these **Terms and Conditions** for receiving **Connection Services**,
- you are not creditworthy or you owe us money,
- you fail to provide us with an acceptable security deposit or letter of credit,
- you, or the person applying on your behalf, have made untruthful or fraudulent statements to us in your application,
- the **Loads** you have proposed may adversely affect the services we supply to other **Customers**, or the safety of the public, our employees or contractors, or
- you have not provided us with adequate physical space for us to install our **Facilities** (which we have the right to determine, at our sole discretion).

SECTION 4—BILLING AND COLLECTION

We charge rates and fees for our services

4.1 Fees and Other Charges

We will provide all standard services to you under our **Distribution Tariff** for the rates set out in the **Rate Schedule** that applies to you. If we provide you with additional services, you will be charged a separate rate or fee for those services. These services include, but are not limited to, the services described in Schedule A.

You will ordinarily receive a bill from your Retailer, Regulated Rate Provider or Default Supplier but you may also receive a bill from us. You must pay our bill in full and on time.

4.2 Bills

Ordinarily, you will receive a bill for our services from your **Retailer, Regulated Rate Provider** or **Default Supplier** on our behalf. However, we may bill you directly for **Customer Contributions** and any fees or charges that apply to services that we provide to you beyond our standard services.

If we bill you directly, we will send the bill to you using the contact information you or your **Retailer, Regulated Rate Provider** or **Default Supplier** have provided us. For example, we may mail our bill to you at the address we have for you, or if we have your e-mail address, we may e-mail the bill to you.

You must pay our bill in full by the due date (even if you did not receive the bill) or we will charge you a late payment charge. Payment must be in a form acceptable to us.

Failure to receive our bill does not relieve you from the obligation to pay it. For example, if you ordinarily receive your bill in the mail and there is a postal strike, you are still responsible for paying the amounts you owe us in full and on time.

If any payment you make for our bill is not honoured by your financial institution, we will charge you the dishonoured payment

fee set out in Schedule A. A payment that is not honoured is not a valid payment, so if we do not receive a valid payment from you by the due date shown on the bill, we will also charge you a late payment charge.

If you do not agree with the amount of a bill you receive from us, you must still pay it in full and on time. You do have the right to dispute any bill you receive from us, but you must use the dispute resolution process set out in Part B of these **Terms and Conditions**.

If you do not pay our bill in full and on time, we have the right to take steps to collect what you owe us

4.3 Collections

If you do not pay our bill in full and on time, we have the right to take steps to collect what you owe us. These steps may include the following:

- sending you reminder letters,
- phoning you,
- referring your outstanding amounts to a collection agency,
- requiring payment from you before we provide any additional services,
- withholding **Connection Services** or any other services we provide, and
- legal action.

We have the right to decide what steps to take to collect what you owe us, and we are not required to provide you with notice before we take any steps. We also have the right to take any lawful steps that are not included in the list set out above.

Your failure to pay our bill in full and on time is not a dispute to which the dispute resolution process set out in Part B of these **Terms and Conditions** applies.

***Billing by your Retailer,
Regulated Rate Provider
or Default Supplier*****4.4 Billing by Your Retailer, Regulated Rate Provider or Default Supplier**

We bill your **Retailer, Regulated Rate Provider** or **Default Supplier** the amounts you must pay for our services. These amounts are based on the charges set out in our **Rate Schedules**, but as described in section 4.1, they may include additional fees and charges for services we provide to you over and above our standard services. We must also collect all local access fees and sales, excise or other taxes that are imposed by governmental authorities.

We determine how much **Electricity** you have used at each **Point of Service** by either reading the **Meter** for your **Point of Service** or if we do not read the **Meter**, by estimating the amount of **Electricity** you have used since either the last **Meter** reading or the last estimate.

Your **Retailer, Regulated Rate Provider** or **Default Supplier** will then issue an invoice to you on our behalf. Each **Point of Service** is billed separately. This means that if you receive service from us at more than one **Point of Service**, you may receive more than one invoice.

***We have different rate
classes for different
types of customers*****4.5 Availability of Rates**

We have a number of different rate classes for different types of **Customers**. These rate classes are described in our **Rate Schedules** and form part of our **Distribution Tariff**.

If we accept your application for **Connection Services**, we will determine which rate applies to you based on the information you have provided to us, including in particular, the operational characteristics of your **Site**. We will do our best to apply the rate that is most favourable to you, so long as you meet the eligibility requirements for that rate.

If the operational characteristics of your Site change, you may change rates provided you meet the requirements for the different rate

4.6 Rate Changes

If the operational characteristics of your **Site** change, you may be eligible for a different rate. If you wish to switch to a different rate, you may request a rate change in writing, either by contacting your **Retailer** or by contacting us directly. Your request must include information about how the operational characteristics of your **Site** have changed and why those changes qualify you for the rate you wish to change to. When we receive your rate change request, we will review it and provide you with a decision as quickly as reasonably practicable. You may only request one rate change in any 12-month period unless the change in eligibility is the result of a change in ownership or occupancy.

Section 14.9 below may apply to a request for a rate change, and depending on the circumstances, we may require you to make a **Customer Contribution**, or we may be required to refund part of a **Customer Contribution** you have already made.

Under no circumstances will we refund the difference in charges between the rate you were subject to in a past period and the new rate we allowed you to switch to, even if you were eligible for the new rate before the switch.

4.7 Billing Period

Invoices for a **Point of Service** are issued once each billing period. The billing period is the time between one **Meter** reading and the next (or if a **Meter** reading is not done, the time between one estimate of your **Electricity** consumption and the next estimate or **Meter** reading). The billing period generally ranges between 27 and 35 days. When we determine the billing period for each **Point of**

Invoices are issued periodically based on your billing period

Service, we will comply with the requirements of the **Tariff Billing Code**.

You or your **Retailer, Regulated Rate Provider or Default Supplier** may ask us for a **Meter** reading at any time, but we have the right to charge a fee for such “off-cycle” **Meter** readings, as set out in Schedule A.

We may change your billing period

4.8 Billing Period Change

We have the right to change your billing period. If we change your billing period, any charges other than **Electricity**-based charges during the transition period between the old billing period and the new billing period will be calculated based on the number of days in the transition period. The number of days in the transition period will generally be different from the number of days in both the old and new billing periods.

We will correct any billing errors we make, but only if they are discovered or brought to our attention within 24 months

4.9 Billing Adjustments

We will correct any error in the amount of fees or charges that we have invoiced your **Retailer** in respect of your Site in accordance with the **Retailer** Terms and Conditions, except for any errors for a billing period that is more than 24 months earlier than the billing period in which we discovered the error or you brought it to our attention, unless we are required to do so by any governmental authority, legislation, regulation or **AUC** rule.

We do not pay or charge interest on any billing adjustments that we make as a result of our error.

SECTION 5—YOUR OBLIGATIONS AND RESPONSIBILITIES

You have certain obligations and responsibilities for your **Connection Services**.

***You must grant us
access to Your Property***

5.1 Access to Your Property

In order to provide you with **Connection Services**, and to operate and maintain our **Electric Distribution System**, we need to be able to access parts of **Your Property**.

By taking **Connection Services** from us, you are deemed to have granted us, free of charge, any easements, rights-of-way and rights of entry over, upon or under Your **Property** that we require related in any way to the **Facilities** required to provide you with **Connection Services** and for us to construct, install, extend, repair, operate and maintain our **Electric Distribution System** unimpeded. This includes **Facilities** that are part of our **Electric Distribution System** that are not dedicated to serving you alone.

By taking **Connection Services** from us, you are also deemed to consent to the registration against the title to **Your Property** of our interest in these easements, rights-of-way and rights of entry over, upon or under **Your Property**, as we may reasonably require. If for any reason you request us to relocate our **Facilities**, we will determine whether the relocation is feasible. If it is, and if we relocate our **Facilities** at your request, you must pay us all of the costs of the relocation, including the cost of removing and re-installing our **Facilities**.

***We may enter Your
Property to perform our
services***

5.2 Right to Enter Your Property

We have the right to enter **Your Property** without paying compensation to you for any purpose that is reasonably related to

our **Facilities** located on **Your Property**, or **Facilities** that we cannot reasonably access except from **Your Property**.

If you receive **Distributed Energy Resource Interconnection Services** from us, you must also provide us with access to **Your Equipment**, including the **Distributed Energy Resource**, so that we can read the **Meter** or install, operate, maintain or remove our **Facilities**.

We will try to give you 48 hours notice when we need to enter onto **Your Property**, unless we only need access to the front yard of a residence or a part of **Your Property** that is generally accessible to the public. However, in the case of an emergency or where we need to enter your property to **De-Energize** or **Re-Energize** a **Site**, to read, replace or repair a **Meter** or to install or remove a **Load Limiting Device or Load Limiting Program**, we are not required to give you notice.

If we have given you notice that we need to enter onto **Your Property** and you ask us to re-schedule outside of our normal business hours (which are 7:00 a.m. to 4:00 p.m. Monday to Friday), we will try to accommodate your request. Whether we can or will accommodate a request for “off-hours” access is solely our decision and will depend on several factors, including the urgency of the need to access **Your Property** and the availability of our crews. If we do accommodate a request for off-hours access, we have the right to require you to pay the Customer Requests - Off Hours fee set out in Schedule A.

You must not prevent or interfere with our access to **Your Property**.

You must not install or construct anything that interferes with our Facilities

5.3 Interference with Facilities

You must not install or construct any temporary or permanent structures, or plant vegetation on **Your Property** that could interfere with our ability to locate, access or operate our **Facilities**, or that would result in non-compliance with any applicable statutes, regulations, standards and codes. If you do so, we have the right to **De-Energize** your **Site** and require you to remove the structure or vegetation at your expense before we will **Re-Energize** your **Site**.

We have the right to manage vegetation on Your Property

5.4 Management of vegetation

You will permit us to manage and remove vegetation on **Your Property** to reduce the risk of contact with our **Facilities** or to maintain proper clearances as required by the *Alberta Electrical Utility Code* and any other legal requirements. We will make a reasonable effort to notify you before such work is performed.

However, even though we have the right to manage vegetation on **Your Property**, the responsibility for maintaining proper clearances on **Your Property** between vegetation and **Your Equipment** is yours and yours alone.

At your request, we will **De-Energize** your **Site** to allow you to manage vegetation to maintain proper clearances on **Your Property**. We will work with you to schedule the De-Energization, but depending on how much notice you give us, we may not be able to De-Energize your Site on your preferred day and time.

You must cooperate with us in complying with directions or orders we receive

5.5 Cooperation with Governmental Directions

We may need to act in response to a direction or order from the **AUC**, any regulatory or administrative body, or governmental body that has jurisdiction over us, our **Transmission System** or our **Electric Distribution System**. These directions or orders may include

***You must not interfere
with the Meters or our
Facilities***

those made under the *Emergency Management Act*. You agree to cooperate with us in any manner that we reasonably request in order to permit us to comply with the direction or order.

5.6 Installation of Meters and Facilities

Only our authorized employees and contractors are permitted to install, remove, operate, or maintain our **Meters**, electric equipment or any of our other **Facilities** required to provide **Connection Services** to you.

We have the right to decide where to install our **Facilities**, including **Meters**, on **Your Property**. The location of the **Meter** must conform to the specifications set out in our **Metering Standard**, which you can find on the enmax.com website. If you would like us to install our **Facilities** in a different location other than the one we choose, you may propose an alternate location. However, we have the right, in our sole discretion, to deny your request to install our **Facilities** in an alternate location. If we agree to install our **Facilities** in an alternate location, you are responsible for any increased costs of installing the **Facilities** in the location you proposed relative to the location we chose.

You must not interfere with or alter our **Meters**, seals or other **Facilities** in any way. For example, neither you nor anyone authorized or hired by you, including an electrician or electrical contractor, is allowed to:

- install a **Meter** or any other of our **Facilities**,
- remove a **Meter** or any other of our **Facilities**,
- change the location of a **Meter** or any other of our **Facilities**, including moving them to other premises,
- unseal a **Meter**,

- make any alterations whatsoever to a **Meter** or any other of our **Facilities**,
- do anything that would or could alter the operation of a **Meter** or any other of our **Facilities**, or
- do anything that could result in **Electricity** bypassing a **Meter**.

If you, or anyone authorized by you, interferes with or alters any of our **Facilities**, including doing any of the things described above, you will be responsible for any destruction, loss or damage to our **Meters**, or any of our other **Facilities** located on **Your Property**. You will also be liable for the cost of restoring our **Facilities** to their original state or location, and the testing and inspection of our **Facilities**, even if there is no loss or damage.

You must protect the Facilities at your cost

5.7 Protection of Facilities

You must provide and maintain, and arrange access to, the necessary space, housing, fencing, barriers, and foundations on **Your Property** to protect the **Facilities** required to provide **Connection Services**. You must do these things at your own expense and in a manner that does not obstruct our employees or contractors from accessing our **Facilities**.

The space, housing, fencing, barriers and foundations required to protect the **Facilities** must comply with all applicable laws, regulations, standards and codes, including the *Alberta Electrical Utility Code*, and we have the right to provide you with directions and to approve the protection provided to the **Facilities**. If you refuse or fail to provide adequate protection for the **Facilities**, we have the right to provide and maintain the necessary protection at your cost.

If Facilities are relocated at your request or because of your actions you must pay our costs

5.8 Relocation of Meters or Facilities

If our **Meter**, seals or other **Facilities** are relocated at your request or to remedy any violation of law or regulation caused by you, you must pay our relocation costs. We may require that you pay the estimated relocation costs in advance.

If you make any unauthorized use of the Electricity or Connection Services, we may terminate the Connection Services and charge you for our damages

5.9 Unauthorized Use of Electricity or Connection Services

If we find that there has been an unauthorized use of **Electricity** or **Connection Services**, we may make changes in our **Meters** or other **Facilities** or take any other corrective action that we determine, in our sole discretion, is required to ensure that the **Facilities** and **Connection Services** are only used as authorized by us, and to ensure the safety of the general public, our employees and contractors.

Unauthorized uses include, but are not limited to, tampering with a **Meter** or other **Facilities**, unauthorized **Energization** or **Re-Energization**, theft or fraud, or intentional or unintentional use of **Electricity** where we are not paid in full for the services provided.

If we find an unauthorized or unsafe use of **Facilities** or **Electricity** or that **Connection Services** have not been used as set out in these **Terms and Conditions**, we have the right to **De-Energize** your **Site** or terminate the **Connection Services** and charge you, your **Retailer** or any other **Person** acting as your agent for all loss and damage we suffer and all costs we incur in correcting the condition. We may also take other legal action against you. If we do so, this is not a dispute to which the dispute resolution provisions of these **Terms and Conditions** applies.

If we believe you have tampered with a **Meter** or have done anything that could result in **Electricity** bypassing a **Meter**, we have

You must install, maintain and repair Your Equipment

the right to bill you or your **Retailer** for the charges under our **Distribution Tariff** applicable to the amount of **Electricity** that we estimate bypassed the meter or was otherwise unmetered, according to **AUC Rule 021**.

5.10 Installation, Maintenance and Repair of Your Equipment

You are responsible for the installation, maintenance and repair of **Your Equipment**. You are responsible for maintaining **Your Equipment** in satisfactory condition, and for complying with the operating and maintenance requirements in an **EPC Agreement**.

If you own or operate a Distributed Energy Resource or if your Site is a Primary Metered Site, we have the right to inspect **Your Equipment** if we determine that such an inspection is necessary or advisable under the *Safety Codes Act* or the *Alberta Electrical Utility Code* or otherwise. If we determine that an inspection is necessary or advisable, you must cooperate with us and provide us with access to and any information about **Your Equipment** that we reasonably require. You must pay the cost of our inspection, as set out in Schedule A. If the inspection identifies any deficiencies or maintenance work that is required, you must also pay the cost of the required remedial or maintenance work.

You are responsible for damage or destruction of our Facilities on Your Property

5.11 Damage to Our Facilities on Your Property

You are responsible for all damage to or destruction of our **Facilities** located on **Your Property** caused by your negligence or willful misconduct or the negligence or willful misconduct of any **Person** for whose conduct you are legally responsible.

If **Your Equipment** causes damage to our **Facilities**, you must correct the condition that caused the damage and you must pay us the cost

You must decide whether you need protective devices to protect your facilities

of repairing or replacing the **Facilities** that **Your Equipment** damaged.

5.12 Protective Devices

You are responsible for determining whether you need any devices to protect **Your Equipment** from damage that may result from the use of **Connection Services**, including single phasing protection on three-phase **Service Connections**. You will provide, install, and maintain all such devices at your own expense.

Your installation must comply with our requirements

5.13 Installation of Your Equipment and Devices

The installation of **Your Equipment**, including protective devices, must comply with the requirements set out in our **Requirements for Distribution Wires Access or Network Servicing Policies and Guidelines** and related documents, the applicable requirements of the *Canadian Electrical Code* and the *Alberta Electrical Utility Code* and any other requirements we determine are necessary for us to provide safe and reliable service. Your installation must meet or exceed the power quality limits as specified in the *ENMAX Power Quality Specifications and Guidelines for Customers*, which you can find on the enmax.com website.

Your Equipment must be suitable for the Connection Services

5.14 Suitability and Operation of Your Equipment

You must ensure that **Your Equipment** complies with the requirements of the *Canadian Electrical Code*, the *Alberta Electrical Utility Code* and all of our technical standards and guidelines.

All of **Your Equipment** must be suitable for operation with the **Connection Services** and our **Facilities**. You must not use the **Connection Services** for any purpose, or with any equipment, that

could cause an unusual power quality disturbance to any part of our **Electric Distribution System**.

You must not use your **Connection Services** in a manner that causes undue interference with any other **Customer's** use of **Connection Services** or with our **Facilities** or services, such as an abnormal disturbance to the voltage, frequency and waveform of the **Electricity** supply. If we request, you must take steps to correct such interference or disturbance, at your expense. Alternatively, we may decide, in our sole discretion, to correct the interference or disturbance at your expense.

