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*Capitalized terms used in these Customer Terms and Conditions of Electric Distribution Service (the “**Customer Terms and Conditions**”), as may be amended or replaced from time to time, that are not otherwise defined in the context in which they are used, have the meaning ascribed thereto under section 2.1 “Definitions”.*

ARTICLE 1 – INTRODUCTION TO CUSTOMER TERMS AND CONDITIONS

In accordance with the provisions of the *Electric Utilities Act* (the "**Act**") and the Regulations made thereunder (the "**Regulations**"), as either may be amended or replaced from time to time, FortisAlberta Inc. ("**FortisAlberta**") in its role as a wire owner will carry out the functions necessary to furnish Electric Distribution Service to Customers in the areas serviced by FortisAlberta to enable each Customer to purchase electricity for that person's own use from a Retailer.

These Customer Terms and Conditions govern the relationship between FortisAlberta and Customers that require a Service Connection to FortisAlberta's Electric Distribution System or other services. These Customer Terms and Conditions will also govern the relationship between FortisAlberta and a Retailer or any other person whom the Customer has assigned to act on its behalf in its dealings with FortisAlberta, regarding the provision of Electric Distribution Service.

These Customer Terms and Conditions serve as a companion to the Retailer Terms and Conditions which are intended to enable Retailers to acquire access to FortisAlberta's Electric Distribution System for the purposes of allowing them to sell electricity directly to Customers. A Customer may also act as a self-retailer by carrying out Retailer functions to obtain Electricity Services solely for the Customer's own use.

The Retailer Terms and Conditions and these Customer Terms and Conditions together form the Terms and Conditions of Electric Distribution Service of FortisAlberta (the "**Terms and Conditions**"). The service provided by FortisAlberta hereunder is regulated by the Alberta Utilities Commission (the "**Commission**"), and parties having any inquiries or complaints regarding the Terms and Conditions may direct such inquiries or complaints directly to FortisAlberta or to the Commission. The Terms and Conditions have been approved by the Commission.

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ARTICLE 2 – DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in these Customer Terms and Conditions, a Commitment Agreement, Electric Service Agreement, Interconnection Agreement, Underground Electrical Distribution System Services Agreement, or an application, contract or agreement for service, shall have the meanings set forth below, or the meaning set forth in the Retailer Terms and Conditions if not defined herein, unless the context otherwise requires:

“**Act**” means the *Electric Utilities Act* S.A. 2003, c. E-5.1, as amended or replaced from time to time;

“**AIES**” means Alberta’s “Interconnected Electric System” as that term is defined in the Act;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday as defined in the *Interpretation Act*, R.S.A. 2000, c. I-8, as amended or replaced from time to time, and “**day**” means any calendar day;

“**Buy-Down Charge**” has the meaning given such term in, and is determined in accordance with, Section 7.3.2;

“**Cancellation Costs**” include the aggregate of all direct and indirect costs and expenses incurred by FortisAlberta related to the work and in connection with the termination thereof including, without duplication:

- (a) the cost of all equipment and material, inclusive of any deposit, restocking and cancellation charges;
- (b) the amount payable to any person for the supply of labour and miscellaneous materials;
- (c) the cost of engineering, studies, surveying and drafting;
- (d) the fees of any consultant or professional retained by FortisAlberta;
- (e) the costs incurred in the process of obtaining easements, rights-of-way and regulatory approvals;

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- (f) the expense of wages and benefits for services performed by employees of FortisAlberta;
- (g) carrying charges; and
- (h) the costs incurred to salvage equipment and materials (net of any credit to FortisAlberta for reusable equipment and material), and to reclaim any property used by FortisAlberta;

“Civil Work” includes the completion, installation, repair or replacement of conduits, ductwork, trenching, ground disturbance, transformer and switching cubicle and pedestal bases, guard rails, manholes, vaults, landscaping and intermediate poles for low voltage service wire (1000 volt or less) on the Customer’s Land;

“Commission” or “AUC” means the Alberta Utilities Commission, formerly the Alberta Energy and Utilities Board, established under the *Alberta Utilities Commission Act*, S.A. 2007, c.A-37.2, as amended or replaced from time to time;

“Commitment Agreement” means the written agreement that may be required by FortisAlberta between the Customer and FortisAlberta, whereby such Customer agrees to have FortisAlberta design or construct new, improved or expanded Facilities or agrees to have FortisAlberta arrange for the design or construction of new, improved or expanded Transmission Facilities;

“Contract kilometres” means the length of distribution line, measured in metres, from the Point of Service to the Point of Delivery, as determined by FortisAlberta;

“Contract Minimum Demand” means the minimum demand specified in the Electric Service Agreement (which shall be no less than the Minimum Demand) or, if no agreement is in existence, means the Minimum Demand;

“Contract Term” means the period of time during which the Customer continues to take service under the Terms and Conditions until service is no longer provided;

“Customer” has the meaning given such term in, and is determined in accordance with, the Act, and also includes any consumer, person, firm, partnership, corporation, organization or association (including, without limitation, individual members of any unincorporated entity) to whom FortisAlberta provides any service under its Distribution Tariff or who applies for, or proposes or requests to purchase or obtain, or receives any service under the Distribution

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Tariff, or otherwise in respect of any Land upon which Electric Distribution Service is or will be furnished, a Subdivision Developer or the Tenant and the Registered Owner of the Land;

“Customer Contribution” has the meaning given such term in, and is determined in accordance with, Section 7.2, and includes, but is not limited to, a Customer Distribution Contribution, a Customer Transmission Contribution, and other contributions as set out in Section 7.2;

“Customer Distribution Contribution” has the meaning given such term in, and is determined in accordance with, Section 7.2.1;

“Customer Extension Costs” has the meaning given such term in, and is determined in accordance with, Section 7.2.1;

“Customer Shared Costs” has the meaning given such term in, and is determined in accordance with, Section 7.2.1;

“Customer Terms and Conditions” means these Customer Terms and Conditions for Electric Distribution Service of FortisAlberta, as amended or replaced from time to time;

“Customer Transmission Contribution” has the meaning given such term in, and is determined in accordance with, Section 7.2.2;

“Customer Usage Information” means information regarding the historical electricity consumption of a Customer;

“De-Energization” or **“De-Energize”** for the purposes of these Customer Terms and Conditions, means the disconnection of metering or electrical equipment connected to the Electric Distribution System to prevent Energy from flowing to the Point of Service;

“DG Customer” or **“Distribution Generation Customer”** means a person that has on-site generating facilities that are interconnected and operating in parallel with FortisAlberta’s Electric Distribution System and unless otherwise indicated, includes an MG Customer;

“Distribution Customer Exit Charge” has the meaning given such term in, and is determined in accordance with, Section 7.5;

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“Distribution Load Customer” means a Customer interconnected to, or who applies, proposes or requests to interconnect to, FortisAlberta’s Electric Distribution System for the purpose of purchasing electricity for that person’s own use;

“Distribution Tariff” means a distribution tariff prepared by FortisAlberta and approved by the Commission in accordance the Act, which consists of the Rates, Options and Riders Schedules and the Terms and Conditions, as amended or replaced from time to time;

“Electric Distribution Service” has the meaning given such term in, and is determined in accordance with, the Act. FortisAlberta’s prior Terms and Conditions previously referred to Electric Distribution Service as Distribution Tariff Service or Distribution Access Service, and all references in prior agreements, documents and other instruments to Distribution Tariff Service or Distribution Access Service shall mean Electric Distribution Service as defined herein;

“Electric Distribution System” has the meaning given such term in, and is determined in accordance with, the Act;

“Electric Service Agreement” means an agreement between FortisAlberta and a Customer for the provision of Electric Distribution Service, including System Access Service;

“Electricity Services” has the meaning given such term in, and is determined in accordance with, the Act;

“Energy” means electric energy, which means the capability of electricity to do work, measured in kilowatt hours (“kWh”);

“Expected Peak Demand” means the expected maximum capacity requirement at a Point of Service which is used to determine the potential FortisAlberta Investment Level, the Minimum Demand and the Maximum Supply;

“Facilities” means physical plant (including, without limitation, distribution lines, transformers, meters, equipment and machinery) on FortisAlberta’s side of the Point of Service, excluding a Transmission Facility;

“Force Majeure” means circumstances not reasonably within the control of FortisAlberta, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of

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civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, interruptions of supply of goods or services, the intervention of federal, provincial, state or local government or from any of their agencies or boards (excluding decisions or orders made by the Commission in the normal course of exercising its authority over FortisAlberta), the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise, except for lack of funds which shall not be considered an event of Force Majeure;

“FortisAlberta Investment” has the meaning given such term in, and is determined in accordance with, Section 7.1;

“Idle Service Charges” means charges associated with the recovery of FortisAlberta’s ongoing cost of owning, operating and maintaining Facilities in respect of a particular Point of Service in situations where the Point of Service is not receiving Energy via the Facilities on a continuing basis, but the Customer chooses to retain the Facilities in place for future use. The charges that are applicable are set out in the Rates, Options and Riders Schedules;

“Independent System Operator” or **“ISO”** or **“AESO”** means the corporation established as the independent system operator by the Act to carry out the duties of the independent system operator under the Act, and carrying on business as the Alberta Electric System Operator or AESO;

“Interconnection Agreement” means an agreement entered into between FortisAlberta and a DG Customer that sets out the provisions and obligations of the parties with respect to the interconnection, including the Operating Procedures. Interconnection Agreements are required when any generator interconnects to the Electric Distribution System;