You will design, install and operate **Your Equipment** so as to maintain a **Power Factor** of at least 90%. If you do not satisfy this requirement, we may require you to provide, install and maintain, at your expense, such remedial or corrective equipment as we decide is necessary. Alternatively, we may install the necessary remedial or corrective equipment at your cost.

You will not, without our written consent, use your own generation equipment in parallel operation with our **Electric Distribution System**.

You will not extend or allow anyone else to extend **Your Equipment** beyond the property line of **Your Property**, even if you own, rent or control the adjacent or adjoining property.

SECTION 6— YOU MAY MAKE CHANGES TO YOUR CONNECTION SERVICES

You must provide us with advance written notice if you want to make a change to your requirements for Connection Services

6.1 Changes to Requirements for Connection Services

If you want to make a change to your requirements for **Connection Services**, including a change in **Connected Load** or **Distributed Energy Resource**, you must give us written notice in advance so that we can determine whether we can accommodate the change without altering our **Facilities**.

We have the right, in our sole discretion, to determine how much advance notice is required for a change to your **Connection Services** requirements, and in some cases, that notice may be one or more years. The notice period will be predominantly determined by two factors: a) the type and magnitude of change requested by you and b) the changes to existing Facilities required to meet your new requirements.

You are not allowed to change your requirements for **Connection Services** (including changing your **Connected Load** or **Distributed Energy Resource**) without our written permission. If you make changes without our permission, you will be responsible for all damages, whether direct or indirect or consequential, your changes cause to our Electric Distribution System or Facilities.

6.2 Costs for Modifications of Facilities

You must pay our costs to modify our Facilities if you change your requirements for Connection Services,

If we modify our **Facilities** to accommodate your request to change the requirements for your **Connection Services**, you will be required to all pay all costs of the modification according to the following formula:

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$$(A - B) + C - D + E + F$$

where:

A = the estimated cost of removing the existing **Facilities**

B = the estimated salvage value of the existing **Facilities**

C = the estimated cost of installing the new **Facilities**

D = our investment in new **Customer Load**

E = prepaid operations and maintenance (“O&M”) expense, namely 20% of the estimated costs of any **Optional Facilities** and

F = any other costs associated with the modification of the **Facilities**.

SECTION 7– WE WILL MAKE REASONABLE EFFORTS TO SUPPLY ELECTRICITY TO YOU

***We do not guarantee
uninterrupted
Connection Services***

7.1 No Guarantee of Uninterrupted Connection Services

We will make reasonable efforts to provide **Connection Services** that will allow for a supply of **Electricity** to **Your Property** at a nominal 60-Hertz alternating current and at the nominal voltage level available for your **Service Connection** (and variations to either of these that comply with the relevant Canadian Standards Association standards). We do not guarantee uninterrupted Connection Services, but we will take reasonable steps to minimize the number and duration of interruptions and outages.

As set out in sections 8.13 and 17.1 below, these Terms and Conditions limit your right to claim compensation from us as a result of any interruption or outage.

SECTION 8—DE-ENERGIZATION

You may ask us to temporarily or permanently **De-Energize** your **Site** in accordance with sections 8.1 and 8.2.

We also have the right to **De-Energize** a **Site** or discontinue, restrict, or interrupt your **Connection Services** even if you do not request us to, in the circumstances set out in sections 8.5, 8.6, and 8.8.

You may ask us to temporarily De-Energize your Site

8.1 Requests for Temporary De-Energization

If you request (or if your **Retailer, Regulated Rate Provider** or **Default Supplier** requests, on your behalf) a temporary **De-Energization** of your **Site**, we will temporarily **De-Energize** your **Site**, subject to the following conditions:

- you must pay any applicable amounts under section 8.11 before we will **Re-Energize** your **Site**, and
- if your **Site** remains **De-Energized** for 18 months or more, we will consider it to be permanently **De-Energized** and section 8.2 will apply.

You may ask us to permanently De-Energize your Site

8.2 Requests for Permanent De-Energization

You may arrange for termination of your **Connection Services** through your **Retailer, Regulated Rate Provider** or **Default Supplier**.

In such a case, we will permanently **De-Energize** your **Site** as soon as reasonably practicable. You will receive a final bill for **Connection Services**, and we have the right to require you to pay the unrecovered portion of any investment we made to provide your **Connection Services**.

We will continue to bill De-Energized Sites until they are permanently De-Energized

8.3 Billing of De-Energized Sites

We begin charging fees and charges for the services we provide as soon as we begin providing service, and we have the right to continue to charge these fees and charges until the respective **Site** is permanently **De-Energized**.

We have the right to remove our Facilities from Your Property

8.4 Removal of Our Facilities from Your Property

If we permanently **De-Energize** your **Site**, we have the right to enter **Your Property** and remove our **Facilities**.

We may De-Energize your Site based on conditions at Your Property

8.5 De-Energization Based on Conditions at Your Property

We have the right to **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** without notifying you in advance, or refuse to make **Connection Services** available to **Your Property**, if:

- we reasonably believe that **Your Property** has become hazardous,
- we reasonably believe **Your Property** is unsafe or defective or is about to become unsafe or defective,
- we reasonably believe there has been tampering with or alteration of any of our service conductors, seals or any **Facilities** or **Meters**, or
- we reasonably believe that **Connection Services** on **Your Property** are being used for an unlawful purpose or in connection with a criminal enterprise,

- we reasonably believe that **Your Property** does not comply with applicable statutes, regulations, standards and codes or our requirements,
- you own or operate a **Generating Unit** that is connected to our **Facilities** that you have not told us about,
- you own or operate any equipment that is capable of producing or storing power, whether or not that equipment is connected to or otherwise associated with a **Generating Unit**, and we reasonably believe that your operation of that equipment has caused or may cause a disturbance or power quality issues on our **Electric Distribution System**, or
- we reasonably believe that the continued provision of **Connection Services** to **Your Property** could cause damage to our **Facilities** or our **Electric Distribution System** or interfere with or otherwise disturb any other services we provide.

We will **Re-Energize** your **Site** or restore your **Connection Services** when:

- the condition that caused us to **De-Energize** the **Site**, discontinue, restrict, or interrupt your **Connection Services**, or refuse to make **Connection Services** available to **Your Property** has been corrected to our satisfaction,
- you have paid the costs of any services or **Facilities** that we have provided to fix the condition and prevent it reoccurring, and
- **Your Equipment** is approved by the appropriate authority.

We may De-Energize your Site or discontinue, restrict, or interrupt your Connection Services for safety reasons

We will make a reasonable effort to notify you, within a reasonable time after **De-Energization**, of the reason for the **De-Energization** or the discontinuation, restriction, or interruption of your **Connection Services** and the steps you must take before we will **Re-Energize** your **Site** or restore your **Connection Services**.

8.6 De-Energization for Safety or Operational reasons

We may **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** or any other service we provide:

- to maintain the safety and reliability of our **Electric Distribution System**, the **Transmission System**, the **IES**, or the electrical system of a connecting entity,
- for any safety-related reason,
- when we are directed to do so by the **ISO**,
- when we are requested to do so by a public protective service, such as the police or fire department,
- to facilitate construction, installation, maintenance, repair, replacement or inspection of any of our **Facilities**, or
- for any other reason, including emergencies, forced outages, potential overloading of **EPC's Electric Distribution System**, the **Transmission System**, the **IES**, or **Force Majeure**.

We will **Re-Energize** your **Site** or restore your **Connection Services** when the condition that caused us to **De-Energize** your **Site** or to discontinue, restrict, or interrupt those services has been resolved.

We will try to give notice of a De-Energization for safety or operational reasons, but are not required to do so

We may De-Energize your Site for other reasons

8.7 Notice of De-Energization for Safety or Operational Reasons

If we **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** or any other service we provide to you for safety or operational reasons, we will make reasonable efforts to provide you with advance notice, but we may not always be able to do so.

8.8 De-Energization for Other Reasons

Subject to section 8.10 below, we may **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** or any other service we provide, or install a **Load Limiting Device** or **Load Limiting Program** to restrict the capability of **Connection Services** if you:

- fail to make payment to us,
- fail to make payment to your **Retailer, Regulated Rate Provider** or **Default Supplier** and your **Retailer, Regulated Rate Provider** or **Default Supplier** requests us to **De-Energize** your **Site**
- fail to enable access to a **Meter** on **Your Property** after receiving a request to do so,
- change your requirements for **Connection Services** without our written permission,
- provide us with incorrect information or make fraudulent or unauthorized use of **Connection Services**, or
- otherwise violate any provision of these **Terms and Conditions** or other components of the **Distribution Tariff**,

In most cases, we will give you at least 48 hours' notice of a De-Energization for other reasons

We will not De-Energize the Sites of residential Customers at certain times of the year

We will Re-Energize your Site, but depending on why they were De-Energized, you may have to meet certain conditions before we will do so

8.9 Notice of De-Energization for Other Reasons

We or your **Retailer** will make reasonable efforts to give you at least 48 hours oral or written notice if we intend to **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** for any of the reasons set out in section 8.8 above, except where you have provided us with incorrect information or have made fraudulent or unauthorized use of **Connection Services**. If you have provided us with incorrect information or have made fraudulent or unauthorized use of **Connections Services**, we have the right to **De-Energize** your **Site** without giving you notice.

8.10 Load Limiting Device

If you are a residential **Customer** who receives **Connection Services** from us under **Rate Schedule D100** and you have failed to make payment to your **Retailer**, **Regulated Rate Provider**, or **Default Supplier**, your **Regulated Rate Provider** or **Default Supplier** may request us to **De-Energize** your **Site**. However, at any time between October 15 to April 15, or if the temperature is forecast to be below 0 degrees Celsius in the 24-hour period immediately following the date we would otherwise **De-Energize** your **Site**, instead of **De-Energizing** your **Site**, we may install or activate a **Load Limiting Device** or **Load Limiting Program**.

8.11 Re-Energization of a Site

If we have **De-Energized** your **Site** or restricted your **Connection Services** with a **Load Limiting Device** or **Load Limiting Program** for any of the reasons set out in section 8.8, we will only **Re-Energize** your **Site** or remove the restriction once you have:

- paid all amounts in arrears you owe to us, your **Retailer**, **Regulated Rate Provider** or **Default Supplier** and you have

also made payment arrangements with us, your **Retailer**, **Regulated Rate Provider** or **Default Supplier** for any other outstanding amounts, and

- resolved any applicable non-financial reason for the **De-Energization**.

We will only **Re-Energize** a **Site** if the main circuit breaker on the electric panel is off or the resident or owner of the **Site** is present. We charge a fee to **Re-Energize** a **Site**, as set out in Schedule A.

If we De-Energize your Site for any reason, you are still required to pay our Distribution Tariff Charges

8.12 Liability for Distribution Tariff Charges

If we temporarily **De-Energize** your **Site** or discontinue, restrict, or interrupt your **Connection Services** for any reason, you must continue to pay all of the charges under our **Distribution Tariff**, including the local access fee and all charges under the applicable **Rate Schedule** for the period during which your **Site** was **De-Energized** or your **Connection Services** were discontinued, restricted or interrupted.

We are not liable to you for any loss or damage resulting from De-Energization or Disconnection of Connection Services

8.13 No Liability for De-Energization or Disconnection

No **EPC Party** is liable to **Customers** or any other **Person** for any loss, damage, injury or claim of any nature whatsoever, including any form of direct damages, indirect damages, consequential damages, loss of income, loss of revenue or loss of profit, arising from or connected in any way with:

- **De-Energization** of a **Site** or the discontinuation, curtailment, interruption or reduction of **Connection Services** or any other service we provide, or
- the failure to give notice or the content of the notice of a **De-Energization**, discontinuation, curtailment, interruption or

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reduction in **Connection Services** or any other service we provide.

SECTION 9– METERS AND METERING***We provide Meter Services*****9.1 Meter Services**

We provide all **Meter Services** in our service area. We are accredited by Measurement Canada to provide these services and will only install Measurement Canada approved metering equipment.

We own the Meters for all our Sites**9.2 Ownership of Meters**

We will own, install, seal and approve the **Meters** for all **Sites** on our **Electric Distribution System** as set out in our **Metering Standard**, which you can find on the enmax.com website. We will own the **Meter**, even if it is attached to **Your Property**, and even if you have paid us for the **Meter**.

The type of **Meter** that we install will depend on the type of **Customer** you are and your needs.

If the **Customer** at a **Site** changes, we have the right to remove or modify the **Meters** at that **Site**.

We may make changes at any time to any **Meter** we have installed.

A **Customer** may install a **Meter** for the **Customer's** own use provided that the **Meter** is not installed between the **Meter** that we have installed and our **Electric Distribution System**. A **Meter** installed by a **Customer** for the **Customer's** own use must not be used for **Unauthorized Revenue Sub-metering**.

We decide whether Sites are metered**9.3 Metering of Sites**

We have the right, in our sole discretion, to decide whether a **Site** will be metered or unmetered.

We will install interval Meters under certain circumstances

9.4 Interval Meters

We will install **Interval Meters** at new **Sites** with a planned installed capacity of 150 **kVA** or greater, or as required by the **Micro-Generation Regulation**. We will replace a non-interval **Meter** with an **Interval Meter** at an existing **Site** at our cost:

- when the **Demand** registers 150 **kVA** or greater twice in a twelve month period, or
- when modifications are made to the **Electric Distribution System** infrastructure to supply a **Site** with a capacity of 150 **kVA** or greater.

Once an **Interval Meter** has been installed at a **Site**, we will not remove it, even if you ask us to, unless the **Site** is permanently **De-energized**, even if the **Customer** changes.

9.5 Costs of Interval Meters

You may request an Interval Meter, communication device or non-standard Meter but you will be responsible for the costs

If you request, we may, at our sole discretion, agree to install:

- an **Interval Meter** when your capacity requirement is less than 150 **kVA**,
- a communication device attached to an existing **Meter**, or
- an **EPC** approved non-standard **Meter**.

If we agree to install a different type of **Meter** or a communication device at your request, we will bill you or your **Retailer** for all of our costs of providing and installing the **Meter** or communication device. We will own the **Meter** or the communication device.

Our Metering Standard applies to all new Service Connections

9.6 Metering for New Service Connections

All new metered **Service Connections** will be metered in accordance with our **Metering Standard**, which you can find on the enmax.com website.

You must provide a suitable Meter socket

9.7 Meter Socket

You must provide, own and install a **Meter** socket or **Meter** enclosure and other structures or equipment that we determine are required for us to provide **Meter Services**. All **Meter** sockets must be **CSA** approved. The specific requirements are set out in our **Requirements for Distribution Wires Access, Network Servicing Policies and Guidelines** and related documents, which you can find on the enmax.com website.

Our employees and contractors may enter Your Property to read or test the Meter

9.8 Meter Access, Reading and Testing

We must have access to the **Meter** on **Your Property** in order to provide **Meter Services**, and you must give us that access.

If we are unable to access the **Meter** on **Your Property** or if we are unable to access the **Meter** safely, we will make reasonable efforts to contact you and make arrangements so that we have consistent, safe access to the **Meter**.

We may enter onto **Your Property** at any reasonable time and without notice, to provide **Meter Services**. You are not allowed to prevent or interfere with our entry to **Your Property** for these purposes.

You may request that the **Meter** on **Your Property** be tested. If you make such a request, we will arrange to test the **Meter**. You may also dispute the accuracy of the **Meter** through Measurement Canada under the *Electricity and Gas Inspection Act* (Canada).

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We will charge you a fee for **Meter** testing that you request. This fee is set out in Schedule A. If the test shows that the **Meter** is inaccurate, we will refund the fee to you.

SECTION 10– SPECIFIC PROVISIONS RELATING TO DISTRIBUTED ENERGY RESOURCE**CUSTOMERS**

This section applies to Customers with Distributed Energy Resources

10.1 Distributed Energy Resources

This section sets out the specific provisions that apply to **Customers** who own or operate **Distributed Energy Resources**.

The requirements in this section apply in addition to the requirements set out elsewhere in these **Terms and Conditions** that apply to **Connection Services**. If there is a conflict between a requirement set out elsewhere in these **Terms and Conditions** and a requirement set out in this section, this section governs, to the extent of the conflict.

If there is any conflict between the requirements of these **Terms and Conditions** and the **Micro-Generation Regulation**, the **Small Scale Generation Regulation**, or any rules and guidelines established by the **AUC** or the **ISO** with respect to **Distributed Energy Resources**, including micro-generation, those requirements govern, to the extent of the conflict.

All Distributed Energy Resource Customers must apply for Distributed Energy Resource Interconnected Services

10.2 Eligibility

Customers who meet our requirements may apply for **Distributed Energy Resource Interconnection Services**.

You and **EPC** must comply with all of the legislative and regulatory requirements that apply to **Distributed Energy Resources**. These include requirements under the **EUA** and its regulations as well as requirements imposed by the **AUC** and the **ISO**.

The requirements that you must meet before connecting **Your Equipment** to our **Electric Distribution System** are described in the **Distributed Energy Resource Technical Interconnection**

Requirements, Requirements for Distribution Wires Access and Network Servicing Policies and Guidelines. You can find these documents on the enmax.com website.

In addition, if **Your Equipment** is a **Micro-Generator**, you and **EPC** must also comply with any applicable requirements under the **Micro-Generation Regulation** and **AUC Rule 024** before connecting the **Micro-Generator** to our **Electric Distribution System**.

The regulations, **ISO** rules and standards and **AUC** rules and guidelines that apply to you may change. It is your responsibility to comply with any changes that affect you. We will not tell you when any of the requirements that affect you change, unless they are changes to requirements imposed by us.