“Interconnection Charges” has the meaning given such term in, and is determined in accordance with, Section 12.6.1;

“Interconnection Facilities” for DG Customers means all incremental Facilities required to interconnect the circuits of the DG Customer’s generating facilities to FortisAlberta’s Facilities, and all modifications to FortisAlberta Facilities required for interconnection which may include, without limitation, poles, lines, substations, service leads, and protective and metering equipment;

“Interconnection Facilities Costs” are the capital costs as estimated by FortisAlberta of the DG Customer’s Interconnection Facilities;

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“Interest in Land” includes any oral or written agreement with the Registered Owner of Land to purchase, rent, use or exploit the Land, either currently or in the future;

“Investment Level” means the total dollar investment that FortisAlberta is permitted to make toward the construction of new or upgraded Facilities which total investment available is determined by the Investment Term and Expected Peak Demand and, where applicable, Metres of Customer Extension. Such Investment Level shall also be in accordance with the Customer Contribution Schedules, and such total distribution investment available shall not exceed the cost as estimated by FortisAlberta of constructing the Facilities;

“Investment Term” means the length of time or term as determined by FortisAlberta for investment purposes;

“kW of Capacity” means the kVA or kW of demand for that Point of Service as set out in the Rates, Options, and Riders Schedules;

“kVA” means kilovolt-ampere or kilovolt-amperes;

“kW” means kilowatt or kilowatts;

“kWh” means kilowatt hour or kilowatt hours;

“Land” includes, in respect of any parcel of land, registered ownership and lease of the whole or any part of it, and also includes any part thereof that is intended to be leased, subdivided or partitioned from the land;

“Load” means Energy consumed by Customers or capacity requirements in kW or kVA;

“Load Settlement” has the meaning given such term in, and is determined in accordance with, the Act;

“Maximum Supply” means the maximum amount of electric capacity (measured in kW or kVA, whichever is greater) that FortisAlberta is obligated to supply to the Customer for a Point of Service. The Maximum Supply is the lowest of the faceplate value of the transformer, the Maximum Supply as defined in the Electric Service Agreement, or the Expected Peak Demand in kW expressed in kVA (e.g. 1,000 kW Expected Peak Demand / 0.9 = 1,111 kVA Maximum Supply);

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“Metered Demand” means the registered demand in kW or 90% of the registered demand in kVA;

“Metres of Customer Extension” means the length of extension of Facilities, as determined to be appropriate by FortisAlberta, installed as part of a Service Connection, which is used to determine part of FortisAlberta’s Investment Level;

“MG Customer” or **“Micro-Generation Customer”** means a generator as defined under the Micro-Generation Regulation made pursuant to the Act, as amended or replaced from time to time;

“Minimum Charge” means the result of multiplying the rates by the greater of the Rate Minimum as contained in the Rates, Options and Riders Schedules or the Contract Minimum Demand;

“Minimum Demand” means the greater of the Contract Minimum Demand or two-thirds of the Expected Peak Demand;

“Operating Demand” means the value calculated as the average of the highest seven of the last 12 months of Metered Demands and is used for determining the appropriate rate for a Point of Service;

“Operating Procedures” means a schedule in the Interconnection Agreement which describes the procedures for the operation of the DG Customer’s facilities and FortisAlberta’s Facilities relating to the interconnection, which may be revised from time to time by FortisAlberta upon written notice to the DG Customer;

“Optional Facilities” means Facilities requested by the Customer that are different from or in excess of Standard Service or are expected to cause increased operation and maintenance expenses to FortisAlberta;

“Peak Demand” means the maximum Metered Demand in the last 12 months;

“Permanent Disconnection” means the cessation of Electricity Services resulting from removal of Facilities. Permanent Disconnection is also referred to as “salvage”;

“Point of Delivery” or **“POD”** means the point at which Energy is transferred from a Transmission Facility to FortisAlberta’s Electric Distribution System or Transmission Connected Services;

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“Point of Interconnection” means the point at which electricity is exchanged between the circuits of the DG Customer’s generating facility and the circuits of FortisAlberta’s Facilities;

“Point of Service” means the point at which FortisAlberta’s service conductors are connected to the conductors or apparatus of a Customer;

“Power Factor” means the ratio of usage power measured in kW to total power measured in kVA;

“Power Pool” means the scheme operated by the Independent System Operator under the Act for exchange of Energy and financial settlement for the exchange of Energy;

“Prepaid Line Share” has the meaning given such term in, and is determined in accordance with, Table 3 of the Customer Contribution Schedules;

“Rates, Options and Riders Schedules” means that portion of FortisAlberta’s Distribution Tariff which sets out charges;

“Registered Owner” means the registered owner or owners of Land;

“Regulations” means the regulations made pursuant to the Act;

“Responsible Parties” means all Retailers and Customers, including Transmission Load Customers, Distribution Load Customers, DG Customers, MG Customers or agents of the foregoing;

“Retail Service Agreement” means an agreement between FortisAlberta and a Retailer for the provision of Electric Distribution Service, as amended or replaced from time to time;

“Retailer” means a person, selected by the Customer, or otherwise to whom the Customer is defaulted in accordance with the Act and Regulations, who carries out the duties of a retailer prescribed in the Act, including also self-retailers who procure Electricity Services for their own use as a Customer;

“Retailer of Record” means the Retailer who is listed in FortisAlberta’s records through the procedures outlined in the Terms and Conditions, and thereby recognized by FortisAlberta and the Settlement System Code, as a particular Customer’s Retailer for a Point of Service at a particular time;

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“Retailer Terms and Conditions” means the Retailer Terms and Conditions for Electric Distribution Service of FortisAlberta, as amended or replaced from time to time;

“RRR Regulation” means the Roles, Relationships and Responsibilities Regulation A.R. 169/2003 made pursuant to the Act, as amended or replaced from time to time;

“Service Connection” means all the Facilities required for providing services up to a Point of Service;

“Service Life” means the expected period of viable, technical and economic life of an asset;

“Settlement System Code” means the specifications, standards, methods, calculations and conventions established under the AUC Settlement System Code Rule 021, as amended or replaced from time to time;

“Standard Service” means Facilities which meet good economic electric industry practice including safety, reliability and operating criteria and standards consistent with the particular characteristics of service as determined by FortisAlberta acting reasonably;

“Subdivision Developer” means the registered owner or their duly appointed representative developing the Land on which the electrical system is being installed;

“System Access Service” has the meaning given such term in, and is determined in accordance with, the Act;

“System Access Service Agreement” means an agreement entered into between the Independent System Operator and FortisAlberta, which establishes the specific terms pursuant to which FortisAlberta obtains System Access Service;

“Temporary Disconnection” means the cessation of Electricity Services on a temporary basis and does not involve removal of Facilities;

“Temporary Service” has the meaning given such term in, and is determined in accordance with, Section 4.6;

“Tenant” means any person with an Interest in Land granted by the Registered Owner;

“Terms and Conditions” means, collectively, these Customer Terms and Conditions and the Retailer Terms and Conditions, as amended or replaced from time to time;

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“Transmission Connected Service” means a Point of Service:

- (a) that is served at a transmission voltage level and is not interconnected to the FortisAlberta Electric Distribution System; and
- (b) for which FortisAlberta has a distinct System Access Service Agreement in existence with the Independent System Operator, specifically for the respective Point of Delivery;

“Transmission Costs” has the meaning given such term in, and is determined in accordance with, Section 7.2.2;

“Transmission Facility” has the meaning given such term in, and is determined in accordance with, the Act;

“Transmission Facility Owner” means the owner, as such term is defined in the Act, of the Transmission Facility;

“Transmission Load Customer” means a Customer at a Transmission Connected Service or who applies, proposes or requests to interconnect to a Transmission Connected Service, who has not received a Section 101(2) release as noted in the Act; and

“Underground Electrical Distribution System Services Agreement” means the agreement between FortisAlberta and the Subdivision Developer by which the underground Facilities are to be installed on Land to provide Service Connections to each proposed lot and the common area within the Land. FortisAlberta’s prior Terms and Conditions previously referred to Underground Electrical Distribution System Services Agreement as Underground Residential Development Agreement, and all references in prior agreements, documents and other instruments to Underground Residential Development Agreement shall mean Underground Electrical Distribution System Services Agreement as defined herein.

2.2 Conflicts

If there is any conflict between a provision expressly set out in an order of the Commission and the Terms and Conditions, the order of the Commission shall govern.

If there is any conflict between a provision in the Terms and Conditions, and a provision in a Commitment Agreement, Electric Service Agreement, Interconnection Agreement, Retail Service Agreement, Underground Electrical Distribution System Services Agreement or any

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other existing or future agreement between FortisAlberta and a Responsible Party, the provision in the Terms and Conditions shall govern.

2.3 Headings

The division of the Terms and Conditions into sections, subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Terms and Conditions.

2.4 Extended Meanings

In the Terms and Conditions, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neutral genders and vice versa, and words importing a person shall include an individual, firm, partnership, association, trust, unincorporated organization and corporation.

2.5 Schedules

The following schedules, as amended or replaced from time to time, form part of these Customer Terms and Conditions:

Fee Schedule (available at <http://www.fortisalberta.com>)

Customer Contributions Schedules (available at <http://www.fortisalberta.com>)

ARTICLE 3 – GENERAL PROVISIONS

3.1 Commission Approval

The Terms and Conditions have been approved by the Commission. FortisAlberta may amend the Terms and Conditions by filing a notice of amendment with the Commission. Included in the notice to the Commission shall be notification of which Customer groups are affected by the amendment and an explanation of how affected Customers will be notified of the amendments. Within 60 days after such notice is filed, the Commission will either acknowledge the notice of the amendment to the Terms and Conditions or direct a further process to deal with the requested change as the Commission deems appropriate. If the Commission acknowledges notice of the amendment, the amendment will take effect upon the date of such acknowledgement.

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3.2 Distribution Tariff

FortisAlberta's Distribution Tariff is available for public inspection at FortisAlberta's website at: <http://www.fortisalberta.com>. The Terms and Conditions, together with the Rates, Options and Riders Schedules, form part of the Distribution Tariff and are established pursuant to Section 2 of the Distribution Tariff Regulation, as amended or replaced from time to time.

3.3 Amendments to the Terms and Conditions

Whenever the Commission approves an amendment to the Terms and Conditions, such amendment, including its effective date, will be posted on FortisAlberta's website at: <http://www.fortisalberta.com>.

No agreement can provide for the waiver or alteration of any part of the Terms and Conditions unless such agreement is first filed with and approved by the Commission and such agreement expressly provides for any such waiver or alteration.

3.4 Applicability of Terms and Conditions

These Customer Terms and Conditions govern the relationship between FortisAlberta and Customers that require a Service Connection to FortisAlberta's Electric Distribution System, Electric Distribution Service, or other services. These Customer Terms and Conditions will also govern the relationship between FortisAlberta and a Retailer or any other person whom the Customer has assigned to act on its behalf in its dealings with FortisAlberta, regarding the provision of wire service on its Electric Distribution System.

All Responsible Parties, by virtue of their relationship with FortisAlberta, are deemed to have accepted the Terms and Conditions. The application to FortisAlberta for a service, the entering into of a Commitment Agreement, Electric Service Agreement, Interconnection Agreement, Underground Electrical Distribution System Services Agreement, the use by a Responsible Person of a service, or the payment by the Responsible Person of an account rendered by FortisAlberta in relation to a service shall constitute acceptance by the Customer of these Terms and Conditions.

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3.5 Customer Guides

FortisAlberta has developed a number of Customer guides including the Service and Metering Guide, Power Quality Specification, the Guide to Customer Contributions and FortisAlberta Investment, and the Residential and Farm Customer Guide to Electric Distribution Service (“**Guides**”) to assist Customers in understanding the normal requirements of FortisAlberta in relation to interconnections to FortisAlberta’s Electric Distribution System including requirements intended to ensure the safety of its employees and the safety and reliability of its Electric Distribution System. FortisAlberta will amend the Guides from time to time to reflect changes to the electric utility industry, changes in FortisAlberta’s requirements or the changing needs of FortisAlberta’s Customers. While FortisAlberta will endeavour to follow practices in the Guides, these practices will not appropriately cover every situation that may arise and it may be necessary to deviate from the Guides. The Guides shall be non-binding on Customers and on FortisAlberta, and are produced and maintained for information purposes only. If there is any conflict between a Guide and a provision in the Terms and Conditions, an Electric Service Agreement, a Retail Service Agreement or any other existing or future agreement between FortisAlberta and a Responsible Party, the provision in the Terms and Conditions, Electric Service Agreement, Retail Service Agreement or other agreement shall govern. A copy of the Guides can be accessed on FortisAlberta’s website at: <http://www.fortisalberta.com>.

3.6 Fees and Other Charges

FortisAlberta will provide Electric Distribution Service hereunder pursuant to the Distribution Tariff. All additional, supplementary or extra non-discretionary services provided by FortisAlberta to a Customer will be charged a separate rate or fee such as those included, without limitation, in the Fee Schedule. Payment by the Customer for services shall be in accordance with the provisions of the Terms and Conditions.

3.7 Billing Customers

The Customer shall pay all amounts required to be paid under the Distribution Tariff upon receipt of a bill for such amounts. Bills shall be deemed rendered and other notices duly given when delivered to the Customer at the address for service or otherwise. Failure to receive such bill from FortisAlberta will not entitle the Customer to any delay in the settlement of each account, or to any extension of the date after which a late payment charge becomes applicable. Any bill rendered to a Customer for which valid payment has not been received by the date indicated on the bill shall be considered past due.

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A late payment charge of 1.5% per month (19.56% per annum) is applied if the Customer's payment has not been received by FortisAlberta before 1 month elapses from the date the bill was issued. The Customer is charged a dishonoured payment charge for each payment returned for dishonoured or refused payment or returned by a financial institution for any reason as set forth in the Fee Schedule.

ARTICLE 4 – ESTABLISHMENT OF SERVICE

4.1 Exchange of Information

To enable FortisAlberta to provide a requested service, a Customer shall supply any information that may be required by FortisAlberta, including information regarding the service required, Land, location or ownership of the premises to be served on the Land, the Customer's service requirements (e.g. Expected Peak Demand), preferred supply conditions and the manner in which the Point of Service will be utilized, credit information, or reference information.

Upon request, FortisAlberta shall provide to the Customer information on obtaining a Service Connection for the Customer, including the method and manner of such Service Connection. Such information may include a copy of FortisAlberta's Service and Metering Guide, a description of the Service Connection available, location of where Facilities will enter the Customer's Land, Point of Service and metering equipment, and Customer and FortisAlberta responsibilities for installation of Facilities.

After receipt of the application for service and the required information, FortisAlberta will advise the Customer of the type and character of the Service Connection it will furnish to the Customer, and any special conditions that must be satisfied.

4.2 Application for Service

FortisAlberta reserves the right to verify the identity of the Customer and the accuracy of the information provided and to require the Customer to sign an agreement with FortisAlberta or to make an application in writing on forms provided by FortisAlberta.

FortisAlberta may require that the Customer confirm that the Customer is the Registered Owner of the Land, or that the Customer is a Tenant. If the Customer is a Tenant, FortisAlberta shall have the right, but not the obligation, to: (i) verify the identity of the Registered Owner

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of the Land; (ii) notify the Registered Owner of the nature of the proposed service and of any other information that FortisAlberta considers relevant; and (iii) require the Registered Owner to sign an agreement consenting to the service and any access to the Land required by FortisAlberta and to be responsible for the obligations of the Tenant in regard to the service if the Tenant fails to comply with any of its obligations hereunder in respect of the service. The Customer's eligibility for service and for rates shall be determined based on the Land or Interest in Land at the time of the intended use of the service or upgraded service. If the operational characteristics of an existing service change, a different rate may be applicable and certain provisions in Article 7 may apply.

A Customer, a Retailer or any other person acting on behalf of the Customer, may apply for a Service Connection on behalf of a Customer. Where such application is made by another party on behalf of the Customer, such party must provide FortisAlberta, in a form acceptable to FortisAlberta, verifiable authorization from the Customer to make the application.

FortisAlberta bills the Retailer of Record based on the charges set out in its Rates, Options and Riders Schedules. Each Point of Service is billed as a separate service. The determination of these charges will be made in accordance with FortisAlberta's Terms and Conditions and its Rates, Options and Riders Schedules.

The availability of rates, options and riders are specified in the Rates, Options and Riders Schedules. If the operational characteristics of the Point of Service change, a different rate may be applicable and certain provisions in Article 7 may apply. This could result in the Customer being required to pay an additional Customer Contribution or receiving a refund. A Customer-requested change of service under this Section will not be made more than once in any 12-month period.

A Customer may be required to sign a Commitment Agreement before FortisAlberta orders any materials or commences any of the project design work or construction of the Facilities will proceed. In the event that a Customer cancels a project, the Customer will pay all additional costs related to the cancellation of the project, including Cancellation Costs, incurred by FortisAlberta. FortisAlberta reserves the right to require a Customer to provide security acceptable to FortisAlberta to cover Cancellation Costs as provided in the Commitment Agreement or as set out elsewhere.

Upon completion of the construction of the Facilities, a Customer is required to enrol with a Retailer to obtain Electricity Services, including Electric Distribution Service, within 30 days.

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FortisAlberta reserves the right to require its default retailer to enrol the Customer in the event that the Point of Service is not enrolled within the 30-day period set out above.

4.3 Rejection of Application

FortisAlberta may reject any Customer's request for a Service Connection when:

- (a) the type of Service Connection applied for is not available or normally provided by FortisAlberta in the location requested;
- (b) the Customer does not have currently in force all permits or other authorizations that may be required for the installation of the Service Connection as set out in Section 4.5;
- (c) FortisAlberta determines that a previous account held by the Customer is in arrears with FortisAlberta;
- (d) where applicable, the Customer fails to provide a letter of credit from a suitable financial institution in a form acceptable to FortisAlberta;
- (e) FortisAlberta determines that the form of the Electric Service Agreement is not appropriate for the Service Connection due to its unique nature and the Customer refuses to enter into an alternate form of agreement acceptable to FortisAlberta;
- (f) any representation made by the Customer to FortisAlberta for the purpose of obtaining a Service Connection is, in FortisAlberta's opinion, fraudulent, untruthful or misleading;
- (g) the Customer has not, when requested by FortisAlberta to do so, provided a signed written application for a Service Connection, Commitment Agreement, Electric Service Agreement or Interconnection Agreement; or
- (h) the proposed Load, in FortisAlberta's opinion, has unusual characteristics that might adversely affect the quality of service supplied to other Customers, public safety, or the safety of FortisAlberta's personnel or FortisAlberta's Facilities or equipment.