You must make an application

10.3 Application

In order to receive **Distributed Energy Resource Interconnection Services**, you must use the applicable application form established by us or the **AUC**, and you must return the completed application form to us. Our employees, agents and contractors are not authorized to orally change any parts of the application form or to make any promises that are not set out in the application. Any changes to our application form must be in writing and agreed to and signed by us.

If you ask us to, we will provide you with detailed information about how to apply for **Distributed Energy Resource Interconnection Services** as well as your and our responsibilities for the installation, operation and maintenance of **Distributed Energy Resources** and our **Facilities**.

You must provide us with the information we require

10.4 Required Information

In order to process your application for **Distributed Energy Resource Interconnection Services**, you must provide us with the information set out in our **Distributed Energy Resource Technical Interconnection Requirements**, which you can find on the enmax.com website.

We may reject your application

10.5 Rejection of Application

In addition to the reasons set out in 0 above, for which we may reject an application for **Connection Services**, we may also reject an application for **Distributed Energy Resource Interconnection Services** if the proposed interconnection has characteristics that might adversely affect the quality of service supplied to other **Distributed Energy Resources**, other **Customers**, safety of the public, or the safety of **EPC's** employees or contractors.

We will make reasonable efforts to provide you with service

10.6 Provision of Service

If we approve your application for **Distributed Energy Resource Interconnection Services**, we will make reasonable efforts to provide you with service that will allow for the supply of **Electricity** from **Your Equipment** in a manner that does not degrade power quality or the operability of our **Electric Distribution System** or the **IES**.

We may require you to enter into an Interconnection Agreement with us

10.7 Interconnection Agreement

In order for you to receive **Distributed Energy Resource Interconnection Services**, we may require you to enter into an **Interconnection Agreement**, which includes all of the **Operating Procedures** that you must follow.

All of Your Equipment must be suitable

10.8 Suitability of Your Equipment

All of **Your Equipment**, including the **Distributed Energy Resource**, must be suitable for operating with our **Distributed Energy Resource Interconnection Services**. You must not use your **Distributed Energy Resource** for any purpose or with any equipment that would cause a disturbance on any part of our **Electric Distribution System**.

The installation of **Your Equipment**, including the **Distributed Energy Resource**, must conform to the requirements of our **Distributed Energy Resource** standards and guidelines that we establish from time to time, including the **Distributed Energy Resource Technical Interconnection Requirements**. You can find these standards and guidelines on the enmax.com website.

You must operate and maintain **Your Equipment**, including the **Distributed Energy Resource**, in compliance with our standards and guidelines, including those set out in our **Distributed Energy Resource Technical Interconnection Requirements** and in the **Micro-Generation Regulation**.

We will install a bi-directional Meter

10.9 Metering

If you request a new **Meter**, we will process that request according to our **Requirements for Distribution Wires Access** and our **Metering Standard**.

At your request, we will provide, install and seal a bi-directional **Meter** to measure the **Electricity** you inject onto or withdraw from our **Electric Distribution System**. The **Meter** is our property, even if it is located on or attached to **Your Property**, and even if you have paid for the Meter.

If required, we may install an additional **Meter** specifically for your **Distributed Energy Resource**.

If the **Generating Unit** is a community **Generating Unit** under the **Small Scale Generation Regulation**, we will comply with the metering requirements under that regulation.

If the **Generating Unit** is a **Micro-Generator**, we will comply with the metering requirements under the **Micro-Generation Regulation**.

We may make changes at any time to any **Meter** we have installed.

You remain the owner of Meters installed by you on your side of our Meter

10.10 Your Meters

You remain the owner of any meter owned and installed by you on your side of our **Meter**.

We require telemetry for certain Distributed Energy Resources

10.11 Telemetry

We require telemetry for all **Distributed Energy Resources** that have a capacity of 5 MW or larger. You are responsible for the cost of purchasing, installing and maintaining that telemetry.

We may also require you to purchase, install and maintain telemetry for a **Distributed Energy Resource** that has a lower capacity if we determine that telemetry is required in order to maintain reliable operation of our **Electric Distribution System**, or if the **ISO** tells us that it requires telemetry in order to maintain reliable operation of the **IES**.

Details regarding our telemetry requirements are set out in our **Distributed Energy Resource Technical Interconnection Requirements**, which you can find on the enmax.com website.

You must pay the cost of interconnecting Your Equipment unless the Micro-Generation Regulation applies

10.12 Interconnection Costs

You must pay us for the interconnection of **Your Equipment** to our **Electric Distribution System** unless the **Micro-Generation Regulation** requires us to invest in that interconnection.

Interconnection costs include, but are not limited to, costs we incur in the design, supply, construction, operation and maintenance of all interconnection, protective and metering equipment, including the costs of any changes to the **Facilities**. Our investment policy (described in Section 12, 13 and 14) applies to these interconnection costs.

You must buy and maintain liability insurance at your cost.

10.13 Insurance

Unless the terms of our **Interconnection Agreement** with you provide otherwise, you must buy a liability insurance program for the operation of your **Distributed Energy Resource** that a prudent operator of similar equipment would buy. You must pay the cost of this insurance and you must keep it in place for so long as your **Distributed Energy Resource** is connected to our **Facilities**.

Your insurance must include waivers of subrogation in favour of us. Any commercial general liability policy that you buy must include a cross liability and blanket contractual clause, and must name us as an additional insured.

You must provide us with a copy of the certificate of insurance.

You are responsible for the proper use of our service and the condition of Your Equipment

10.14 Distributed Energy Resource Liability

As a condition of receiving **Distributed Energy Resource Interconnection Services**, you assume full responsibility for the proper use of those services and for the condition, installation and suitability of **Your Equipment**.

SECTION 11– SPECIFIC PROVISIONS RELATING TO TRANSMISSION CONNECTED CUSTOMERS

*This section applies to
Transmission Connected
Customers*

11.1 Transmission Connected Customers

This section sets out the specific provisions that apply to **Transmission Connected Customers**. The requirements in this section apply in addition to the requirements set out elsewhere in these **Terms and Conditions** that apply to **Connection Services**. If there is a conflict between a requirement set out elsewhere in these **Terms and Conditions** and a requirement set out in this section, this section governs, to the extent of the conflict.

*We will make
arrangements with the
ISO for System Access
Service*

11.2 System Access Service

Unless you have our permission to contract directly with the **ISO** for **System Access Service** under section 11.8 below, we will arrange for the provision of **System Access Service** from the **ISO** for you. The arrangements for **System Access Service** and associated transmission **Facilities** for you will be aligned with your service requirements. The rates, terms and conditions of the **ISO** tariff will be applied directly to you.

We will commit to the **ISO** for the construction of any new **Facilities** required to provide **System Access Service** to you only after we have made credit arrangements, guarantees and commitment agreements with you that are acceptable to us.

You are required to sign an interconnection agreement with the transmission facility owner before we will enter into a **System Access Services** agreement with the **ISO** on your behalf.

*You must pay for any
Facilities*

11.3 New Facilities

If new **Facilities** are required to provide **System Access Service** to you and if the **ISO** or the transmission facility owner requires a

You are also subject to the ISO's tariff

customer contribution in respect of those **Facilities**, a charge for that contribution will apply directly to you and payment must be made as required under the terms of the **ISO** tariff.

11.4 Application of the ISO's Tariff

You are subject to the provisions of the **ISO's** tariff as it applies to **EPC** at the **POD** to which you are connected. We will invoice you for all amounts under the **ISO's** tariff that apply to you, including contributions, riders, application fees, miscellaneous charges, study costs, and **ISO** deferral account dispositions.

We will invoice you as set out in the **Rate Schedule** that applies to **Transmission Connected Customers**.

Your Meter will be at the POD

11.5 Metering

Your **Meter** is the **Meter** at the respective **POD** and is subject to the **ISO's** metering requirements. You will be responsible for any cost associated with any changes or upgrades to the **Meter** that are required to provide **System Access Service** and to satisfy the **ISO's** metering requirements.

You may request changes to your System Access Service, but the ISO must agree to them

11.6 Changes to System Access Service

If you wish to change your **System Access Service**, you must send us a written request that complies with the notice requirements set out in the **ISO's** tariff. We will make a request to the **ISO** on your behalf for an increase or decrease in transmission contract levels at the **POD** to which you are connected, or for a change to the terms of **System Access Service**.

Any changes to your **System Access Service** will be effective only when the **ISO** and **EPC** agree to them.

You are responsible for exit costs when your service ends

You must pay any costs associated with the change to your **System Access Service**. If the change results in a refund from the **ISO**, we will credit you with the refund.

11.7 Exit Costs

If your **System Access Service** ends, you must pay all transmission-related exit costs, including:

- any costs the **ISO** charges to us as a direct consequence of your **System Access Service** ending,
- the present value of any ongoing **System Access Service** costs for the particular **POD** that are attributable to you and that we will not otherwise be able to recover from you as a direct consequence of your termination of service,
- any other un-recovered transmission related amounts as set out in the contract between you and us, and
- any outstanding amounts attributable to you with respect to, but not limited to, any deferral accounts, rate riders or **AUC** decisions.

You may enter into an arrangement directly with the ISO for System Access Service, but only with prior approval

11.8 Contracting Directly with the ISO for System Access Service

If you wish to contract directly with the **ISO** for **System Access Service**, you may do so only with prior approval as required by subsection 101(2) of the **EUA** and section 24.4 of the **Transmission Regulation**. This approval is discretionary.

If you receive approval to contract directly with the **ISO** for **System Access Service**, we have the right to bill you directly for all riders or other charges approved by the **AUC** and any local access fees for

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services we provided to you before you began to receive **System Access Service** directly from the **ISO**.

Once you begin to receive **System Access Service** directly from the **ISO** and you have paid any outstanding amounts that you owe us, you will no longer be subject to our **Distribution Tariff**.

SECTION 12– EPC INVESTMENT –GENERAL PROVISIONS

System feeders on City of Calgary property may be subject to City Standards

12.1 System Feeders on City of Calgary Property

If we construct a system feeder on City of Calgary property, including along City of Calgary roadways, our investment will include the cost of complying with any applicable **City Standards**.

You must provide space for our Facilities and any property rights that we need to provide service to you

12.2 Space for our Facilities

You will provide us, free of charge, with space on **Your Property** for us to install the **Facilities** required to provide a **Service Connection**. The specific equipment we must install will vary depending on your service requirements, but may include transformers, pull-boxes and switchgear.

The space you provide us must meet our requirements, including operational clearance zones, and must allow us to safely install, access, operate and maintain our **Facilities**.

You will also provide us, free of charge, with any easements, rights-of-way and rights of entry over, on or under **Your Property** that we require to install and access the **Facilities** needed to provide a **Service Connection** to **Your Property**.

SECTION 13— EPC INVESTMENT IN RESIDENTIAL DEVELOPMENTS

We have different investment policies for standard and non-standard residential developments

13.1 Standard and Non-standard Residential Developments

As described in section 13.2 below, we have different investment policies for standard and non-standard residential developments.

A standard residential development has the following characteristics:

- there will be at least 15 lots or dwellings in any single development area,
- the development is made up of individually serviced dwellings,
- there is no subdivision of existing lots that we already provide service to (such as for infill developments),
- an average lot will be no wider than 23 metres,
- at least 7 lots or dwellings will be serviced from each new transformer,
- we may use transformers to serve the residential development that were previously installed to serve earlier parts of the development,
- the distance from the nearest primary supply point to the first transformer divided by the greater of the number of lots or the number of individually serviced dwellings will be no more than 12 metres, and
- no dwelling will have more than a 200 Amp service.

A residential development that does not have all of these characteristics is a non-standard residential development.

We will invest in a modified underground residential distribution system for a standard residential development

13.2 Responsibility for Residential Development Costs

For standard residential development, we will invest the full amount necessary to provide a modified underground residential distribution system. This includes an overhead feeder, underground services to individual lots and the material cost associated with the service coil, as defined in our **Requirements for Distribution Wires Access**. You are responsible for the maintenance and replacement of the service coil on **Your Property**.

If you want a total underground residential distribution system, with an underground feeder rather than an overhead feeder, you must pay us the difference between the cost of an underground feeder and an overhead feeder.

For non-standard residential and multi-family dwelling developments, you must pay the actual cost of the **Service Connection** less the applicable non-standard residential investment level.

You can find the amount we will invest in residential developments in the Investment Level Schedule that forms part of these **Terms and Conditions**.

Where a residential development includes one or more **Generating Units** that are **Micro-Generators**, we will comply with the metering and connection provisions of the **Micro-Generation Regulation**.

You must make a **Customer Contribution** to us if there is a difference between the cost of your **Service Connection** and the amount we invest. As described in section 1.6 above, we will provide you with an estimate of your **Customer Contribution**. However, the **Customer Contribution** that you must pay will always be based on the actual cost of your **Service Connection**, not the estimated cost.

SECTION 14—EPC INVESTMENT IN NON-RESIDENTIAL DEVELOPMENTS

We offer Meter-based and Demand-based investments

14.1 Meter-based and Demand-based Non-residential Investments

Where applicable, you may select one of our two investment options for non-residential investments. The first is a fixed investment per **Meter**. The second is a **Demand**-based investment amount that is determined based on the **Minimum Contract Demand**.

Not all non-residential developments qualify for a **Demand**-based investment. In order to qualify for a **Demand**-based investment, you must meet the requirements for rate classes D300, D310 or D410, you must have a **Meter** that is capable of recording **Demand**, and you must enter into one of our **Minimum Demand Agreements** for a term of 5, 10 or 15 years.

If you meet the eligibility requirements for both types of investment, you may choose which type of investment you want us to make.

Our investment depends on the characteristics of your development, but we do not invest in any transmission facilities

14.2 EPC Standard Non-Residential Investment

The **EPC Standard Non-Residential Investment** for non-residential developments depends on your development, its expected characteristics, and the **Rate Class** into which it will fall. You can find the **EPC Standard Non-Residential Investments** in the Investment Level Schedule that forms part of these **Terms and Conditions**. We may invest an amount that is less than the **EPC Standard Non-Residential Investment** in the circumstances described elsewhere in this section. If Section 14.8 applies, we may invest more than the **EPC Standard Non-Residential Investment**. We do not invest in transmission facilities.

You must make a **Customer Contribution** to us if there is a difference between the cost of the **Service Connection** and the applicable **EPC Standard Non-Residential Investment**. As described in section 1.6 above, we will provide you with an estimate of your **Customer Contribution**. However, the **Customer Contribution** that you must pay will always be based on the actual cost of your **Service Connection**, not the estimated cost.

Different terms apply to the connection of different Distributed Energy Resources

14.3 Connection of Distributed Energy Resources

If your development has a **Generating Unit** that is a **Micro-Generator**, we will comply with the connection requirements under the **Micro-Generation Regulation**.

If your development has a **Distributed Energy Resource** other than a **Micro-Generator**, you must pay the cost of all **Facilities** that are required for us to provide you with **Distributed Energy Resource Interconnection Services**.

We will only invest if you meet these conditions

14.4 Applicable Conditions

For non-residential developments, we will only invest in new **Service Connections** or where additional **Facilities** are required to serve new **Load** at an existing **Service Connection**.

To receive an investment that is based on **Demand** (as shown in the Investment Level Schedule that forms part of these **Terms and Conditions**), you must also enter into our **Minimum Demand Agreement** with a term of 5, 10 or 15 years. The term of the **Minimum Demand Agreement** will affect the **EPC Investment**: the longer the term, the more we will invest.

If you assign your **Minimum Demand Agreement**, the **Person** to whom you assign it will be subject to your past billing and **Demand** history under that agreement.

If you sell or otherwise dispose of **Your Property** without formally assigning your **Minimum Demand Agreement**, you will be deemed to have assigned that agreement to the **Person** to whom you sell or otherwise dispose of **Your Property**, and that **Person** will be subject to your past billing and **Demand** history under that agreement.

It is the sole responsibility of the **Person** who takes over the use or operation of an existing **Site** to undertake thorough due diligence to determine whether any **EPC Agreements** apply to that **Site** and the terms of those agreements.

We may make an additional investment up to five years after we Energize your Service Connection

14.5 Additional Investment

If you demonstrate to our satisfaction, or if we determine that your peak electrical **Load** has changed within five years after the date we **Energize** your non-residential **Service Connection** and that change meets at least one of the requirements for an additional investment from us, we will make that additional investment. These requirements include a) additional metered services, and/or b) additional electrical Demand that you would be willing to contract for under a Minimum Demand Agreement.

We may refuse to invest in temporary Service Connections

14.6 Temporary Service Connections

If we reasonably believe that the **Service Connection** that you have requested will be used for two years or less, then we consider that **Service Connection** to be temporary, and we have the right to refuse to invest in that **Service Connection** and to require that you pay us the following, before we provide the **Service Connection**:

We have the right to withhold or reduce our investment

- the estimated cost of **Facilities**, plus
- the estimated cost of installation and removal of **Facilities** necessary for the requested service, less
- the value of any material that we reasonably believe can be reused.

14.7 Discretion to Withhold or Reduce our Investment in new Service Connections

We have the right to withhold or reduce any investment we would otherwise make under this section. If we do so, we will provide you with a written explanation describing:

- our reasons for withholding or reducing our investment, and
- your right to appeal our decision to the **AUC**.

We will also send a copy of this explanation to the **AUC**.

Some high density developments require us to install different types of Facilities

14.8 High Density Developments

Certain high density developments, particularly zero lot line developments, do not provide sufficient space for us to install, access and maintain **Facilities** required to provide a standard or typical **Service Connection**. If we determine that this is the case with your development, we will invest in and install an underground feeder system and the ancillary equipment and **Facilities** that are needed to operate and maintain the underground feeder, including padmount switches, manholes and switches inside the transformer vault.

Additionally, if we, in our sole discretion, determine that standby transformation is required for us to provide reliable service to the type of development referred to in this section, we will invest in and install that standby transformation.