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4.4 Customer Contracts

4.4.1 Electric Service Agreement for Customers

A Distribution Load Customer connected or connecting to the FortisAlberta Electric Distribution System is required to make contract arrangements with FortisAlberta, on the following basis:

- (a) A Distribution Load Customer with an Expected Peak Demand less than 75 kW is not generally required to sign a contract with FortisAlberta. However, if the actual Operating Demand significantly differs from the Expected Peak Demand, FortisAlberta reserves the right to require an Electric Service Agreement. In the absence of a signed Electric Service Agreement, the supplying of a Service Connection by FortisAlberta and the acceptance thereof by the Customer shall be deemed to constitute the agreement by and between FortisAlberta and the Customer for delivery, acceptance and payment for electric service under FortisAlberta's applicable Tariffs and Terms and Conditions.
- (b) A Distribution Load Customer with an Expected Peak Demand equal to or greater than 75 kW is required to sign an Electric Service Agreement with an Investment Term based on the number of years used to calculate the original investment or any subsequent investment.

Subject to the Terms and Conditions, the Contract Term and all other contractual obligations under an Electric Service Agreement continue in effect until such time as the Electric Service Agreement is either renegotiated or terminated by the party in accordance with Sections 7.3.2 or 7.5.

4.4.2 Electric Service Agreement for Transmission Load Customers

A Transmission Load Customer is required to make contractual arrangements with FortisAlberta for the flow-through of the obligations of FortisAlberta under a System Access Service Agreement for their particular Transmission Connected Service.

4.4.3 Transfer of Contractual Obligations

All services, whether or not they require FortisAlberta assignment consent, that are transferred or assigned to, or used or assumed by, a person taking over the operation or

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use of Customer's Facilities at an existing Point of Service, including, without limitation, any affiliate or successor to the previous Customer and, if applicable, the Registered Owner, from time to time, of the Land on which the Point of Service is located, shall be subject to the terms of the Electric Service Agreement(s) of the previous Customer(s), along with the billing and demand history. Any change in service requirements as a result of such transfer shall be made in accordance with the Terms and Conditions. The existing contractual arrangements will remain in place until any new agreements have been approved and accepted by both parties. It is the sole responsibility of the person who is taking over the use or operation of an existing Point of Service to undertake thorough due diligence with respect to the existence of, and all terms of, any existing Electric Service Agreements associated with the Point of Service.

4.4.4 Subdivision Developers

Except where FortisAlberta will install Facilities to serve a subdivision, Subdivision Developers are required to sign an Underground Electrical Distribution System Services Agreement.

4.4.5 Commitment Agreements

FortisAlberta may require a Customer to sign a Commitment Agreement, to be in effect until an Electric Service Agreement is executed or the request for a Service Connection has been cancelled.

4.5 Authorizations

The Customer shall be responsible for obtaining all permits, certificates, licences, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection and shall submit copies of them to FortisAlberta. FortisAlberta shall not be required to commence or continue installation or operation of a Service Connection unless and until the Customer has complied with the requirements of all governmental authorities, all permits, certificates, licences, inspections, reports and other authorizations, and all right-of-way agreements, and all FortisAlberta's requirements applicable to the installation and operation of the Service Connection. FortisAlberta reserves the right, but is not obligated, to verify that all necessary approvals have been obtained by a Customer.

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4.6 Temporary Service

Where FortisAlberta reasonably believes that a requested service will be temporary, the Customer must pay the Cost of Temporary Services and the Customer Transmission Contribution in accordance with Section 7.2.2. Unless otherwise approved by FortisAlberta in writing, Temporary Service shall be defined as installations intended for removal within a period not to exceed 24 months. A Minimum Demand based on two-thirds of the Expected Peak Demand will be applied to the Temporary Service for billing purposes.

If service continues beyond the 24-month period set out above, it will then be considered a permanent service effective at the end of the 24-month period, and the provisions herein applicable to a permanent Service Connection will apply. Regardless of whether alterations are required to existing Facilities, the Customer shall execute a new Electric Service Agreement based on the new Expected Peak Demand if required to do so by FortisAlberta in accordance with Section 4.4.1.

ARTICLE 5 – SERVICE REQUIREMENTS AND FACILITIES

5.1 Scheduling for Service Connection

After the applicant has complied with FortisAlberta's application requirements and has been accepted for service by FortisAlberta and complied with the requirements of Article 4 and all other local construction, safety standards or regulations, and has enrolled with a Retailer, FortisAlberta shall schedule that applicant for Service Connection.

5.2 Protection of FortisAlberta's Facilities

5.2.1 Interference with FortisAlberta Facilities

The Customer shall not install or allow to be installed on Land owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe operation of FortisAlberta's Facilities or result in non-compliance on the part of either the Customer or FortisAlberta with applicable statutes, regulations, standards or codes. FortisAlberta will retain ownership of its equipment and Facilities, whether or not affixed to a Customer's facilities or Land.

5.2.2 Protection of Installed Facilities

The Customer shall furnish and maintain, at no cost to FortisAlberta, the necessary space, housing, fencing, barriers, and foundations for the protection of the Facilities to be installed upon the Customer's Land. If the Customer refuses, FortisAlberta may, at its option, furnish and maintain and charge the Customer for furnishing and maintaining the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to FortisAlberta's specifications and approval. On a commercially reasonable basis, FortisAlberta will take into consideration, but shall not be obligated to abide by, requests by Customers related to the protection of Facilities.

5.2.3 Power Factor

A Customer shall design, install and operate their facilities in such a manner as to maintain a Power Factor of not less than 90%. FortisAlberta may require any Customer not satisfying this Power Factor requirement to furnish, install, and maintain at no cost to FortisAlberta, or FortisAlberta may install at the Customer's cost, such remedial or corrective equipment as FortisAlberta may deem necessary under the circumstances.

5.2.4 Compliance with Requirements and Use of Service Connection

The Customer will ensure that their facilities comply with the applicable requirements of the Canadian Electrical Code and with all Customer guides issued from time to time by FortisAlberta. The Customer shall not use their Service Connection or Electric Distribution Service in a manner so as to cause undue interference with any other facilities (either FortisAlberta's Facilities, Transmission Facilities or facilities of another Customer) connected physically or electromagnetically to FortisAlberta's Electric Distribution System. This includes, but is not limited to, abnormal voltage levels, frequency levels, flicker levels and harmonic and inter-harmonic levels. At FortisAlberta's request, the Customer shall take whatever action is required to correct the interference or disturbance at the Customer's expense. Alternatively, FortisAlberta may elect to correct the interference or disturbance at the Customer's expense.

5.2.5 Operation of Generator Facilities

Notwithstanding the provisions in Article 12 the Customer shall not, without the written consent of FortisAlberta, use their own generator facilities in parallel operation with FortisAlberta's Electric Distribution System.

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5.3 Relocation of Facilities

The Customer shall pay all costs of relocating FortisAlberta's Facilities at the Customer's request, for the Customer's convenience, or if necessary to remedy any violation of the Terms and Conditions, a provision of any other agreement with FortisAlberta, or any law or regulation caused by the Customer. If requested by FortisAlberta, the Customer shall pay the estimated cost of the relocation in advance.

5.4 Extensions

A Customer shall not extend or permit the extension of electric facilities connected to FortisAlberta's Electric Distribution System beyond Land owned, occupied or controlled by that Customer for any Point of Service.

ARTICLE 6 – RIGHTS OF WAY AND ACCESS TO FACILITIES

6.1 Easements

By accepting Electric Distribution Service, the Customer is deemed to have granted to FortisAlberta, without any cost to FortisAlberta, such easements or rights-of-way over, upon or under the Land owned, controlled or leased by the Customer as FortisAlberta reasonably requires at any time for unimpeded ingress and egress for the purposes of the construction, installation, maintenance, repair, operation and removal of the Facilities required for a Service Connection to the Customer, for vegetation management, emergency response and the performance of all other obligations required to be performed by FortisAlberta hereunder. On a commercially reasonable basis, FortisAlberta will take into consideration, but shall not be obligated to abide by, requests by Customers related to such easements and rights-of-way. At the request of FortisAlberta, the Customer shall grant, or cause to be granted, to FortisAlberta, without cost to FortisAlberta, such easements or rights-of-way as set out above.

6.2 Right of Entry

FortisAlberta's employees, agents and other representatives shall have the right to enter any Land belonging to or occupied by the Customer at all reasonable times for the purpose of inspecting, installing, maintaining, replacing, testing, monitoring, reading, removing or disconnecting FortisAlberta's Facilities, including meters, meter reading devices, wires or other electrical equipment and appliances, for the measurement or conveyance of electricity supplied or ascertaining the quantity or making other measurements of electricity consumed or

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supplied, or for any other purpose incidental to the provision of a Service Connection. The Customer shall not prevent or hinder FortisAlberta's entry. FortisAlberta, where practicable, will endeavour to provide reasonable notice to the Customer when it requires unscheduled entry to the Customer's Land. FortisAlberta may charge a "No Access" fee as set forth in the Fee Schedule any time FortisAlberta's entry is considered by FortisAlberta's employees, agents or other representatives as unsafe or is otherwise prevented, hindered or refused.

6.3 Vegetation Management

The Customer shall be responsible for managing vegetation on the Land owned or controlled by the Customer to maintain proper clearances and reduce the risk of contact with Customer's facilities as well as FortisAlberta's low voltage overhead wires, including but not limited to treating, trimming or cutting trees and brush that may interfere with the operation of Customer's facilities or FortisAlberta's Facilities.