**You can change your
Minimum Contract
Demand****14.9 Changing Your Minimum Contract Demand**

If the **EPC Standard Non-Residential Investment** for your **Service Connection** is based on a **Minimum Contract Demand**, you may reduce your **Minimum Contract Demand** by repaying part of the investment we originally made. You may do this any time during the term of your **Minimum Demand Agreement**.

The amount you must pay to reduce your **Minimum Contract Demand** is determined using the following formula:

$$(original\ EPC\ investment - revised\ EPC\ investment) \times (1 - (contract\ years\ completed / contract\ term))$$

We may also, at our sole discretion, allow you to increase your **Minimum Contract Demand**, in which case we will increase the investment we originally made. This may only be done once, and must be done within five years of the date we **Energized** your **Service Connection**. The additional investment we will make if you increase your **Minimum Contract Demand** is determined using the following formula:

$$(revised\ EPC\ investment - original\ EPC\ investment) \times (1 - (contract\ years\ completed / contract\ term))$$

**We do not refund
Customer Contributions****14.10 No Refund of Customer Contributions**

We will not refund any part of a **Customer Contribution** you made for your **Service Connection** if some or all of the **Facilities** we built for your **Service Connection** are later used to provide service to other **Customers**.

We also do not endorse, and will not facilitate, the refund of a **Customer Contribution** from one **Customer** to another.

We will allow you to defer the effective date of your Minimum Demand Agreement by up to two years

14.11 Minimum Demand Agreement –Deferred Effective Date

If you enter into a **Minimum Demand Agreement** with us, you may defer the effective date of that agreement by up to two years without affecting the timing or amount of our investment, so long as the deferred effective date is within five years from the date we **Energized your Service Connection**.

If you defer the effective date of your **Minimum Demand Agreement**, the termination date of that agreement will automatically be extended by the same period of time by which you deferred the effective date.

We require a Customer Contribution for all Optional Facilities

14.12 Customer Contribution for Optional Facilities

We will require you to pay the full cost of any **Facilities** that you request and we install that we consider to be **Optional Facilities**.

At the time we install **Optional Facilities**, we will also require you to pay an additional 20% of the full cost of those **Optional Facilities** in order to compensate us for the increased operation and maintenance expenses associated with them.

If you have a primary metered Site, you may convert to a secondary metered Site

14.13 Conversion to Secondary Metered Site

If you receive service from us under rate class D410 and you own (or rent) electric distribution equipment behind the **Meter** that falls within the definition of an **Electric Distribution System**, we consider your **Site** to be a “primary metered” **Site**.

If your **Site** is a primary metered **Site**, you are solely responsible for operating and maintaining the electric distribution equipment behind the **Meter**, and you must comply with the applicable requirements of the *Safety Codes Act* and the *Alberta Electrical Utility Code*.

If you have a primary metered **Site**, it may be possible to convert your **Site** to a secondary metered **Site**. Once converted, we will be responsible for operating and maintaining that equipment, and it will form part of our **Electric Distribution System**.

If you choose to convert your **Site** to a secondary metered **Site**, you must do so at your cost. We may invest in the conversion and will determine the amount, if any, on a case by case basis. In determining that amount, we will take into account factors including the age and condition of the existing equipment and whether it is suitable for continued use as part of our **Electric Distribution System**.

PART B: GENERAL**SECTION 15– INTERPRETATION**

These Terms and Conditions take priority over other agreements if there is a conflict

15.1 Conflicts

If there is any conflict or ambiguity between a provision in these **Terms and Conditions** or a **Rate Schedule** and in any **EPC Agreement**, the provisions of these **Terms and Conditions** or the **Rate Schedule** will govern, to the extent of the conflict or ambiguity.

The headings on the Terms and Conditions do not affect their meaning

15.2 Headings and Marginal Notes

The division of these **Terms and Conditions** into sections and the use of headings and marginal notes are intended to make the **Terms and Conditions** easier to understand, but do not affect the meaning or interpretation of the **Terms and Conditions** themselves.

Plural includes singular and vice versa

15.3 Plural and Singular

In these **Terms and Conditions**, words in the singular include the plural and words in the plural include the singular.

Related words have corresponding meanings

15.4 Related Forms of a Word or Phrase

Where a word or phrase is defined in these **Terms and Conditions**, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

“Including” means “including without limitation”

15.5 Extended Meaning of “including”

Where the word “including” is used in these **Terms and Conditions**, it means “including, without limitation.”

References to legislation and AUC rules include all amendments

15.6 Legislation and Rules

Where these **Terms and Conditions** refer to a statute, regulation, or any rule made by the **AUC** or the **ISO**, that reference includes any amendments to them.

These Terms and Conditions are governed by Alberta laws

15.7 Governing Law

These **Terms and Conditions** and **EPC Agreements** are governed by the laws of the Province of Alberta. Any lawsuit in connection with these **Terms and Conditions** or an **EPC Agreement** must be brought exclusively in an Alberta court.

Notices under these Terms and Conditions must be in writing to the names and addresses set out

15.8 Notices

Notices under these **Terms and Conditions** or an **EPC Agreement** must be in writing and must be sent by mail, e-mail, delivery or fax (provided that if sent by fax, the original must then be sent by mail or delivered) addressed as follows:

- if to the **Customer**, to the address, e-mail address or fax number in our records,

- if to **EPC**:

ENMAX Power Corporation
ENMAX Place
141 – 50th Avenue SE Calgary, Alberta
T2G 4S7

Attention: Director, Legal Services.

Any **Party** may change the name or position of the **Person** to receive notice or the address for notice by giving written notice of the change as set out in this Section. Notice sent by:

- fax will be considered delivered on the next **Business Day** provided there is confirmation the fax was sent,

- mail will be considered delivered at the end of the fourth **Business Day** after mailing,
- e-mail will be considered delivered at the time the e-mail is sent, unless the sender receives an error message indicating that the message could not be sent or was not delivered, in which case, the notice was not effective, and
- delivery will be considered delivered at the time of delivery so long as proof of delivery date is provided.

We will send general operational notifications electronically.

ENMAX Energy Corporation is the Default Supplier

15.9 Default Supplier

EPC has appointed ENMAX Energy Corporation as its **Default Supplier**. The **Default Supplier** must provide **Retail Electricity Services** to a **Customer** that is not an **Eligible Customer**, where the **Customer** is unable to:

- continue to purchase **Retail Electricity Services** from the **Customer's Retailer** for any reason, or
- obtain **Retail Electricity Services** for any reason.

SECTION 16 – OTHER REQUIREMENTS

We retain ownership of our equipment and Facilities

16.1 Ownership of Our Facilities

We retain ownership of our **Facilities** even if they are located on or attached to **Your Equipment** or **Your Property**.

You must pay the costs for service calls related to Your Equipment

16.2 Cost for Service Calls

You must pay for service calls you request if the reason for your request relates to your operations or **Your Equipment**.

We must comply with all ISO rules and you will assist with that

16.3 Compliance with ISO Rules

We are required to comply with **ISO** operating instructions, policies and procedures, as set out in the current **ISO** rules and **ISO** operating policies and procedures. If we ask you to, you must cooperate with us to ensure that we are able to comply with these instructions, policies and procedures.

We may use contractors

16.4 Contractors

We may use contractors to do work on our behalf or to carry out our obligations under these **Terms and Conditions** or under an **EPC Agreement**.

SECTION 17 – LIABILITY AND INDEMNITY

We are not liable to you for losses you suffer relating to Connection Services

17.1 Limitation of Liability

Notwithstanding any other provision of these **Terms and Conditions** or of any agreement between **EPC** and a **Customer** relating to the provision of any **Connection Services**, an **EPC Party** will not be liable to a **Customer Party** for any loss, injury, damage, expense, charge, cost or liability of any kind suffered or incurred by any **Customer Party**, whether of a direct, indirect, special or consequential nature, however or whenever caused, and whether in any way caused by or resulting from the acts or omissions of an **EPC Party**, or any of them.

The only exception to this limitation is for direct property damage that a **Customer** incurs as a direct result of a breach of these **Terms and Conditions** or applicable agreement or other act or omission by an **EPC Party**, which breach or other act or omission is caused by the negligence or willful misconduct of that **EPC Party**. “Direct property damage” does not include, among other things, indirect damages, consequential damages, loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and **Electricity**, cost of capital, loss of use of any equipment or property, or any other similar damage or loss whatsoever.

We provide **Connection Services** under these **Terms and Conditions**. **Customers** may enter into an arrangement or agreement with a **Retailer** or other **Person** for the provision of services beyond those that **EPC** provides under these **Terms and Conditions**. An **EPC Party** is not liable to a **Customer**, **Retailer** or other **Person** in law, equity, tort or contract for any loss, damage,

injury or claim of any nature whatsoever connected with these arrangements or agreements.

Any liability under this Section is limited to an amount in proportion to the degree to which the **EPC Party** is determined to be at fault in accordance with this section.

You release us from liability for any damages you may suffer

17.2 Release

Subject to section 17.1, an **EPC Party** will not be liable to any **Customer Party** for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the **Customer Party** however and whenever caused, and each **Customer Party** forever releases each and every **EPC Party** from any liability or obligation in respect thereof.

You will be liable for losses we suffer if you breach these Terms and Conditions or any EPC Agreement

17.3 Your Liability

In addition to any other liability provisions set out in these **Terms and Conditions** or any provision in an **EPC Agreement**, a **Customer Party** will be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by an **EPC Party**, whether of a direct or indirect nature, caused by or arising from any acts or omissions of a **Customer Party** that result in a breach of these **Terms and Conditions** or the applicable agreement, or any negligence or willful misconduct of a **Customer Party** outside of a breach of these **Terms and Conditions**. Any liability under this section will be limited to an amount in proportion to the degree to which the **Customer Party** is at fault in accordance with this section.

SECTION 18 – INABILITY TO PROVIDE SERVICES

Our service obligations are suspended during a Force Majeure event

18.1 Force Majeure

If a **Force Majeure** event occurs and affects our ability to provide any services, including **Connection Services**, our affected obligations under these **Terms and Conditions** and any related agreement will be suspended until such **Force Majeure** event ends and for such period of time afterwards as we reasonably require to restore the services. You must continue to pay all applicable charges in the **EPC Distribution Tariff Rate Schedule** during this period.

We will notify you of the Force Majeure Event, including when it ends

18.2 Notification of End of Force Majeure event

We will give you notice of the **Force Majeure** event and will give you notice when the **Force Majeure** event ends.

We will try to resolve the effect of the Force Majeure event

18.3 Resolution of Force Majeure event

We will attempt to resolve the effect of the **Force Majeure** event if we are reasonably able to do so. However, we are not required to resolve or settle any strike, lockout or other labour dispute.

SECTION 19 – DISPUTE RESOLUTION

Disputes about AUC orders or directions must be referred to the AUC

19.1 Disputes About AUC Orders or Directions

Any dispute between **EPC** and a **Customer** that relates to an **AUC** order or direction or that otherwise falls within the exclusive jurisdiction of the **AUC** must be referred to the **AUC** for resolution.

We must try to resolve the dispute ourselves first

19.2 Resolution of Disputes Relating to the Terms and Conditions

If any dispute arises between **EPC** and a **Customer** in connection with these **Terms and Conditions**, **EPC** and the **Customer** will use reasonable efforts to resolve this dispute in an amicable manner. Either **EPC** or the **Customer** may notify the other **Party** in writing that there is a dispute. **EPC** and the **Customer** must meet within 10 days of this notice to try to resolve the dispute.

If **EPC** and the **Customer** are unable to resolve the dispute within 30 days after this meeting, they may jointly agree to a process for resolving their dispute. If they cannot agree on a process, either **Party** may submit the dispute to arbitration by sending the other **Party** a written notice of arbitration that requests arbitration and describes the dispute to be arbitrated.

The default arbitration process is arbitration by a single arbitrator

19.3 Arbitration by a Single Arbitrator

The default arbitration process is arbitration by a single arbitrator jointly appointed by the **Parties** to the dispute. However, if the **Parties** cannot agree on an arbitrator within 10 days of the notice of arbitration, the dispute will be heard by a panel of three arbitrators.

If the parties to the dispute cannot agree on a single arbitrator, the dispute will be heard by three arbitrators

19.4 Arbitration by Three Arbitrators

If the **Parties** to a dispute that has been submitted to arbitration cannot agree on a single arbitrator within 10 days of the notice of arbitration, the dispute will be heard by three arbitrators. No later than 5 days after the expiry of the 10-day period referred to above, each party will appoint one arbitrator. If a **Party** fails to appoint an arbitrator within this period, the other **Party** may, on notice, apply to the Court of Queen's Bench of Alberta to have a Justice of that court appoint an arbitrator.

The two arbitrators will appoint the third arbitrator no later than 10 days after the expiry of the 5-day period referred to above, and the jointly appointed third arbitrator will chair the arbitration panel. If the two arbitrators are unable to agree upon a third arbitrator, either **Party** may apply, on notice, to the Court of Queen's Bench of Alberta to have a Justice of that court appoint the third arbitrator.

The arbitrators must be properly qualified

19.5 Qualification of Arbitrators

Any arbitrator appointed under this section must have the technical or other qualifications necessary to properly make a decision on the dispute.

A decision must be rendered within 90 days or either Party may cancel the arbitration

19.6 Date of Decision

Once the arbitration panel has been appointed (whether it is one arbitrator or three) that panel must render a decision on the dispute within 90 days of the last appointment date.

If the panel does not render a decision within this time period, then by giving 30 days' notice to the other **Party** and the arbitration panel, either **Party** may cancel the arbitration and either issue a

The arbitration panel will make the final decision and neither you nor we may appeal it

Each Party will bear its own costs unless the arbitration panel orders otherwise

The Arbitration Act applies to arbitrations

Parties to a dispute must continue to meet their obligations

new notice of arbitration or have the dispute resolved in court as if this Section 19 did not exist.

19.7 Decision of Arbitrators is Final

A decision by the single arbitrator or by a majority of the three arbitrators is final and binding on the **Parties**, and neither **Party** may appeal the decision.

19.8 Arbitration Costs

Unless the arbitration panel orders otherwise, each **Party** will bear its own costs.

In a dispute heard by a single arbitrator, the cost of the arbitrator will be shared equally by the **Parties**. In a dispute heard by three arbitrators, each **Party** shall pay the costs of the arbitrator it appointed, and the costs of the third arbitrator will be shared equally by the **Parties**.

19.9 Application of the Arbitration Act

Any arbitration under these **Terms and Conditions** will be conducted in accordance with the **Arbitration Act**. If there is a conflict between these **Terms and Conditions** and the **Arbitration Act**, these **Terms and Conditions** will prevail, to the extent of the conflict.

19.10 Continuation of Obligations or Responsibilities

The submission of a dispute to the dispute resolution process does not relieve a **Party** to the dispute from any of its obligations or responsibilities under these **Terms and Conditions**.

SECTION 20 – MISCELLANEOUS

You and we must comply with all applicable laws

20.1 Compliance with Laws

You and we must comply with all existing or future applicable federal, provincial and local laws and all existing or future orders or other actions of the **ISO**, the **AUC**, or of any governmental or regulatory bodies that have jurisdiction over **EPC**.

We will not violate or become a party to a violation of any requirement of the **ISO**, the **AUC**, or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide any services to you.

Our obligation to provide service under these **Terms and Conditions** is subject to the condition that you and we have obtained and will maintain all required governmental and regulatory approvals.

Waivers must be in writing and signed in order to be effective

20.2 Waivers to be in Writing

If we do not insist on strict performance of any provisions of these **Terms and Conditions** or an **EPC Agreement**, that will not be treated as a waiver of any such provisions. A waiver of any term or condition of these **Terms and Conditions** or an **EPC Agreement** will only be valid if it is in writing and signed by EPC.

You cannot assign any of your rights and obligations under the Terms and Conditions unless you meet these conditions, but we may assign our rights and obligations without your consent

20.3 Assignment

You are not permitted to assign any of your rights or obligations under these **Terms and Conditions** to any other **Person**, including the purchaser of land upon which service under our **Distribution Tariff** is provided, an affiliate or successor, without first obtaining:

- all necessary regulatory approvals,
- our written consent, which we will not unreasonably refuse, and
- a written agreement in which the assignee agrees to be responsible for any transferred obligations, and to comply with these **Terms and Conditions**.

Any assignment that does not comply with these conditions is void.

We have the right to assign any of our rights and obligations under these **Terms and Conditions** without your consent to any **Person** that agrees, in writing, to be bound by all of these **Terms and Conditions**. We also have the right to assign any **EPC Agreement** without your consent to any **Person** that agrees, in writing to be bound by the **EPC Agreement**.

If regulatory approval is necessary for us to assign any of our rights and obligations under these **Terms and Conditions** or to assign an **EPC Agreement**, we must obtain that approval before the assignment can be effective.

A transfer or assignment of any services or obligations does not change those services or obligations

20.4 Transfer of Obligations

If you transfer or assign to another **Person** any services that we provide under our **Distribution Tariff**, an **EPC Agreement**, or any other document that imposes obligations on you with respect to any services we provide, all of the obligations and contractual arrangements that exist at the time of the transfer or assignment will remain in place unless new agreements or documents are entered into between us and that other **Person**.

Additionally, any change in service requirements that the other **Person** requires must be made in accordance with these **Terms and Conditions**.

SECTION 21 – DEFAULT

You or EPC may be in default under the Terms and Conditions if certain events occur

21.1 Default

A **Party** will be deemed to be in default (“Defaulting **Party**”), of its obligations under these **Terms and Conditions** if it:

- is the subject of a bankruptcy, insolvency or similar proceeding,
- makes an assignment for the benefit of its creditors,
- applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, or liquidator to manage all or a substantial portion of its assets,
- violates any code, rule, regulation or statute applicable to the supply of **Electricity**, or
- (i) fails to pay the other **Party** (“Non-Defaulting **Party**”) when payment is due, (ii) breaches these **Terms and Conditions**, or (iii) fails to satisfy any other obligation or requirement under these **Terms and Conditions** or any **EPC Agreement**, and fails to fix the applicable failure or breach within three **Business Days** after receiving written notice of the failure or breach from the Non-Defaulting **Party**.