FortisAlberta shall be responsible for managing vegetation on the Land owned or controlled by the Customer to maintain proper clearances and reduce the risk of contact with all other FortisAlberta's Facilities, including but not limited to treating, trimming or cutting trees and brush that may interfere with the operation of FortisAlberta's Facilities on the Customer's Land.

If the Customer has concerns with identifying any facilities, they should contact FortisAlberta at 310-WIRE for assistance.

FortisAlberta may at the Customer's expense, perform the work that is the responsibility of Customer as set out herein, where FortisAlberta determines that such work is reasonably required to maintain the integrity of FortisAlberta's Electric Distribution System. FortisAlberta shall make reasonable efforts to notify the Customer before such work is performed.

6.4 Registration of Agreements

Each Customer that enters into an Electric Service Agreement or an Interconnection Agreement is deemed to have agreed that the Electric Service Agreement or an Interconnection Agreement, as applicable, constitutes an interest in land in favour of FortisAlberta and FortisAlberta's utility rights on or adjacent to the land, and is deemed to have granted a right for the purpose of those agreements and maintaining FortisAlberta's Facilities on, over and under the lands on which the Customer's facilities are located, and further that FortisAlberta

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has the right, but not the obligation, to register such agreement at the appropriate Land Titles Office against title to those lands.

ARTICLE 7 – DISTRIBUTION AND TRANSMISSION EXTENSION

7.1 FortisAlberta Investment

The FortisAlberta Investment, where the expected service life is 15 years or more, is determined according to Table 1 of the Customer Contribution Schedules.

The Expected Peak Demand will be used for establishing the FortisAlberta Investment and the Contract Minimum Demand, and will initially be considered the Operating Demand for determining the applicable rate. This will be subject to review when sufficient operating history is available in order to determine the Operating Demand.

The Investment Term is established by FortisAlberta and shall be based on the lesser of:

- (i) the viable technical life of the Facilities provided by FortisAlberta;
- (ii) the economic life of the Customer's operation; and
- (iii) the length of time, as determined in accordance with Table 2 of the Customer Contribution Schedules, which provides an Investment Level that is sufficient to cover the full costs to provide service.

The Investment Term may be modified from time to time based on any subsequent investment due to a service expansion.

In the event that the maximum FortisAlberta Investment available exceeds the Customer Extension Costs and Customer Shared Costs, the excess amount is not available to the same or another Customer to apply at any other Point of Service.

For the purposes of this Article 7, “**cost**” shall mean an estimated cost as calculated by FortisAlberta.

7.2 Customer Contributions

Customer Contributions other than Customer Transmission Contributions are payable before design, ordering and construction may begin unless other arrangements are made with, and to

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the satisfaction of, FortisAlberta. Customer Transmission Contributions are payable in accordance with the Independent System Operator tariff.

For further details please refer to the Guide to Customer Contributions and FortisAlberta Investment, and the Residential and Farm Customer Guide to Electric Distribution Service.

7.2.1 Customer Distribution Contribution

A Customer requesting a Service Connection may be required to make a contribution, calculated as follows:

$$\text{Customer Distribution Contribution} = \text{Customer Extension Costs} \pm \text{Customer Shared Costs} - \text{FortisAlberta Investment}$$

Customer Extension Costs include the cost of local Facilities required to extend Standard Service for the sole use of the individual Customer.

Customer Shared Costs are determined as follows:

- (a) For rural residential subdivisions, Customer Shared Costs are calculated based on the costs of the Facilities divided by the number of lots served.
- (b) For irrigation and rural Points of Service with Expected Peak Demand less than 100 kW not covered in (a), Customer Shared Costs are calculated as Prepaid Line Share, based on the formulae shown in Table 3 of the Customer Contribution Schedules. Prepaid Line Share amounts are not refundable.
- (c) For Points of Service with Expected Peak Demand greater than or equal to 100 kW, the Customer Shared Costs include:
 - i. a portion of the cost of the new or existing shared Facilities. The Customer portion is determined based on the Customer's Load relative to the total Load supplied by the shared Facilities; and
 - ii. the cost of system upgrades attributed to the Customer's Load.

In a new residential subdivision, since some Points of Service may not be occupied and connected immediately, the Subdivision Developer is initially responsible for the full

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Customer Extension Costs and Customer Shared Costs for each Point of Service. The FortisAlberta Investment is paid to the Developer, or in the case of street lights, the Municipality, as each Point of Service is connected, as described in Section 7.2.3.

7.2.2 Other Contributions

Cost of Optional Facilities

If the Customer requests Optional Facilities, the Customer will pay the cost of those Optional Facilities, plus prepaid operation and maintenance as indicated in Table 4 of the Customer Contribution Schedules.

Such payment is only refundable, in whole or in part as determined by FortisAlberta, if the Optional Facilities are determined by FortisAlberta to be part of its Standard Service (eg. a Load increase) within 10 years of the original payment date.

Cost of Temporary Services

For Facilities which are in place for less than 2 years, the Customer will pay the cost of constructing and dismantling the Facilities, less the value of material which can be salvaged. In addition, a Customer Transmission Contribution may apply.

Customer Transmission Contribution

FortisAlberta may incur Transmission Costs as a result of entering into contracts with the Independent System Operator for provision of System Access Service in support of a Customer's electricity supply requirements. Transmission Costs include but are not limited to contributions and application fees made by FortisAlberta to the Independent System Operator in respect of a Point of Delivery providing System Access Service to a Customer. Transmission Costs are allocated to Customers as follows:

- (a) for a Customer other than a Temporary Service Customer, with an Expected Peak Demand initially 2,000 kW or less, no Customer Transmission Contribution will be levied;
- (b) for a Customer other than a Temporary Service Customer with an Expected Peak Demand initially greater than 2,000 kW, or at any time thereafter, a Customer Transmission Contribution may be required as follows:

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- i. where a single Customer is served from a new Point of Delivery, the Customer Transmission Contribution equals the Transmission Cost associated with the Customer-requested Optional Facilities (which are Transmission Facilities) as reasonably determined by FortisAlberta;
 - ii. where a number of new Customers are served from a new Point of Delivery, each Customer is allocated a portion of the Transmission Cost associated with the Customer-requested Optional Facilities (which are Transmission Facilities) as reasonably determined by FortisAlberta, based on the proportion of their Expected Peak Demand to the total expected demand at the Point of Delivery. This allocated cost becomes the Customer Transmission Contribution; and
 - iii. where an expansion of an existing Point of Delivery is required to provide System Access Service to a Customer or several Customers with increased electricity requirements, any resulting Transmission Cost associated with the Customer-requested Optional Facilities (which are Transmission Facilities) as reasonably determined by FortisAlberta, is allocated to each such Customer based on the proportion of their increase in Expected Peak Demand relative to the total increase in expected demand at the Point of Delivery. This allocated amount becomes the Customer Transmission Contribution; and
- (c) for a Temporary Service Customer, regardless of Expected Peak Demand, the Customer Transmission Contribution is equal to the Transmission Cost plus an amount equivalent to the present value of any additional ongoing AESO tariff costs attributable to the Customer as determined by FortisAlberta.

Any obligations associated with the Customer-requested Optional Facilities (which are Transmission Facilities) as reasonably determined by FortisAlberta, undertaken by FortisAlberta in connection with the Independent System Operator's Construction Commitment Agreements become the obligations of the Customer to FortisAlberta.

Any refunds of contributions received by FortisAlberta from the Independent System Operator may be passed on to Customers as described in Section 7.2.3.

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7.2.3 Refunds of Customer Contributions

Customer Distribution Contributions may be refundable for a period of 10 years. Refunds are applicable in the following situations:

- (a) Customers not subject to Prepaid Line Share (see Table 3 of the Customer Contribution Schedules) may receive a refund based on the proportion of the costs of the shared extension that are used by the new loads relative to the total Load supplied by the shared extension. Refunds, in whole or in part, are made without interest to the current Customer at the Point of Service on an annual basis;
- (b) Customers at an existing Point of Service where a Customer Distribution Contribution was paid may receive a refund when an Electric Service Agreement with an increased Contract Minimum Demand is executed, as described in Section 7.3.2; or
- (c) in a residential subdivision, where the developer initially paid the total cost of the Facilities within the subdivision, applicable refunds are reviewed annually and made in accordance with the amounts set out in Table 1 of the Customer Contributions Schedules, for each residence that is connected and taking service within 10 years following the date of payment, to the current developer (or in the case of street lights, to the Municipality if so directed by an agreement between the developer and the Municipality, provided also that such agreement is communicated to FortisAlberta prior to any payment by FortisAlberta), without interest.

Under no circumstances shall the refund payable by FortisAlberta exceed the Customer's Distribution Contribution.

Customer Transmission Contributions may be refunded, without interest, to a Customer in whole or in part, if FortisAlberta receives a refund of Transmission Costs from the Independent System Operator, which can be attributed to the Customer.

7.3 Changes to Service Peak Demand Requirements

The Customer's Peak Demand shall not exceed the Maximum Supply.

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A Customer shall give FortisAlberta reasonable written notice prior to any change in requirements at a Point of Service, including any change in Expected Peak Demand or kVA of Capacity, to enable FortisAlberta to determine whether or not it can accommodate such change without alterations to its Facilities. Regardless of whether alterations are required to existing Facilities, a new Electric Service Agreement may be required by FortisAlberta based on the new Expected Peak Demand if equal to or greater than 75 kW. A Retailer or any other person who is acting on behalf of the Customer, who provides FortisAlberta with verifiable authorization from the Customer, may give such notice to FortisAlberta on the Customer's behalf. However, FortisAlberta reserves the right to require such notice directly from the Customer. In addition, FortisAlberta reserves the right to provide the Registered Owner of the Land in question (if different than the Customer) with notice of same.