If you are in default, we may stop providing services to you

21.2 Remedies on Default

In an event of default, the Non-Defaulting **Party** has the right to:

- pursue any and all available remedies, and
- terminate the applicable agreement without any liability or responsibility whatsoever, except for obligations arising before the date of termination, by giving written notice to the

Defaulting **Party**. Any such termination must comply with any applicable regulatory requirements.

If you file a petition in bankruptcy (or equivalent, including having an involuntary petition in bankruptcy filed against you) or become a Defaulting **Party**, we may keep any security posted by you without giving you prior notice.

If you fail to make any payment that is due, we may immediately withhold or suspend your service, terminate service, and apply any security held by us before the service coverage period of the security expires. In addition, we may take credit action against you on accounts that you have not paid. We may also require that you pay the costs that we incur in trying to recover amounts owed by you.

If we ask you to provide or maintain security and you fail to do so, we may immediately withhold or suspend services to you.

If we decide that you or a **Person** who guarantees your financial obligations is no longer creditworthy, we may demand alternative security and, if you do not provide it, we may immediately suspend services to you until we are satisfied that you are capable of meeting your payment obligations by either satisfying our credit requirements or providing security.

If we suspend our services, you are still required to pay any amounts owing to us.

PART C : GLOSSARY

The following words and phrases, whenever used in these **Terms and Conditions** and bolded, have the meanings set out below:

Arbitration Act	means the <i>Arbitration Act</i> (Alberta)
AUC	means the Alberta Utilities Commission
AUC Rule 021	means the Settlement System Code Rules as established, amended from time to time, and approved by the AUC under the authority of the EUA
AUC Rule 024	means the Rules Respecting Micro-Generation as established, amended from time to time, and approved by the AUC under the authority of the EUA
Billing Demand	means the demand as defined in the EPC Distribution Tariff Rate Schedules
Business Day	means any day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta
City Standards	means any City of Calgary bylaws, policies, conditions to approvals and permits, or similar documents
Connected Load	means in relation to a Site , the sum of the capacities or ratings of the Electricity consuming apparatus connected to our Electric Distribution System at the Site
Connection Services	means “electric distribution service” as defined in the EUA and includes Distributed Energy Resource Interconnection Services , Transmission Connected Services and all of the other services provided by EPC to Customers under EPC’s Distribution Tariff

CSA	means the Canadian Standards Association
Customer	<p>has the meaning given to it under the EUA but also includes any Person or entity:</p> <ul style="list-style-type: none"> • to whom EPC provides service under its Distribution Tariff, • who applies for or otherwise requests service under EPC's Distribution Tariff, or • who owns, rents, or leases land upon which service under EPC's Distribution Tariff is or will be provided, <p>but does not include a Retailer, a Regulated Rate Provider or a Default Supplier</p>
Customer Contribution	means, for the purposes of EPC's investment policies, the difference between the cost of a Service Connection and the amount that EPC invests in that Service Connection
Customer Party	means a Customer and its directors, officers, agents, contractors and representatives
De-Energize, De-Energized or De-Energization	means the disconnection of metering or electrical equipment from the Electric Distribution System to prevent Electricity from flowing to or from a Site
Default Supplier	means a Retailer appointed by an owner under Section 3 of the <i>Roles, Relationships and Responsibilities Regulation (Alberta)</i>
Demand	means the amount of Electricity delivered to or by a system (expressed in kVA) at a given instant or averaged over any designated period of time
Distributed Energy Resource	means any apparatus, device or equipment that is capable of producing or storing Electricity and <u>that is directly or indirectly</u>

	<u>electrically connected, either continuously or intermittently, to our</u>
	Electric Distribution System
Distributed Energy Resource Interconnection Services	means services provided by us which will allow for the delivery of Electricity to the Facilities by a Distributed Energy Resource
Distributed Energy Resource Technical Interconnection Requirements	means the document that outlines the technical requirements for the interconnection of Distributed Energy Resources , and which can be found on the enmax.com website
Distribution Tariff	means a document prepared by us and approved by the AUC that sets out: <ul style="list-style-type: none"> • Rate Schedules, and • the EPC Distribution Tariff Terms and Conditions
Electric Distribution System	has the meaning given to it by the EUA
Electricity	has the meaning given to it by the EUA
Electricity Services	has the meaning given to it by the EUA
Eligible Customer	has the meaning given to it by the EUA
Energize, Energized or Energization	means the connection of metering or electrical equipment to the Electric Distribution System to permit Electricity to flow to or from a Site
EPC (or we or us)	means ENMAX Power Corporation
EPC Agreement	means an Interconnection Agreement , a Minimum Demand Agreement , a Retail Access Services Agreement , a Primary Metered Services Agreement , and any Operating Procedures

EPC Distribution Tariff Terms and Conditions	means these Terms and Conditions and the Retailer Terms and Conditions
EPC Investment	means the investment that EPC will make in respect of a Service Connection , determined in accordance with these Terms and Conditions
EPC Party	means EPC and its employees, directors, officers, agents, contractors and representatives
EPC Standard Non-Residential Investment	means the investment that EPC will make in respect of a non-residential Service Connection , as shown in Schedule B, subject to reductions in the circumstances described in 0
EUA	means the <i>Electric Utilities Act (Alberta)</i>
Facilities	means our physical facilities including, transmission and distribution lines, wires, transformers, Meters , Meter reading devices, Load Limiting Devices and other electrical apparatus
Force Majeure	means circumstances not reasonably within our control, including acts of God, strikes, walkouts, lockouts or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, pandemics, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, laws, orders, restraints or acts of courts or other public, civil or military authorities, civil disturbances, explosions, breakdown or accident or necessity of repairs to equipment or lines of the electric transmission and distribution systems, loss, diminution or impairment of electrical service from generating plants, suppliers or the systems of others with which the Electric Distribution System is interconnected, failure of any supplier or Retailer to perform, failure, curtailment, interruption

	or reduction of the transmission or Electric Distribution Systems' capacity, and any other event or circumstance, whether of the kind herein enumerated or otherwise, not reasonably within our control. Force Majeure events do not include our lack of finances or inability to perform due to our financial condition, or decisions or orders made by the AUC in the normal course of exercising its authority over us
Generating Unit	has the meaning give to it by the EUA
IES or Interconnected Electric System	has the meaning given to it by the EUA
Interconnection Agreement	means an agreement between us and a Distributed Energy Resource , which sets the terms upon which we provide Distributed Energy Resource Interconnection Services to the Distributed Energy Resource , and includes the associated Rate Schedule and any approval letter we issue in respect of the Distributed Energy Resource
Interval Meter	means a Meter that measures, at intervals of 60 minutes or less, the amount of Electricity consumed, and satisfies the standards for revenue collection under the <i>Electricity and Gas Inspection Act</i> (Canada) and the <i>Weights and Measures Act</i> (Canada)
ISO	has the meaning given to it by the EUA
kVA	means kilovolt ampere or kilovolt amperes
Load	means the Demand and Electricity delivered or required to be delivered to a Site

Load Limiting Device or Load Limiting Program	means hardware or software that limits or reduces the electricity provided to the Customer , and which may be a standalone device or part of a Meter
Meter	is the device and associated equipment that measures and records the amount of Electricity that flows through a particular point, and satisfies the standards for revenue collection under the <i>Electricity and Gas Inspection Act</i> (Canada) and the <i>Weights and Measures Act</i> (Canada)
Meter Services	means all of the services associated with the metering of Electricity , including the purchase, installation, operation, reading, testing, maintenance, monitoring, replacement and removal of a Meter
Metering Standard	means EPC's standard regarding metering equipment installed on the system, as found on enmax.com
Micro-Generation Regulation	means the <i>Micro-Generation Regulation</i> (Alberta)
Micro-Generator	means a micro-generator as defined in the Micro-Generation Regulation
Minimum Contract Demand	is the minimum Demand , in kVA , contracted for by the Customer
Minimum Demand Agreement	is an agreement between you and us in which you agree, among other things, to pay us Demand -based charges where the Demand upon which the charges are based is determined in accordance with the terms of the agreement
Network	means the geographic area located in and around the downtown core of the City of Calgary as may be amended by us from time to

	time and as described in the Network Servicing Policies and Guidelines
Network Servicing Policies and Guidelines	means the document that outlines the technical requirements that must be met by the Customer in order for EPC to provide Connection Services in the Network area, and which can be found on the enmax.com website
Operating Procedures	means the written procedures for the operation of both Your Equipment and our Facilities , as required for the safe and orderly operation of a Service Connection
Optional Facilities	means Facilities requested by the Customer that are, in our opinion, beyond what is required to provide safe, reliable and economic service consistent with our standard service and are expected to cause increased operation and maintenance expenses to us
Parties	means EPC , the Customer , or any other Person taking any services under these Terms and Conditions and " Party " means any one of them
Person	means an individual, firm, partnership, association, joint venture, corporation, trustee, executor, administrator or legal representative
POD	means Point of Delivery, and is the point at which Electricity is transferred from a Transmission Facility to our Electric Distribution System and where the transferred Electricity is metered
Point of Service	means any service that is assigned a unique Site ID as described in AUC Rule 021

Power Factor	means the ratio of real power measured in kilowatts to total or apparent power measured in kVA
Primary Metered Services Agreement	means an agreement between EPC and a primary metered Customer setting out the Customer's obligations with respect to the operation and maintenance of the equipment owned and operated by the Customer
Rate Schedule	means that part of our Distribution Tariff that sets out our approved rates and charges
Re-Energize or Re-Energization	means the reconnection of metering or electrical equipment to the Electric Distribution System , which allows Energy to flow to or from a Site
Regulated Rate Provider	means the owner of an Electric Distribution System , or a Person authorized by the owner that provides Electricity Services to Eligible Customers in the owner's service area under a regulated rate tariff
Requirements for Distribution Wires Access	means the document setting out the requirements for distribution wires access, and which can be found on the enmax.com website
Retail Access Services	means "electric distribution service" as defined in the EUA and includes all of the services provided by EPC to Retailers under EPC's Distribution Tariff
Retail Electricity Services	has the meaning given to it by the EUA
Retailer	has the meaning given to it by the EUA
Retailer Terms and Conditions	means the Terms and Conditions that apply to Retailers and that, together with these Terms and Conditions , form the EPC Distribution Tariff Terms and Conditions

Service Connection	means the physical connections of the Facilities to the equipment of a Customer
Site	means a unique end use service delivery point
Site Identification Number or Site ID	means a unique identification number assigned by us to a Site
Small Scale Generation Regulation	means the <i>Small Scale Generation Regulation</i> (Alberta)
System Access Service	has the meaning given to it by the EUA
Tariff Billing Code	means AUC Rule 004
Terms and Conditions	means these terms and conditions
Transmission Connected Customer	<p>means for the purposes of exemption from distribution charges as defined in the Rate Schedule:</p> <ul style="list-style-type: none"> • a Customer whose Service Connection is at a transmission voltage of 69 kV and above, or • a Customer whose plant Site is contiguous with a Transmission Facility and takes service directly from the Transmission Facility, or through a transformer which is directly connected to the Transmission Facility
Transmission Connected Services	means the services provided by us to Transmission Connected Customers and includes Meter Services , Meter data management and other related services offered by us
Transmission Facility	has the meaning given to it by the EUA
Transmission Regulation	means the <i>Transmission Regulation</i> (Alberta)

Transmission System	means the Transmission Facilities that are owned and operated by us
Unauthorized Revenue Sub-metering	means the use of any Meter not authorized by us for the purpose of measuring Electricity for the purpose of rendering an invoice to or charging another Person based on that measurement
Your Equipment	means any equipment or facilities on Your Property that you own or control and that is connected to our Facilities
Your Property	means property that a Customer owns, rents or controls.

ENMAX POWER CORPORATION

DISTRIBUTION TARIFF

Proposed Retailer Terms and Conditions

Effective January 1, 2022

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INTRODUCTION

Who are we?

We are ENMAX Power Corporation, referred to in these **Terms and Conditions** as “EPC,” “we” or “us.” Related words such as “our” or “ours” also refer to **EPC**.

We own and operate an **Electric Distribution System** that we use to transport **Electricity** in our service area, which includes Calgary and some areas surrounding Calgary.

As the owner of an **Electric Distribution System**, we provide services to **Retailers**, which we refer to as **Retail Access Services**. These services enable **Retailers** to acquire access to our **Electric Distribution System** for the purpose of allowing **Retailers** to sell **Electricity** directly to **Customers**.

In these **Terms and Conditions**, we may refer to **Retailers** as “you.” Related words, such as “your” or “yours” also refer to **Retailers**.

These **Terms and Conditions** set out the rules that we must follow when we provide **Retail Access Services** to you and that you agree to follow in order to receive those services from us.

None of our employees have the right to change these **Terms and Conditions** or a **Rate Schedule**.

These Terms and Conditions apply to our Retailers

These **Terms and Conditions** apply to all **Retailers** in our service area and govern the relationship between EPC and **Retailers**. By taking service from us, you are deemed to have accepted these **Terms and Conditions**.

These **Terms and Conditions** do not apply to you if you are a **Customer**. There are separate **Customer Terms and Conditions** that apply to our **Customers**, and they can be found on the enmax.com website.

We have a Retailer Handbook

We have a *Retailer Handbook* to help **Retailers** understand our practices. We will amend this handbook from time to time to reflect changes in the electric utility industry, changes in our requirements, or changing needs of **Retailers** or **Customers**.

While we generally follow the practices described in the *Retailer Handbook*, these practices cannot anticipate every situation that may arise, and in some cases we may deviate from the practices described in the *Retailer Handbook*.

You can find a copy of our *Retailer Handbook* on the enmax.com website.

Bolded words and phrases have specific legal meanings

In these **Terms and Conditions**, you will see words and phrases that are **bolded**. These words and phrases have specific legal meanings. These meanings are set out in the Glossary in PART C of these **Terms and Conditions**.

These Terms and Conditions form part of our Distribution Tariff

We are regulated by the AUC and must comply with the legislation that applies to us

We may amend these Terms and Conditions

These **Terms and Conditions**, the **Customer Terms and Conditions** and our **Rate Schedules** together make up our **Distribution Tariff**. These **Retailer Terms and Conditions** and the **Customer Terms and Conditions** together form the **ENMAX Power Corporation Distribution Tariff Terms and Conditions**.

We and our **Distribution Tariff** are regulated by the Alberta Utilities Commission, or **AUC**. We must comply with all of the requirements in the *Electric Utilities Act*, or **EUA**, and the regulations made under the **EUA** that apply to owners of electric distribution systems.

These **Terms and Conditions** have been approved by the **AUC**. If you have a question or a complaint about the **ENMAX Power Corporation Distribution Tariff Terms and Conditions**, you may direct that question or complaint to us or to the **AUC**.

We may amend these **Terms and Conditions**, but any amendments must be approved by the **AUC**.

If we wish to amend these **Terms and Conditions**, we may file a notice of amendment with the **AUC**. This notice must set out the amendments we wish to make, and an explanation of how we will notify **Retailers** of the amendments.

The **AUC** will either accept our notice of amendment within 60 days after we file it or will establish a process for dealing with the proposed amendments.

***Structure of these
Terms and Conditions***

If the **AUC** accepts our notice of amendment, the amendments described in that notice will be effective on the 61st day after the date we filed the notice.

If the **AUC** does not accept our notice of amendment but approves our proposed amendments using another process, the **AUC's** order approving the amendments will indicate when those amendments are effective.

You can find the most up to date version of these **Terms and Conditions** on the enmax.com website.

These Terms and Conditions are made up of three parts and one schedule.

PART A deals with the provision of **Retail Access Services**. PART B sets our general requirements, including those dealing with notices, defaults, dispute resolution and **Force Majeure**.

PART C is the glossary, where we define all of the bolded terms used in these **Terms and Conditions**.

Schedule A sets out the fees that we charge related to matters in the **Terms and Conditions**.

PART A: RETAIL ACCESS SERVICES**SECTION 1 - OBTAINING RETAIL ACCESS SERVICES**

Retailers must satisfy our eligibility requirements and complete our application form

1.1 Eligibility

We will provide **Retail Access Services** to eligible **Retailers** in accordance with these **Terms and Conditions**.

You must complete our application for **Retail Access Services**, which you can find on the enmax.com website.

You must satisfy the following eligibility requirements in order to receive **Retail Access Services** from us:

- you must be licensed and registered, where required, with Alberta Energy, Service Alberta, and any applicable municipality, and you are subject to any regulations or policies made under the *Consumer Protection Act* (Alberta),
- you must make arrangements with the **ISO** to become a pool participant, and you must provide us with proof that you have done this,
- you must provide security to us as set out in the *Distribution Tariff Regulation* (Alberta),
- you must have provided us with a completed application form, which you can find on the enmax.com website, and
- you must have entered into a **Retail Access Services Agreement** with us and it must be in force.

We will keep your credit and security information confidential

We will perform connectivity testing to ensure data exchange communications are established only with prospective **Retailers** who have begun the eligibility process set out in these **Terms and Conditions**. You are responsible for making any changes to your systems and equipment that may be required to communicate with and receive data from us.

1.2 Confidentiality of Your Information

We will keep your credit and security information confidential unless we have your written authorization to disclose that information to other parties. However, we are not required to keep information confidential if the information:

- is generally available to the electric industry or the public at the time we disclose it,
- becomes generally available to the electrical industry or the public as a result of a disclosure by you or any **Person** you authorize after we receive it,
- was available to us without a breach of these **Terms and Conditions** on a non-confidential basis either before or after you provided it to us, and we are able to prove this, or
- must be disclosed by law to a governmental authority where there is no reasonable alternative to that disclosure.

SECTION 2 - RETAILER OBLIGATIONS***Retailers have certain obligations******2.1 General Obligations***

You must:

- ensure that you have all required authorizations to carry on business as a **Retailer** in any area where we offer service,
- use the **Site Identification Number** when you tell us about changes to the status of a **Site**,
- provide us with up-to-date basic **Customer** information (including alternate contact information, account name and if available, phone numbers and e-mail addresses) for all **Sites** that you service,
- be responsible for all charges associated with a **Site** until the **Site** is de-selected in accordance with **AUC Rule 021** or another **Retailer** enrolls that **Site**,
- act as the point of contact with **Customers**, and
- request **Retail Electricity Services** on behalf of **Customers**.

We expect you to be the primary point of contact with your **Customers**. You will be the main source of electricity industry information for your **Customers**.

It is your responsibility to assist **Customers** who are concerned about their consumption levels and to explain possible causes for their high consumption.

If you receive calls from your **Customers** about a power outage, you must immediately call our 24-hour trouble line at (403) 514-6100, or request the **Customer** to call that number.

We have the right to test or audit your compliance with this requirement without notice to you. If these tests or audits show that your performance is unacceptable to us, we have the right to require you to take corrective action immediately.

You should call 9-1-1 if the Customer is experiencing a life-threatening emergency.

You are responsible for entering into contractual or other arrangements with **Customers**, consistent with the applicable rules and legislation. You are expected to be familiar with all of the legal requirements that apply to your business. Although we can provide you with help in understanding our **Terms and Conditions**, we cannot give you advice or help you to comply with the legal requirements that apply to your business.

You are responsible for the cost of all service requests you make on behalf of your **Customers**. We will invoice you for these services. The amounts that we will charge you for these services are set out in Schedule A.

2.2 Enrolling Customers

You are responsible for ensuring **Customers** are validly enrolled. You must confirm with the **Customer** that the **Customer** wishes to be enrolled and has given explicit approval for the enrollment.

You are responsible for ensuring Customers are validly enrolled

You are responsible for purchasing Electricity

2.3 Electricity Purchases

You are solely responsible for purchasing **Electricity** for your **Customers**.

You must use your Retailer identification number in all communications with us

2.4 Retailer Identification Number

If we approve your application for **Retail Access Services**, you must use your **Retailer** identification number in all of your communications with us.

We will not recognize or deal with more than one Retailer for any Site

2.5 One Retailer per Site

We will only recognize or deal with one **Retailer** for any **Site** at any particular time.

SECTION 3 - OUR OBLIGATIONS

We do not guarantee un-interrupted service

3.1 No Guarantee of Service

We do not guarantee uninterrupted service. We must sometimes curtail or interrupt **Retail Access Services**. We will, however, take reasonable steps to minimize the number and duration of interruptions and outages.

As set out below in PART B:, these **Terms and Conditions** limit your right to claim compensation from us as a result of any interruption or outage.

We will comply with all applicable AUC rules

3.2 AUC Rules

We will comply with all applicable **AUC** rules and you must do so as well.

We will obtain the necessary System Access Service from the ISO

3.3 System Access Service

We will obtain **System Access Service** from the **ISO** to enable the transportation of **Electricity** that you sell to **Customers**. You are responsible for the charges that we must pay to the **ISO** for this service.

SECTION 4 - METERING

We provide all **Meter Services** in our service area. We are accredited by Measurement Canada to provide these services and will only install Measurement Canada approved metering equipment.

We own the Meters for all our Sites

4.1 Ownership of Meters

We will own, install, seal and approve the **Meters** for all **Sites** on our **Electric Distribution System** as set out in our **Metering Standard**, which you can find on the enmax.com website. The type of **Meter** that we install will depend on the type of **Customer** and the **Customer's** needs. Although you or a **Customer** may ask for a different type of **Meter** at a **Site**, the final decision is ours.

If the **Customer** at a **Site** changes, we have the right to remove or modify the **Meters** at that **Site**.

We will install Interval Meters under certain circumstances

4.2 Interval Meters

We will install **Interval Meters** at new **Sites** with a planned installed capacity of 150 **kVA** or greater, or as required by the **Micro-Generation Regulation**. We will replace a cumulative **Meter** with an **Interval Meter** at an existing **Site** at our cost:

- when the **Demand** registers greater than 150 **kVA** twice in a twelve-month period, or
- when modifications are made to our **Electric Distribution System** infrastructure to supply a **Site** with a capacity of 150 **kVA** or greater.

We decide whether Sites are metered

You may request an interval Meter, communication device or non-standard Meter but you will be responsible for the costs

We have the right to inspect and test Meters

Once an **Interval Meter** has been installed at a **Site**, we will not remove it, even if you or the **Customer** ask us to.

4.3 Metering of Sites

We have the right to decide, in our sole discretion, whether a **Site** will be metered or unmetered.

4.4 Costs of interval Meter

If you request or a **Customer** requests, we may, at our sole discretion, agree to install:

- an interval **Meter** when the **Customer's** capacity requirement is less than 150 kVA,
- a communication device attached to an existing **Meter**, or
- an EPC approved non-standard **Meter**.

If we agree to install a different type of **Meter** or a communication device at your or a **Customer's** request, we will bill you or the **Customer** for all of our costs for providing and installing the **Meter** or communication device. We will own **Meter** or communication device.

4.5 Meter Inspection and Testing

We have the right to inspect and test a **Meter** at any reasonable time.

If you request it, we will arrange for **Meter** testing. You may also dispute the accuracy of the **Meter** through Measurement Canada under the *Electricity and Gas Inspection Act* (Canada).

We read all Meters in our service area

We will charge you a fee for **Meter** testing that you request. This fee is set out in Schedule A. If the test shows that the **Meter** is inaccurate, we will refund the fee to you.

4.6 Meter Reading

We will read all **Meters** in our service area according to our meter reading schedule.

At your request, we will make an actual **Meter** reading “off cycle,” that is, outside of our **Meter** reading schedule. You will be required to pay the off-cycle **Meter** reading charge set out in Schedule A, unless the off-cycle **Meter** read shows that a prior recorded reading is incorrect. In that case, we will not charge you for the off-cycle read.

In some cases, we will estimate consumption and Demand

4.7 Estimating Consumption and Demand

We will estimate the amount of **Electricity** used by a **Customer** based on the best available information in the following cases:

- the **Customer’s Site** is unmetered,
- the **Meter** is inaccessible due to conditions on the **Customer’s** property,
- the **Meter** is not scheduled to be read,
- we determine that the amount of **Electricity** used was different from what was recorded or billed, regardless of the cause,
- a change to the **Meter** reading schedule or a **Meter** change creates a transition period in the **Customer’s** billing period,

We will make adjustments due to faulty metering

- the seal of a **Meter** is broken or the **Meter** does not register correctly, regardless of the cause, or
- if a **Retailer** requests an off-cycle usage period billing break (for example, when the **Customer** for a **Site** changes).

If you request, we will describe how we estimate consumption or **Demand**.

4.8 Adjustments for Faulty Metering

We may make adjustments to consumption and **Demand** in the following cases:

- the seal of a **Meter** is broken, regardless of the cause,
- the **Meter** does not register correctly, regardless of the cause,
- a **Site** has been incorrectly unmetered or incorrectly metered, regardless of the cause,
- a **Meter** has been found to be inaccurate in accordance with the *Electricity and Gas Inspection Act* (Canada), in which case we will make adjustments for not more than 3 months, unless it can be shown that the error was due to some specific reported cause, the date of which is known, in which case we will make an adjustment back to the actual date of the cause of the error, or
- a **Site** is unmetered and any seal attached to motors or other equipment is broken, regardless of the cause, or any unauthorized change has been made to our **Facilities**.

We will manage and collect data from the Meters

4.9 Data Collection

We will keep an accurate record of all **Meter** readings, and we will use these readings to bill **Retailers** in accordance with our **Distribution Tariff**.

In order to produce settlement-ready data for the **LSA** and **Retailers**, we will perform data validation, estimation and editing in a form and manner that meets the requirements of **AUC Rule 021**.

We will provide historical metering data under certain conditions

4.10 Historical Data

We will provide historical metering data to a **Person** who asks for it if that **Person** has completed our “Authorization to Release Electricity Load Data” form and has provided us with written authorization from the **Customer** to whom the data relates.

We will provide historical data in a form and manner that satisfies the requirements of **AUC Rule 010**.

A **Person** who asks us for historical data beyond that which we must provide under **AUC Rule 010** must pay our charge for providing the data.

We will provide other metering services, but you must pay us for them

4.11 Other Services

At your request, we may provide metering services other than those specifically described in these **Terms and Conditions**. If we provide such other services, we have the right to charge fees for them.

SECTION 5 - LOAD SETTLEMENT SERVICES

Load Settlement allocates **Electricity** consumption to **Retailers** based on **Customer** enrollments as set out in **AUC Rule 021**. We will make certain information available to you as described in this section. However, we will always obey the requirements of privacy and other legislation that applies to us, including the *Personal Information Protection Act* and the *Code of Conduct Regulation*.

Load profile information can be found on our website

5.1 Load Profile Information

We will make **Load** profiles, **UFE**, loss multiplier and **Settlement Zone** consumption data publicly available on the enmax.com website. **AUC Rule 021** describes a number of standard content and standard format electronic transactions, and we implement them as described in that rule. Any requests for data that do not conform to the standard content and formats described in **AUC Rule 021** require a custom report. Custom reports are dealt with in section 5.2 below.

You will only have access to your **Customers'** consumption data.

We may provide custom reports to you on request, at your cost

5.2 Custom Reports on Request

We may provide custom reports and other data to you on request, provided that you prove to us that you have the consent of the **Customers** to whom the data relates. You will be required to pay the charges set out in Schedule A. These reports and data may include detailed extracts of data that are used in settlement but that are not provided using the

standard content and standard formats described in **AUC Rule 021**.

You will only have access to your **Customers'** consumption data.

SECTION 6 - BILLING AND INVOICING

Our invoices are due on the Payment Date

6.1 When Invoices are Due

We will provide invoices to you as set out in the **Distribution Tariff Rate Schedule** and Schedule A. Payments of **Distribution Tariff** invoices from us are due on the **Payment Date**.

You are responsible for Customer billings and collections

6.2 Customer Billing

You are responsible for any direct billings to and collections from your **Customers**.

Late payment penalties will apply to past due invoices

6.3 Late Payment Penalties

If you do not pay an invoice by the **Penalty Date**, we will charge you the late payment penalties set out in Schedule A on the total current charges outstanding. Any payments you make to us will be applied first to arrears and then to current charges.

We may suspend your eligibility as a Retailer if you do not pay your Distribution Tariff services on time

6.4 Suspension for Non-payment

We will notify you if you fail to make payments for **Distribution Tariff** services on time. If you fail to make full payment after this notification, we have the right to suspend your **Retailer** eligibility status.

We may provide invoices based on estimated consumption

6.5 Estimated Consumption

We have the right to provide invoices based on estimated consumption in any of the circumstances described in section 4.7.

You must pay the full amounts of all invoices received by their payment due dates

6.6 Payment of Invoices

You must pay the entire amount stated on the invoice without deduction, set-off or counterclaim, even if you dispute all or part of the amount.

Invoices will be considered paid when payment is made either by cheque or electronic funds transfer to the bank account specified by us in your **Retail Access Services Agreement**.

If any payment that you make is not honoured by your financial institution, we have the right to charge you a dishonoured payment fee, as set out in in Schedule A. A payment that is not honoured is not a valid payment to us, so if we do not receive a valid payment from you by the **Penalty Date**, we will also charge you a late payment charge.

Payments received in foreign currency will be credited to your account based on the foreign exchange dealer bid price that we receive on the date the payment is deposited.

If you do not agree with the amount of an invoice you receive from us, you must still pay it in full and on time. You do have the right to dispute any invoice you receive from us, but you must use the dispute resolution process set out in PART B: of these **Terms and Conditions**.

You are required to pay invoices by their **Payment Dates** whether or not you actually receive the invoice.

6.7 Minimum Refund/Charge Amount

We do not issue refunds or charge for amounts less than \$10.00.

No charges or refunds of less than \$10

We will correct any billing errors we make, but only if they are discovered or brought to our attention within 24 months

6.8 Invoicing Errors

If we overcharge or undercharge you as a result of an invoicing error, we will issue an adjusted invoice as described below. We do not pay or charge interest on under- or over-charged amounts.

We will not make any adjustment for invoicing errors for a bill period that is more than 24 months earlier than the bill period in which the invoicing error was discovered or brought to our attention, unless we are required to do so by any governmental authority, legislation or regulation.

If we have overcharged you, we will calculate the amount of the overcharge and deduct it from your next invoice. We will offset any overpayments against any outstanding invoices unless you ask us not to.

If we have undercharged you, we will calculate the amount of the undercharge and add it to your next invoice. The entire invoice, including any undercharged amounts related to past bill periods, is due on the **Payment Date**.

6.9 Demand Waiver

We may, at our sole discretion, grant a **Demand** waiver request when the new **Demand** is the result of the simultaneous start of the **Customer's** equipment after a power outage, if that power outage was within our reasonable control. If we grant the waiver, the **Billing Demand** will be the higher of the **Minimum Contract Demand** and the **Ratchet Demand**. The peak **Demand** caused by the simultaneous start of the **Customer's** equipment will be

We may grant Demand waiver requests resulting from our power outages

You must correct any errors in data you have transmitted to us

We will collect fees and taxes

excluded from the calculation of **Ratchet Demand**. A written **Demand** waiver request must be provided to us within 90 days of the power outage that caused the new **Demand**. Requests for a **Demand** waiver should be sent to trac@enmax.com.

6.10 Correcting Your Errors

If you discover an error in data you have transmitted to us, you must correct the error and notify us immediately.

6.11 Fees and Taxes

We will collect local access fees, and all sales, excise, or other taxes with respect to any service we provide. You may request an exemption from the collection of any tax by providing us with documentation that proves to our satisfaction that the exemption applies to you.

SECTION 7 - SITE DE-ENERGIZATION AND RE-ENERGIZATION

We may De-Energize a Site and discontinue Connection Services to a Customer

7.1 Right to De-Energize a Site

We have the right to **De-Energize a Site** and discontinue, restrict, or interrupt **Connection Services** to a **Customer**, as set out in the **Customer Terms and Conditions**.

We will make reasonable efforts to provide notice of De-Energizations, but we are not required to do so

7.2 Notice

We will make reasonable efforts to notify you of the **De-Energization** of a **Site** or the discontinuation, restriction or interruption of any of the services we provide, but we are not required to give you notice.

We are not liable for any loss or damage resulting from De-Energization or Disconnection

7.3 No Liability for De-Energization or Disconnection

No **EPC Party** is liable to you or any other **Person** for any loss, damage, injury or claim of any nature whatsoever, including any form of direct damages, indirect damages, consequential damages, loss of income, loss of revenue or loss of profit, arising from or connected in any way with:

- **De-Energization** of a **Site** or the discontinuation, restriction, or interruption of **Connection Services** or any other services we provide, or
- the failure to give notice or the content of the notice of a **De-Energization** of a **Site** or the discontinuation, restriction, or interruption of **Connection Services** or any other service we provide.

***We will De-Energize a Site
at your request***

7.4 Request to De-Energize a Site

We will **De-Energize** a **Site** and discontinue **Connection Services** in respect of a **Customer**, either temporarily or permanently, where you submit a request to us that complies with the requirements of **AUC Rule 021**.

You may also submit a request for De-Energization of a Site for any reason contemplated by AUC Rule 003, provided the requirements of AUC Rule 003 have been satisfied, and subject to any other provisions governing De-Energization in these Terms and Conditions.

In accordance with **AUC Rule 021**, you may submit a request that ENMAX Power de-energize a **Customer Site**, either temporarily or permanently, due to vacancy or financial reasons, including non-payment.

We may **De-Energize** a **Site** at any time after receiving a request from you. However, in the circumstances described below, we have the right to refuse to **De-Energize a Site**:

- we will not **De-Energize** a residential **Site** between October 15 and April 15, or at any other time when the temperature is forecast to be below 0 degrees Celsius in the 24-hour period immediately following the proposed **De-Energization** or if we reasonably believe that extreme environmental conditions exist,
- we will not **De-Energize** any **Site** if we believe doing so would create an unsafe condition, and

- we will not **De-Energize** any **Site** if doing so would be contrary to any applicable law, or these **Terms and Conditions**.

We also have the right to install a **Load Limiting Device** or a **Load Limiting Program** to limit or reduce the amount of Electricity provided to the **Customer instead of De-Energizing the Site**.

You may request a **Site** to be **De-Energized** temporarily due to vacancy. If we find the **Site** is occupied, we may decide not to **De-Energize** the **Site** immediately and instead leave a warning notice in order to give the occupants the opportunity to make arrangements for **Connection Services**.

We have the right to ask you to provide the **Customer's** contact name and phone number for the purpose of verifying the **De-Energization** request prior to de-energization of the Site. You are responsible for ensuring that the **Customer** is provided notice of a **De-Energization** and for the consequences of **De-Energization**.

You agree that we have no liability for any **De-Energization** that we do at your request, and you agree to indemnify us for any claims made against us by your **Customer** related to such a **De-Energization**. We will also not get involved in any dispute between you and your **Customer** in relation to a **De-Energization** requested by you.

7.5 Billing of De-Energized Sites

We begin charging fees and charges for the services we provide as soon as we begin providing service, and we have

We will continue to bill De-Energized Sites until they are permanently De-Energized

***We will Re-Energize a Site
under certain conditions***

the right to continue to charge these fees and charges until the respective **Site** is permanently **De-Energized**.

7.6 Request to Re-Energize a Site

You may request us to **Re-Energize** a **Site** or to remove a **Load Limiting Device** or **Load Limiting Program** by sending us a request that complies with **AUC Rule 021**.