The Customer shall not change their Load requirements at a Point of Service without FortisAlberta's written permission. The Customer shall be responsible for all damage caused as a result of the Customer changing requirements at a Point of Service without FortisAlberta's written permission.

7.3.1 Changes to Distribution Facilities

If a Customer requests a change to their service requirements and FortisAlberta therefore determines it must modify certain Facilities to accommodate the change at a Point of Service, a Customer Distribution Contribution may apply and such contribution will be determined in accordance with Section 7.2.1 modified to the extent that Customer Extension Costs and Customer Shared Costs will be the sum of the following:

- (a) the original capital cost of FortisAlberta's Facilities being removed, less any Customer Contribution and less accumulated depreciation;
- (b) for contract terminations or service expansions only, the cost of removing FortisAlberta's Facilities, less the salvage value (this does not apply to contract buy-downs where the existing Facilities remain or are downsized to reflect the reduced Load requirements);
- (c) the cost of installing FortisAlberta's new Facilities; and
- (d) changes to Customer Shared Costs.

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Where Facilities, other than Optional Facilities, are oversized relative to the Customer's Maximum Supply, FortisAlberta may, at its expense, replace Facilities to more closely match the greater of the Customer's Operating Demand or the Customer's Maximum Supply.

FortisAlberta may, at the request of the Customer, change the interval meter to a demand meter in accordance with Section 9.4.

7.3.2 Impact of Changes on a Customer's Electric Service Agreement

Notwithstanding any other provisions in the Terms and Conditions, a new Electric Service Agreement with revised Minimum Demand and Maximum Supply values may be required before the Customer may change their Expected Peak Demand.

Increases

If a Customer's Expected Peak Demand or kVA of Capacity increases, the Customer shall be required to enter into a new Electric Service Agreement as provided by FortisAlberta. The Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand or to the new kVA of Capacity. A refund, without interest, of a prior Customer Distribution Contribution may apply. The refund amount available to the Customer is determined by multiplying the increase in kW of Expected Peak Demand, by the corresponding maximum Investment Level for the service life of the new demand, provided in Table 2 of the Customer Contribution Schedules. The refund will not exceed the amount of the prior Customer Distribution Contribution.

For Points of Service with Operating Demands greater than 2,000 kW, the potential investment available to the Customer is based on only the per kW component of the maximum Investment Level. Generally, there is no further available investment related to the Metres of Customer Extension component.

Decreases

If a Customer's Expected Peak Demand or kVA of Capacity decreases, the Customer may enter into a new Electric Service Agreement as provided by FortisAlberta upon request, and the Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand or to the new kVA of Capacity.

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In order to decrease the Contract Minimum Demand or kVA of Capacity, the Customer may be required to pay an additional contribution, or “**Buy-Down Charge**”. The Buy-Down Charge is determined by multiplying the decrease in kW of Expected Peak Demand by the corresponding maximum Investment Level for the remaining service life, provided in Table 2 of the Customer Contribution Schedules, less any amount by which the maximum FortisAlberta Investment available exceeded the original costs to provide service.

For Points of Service with Operating Demands greater than 2,000 kW, the Buy-Down Charge is based on only the per kW component of the maximum Investment Level (see Table 2 of the Customer Contribution Schedules). There is no Buy-Down Charge related to the Metres of Customer Extension.

A Customer is required to give notice to FortisAlberta to reduce the Contract Minimum Demand. For every 30 kW reduction in Minimum Demand, 1 month of notice is required. A Customer may give no more than one notice to reduce per year per Point of Service. Any notice provided in this instance shall take the form of signed acceptance by the Customer of FortisAlberta’s Review of Minimum (“**ROM**”) Proposal Letter, which FortisAlberta shall use commercially reasonable efforts to provide the Customer in a timely basis. The notice period shall commence upon receipt by FortisAlberta of the accepted ROM Proposal Letter from the Customer. If FortisAlberta determines in good faith that it has caused a delay of greater than 1 month in its issuance of the ROM Proposal Letter to the Customer, and has thereby delayed the commencement of the notice period, the notice period may be adjusted as deemed appropriate by FortisAlberta, acting reasonably and in good faith, and such adjustment will be reflected in the notice period contained in the ROM Proposal Letter.

If less notice than is required is provided, the Customer is charged a “Payment In Lieu Of Notice” amount (“**PILON**”), calculated as the difference between the Minimum Charge based on the original Contract Minimum Demand and the Minimum Charge on the reduced Contract Minimum Demand, multiplied by the number of months falling short of the required notice. With respect to the distribution component of FortisAlberta’s Distribution Tariff charges, the number of months used to calculate the Customer’s PILON shall be limited to 24. With respect to the transmission component of FortisAlberta’s

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Distribution Tariff charges, the number of months used to calculate the Customer's PILON shall be limited to 60.

The Customer will not be required to pay the Buy-Down Charge if their Investment Term expires during the notice period required to reduce their Contract Minimum Demand, regardless of whether the Customer gives notice or opts to pay the PILON.

If the Customer pays the applicable PILON instead of providing the required notice, demand ratchet history is reduced correspondingly for billing purposes by the amount of the reduction in Operating Demand corresponding to the reduction in Contract Minimum Demand.

The Customer shall pay any applicable Buy-Down Charges or PILON charges at the time that a buy-down proposal is accepted by the Customer.

7.3.3 Changes to System Access Costs

If FortisAlberta must modify its arrangements with the Independent System Operator to accommodate a change in a Customer's service requirements, for Points of Service with Operating Demands greater than 2,000 kW, the Customer pays for all costs attributable to Customer-requested Optional Facilities (which are Transmission Facilities) as reasonably determined by FortisAlberta, including, but not limited to, additional contributions required from FortisAlberta by the Independent System Operator. The attributable costs are determined as described in the Section 7.2.2 under the heading "Customer Transmission Contribution".

7.4 Changes

Any payment required by this Article 7 is based on FortisAlberta's assumptions respecting the method of construction and the routing of the Facilities required to serve the Customer in accordance with the Customer's request for a Service Connection. If the assumed method of construction or routing of Facilities is changed for reasons beyond FortisAlberta's reasonable control or at the request of the Customer, and the result of which is that FortisAlberta would incur costs in excess of those estimated on the basis of such assumptions, then the Customer shall pay to FortisAlberta the amount by which the cost of such changed method of construction and/or routing of Facilities is estimated by FortisAlberta to exceed such costs as originally estimated. FortisAlberta will outline the estimated costs and the Customer shall make payment to FortisAlberta as set out in the Customer's proposal as so revised, provided

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that in such case the Customer shall have the right to cancel its Electric Service Agreement by paying to FortisAlberta all costs then incurred by FortisAlberta in respect of the Service Connection requested.

7.5 Charges Related to Permanent Disconnection

When a Distribution Load Customer wishes to permanently disconnect their Point of Service, in addition to the requirements under Article 10, a Customer may be assessed a Distribution Customer Exit Charge.

The Distribution Customer Exit Charge is:

- (a) the Buy-Down Charge, calculated as prescribed under Section 7.3.2, using a new demand of zero, if the termination of service occurs before the end of the Investment Term;
- (b) plus, for Customers on Rate 63, the metres of Customer Extension multiplied by the corresponding maximum Investment Level for the remaining service life, provided in Table 2 of the Customer Contribution Schedules, if the termination of service occurs before the end of the Investment Term;
- (c) less, the value of any Facilities that may be salvaged, reduced by the cost of undertaking the salvage;
- (d) plus, a PILON, calculated as prescribed under Section 7.3.2, using a new Contract Minimum Demand of zero; and
- (e) plus, where applicable, any outstanding amounts attributable to the Customer with respect to, but not limited to, any deferral accounts and Commission approved riders, any charges required from FortisAlberta by the Independent System Operator, and charges arising from services supplied by the distribution company prior to the termination of service.

A Customer shall pay any applicable Buy-Down Charges or PILON charges at the time that a contract termination proposal is accepted by the Customer.

ARTICLE 8 – SERVICE CONNECTION

8.1 Customer Responsibility

8.1.1 Facilities Provided by the Customer

The Customer shall provide, and is responsible for, all wiring and electrical equipment on the Customer's side of the Point of Service, including a suitable service entrance and meter socket or enclosure and all Civil Work in relation to the Service Connection. For underground installations, the Customer provides and is responsible for the underground conduit and underground service leads. All such materials used in the construction of facilities provided by the Customer must be approved by the Canadian Standards Association. The construction and placement of facilities shall comply with all applicable Canadian and Alberta standards and requirements, any applicable legislation, as well as any standards as may be required by FortisAlberta from time to time. Customer responsibility in connection with the installation of meters is set out in Section 9.1.2.

The Customer shall be responsible for any destruction of or damage to Facilities where the destruction or damage is caused by a negligent act or omission or wilful misconduct of the Customer, their directors, officers, agents, employees and representatives or anyone permitted by the Customer to be on the Land.