We may **Re-Energize** a **Site** or remove a **Load Limiting Device** or **Load Limiting Program** at any time after receiving a request from you. However, in the circumstances described below, we have the right to refuse to **Re-Energize** a **Site** or to remove the **Load Limiting Device** or **Load Limiting Program**.

If the **Site** was originally **De-Energized** or the **Load Limiting Device** or **Load Limiting Program** was installed:

- to maintain the safety and reliability of our **Electric Distribution System**, the **Transmission System**, the **IES**, or the electrical system of a connecting entity,
- for any safety-related reason,
- as a result of a **Customer's** action, inaction or facilities that are causing any problems, damage, interference or disturbance,
- because we were directed to do so by the **ISO**,
- because we were requested to do so by a public protective service, such as the police or fire department,
- to facilitate construction, installation, maintenance, repair, replacement or inspection of any of our **Facilities**,
or

- for any other reason, including emergencies, forced outages, potential overloading of **EPC's Electric Distribution System**, the **Transmission System**, the **IES**, or **Force Majeure**

we will not **Re-Energize** the **Site** or remove the **Load Limiting Device** or **Load Limiting Program** until the condition that caused us to **De-Energize** it or to install a **Load Limiting Device** or **Load Limiting Program** has been resolved.

We will also not **Re-Energize** any **Site** or remove a **Load Limiting Device** or **Load Limiting Program** if we believe doing so would create an unsafe condition, if we reasonably believe that extreme environmental conditions exist, or if it would be contrary to any applicable law, or these **Terms and Conditions**.

We have the right to ask you to provide the **Customer's** contact name and phone number for the purpose of verifying the **Re-Energization** request or request to remove a **Load Limiting Device** or **Load Limiting Program**. You are responsible for ensuring that the **Customer** is provided notice of a **Re-Energization** or removal of a **Load Limiting Device** or **Load Limiting Program** and for the consequences of **Re-Energization** or removal of a **Load Limiting Device** or **Load Limiting Program**.

You agree that we have no liability for any **Re-Energization** or removal of a **Load Limiting Device** or **Load Limiting Program** that we do at your request, and you agree to indemnify us for any claims made against us by your **Customer** related to such a **Re-Energization** or removal of a **Load Limiting Device** or

Load Limiting Program. We will also not get involved in any dispute you and your **Customer** have in relation to a **Re-Energization** or **Load Limiting Device** or **Load Limiting Program** removal requested by you.

PART B: GENERAL**SECTION 8 - INTERPRETATION**

These Terms and Conditions take priority over other agreements if there is a conflict

8.1 Conflicts

If there is any conflict or ambiguity between a provision in these **Terms and Conditions** or a **Rate Schedule** and in a **Retail Access Services Agreement**, the provisions of these **Terms and Conditions** will govern, to the extent of the conflict or ambiguity.

The headings and marginal notes in these Terms and Conditions do not affect their meaning

8.2 Headings and Marginal Notes

The division of these **Terms and Conditions** into sections and the use of headings and marginal notes are intended to make the **Terms and Conditions** easier to understand, but do not affect the meaning of the **Terms and Conditions** themselves.

Plural includes singular and vice versa

8.3 Plural and Singular

In these **Terms and Conditions**, words in the singular include the plural and words in the plural include the singular.

Related words have corresponding meanings

8.4 Related Forms of a Word or Phrase

Where a word or phrase is defined in these **Terms and Conditions**, other parts of speech and grammatical forms of that word or phrase have corresponding meanings.

“Including” means “including, without limitation”

8.5 Extended Meaning of “including”

Where the word “including” is used in these **Terms and Conditions**, it means “including, without limitation.”

References to a statute or regulation include all amendments

These Terms and Conditions are governed by Alberta laws

Notices under these Terms and Conditions must be in writing to the names and addresses set out

8.6 Legislation and Rules

Where these **Terms and Conditions** refer to a statute, regulation, or any rule made by the **AUC** or the **ISO**, that reference includes any amendments to them.

8.7 Governing Law

These **Terms and Conditions** and any **Retail Access Services Agreement** you enter into with us under these **Terms and Conditions** are governed by the laws of Alberta. Any lawsuit in connection with these **Terms and Conditions** or a **Retail Access Services Agreement** must be brought exclusively in an Alberta court.

8.8 Notices

Notices under these **Terms and Conditions** or a **Retail Access Services Agreement** must be in writing and must be sent by mail, e-mail, delivery or fax (provided that if sent by fax, the original must then be sent by mail or delivered) addressed as follows:

- if to the **Retailer**, to the name and address, e-mail address or fax number set out in the **Retail Access Services Agreement** between the **Retailer** and us,
- if to **EPC**:

ENMAX Power Corporation
ENMAX Place
141 – 50th Avenue SE Calgary, Alberta
T2G 4S7
Attention: Director, Legal Services.

Any **Party** may change the name or position of the **Person** to receive notice or the address for notice by giving written notice of the change as set out in this Section. Notice sent by:

- fax will be considered delivered on the next **Business Day** provided there is confirmation the fax was sent,
- mail will be considered delivered at the end of the fourth **Business Day** after mailing,
- e-mail will be considered delivered at the time the e-mail is sent, unless the sender receives an error message indicating that the message could not be sent or was not delivered, in which case, the notice was not effective, and
- delivery will be considered delivered at the time of delivery so long as proof of the delivery date is provided.

We will send general operational notifications electronically.

SECTION 9 - COMPLIANCE

We must comply with all ISO rules and you will assist with that

9.1 Compliance with ISO Rules

We are required to comply with **ISO** operating instructions, policies and procedures, as set out in the current **ISO** rules and **ISO** operating policies and procedures. If we ask you to, you must cooperate with us to ensure that we are able to comply with these instructions, policies and procedures.

We must comply with governmental orders and you will assist us to do so

9.2 Cooperation with Governmental Directions

We may need to act in response to governmental or civil authority directives or regulatory orders, and you agree to cooperate with us in any reasonable manner that we may request in order to permit us to comply with the direction or order.

You and we must comply with all applicable laws

9.3 Compliance with Laws

You and we must comply with all existing or future applicable federal, provincial and local laws and all existing or future orders or other actions of the **ISO**, the **AUC**, or of any governmental or regulatory bodies that have jurisdiction over **EPC**.

We will not violate or become a party to a violation of any requirement of the **ISO**, the **AUC**, or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide any services to you.

Our obligation to provide service under these **Terms and Conditions** is subject to the condition that you and we have

obtained and will maintain all required governmental and regulatory approvals.

SECTION 10 - LIABILITY AND INDEMNITY

*We are not liable to you
for losses you suffer
relating to Retail Access
Services*

10.1 Limitation of Liability

Notwithstanding any other provision of these **Terms and Conditions** or of any agreement between **EPC** and a **Retailer** relating to the provision of any **Retail Access Services**, an **EPC Party** will not be liable to a **Retailer Party** for any loss, injury, damage, expense, charge, cost or liability of any kind suffered or incurred by any **Retailer Party**, whether of a direct, indirect, special or consequential nature, however or whenever caused, and whether in any way caused by or resulting from the acts or omissions of an **EPC Party**, or any of them.

The only exception to this limitation is for direct property damage that a **Retailer** incurs as a direct result of a breach of these **Terms and Conditions** or applicable agreement or other act or omission by an **EPC Party**, which breach or other act or omission is caused by the negligence or willful misconduct of that **EPC Party**. "Direct property damage" does not include, among other things, loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and **Electricity**, cost of capital, and loss of use of any equipment or property, or any other similar damage or loss whatsoever.

We provide **Retail Access Services** under these **Terms and Conditions**. **Retailers** may enter into an arrangement or agreement with another **Person** for the provision of services beyond those that **EPC** provides under these **Terms and**

You release us from liability for any damages you may suffer

You will be liable for losses we suffer if you breach these Terms and Conditions or any agreement between us

Conditions. An **EPC Party** is not liable to a **Retailer** or other **Person** in law, equity, tort or contract for any loss, damage, injury, claim of any nature whatsoever connected with these arrangements or agreements.

Any liability under this Section will be limited to an amount in proportion to the degree to which the **EPC Party** is determined to be at fault in accordance with this section.

10.2 Release

Subject to section 10.1 above, an **EPC Party** will not be liable to any **Retailer Party** for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the **Retailer Party** however and whenever caused, and each **Retailer Party** forever releases each and every **EPC Party** from any liability or obligation in respect thereof.

10.3 Your Liability

In addition to any other liability provisions set out in these **Terms and Conditions** or any provision in a **Retail Access Services Agreement**, a **Retailer Party** will be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by an **EPC Party**, whether of a direct or indirect nature, caused by or arising from any acts or omissions of a **Retailer Party** that result in a breach of these **Terms and Conditions** or an applicable agreement, or any negligence or willful misconduct of a **Retailer Party** outside of a breach of these **Terms and Conditions**. Any liability under this section will be limited to an amount in proportion to the

*You must indemnify us for
any third party claims*

degree to which the **Retailer Party** is at fault in accordance with this section.

10.4 Indemnity

By taking service from us, you are deemed to have agreed to indemnify and save **EPC** harmless from and against any claim or demand for injury to persons or damage to property claimed against **EPC** in relation to any claims, causes of action, actions, suits or proceedings by a third party arising out of or in any way connected with the use of any **Retail Access Services** so long as that injury or damage is not caused by a breach of these **Terms and Conditions** by **EPC**, or by the negligent acts or omissions, or willful misconduct of **EPC**, in which cases **EPC's** liability is limited to an amount in proportion to the degree to which **EPC** is determined to be at fault.

SECTION 11 - INABILITY TO PROVIDE SERVICES

Our obligations are suspended during a Force Majeure event

11.1 Force Majeure

If a **Force Majeure** event occurs and affects our ability to provide any services, including **Retail Access Services**, our affected obligations under these **Terms and Conditions** and any related agreement will be suspended until the **Force Majeure** event ends and for such period of time afterwards as we reasonably require to restore the services. You must continue to pay all applicable charges under **EPC Distribution Tariff** during this period.

We will notify you of the Force Majeure Event, including when it ends

11.2 Notification of End of Force Majeure Event

We will give you notice of the **Force Majeure** event and must also give you notice when the **Force Majeure** event ends.

We will try to resolve the effect of the Force Majeure event

11.3 Resolution of Force Majeure Event

We will attempt to resolve the effect of the **Force Majeure** event if we are reasonably able to do so. However, we are not required to resolve or settle any strike, lockout or other labour dispute.

SECTION 12 - DISPUTE RESOLUTION

Disputes about AUC orders or directions must be referred to the AUC

We must try to resolve the dispute ourselves first

The default arbitration process is arbitration by a single arbitrator

12.1 Disputes About AUC Orders or Directions

Any dispute between **EPC** and a **Retailer** that relates to an **AUC** order or direction or that otherwise falls within the exclusive jurisdiction of the **AUC** must be referred to the **AUC** for resolution.

12.2 Resolution of Disputes Relating to the Terms and Conditions

If any dispute arises between **EPC** and a **Retailer** in connection with these **Terms and Conditions**, **EPC** and the **Retailer** will use reasonable efforts to resolve this dispute in an amicable manner. Either **EPC** or the **Retailer** may notify the other **Party** in writing that there is a dispute. **EPC** and the **Retailer** must meet within 10 days of this notice to try to resolve the dispute.

If **EPC** and the **Retailer** are unable to resolve the dispute within 30 days after this meeting, they may jointly agree to a process for resolving their dispute. If they cannot agree on a process, either **Party** may submit the dispute to arbitration by sending the other **Party** a written notice of arbitration that requests arbitration and describes the dispute to be arbitrated.

12.3 Arbitration by a Single Arbitrator

The default arbitration process is arbitration by a single arbitrator jointly appointed by the **Parties** to the dispute. However, if the **Parties** cannot agree on an arbitrator within

If the Parties cannot agree on a single arbitrator, the dispute will be heard by three arbitrators

10 days of the notice of arbitration, the dispute will be heard by a panel of three arbitrators.

12.4 Arbitration by Three Arbitrators

If the **Parties** to a dispute that has been submitted to arbitration cannot agree on a single arbitrator within 10 days of the notice of arbitration, the dispute will be heard by three arbitrators. No later than 5 days after the expiry of the 10-day period referred to above, each party will appoint one arbitrator. If a **Party** fails to appoint an arbitrator within this period, the other **Party** may, on notice, apply to the Court of Queen's Bench of Alberta to have a Justice of that court appoint an arbitrator.

The two arbitrators will appoint the third arbitrator no later than 10 days after the expiry of the 5-day period referred to above, and the jointly appointed third arbitrator will chair the arbitration panel. If the two arbitrators are unable to agree upon a third arbitrator, either **Party** may apply, on notice, to the Court of Queen's Bench of Alberta to have a Justice of that court appoint the third arbitrator.

12.5 Qualification of Arbitrators

Any arbitrator appointed under this section must have the technical or other qualifications necessary to properly make a decision on the dispute.

The arbitrators must be properly qualified

A decision must be rendered within 90 days or either Party may cancel the arbitration

The arbitration panel will make the final decision and neither you nor we may appeal it

Each Party will bear its own costs unless the arbitration panel orders otherwise

The Arbitration Act applies to arbitrations

12.6 Date of Decision

Once the arbitration panel has been appointed (whether it is one arbitrator or three) that panel must render a decision on the dispute within 90 days of the last appointment date.

If the panel does not render a decision within this time period, then by giving 30 days' notice to the other **Party** and the arbitration panel, either **Party** may cancel the arbitration and either issue a new notice of arbitration or have the dispute resolved in court as if this SECTION 12 -did not exist.

12.7 Decision of Arbitrators is Final

A decision by the single arbitrator or by a majority of the three arbitrators is final and binding on the **Parties**, and neither **Party** may appeal the decision.

12.8 Arbitration Costs

Unless the arbitration panel orders otherwise, each **Party** will bear its own costs.

In a dispute heard by a single arbitrator, the cost of the arbitrator will be shared equally by the **Parties**. In a dispute heard by three arbitrators, each **Party** shall pay the costs of the arbitrator it appointed, and the costs of the third arbitrator will be shared equally by the **Parties**.

12.9 Application of Arbitration Act

Any arbitration under these **Terms and Conditions** will be conducted in accordance with the **Arbitration Act**. If there is a conflict between these **Terms and Conditions** and the

***Parties to a dispute must
continue to meet their
obligations***

Arbitration Act, these **Terms and Conditions** will prevail, to the extent of the conflict.

12.10 Continuation of Obligations or Responsibilities

The submission of a dispute to the dispute resolution process does not relieve a **Party** to the dispute from any of its obligations or responsibilities under these **Terms and Conditions**.

SECTION 13 - WAIVERS AND ASSIGNMENTS

Waivers must be in writing and signed in order to be effective

You cannot assign any of your rights and obligations under the Terms or a Retail Access Services Agreement unless you meet these conditions, but we may assign our rights and obligations without your consent.

13.1 Waivers to be in Writing

If we do not insist on strict performance of any provisions of these **Terms and Conditions** or a **Retail Access Services Agreement**, that will not be treated as a waiver of any such provisions. A waiver of any term or condition of these **Terms and Conditions** or a **Retail Access Services Agreement** will only be valid if it is in writing and signed by the EPC.

13.2 Assignment

You are not permitted to assign a **Retail Access Services Agreement** or any of your rights or obligations under these **Terms and Conditions** to any other **Person**, including an affiliate or successor, without first obtaining:

- all necessary regulatory approvals,
- our written consent, which we will not unreasonably refuse, and
- a written agreement in which the assignee agrees to be bound by the **Retail Access Services Agreement**, to be responsible for any transferred obligations, and to comply with these **Terms and Conditions**.

Any assignment that does not comply with these conditions is void.

We have the right to assign any of our rights and obligations under these **Terms and Conditions** without your consent to any **Person** that agrees, in writing, to be bound by all of these

A transfer or assignment of any services or obligations does not change those services or obligations

Terms and Conditions. We also have the right to assign any **Retail Access Services Agreement** without your consent to any **Person** that agrees, in writing, to be bound by the **Retail Access Services Agreement**.

If regulatory approval is necessary for us to assign any of our rights and obligations under these **Terms and Conditions** or a **Retail Access Services Agreement**, we must obtain that approval before the assignment can be effective.

13.3 Transfer of Obligations

If you transfer or assign to another **Person** any services that we provide under our **Distribution Tariff** or a **Retail Access Services Agreement**, all of the obligations and contractual arrangements that exist at the time of the transfer or assignment will remain in place unless new agreements are entered into between us and that other **Person**.

SECTION 14 - DEFAULT

You or EPC may be in default under the Terms and Conditions if certain events occur

14.1 Default

A **Party** will be in default (“Defaulting **Party**”) of its obligations under these Terms and Conditions if it:

- is the subject of a bankruptcy, insolvency or similar proceeding,
- makes an assignment for the benefit of its creditors,
- applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, or liquidator to manage all or a substantial portion of its assets,
- is de-certified by the **ISO**,
- violates any code, rule, regulation or statute applicable to the supply of **Electricity**, or
- (i) fails to pay the other **Party** (“Non-Defaulting **Party**”), when payment is due, (ii) breaches these **Terms and Conditions**, (iii) fails to maintain **Retailer** security as required or to satisfy any other obligation or requirement under these **Terms and Conditions** or a **Retail Access Services Agreement**, and fails to fix any such failure within three **Business Days** after receiving written notice of the failure or breach from the Non-Defaulting Party.

If you are in default, we may stop providing services to you

14.2 Remedies on Default

In an event of default, the Non-Defaulting **Party** has the right to:

- pursue any and all available remedies, and
- terminate the applicable agreement without any liability or responsibility whatsoever, except for obligations arising before the date of termination, by giving written notice to the Defaulting **Party**. Any such termination must comply with any applicable regulatory requirements.