The Customer shall comply with all applicable requirements of FortisAlberta in relation to their Service Connection and interconnection with FortisAlberta's Electric Distribution System. For a new service, or for the rewiring of an existing service, the Customer will need to obtain an electrical permit from an accredited agency. The Customer's wiring must conform to the applicable Canadian and Alberta standards and requirements, any applicable legislation, as well as any standards as may be required by FortisAlberta from time to time. For safety reasons, FortisAlberta has the right, but not the obligation, to inspect the Customer's wiring. Inspection by FortisAlberta does not relieve the Customer from any responsibility with respect to the Customer's wiring or electrical equipment.

8.1.2 Protective Devices

The Customer shall be responsible for determining whether the Customer needs any devices to protect the Customer's facilities from damage that may result from the use of a Service Connection or Electric Distribution Service including, without limitation,

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single phasing protection on three-phase Service Connections. The Customer shall provide, install and maintain all such devices.

8.1.3 Service Calls

FortisAlberta will require a Customer to pay the actual costs of a Customer requested service call if the source of the problem is the Customer's facilities (in accordance with the Fee Schedule).

8.1.4 Standards for Connection

The Customer's installation shall conform to the requirements of FortisAlberta's Service and Metering Guide and such further requirements as FortisAlberta may establish from time to time. Copies of such guidelines are available on request and from FortisAlberta's website at: <http://www.fortisalberta.com>.

8.1.5 Compliance with Governmental Directives

The Customer acknowledges and agrees that FortisAlberta may need to act in response to governmental or civil authority directives or regulatory orders, which may affect the Customer's service including emergency orders or directions made pursuant to the *Emergency Management Act* (Alberta), R.S.A. 2000, c. E-6.8, as amended or replaced from time to time. The Customer agrees to cooperate with FortisAlberta in order to comply with all such directives or orders.

8.1.6 Interference with FortisAlberta's Facilities

No one other than an employee or authorized agent of FortisAlberta shall be permitted to remove, operate, or maintain meters, electric equipment and other FortisAlberta Facilities. The Customer shall not interfere with or alter the meter, seals or other Facilities or permit the same to be done by any person other than the authorized agents or employees of FortisAlberta. The Customer shall be responsible for all damage to, restoration of, or loss of, such property unless occasioned by circumstances, as determined by FortisAlberta, to have been beyond the Customer's control, such as "Acts of God" and other similar circumstances. Such Facilities shall be installed at points most convenient for FortisAlberta's access and service and in conformance with applicable laws and regulations in force from time to time.

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8.1.7 Effluent

The Customer agrees that if any part of the Customer's process or operations produces or emits effluent that may cause contamination to or otherwise affect the operation of FortisAlberta's Electric Distribution System (including without limitation, FortisAlberta's Facilities installed or interconnected to serve the Customer facilities) (the "**Contamination**"), the Customer shall immediately disclose this information to FortisAlberta personnel as soon as the potential for or actual Contamination, as the case may be, is known. Notwithstanding any other provision of the Terms and Conditions, the Customer shall indemnify FortisAlberta from any damage, injury, loss, costs and claims ("**Costs**") suffered or incurred by FortisAlberta, its agents or employees which are in any way incurred as a result of or connected with any effluent produced or emitted by the Customer's process or operations. Such Costs shall include, without limitation, all reasonable expenses incurred in cleaning up Contamination, upgrading FortisAlberta's Electric Distribution System to prevent any future occurrence of any similar contamination and/or to mitigate excessive costs of ongoing maintenance or, where Electric Distribution System upgrade is not feasible, the costs of continued maintenance of the Electric Distribution System resulting from Contamination. "**Effluent**" means any solid, liquid or gas, or combination of any of them, including, without limitation, salt, dust, smoke, particulate matter, debris, hazardous waste, chemicals, vapour, runoff, wastewater or sewage.

8.2 Facilities Provided by FortisAlberta

FortisAlberta installs, owns and maintains all Facilities required to supply electricity up to the Point of Service unless an agreement between FortisAlberta and a Customer specifically provides otherwise. Payment made by a Customer for costs incurred by FortisAlberta in installing Facilities does not entitle the Customer to ownership of any such Facilities, unless an agreement between FortisAlberta and a Customer specifically provides otherwise.

FortisAlberta arranges with the Independent System Operator for any Transmission Facility required for Customer requirements. FortisAlberta is obligated only to provide Facilities that can deliver up to the Maximum Supply capacity.

FortisAlberta is able to provide single and three phase electric service at several standard voltages and will assist the Customer in selecting the type of electric service best suited to the Customer's needs.

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8.3 Unauthorized Use or Unsafe Conditions

Where FortisAlberta determines that there has been unauthorized use of the Service Connection or Electric Distribution Service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use of Energy whereby FortisAlberta or any other party including a Retailer, is denied full compensation for services provided, FortisAlberta may: (i) discontinue the Electric Distribution Service; (ii) make such changes in its meters, appliances, or other Facilities, or take such other corrective action, as may be appropriate to ensure only the authorized use of the Facilities and to ensure the safety of the general public; and (iii) bill the Customer, their Retailer or any other Person acting as agent for the Customer for FortisAlberta's estimate of the damages from such unauthorized use, including compensation for services provided and repairs of damage and reconstruction of Facilities. Nothing in this Section shall limit any other rights or remedies that FortisAlberta may have in connection with such unauthorized use.

8.4 New Multi-Unit Residential Buildings

All units in new multi-unit residential buildings (including apartment and condominium buildings) will be metered and billed on an individual basis. All multi-unit residential buildings, including apartment and condominium buildings, must have individual dwelling units separately metered and billed under the applicable FortisAlberta residential rate for such units. Common areas of these buildings such as hallway, lobby and laundry lighting are to be metered and billed under the applicable general service rate for such common areas.

8.5 Frequency and Voltage Levels

FortisAlberta will make every reasonable effort to supply Energy at 60-Hertz alternating current. The voltage levels and variations will comply with the standards of the Canadian Standards Association and as specified in the Metering and Service Guide. Some voltage levels set out in the Metering and Service Guide may not be available at all locations served by FortisAlberta.

8.6 Minimum Charges

The Minimum Charge calculated in accordance with the Rates, Options and Riders Schedules will be applicable.

ARTICLE 9 – METERS

9.1 Installation of Meters

9.1.1 Provision and Ownership

FortisAlberta shall provide, install, and seal one or more meters that are approved by Measurement Canada for the purpose of measuring the Customer's Load by way of a Service Connection.

Time of use or interval meters and associated communication equipment shall be installed for a Customer who has a Contract Minimum Demand of 333 kW or greater (which coincides with an Operating Demand of 500 kW or greater) and as required by the Micro-Generation Regulation made pursuant to the Act, as amended or replaced from time to time.

Interval meters are available to three-phase Points of Service with a Contract Minimum Demand of less than 333 kW (which coincides with an Operating Demand of less than 500 kW) for a metering charge set out in the Rate, Option and Rider Schedules, plus the cost of installation. The interval metering equipment must be requested in writing by the Customer and meet FortisAlberta's requirements.

Each meter shall remain the sole property of FortisAlberta.

9.1.2 Responsibility of Customer

Each Customer shall provide and install a Canadian Standards Association-approved meter receptacle or other Canadian Standards Association-approved facilities suitable for the installation of FortisAlberta's meter or metering equipment. All such facilities must be Canadian Standards Association-approved and adhere to all applicable Canadian and Alberta electrical standards or requirements and any applicable legislation. Customer responsibility in connection with the installation of other facilities is set out in Section 8.1.1.

9.2 Location

Meter locations shall be approved by FortisAlberta based on type of service and convenience of access to the meter. Where a meter is installed on a Customer-owned pole, the pole shall be provided and maintained by the Customer as required by the Canadian and Alberta

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standards or requirements and any applicable legislation. On a commercially reasonable basis, FortisAlberta will take into consideration, but shall not be obligated to abide by, requests by Customers related to the location of meters.

9.3 Access to Meters

FortisAlberta may, at any reasonable time, read, inspect, remove and test a meter installed on Land owned or controlled by the Customer.

FortisAlberta may require a Customer to remove safety hazards any time FortisAlberta's access or entry is considered by FortisAlberta's employees, agents or other representatives as unsafe. FortisAlberta may charge a "No Access" fee as set forth in the Fee Schedule any time FortisAlberta's access or entry is considered by FortisAlberta's employees, agents or other representatives as unsafe or is otherwise prevented, hindered or refused. In addition, FortisAlberta may move or relocate a meter, and charge the Customer for the costs of moving or relocating the meter, if access or entry is considered by FortisAlberta as unsafe or is otherwise prevented, hindered or refused. Prior to moving or relocating a meter, FortisAlberta will first notify the Customer and provide the Customer with a reasonable opportunity to remedy the restricted or unsafe access or entry.

9.4 Changes to Metering Equipment

Where FortisAlberta has installed an interval meter, FortisAlberta may, at the request of the Customer, change the interval meter to a demand meter provided that the Customer's Contract Minimum Demand is below 333 kW (which coincides with an Operating Demand of less than 500 kW) or the request is made in connection with a physical re-configuration of the Customer's Service Connection. The Customer shall bear the cost of changing the metering equipment.

For sites that do not have an interval meter or are unmetered, FortisAlberta has installed an Automated Meter Read system (AMR). Any alternative metering request must be requested in writing. In the event of a Retailer request, or Retailer consent to a Customer request, for non-standard metering equipment which does not provide automated reads through FortisAlberta's AMR, FortisAlberta shall evaluate the submitted request and make a determination on the non-standard service request. If approved, FortisAlberta shall provide, install, test and maintain alternative metering equipment. The cost of providing, installing, testing, maintaining and removing the alternative metering equipment, the ongoing operating costs for manual meter reading and other operational support activities required as a result of

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the non-standard nature of the alternative arrangement, as set forth in Schedule A hereof, will be charged to the Retailer in the Tariff Bill File. All standard and alternative metering equipment remains the property of FortisAlberta and will be maintained by FortisAlberta.