If you file a petition in bankruptcy (or equivalent, including having an involuntary petition in bankruptcy filed against you) or become a Defaulting **Party**, we may keep any security posted by you without giving you prior notice.

If you fail to make any payment that is due, we may immediately withhold or suspend your service, terminate service, transfer your **Customers** to the **Default Supplier** or **Regulated Rate Provider** and apply any security held by us to amounts that you owe us before the service coverage period of the security expires.

We have the right to take credit action against you on accounts that you have not paid. We may also require that you pay our administrative and collection costs relating to the recovery of amounts owed by you.

If we ask you to provide or maintain security and you fail to do so, we may immediately withhold or suspend services to you.

If we decide that you or a **Person** who guarantees your financial obligations is no longer creditworthy, we may demand alternative security and, if you do not provide it, we may immediately suspend services to you until we are satisfied that you are capable of meeting your payment obligations by either satisfying our credit requirements or providing security.

If we suspend our services, you are still required to pay any amounts owing to us.

PART C: GLOSSARY

The following words and phrases, whenever used in these **Terms and Conditions** and bolded, will have the meanings set out below:

Arbitration Act	means the Arbitration Act (Alberta)
AUC	means the Alberta Utilities Commission
AUC Rule 004	means the Alberta Tariff Billing Code Rules as established, amended from time to time, and approved by the AUC under the authority of the EUA
AUC Rule 010	means the Rules of Standards for Requesting and Exchanging Site-Specific Information for Retail Electricity and Natural Gas Markets as established, amended from time to time, and approved by the AUC under the authority of the EUA
AUC Rule 021	means the Settlement System Code Rules as established, amended from time to time, and approved by the AUC under the authority of the EUA
Billing Demand	means the demand as defined in the EPC Distribution Tariff Rate Schedules
Business Day	means any day other than a Saturday, Sunday or a statutory holiday in the Province of Alberta
Connection Services	means “electric distribution service” as defined in the EUA and includes Distributed Energy Resource Interconnection Services, Transmission Connected Services and all of the other services provided by EPC to Customers under EPC’s Distribution Tariff

Customer	<p>has the meaning given to it under the EUA but also includes any Person or entity:</p> <ul style="list-style-type: none"> • to whom EPC provides service under its Distribution Tariff, • who applies for or otherwise requests service under EPC's Distribution Tariff, or • who owns, rents, or leases land upon which service under EPC's Distribution Tariff is or will be provided, <p>but does not include a Retailer, a Regulated Rate Provider or a Default Supplier</p>
Customer Terms and Conditions	<p>means the Terms and Conditions that apply to Customers and that, together with these Terms and Conditions, form the EPC Distribution Tariff Terms and Conditions</p>
De-Energize, De-Energized or De-Energization	<p>means the disconnection of metering or electrical equipment from the Electric Distribution System to prevent Electricity from flowing to or from a Site</p>
Default Supplier	<p>means a Retailer appointed by an owner under Section 3 of the <i>Roles, Relationships and Responsibilities Regulation</i> (Alberta)</p>
Demand	<p>means the amount of Electricity delivered to or by a system (expressed in kVA) at a given instant or averaged over any designated period of time</p>
Distributed Energy Resource	<p>means any apparatus, device or equipment that is capable of producing or storing Electricity and <u>that is directly or indirectly</u></p>

	<u>electrically connected, either continuously or intermittently, to our</u>
	Electric Distribution System
Distributed Energy Resource Interconnection Services	means services provided by us which will allow for the delivery of Electricity to the Facilities by a Distributed Energy Resource
Distribution Tariff	means a document prepared by us and approved by the AUC that sets out: <ul style="list-style-type: none"> • Rate Schedules, and • the EPC Distribution Tariff Terms and Conditions
Electric Distribution System	has the meaning given to it by the EUA
Electricity	has the meaning given to it by the EUA
Eligible Customer	has the meaning given to it by the EUA
Energize, Energized or Energization	means the connection of metering or electrical equipment to the Electric Distribution System to permit Electricity to flow to or from a Site
EPC (or we or us)	means ENMAX Power Corporation.
EPC Distribution Tariff Terms and Conditions	means these Terms and Conditions and the Customer Terms and Conditions
EPC Party	means EPC and its employees, directors, officers, agents, contractors and representatives
EUA	means the <i>Electric Utilities Act</i> (Alberta)

Facilities

means our physical facilities including transmission and distribution lines, wires, transformers, **Meters**, **Meter** reading devices, **Load Limiting Devices** and other electrical apparatus

Force Majeure

means circumstances not reasonably within our control, including acts of God, strikes, walkouts, lockouts or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, pandemics, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, laws, orders, restraints or acts of courts or other public, civil or military authorities, civil disturbances, explosions, breakdown or accident or necessity of repairs to equipment or lines of the electric transmission and distribution systems, loss, diminution or impairment of electrical service from generating plants, suppliers or the systems of others with which the **Electric Distribution System** is interconnected, failure of any supplier or **Retailer** to perform, failure, curtailment, interruption or reduction of the transmission or **Electric Distribution Systems'** capacity, and any other event or circumstance, whether of the kind herein enumerated or otherwise, not reasonably within our control. **Force Majeure** events do not include our lack of finances or inability to perform due to our financial condition, or decisions or orders made by the **AUC** in the normal course of exercising its authority over us

IES or Interconnected Electric System

Has the meaning given to it by the **EUA**

Interval Meter

means a **Meter** that measures, at intervals of 60 minutes or less, the amount of **Electricity** consumed, and satisfies the

	standards for revenue collection under the <i>Electricity and Natural Gas Inspection Act</i> (Canada) and the <i>Weights and Measures Act</i> (Canada)
ISO	has the meaning given to it by the EUA
kVA	means kilovolt ampere or kilovolt amperes
Load	means the Demand and Electricity delivered or required to be delivered to a Site
Load Limiting Device or Load Limiting Program	means a hardware or software that limits or reduces the electricity provided to the Customer , and which may be a standalone device or part of a Meter
Load Settlement	means the functions set out in AUC Rule 021
LSA	means Load Settlement Agent, which is the entity conducting Load Settlement calculations for a particular Load Settlement zone
Meter	is the device and associated equipment that measures and records the amount of Electricity that flows through a particular point, and satisfies the standards for revenue collection under the <i>Electricity and Gas Inspection Act</i> (Canada) and the <i>Weights and Measures Act</i> (Canada)
Meter Services	means all of the services associated with the metering of Electricity , including the purchase, installation, operation, reading, testing, maintenance, monitoring, replacement and removal of a Meter

Micro-Generation Regulation	means the <i>Micro-Generation Regulation</i> (Alberta)
Minimum Contract Demand	is the minimum Demand , in kVA , contracted for by the Customer
Parties	means EPC , the Retailer , or any other Person taking any services under these Terms and Conditions and “ Party ” means any one of them
Payment Date	means the “current invoice date” shown on our invoice
Penalty Date	means the “penalty date” shown on our invoice and is the date that is 25 days following the Payment Date
Person	means an individual, firm, partnership, association, joint venture, corporation, trustee, executor, administrator or legal representative
PFAM	means Post Final Adjustment Mechanism as defined in AUC Rule 021
Primary Metered Services Agreement	means an agreement between EPC and a primary metered Customer setting out the Customer’s obligations with respect to the operation and maintenance of the equipment owned and operated by the Customer
Ratchet Demand	means 90% of the highest kVA Demand in the last 365 days ending with the last day of the Distribution Tariff bill period as defined in AUC Rule 004
Rate Schedule	means that part of our Distribution Tariff that sets out our approved rates and charges

Re-Energize or Re-Energization	means the reconnection of metering or electrical equipment to the Electric Distribution System , which allows Electricity to flow to or from a Site
Regulated Rate Provider	means the owner of an Electric Distribution System , or a Person authorized by the owner that provides Electricity Services to Eligible Customers in the owner's service area under a regulated rate tariff
Retail Access Services	means "electric distribution service" as defined in the EUA and includes all of the services provided by EPC to Retailers under EPC's Distribution Tariff
Retail Access Services Agreement	means an agreement between us and a Retailer , which sets out the terms upon which we provide Retail Access Services to the Retailer and in which the Retailer agrees to these Terms and Conditions and the associated Rate Schedules
Retail Electricity Services	has the meaning given to it by the EUA
Retailer	has the meaning given to it by the EUA
Retailer Party	means a Retailer and its employees, directors, officers, agents, contractors and representatives
Service Connection	means the physical connections of the Facilities to the equipment of a Customer
Settlement Zone	means the collection of Sites that are jointly settled by a Load Settlement system
Site	means a unique end use service delivery point

Site Identification Number or Site ID	means a unique identification number assigned by us to a Site
System Access Service	has the meaning given to it by the EUA
Terms and Conditions	means these terms and conditions
Transmission Connected Customer	<p>means for the purposes of exemption from distribution charges as defined in the Rate Schedule:</p> <ul style="list-style-type: none"> • a Customer whose Service Connection is at a transmission voltage of 69 kV and above, or • a Customer whose plant Site is contiguous with a Transmission Facility and takes service directly from the Transmission Facility, or through a transformer which is directly connected to the Transmission Facility
Transmission Connected Services	means the services provided by us to Transmission Connected Customers and includes Meter Services , Meter data management and other related services offered by us
Transmission Facility	has the meaning given to it by the EUA
Transmission System	means the Transmission Facilities that are owned and operated by us
UFE	<p>means unaccounted for energy, which is the difference between:</p> <ul style="list-style-type: none"> • the Electric Distribution System total Electricity for the hour, and • the sum of the allocated hourly Electricity at the Site, plus their allocated losses.



ENMAX POWER CORPORATION

DISTRIBUTION TARIFF

Terms and Conditions
Investment Level Schedule

Effective January 1, 2022

This Schedule forms part of EPC's Distribution Tariff Customer Terms and Conditions and applies to all Electricity Services supplied under that Tariff.

Residential Investment Levels

The following table shows the **EPC Investments** for our residential rate class for January 1 to December 31, 2022. These amounts change each year.

Customer Type	EPC Investment Policy (New Load)
Residential (Rate Code D100) Standard Residential Development	ENMAX invests the full amount necessary to provide a modified underground residential distribution system.*
Residential (Rate Code D100) Non-Standard Residential Development	\$2,658 – 100A service \$3,872 – 200A service \$10,232 – 400A service or greater**
Residential (Rate Code D100) Non-Standard Service Upgrades	ENMAX will invest an amount up to the difference between the non-standard investment shown above for the new service and the non-standard investment shown above for the existing service.
Residential (Rate Code D100) Underground Feeder Upgrade	\$142 per linear meter.

*The investment in a modified underground residential distribution system includes the cost of an overhead primary voltage main feeder, underground primary voltage service feeders, underground secondary voltage services to individual lots that includes cables, transformers and ducts, the material cost associated with the service coils, as well as project management, engineering and administrative costs.

**For service connections at 400A or higher, Customers must supply their own service cables.

Non-Residential Investment Levels

The following table shows the **EPC Investments** for our non-residential rate classes for January 1 to December 31, 2022. These amounts change each year.

Customer Type	EPC Investment Policy (New Load)
Small Commercial (Rate Code D200), Streetlights (Rate Code D500)	\$13,129/Meter
Medium Commercial (Rate Code D300), Large Commercial (Rate Code D310)	<p>\$13,129/Meter (no Minimum Contract Demand required), or;</p> <p>\$329/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 15-year Minimum Demand Agreement)</p> <p>\$219/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 10-year Minimum Demand Agreement)</p> <p>\$109/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 5-year Minimum Demand Agreement)</p>
Large Commercial (Rate Code D410)	<p>\$13,129/Meter (no Minimum Contract Demand required), or;</p> <p>\$98/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 15-year Minimum Demand Agreement)</p> <p>\$65/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 15-year Minimum Demand Agreement)</p> <p>\$33/kVA of Minimum Contract Demand up to 80% of anticipated maximum Demand (requires a 15-year Minimum Demand Agreement)</p>
Overhead and Underground Commercial Subdivision Lot Pre-servicing (civil infrastructure only)	\$7,878/lot (not applicable in Network area)
Irrigation Services (Controls) Temporary Services (includes Sign Services)	Not applicable



ENMAX POWER CORPORATION

DISTRIBUTION TARIFF

Terms and Conditions
Fee Schedule

Effective January 1, 2022



This Schedule forms part of EPC's Distribution Tariff Customer Terms and Conditions and applies to all Electricity Services supplied under that Tariff.

The fees contained in this Schedule are non-refundable and are charged in all circumstances where we have provided the service associated with the fee or the conditions for charging the fee have been met.

1. Customer Requested Temporary De-Energization No Charge

We do not charge a fee where a **Customer** requests temporary **De-Energization** of a **Site**.

2. Re-Energization after Customer Requested Temporary De-Energization \$149.00 per hour

This fee applies to a **Customer** who requests **Re-Energization** of a **Site** after a temporary **De-Energization** of that **Site**.

3. Urgent Re-Energization \$132.00 per request

This fee applies when a **Retailer** requests an Urgent, Priority Code 1 **Re-Energization**, including the removal or de-activation of a **Load Limiting Device**. The fee is charged to the requesting **Retailer**.

4. Permanent De-Energization No charge

We do not charge a fee where a **Site** is permanently **De-Energized** and our **Facilities** are permanently removed.

5. Financial De-Energization \$52.00 per request

This fee applies to a **De-Energization** request from the **Default Supplier** or **Regulated Rate Provider** due to non-payment of a **Customer** account. We may choose to install or activate a **Load Limiting Device** due to seasonal, safety or other reasons. This fee also applies to a request from the **Default Supplier** or **Regulated Rate Provider** to remove or de-activate a **Load Limiting Device** and fully **De-Energize** the **Site**. The fee is charged to the requesting **Default Supplier** or **Regulated Rate Provider**.

6. Re-Energization after Financial De-Energization \$52.00 per request

This fee applies to a **Re-Energize** request from a **Default Supplier** or **Regulated Rate Provider** for a **Site** that was fully **De-Energized** or a **Load Limiting Device** installed or activated for financial reasons. The fee is charged to the requesting **Default Supplier** or **Regulated Rate Provider**.

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7. Delivery of Cut-Off Warning Notice **\$52.00 per notice**

This fee applies to a request from a **Default Supplier** or **Regulated Rate Provider** to deliver a cut-off warning notice at a **Site** where either the **Site** will be cut-off for financial reasons or the **Customer** needs to be warned of impending cut-off due to vacancy. The fee is charged to the requesting **Retailer**.

8. Extra Service Trip **\$81.00 per trip**

This fee applies when an extra service trip to a **Site** is required, after the initial **energization** request failed as a result of deficiencies related to **Your Equipment**, unsafe conditions or non-compliance with codes and our **Metering Standard**. The fee is charged to the **Retailer** who enrolled the site.

9. Meter Field In Situ Test **\$205.00 for Self-Contained Meter**
\$263.00 for Instrument-type Meter

This fee applies when we test a **Meter** at the request of a **Retailer** or **Customer**. The fee is charged only if the accuracy of the **Meter** is found to be within the limits allowed by Measurement Canada. The fee is charged to the **Retailer** that enrolled the **Site**, where applicable.

10. Off-Cycle Meter Reading **\$54.00 per request**

This fee is applied when a **Retailer** requests that an off-cycle **Meter** reading be performed. The fee is charged to the requesting **Retailer**.

11. Interval Data Request - HUF Format **\$0.00 per Site – per request**

We do not charge a fee when a **Retailer** or another **Party** authorized by the **Customer** requests **Interval Meter** data for a period of no more than 425 calendar days from date of request, limited to one annual request per **Site** by either a **Retailer** or any other **Party** authorized by the **Customer**. Additional requests made during the subsequent 12 months are considered to be a non-standard data request and are subject to an additional fee as shown below, unless we waive that fee.

12. Cumulative Data Request, HUF Format **\$0.00 per Site – per request**

We do not charge a fee when a **Retailer** or another **Party** authorized by the **Customer** requests cumulative **Meter** data for a period of no more than 425 calendar days from date of request, limited to one annual request per **Site** by either a **Retailer** or any other **Party** authorized by the **Customer**. Additional requests made during the subsequent 12 months are considered to be a non-standard data request and is subject to an additional fee as shown below, unless we waive that fee.

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13. Non-Standard Interval Data Request **\$122.00 per hour**

This fee is applied when a request is made for interval data that is not provided in HUF format. These requests will be billed in hourly increments, with a minimum one-hour charge.

14. Non-standard Data Request - All Other Requests **\$122.00 per hour**

This fee is applied when a request is made for non-interval data that is not provided in HUF format. These requests will be billed in hourly increments, with a minimum one-hour charge.

15. Customer Requests - Off Hours **\$315.00 per hour**

This fee applies when work is scheduled at the request of either the **Customer** or us. A **Customer** that requires work to be scheduled outside of our normal business hours (Monday to Friday, 7:00 a.m. to 4:00 p.m.) will be required to pay this fee. Off hours service calls are subject to the availability of personnel to respond to the service call.

16. Dishonoured Payments **\$22.00**

This fee applies to all dishonoured cheques or other payment dishonoured, rejected or reversed by any financial institution for any reason.

17. Meter Upgrade **\$115.00 per hour for one person/one truck (single phase)**
\$231.00 per hour for two people/one truck (multi phase)

This fee applies for the time associated with **Meter** upgrades. The **Customer** is also responsible for the cost of materials including the **Meter**.

18. Penalty for Late Payment **3.46% of the total current charges**

This fee applies to **Retailers** or **Customers**. A one-time penalty charge of 3.46% will be applied no less than 25 days following the payment due date indicated on the bill to total current charges outstanding.

19. Inspection **\$204.00 per hour**

This fee applies when an inspection of a **Customer's Site** is required, subject to a signed **Primary Metered Service Agreement**. The **Customer** is also responsible for the cost of remedying any deficiencies found through the inspection.

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