9.5 Meter Reading

FortisAlberta shall endeavour to make an actual meter reading for each Point of Service for which it provides Electric Distribution Service for Customers of the Retailer in accordance with FortisAlberta's meter reading schedule. At the request of the Retailer of a Customer, FortisAlberta shall endeavour to make an actual meter reading, off-cycle, and FortisAlberta will charge the Retailer for the additional meter reading expense as set forth in the Fee Schedule.

At the request of the Retailer, or with the Retailer's consent, FortisAlberta may provide other metering services, above standard metering service, and may charge separate fees for such service.

9.6 Record

An accurate record of meter readings will be kept by FortisAlberta and will be the basis for billing by FortisAlberta to the Retailer in accordance with the Distribution Tariff.

9.7 Metering Signals

Metering signals in the form of energy pulses, reactive energy pulses or analogue values of watts and vars can be provided to a Retailer or a Customer upon request, and FortisAlberta will charge whichever of the Retailer or the Customer made the request as outlined in the Fee Schedule. If the Customer directly requests such information, in no circumstances shall the Retailer be liable for such charges.

9.8 Customer Usage Information

Upon request, FortisAlberta shall provide standard Customer Usage Information to an agent or consultant, acting on behalf of a Customer. Prior to requesting FortisAlberta to release Customer Usage Information, the agent or consultant shall be responsible for obtaining and providing to FortisAlberta the written authorization from the Customer referred to above in a form satisfactory to FortisAlberta.

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Upon request, FortisAlberta shall provide standard Customer Usage Information to the Retailer of Record for the period during which the Retailer of Record was the retailer for the particular Customer.

Customer Usage Information shall be provided for the 12-month period preceding the date of the request or for such shorter period for which FortisAlberta has collected that information.

FortisAlberta may charge for any additional information requested, including, any special reports and graphs as outlined in the Fee Schedule. The Retailer shall be responsible for having all necessary and appropriate contractual or other arrangements with their Customers consistent with applicable statutes and regulations and the Terms and Conditions.

9.9 Estimated Consumption and Demand

The Customer's Load will be estimated by FortisAlberta based on the best available sources of information and evidence in the following circumstances:

- (a) where the Customer's Point of Service is not metered;
- (b) where a meter is inaccessible due to conditions on the Customer's Land;
- (c) where the meter is not scheduled to be read;
- (d) where it is determined that the Customer's Load was different from that recorded or billed due to incorrect billing procedures;
- (e) where a meter reading schedule or a meter change creates a transition period in FortisAlberta's billing cycle;
- (f) where the automated reading system fails to deliver a meter read to FortisAlberta; or
- (g) if the seal of a meter is broken or if the meter does not register correctly, regardless of the cause.

A small service which would otherwise be metered with a thermal demand meter may be billed on an estimated demand if, in FortisAlberta's opinion, the demand can be estimated with reasonable accuracy.

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The energy demand of certain equipment which is used for short periods of time, such as arc welders, does not fully register on the thermal demand meters. Points of Service which include this type of equipment may be billed on an estimated demand.

FortisAlberta may disregard a new Peak Demand at a Point of Service for the purposes of billing the Distribution Tariff in the event such Peak Demand is the result of a Customer's behaviour in response to acts or omissions of FortisAlberta.

If requested by the Retailer, FortisAlberta will provide the Retailer with a description of the methodology used to calculate the Load estimate for the Customers of the Retailer.

9.10 Meter Testing

Measurement Canada regulates meter testing. At the request of a Retailer or Distribution Load Customer, FortisAlberta shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or accredited agency as may, from time to time, be designated for this purpose. FortisAlberta will charge a fee for meter testing pursuant to the Fee Schedule. If the meter is inaccurate, FortisAlberta will refund the fee and make appropriate adjustments to the applicable Customer or Retailer's bills. If the meter is found to be accurate, FortisAlberta will keep the fee to cover the cost of testing the meter.

9.11 Adjustments for Faulty Metering or Energy Theft

FortisAlberta may make consumption and demand adjustments for faulty metering:

- (a) if the seal of a meter is broken or if the meter does not register correctly regardless of the cause;
- (b) when a Point of Service has been incorrectly metered, or when a meter is found to be inaccurate in accordance with the *Electricity and Gas Inspection Act* (Canada), R.S. 1985, c. E-4, as amended or replaced from time to time; in these cases FortisAlberta will make adjustments for a period not exceeding 3 months, unless it can be shown that the error was due to some specific reported cause, the date of which can be fixed, in which case the actual date shall be used; or
- (c) where a Point of Service is unmetered and any seal attached to motors or other equipment is broken or any unauthorized change in the Facilities has been made.

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Notwithstanding Section 11.8, in any of the above noted cases FortisAlberta may make adjustments for the lesser of the period of the error or one year unless otherwise required to do so by any applicable governmental authority, legislation or regulation.

Where FortisAlberta determines that there has been unauthorized use of Electricity Services at a Point of Service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft or fraud whereby FortisAlberta or a Retailer is denied full compensation for Electric Distribution Service provided, FortisAlberta may make changes in its meters, appliances or Facilities or take other appropriate corrective action, including where necessary the disconnection of the Point of Service and will bill the Retailer of Record for the Point of Service for FortisAlberta's estimate of such unauthorized use. Nothing in this Section shall limit any other rights or remedies that FortisAlberta or a Retailer may have in connection with such unauthorized use.

ARTICLE 10 – SERVICE DISCONNECTION AND RECONNECTION

10.1 Disconnection by Customer

In accordance with the Settlement System Code, any requests to disconnect a Point of Service from a Customer shall be made by the Customer's Retailer. If the Customer notifies FortisAlberta that the disconnect is short-term and required for reasons including but not limited to, equipment testing and inspection. FortisAlberta reserves the right to complete the request for disconnection and subsequent reconnection. If FortisAlberta determines the disconnection request falls under the provisions of idle service, FortisAlberta will administer the request as per this Article.

10.1.1 Temporary Disconnection For Safety and Maintenance

FortisAlberta will accept a request directly from a Customer or a Customer's Retailer for a Temporary Disconnection of less than 5 days (or such other time as may be agreed to by FortisAlberta) for safety or maintenance (equipment testing and inspection) purposes. Normal charges for Electric Distribution Service continue to apply during this period.

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10.1.2 Idle Service Charges

FortisAlberta will accept a request from the Customer's Retailer to De-Energize provided that the Customer, or the Customer's Retailer, agrees to pay the Idle Service Charges as provided in the Rates, Options and Riders Schedules.

10.1.3 Right to Remove Meter

The Customer shall permit FortisAlberta to remove the meter on Land owned or controlled by the Customer for any temporary disconnection. FortisAlberta reserves the right to assess a charge to the Customer, or the Customer's Retailer, for a supplementary meter read, as set forth in the Fee Schedule under Off-Cycle Meter Reading, as a direct result of the Customer preventing or not allowing FortisAlberta to remove the meter.

10.1.4 Permanent Disconnection

If the Customer, or the Customer's Retailer on behalf of the Customer, requests a Permanent Disconnection of the Point of Service, the Customer billing for that service will be finalized. At the discretion of FortisAlberta, the Facilities provided by FortisAlberta may be removed, unless the Customer, or the Customer's Retailer, agrees to pay the Idle Service Charges as set forth in Section 10.1.2 in which case the request will be deemed thereafter to be a De-Energize request. FortisAlberta reserves the right to assess the Customer's Retailer's request for Permanent Disconnection and if the request is determined by FortisAlberta to be improper (such as if the Customer agrees to pay for Electric Distribution Service), to require the Retailer to correct the transaction. If a Point of Service remains disconnected for greater than 12 months, it may be considered by FortisAlberta to be a Permanent Disconnection.

If within 3 years of Permanent Disconnection the Customer requests the Service Connection be restored, the Customer may be required to pay all the costs associated with the original disconnection, removal of the Facilities and restoration of service.

A Customer may be charged a Distribution Customer Exit Charge related to a Permanent Disconnection as set out in Section 7.5 hereof.

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10.2 De-Energize at Request of Retailer

In accordance with the Act, the Retailer shall have the right to request that FortisAlberta De-Energize service to a particular Point of Service, including for non-payment, and FortisAlberta shall comply with that request, unless such action is inconsistent with applicable law or the Terms and Conditions, including FortisAlberta's approved policies contained in Appendix "A" to the Retailer Terms and Conditions.

Normal charges, including Idle Service Charges, may continue to be applied by FortisAlberta during the period of De-Energization. If a Point of Service remains De-Energized for greater than 12 months, the Retailer may make a request to FortisAlberta for the Point of Service to be considered a Permanent Disconnection and administered as per Section 10.1.4.

10.3 Disconnection by FortisAlberta

10.3.1 Disconnection Without Notice

If FortisAlberta believes there is any actual or threatened danger to life or property, or in any other circumstances, the nature of which, in FortisAlberta's judgment require such action, FortisAlberta has the right to withhold connection or to disconnect a Customer's Point of Service without prior notice to the Customer or Retailer. More specifically, and without limitation of the foregoing, FortisAlberta may exercise this right in the event that:

- (a) in the opinion of FortisAlberta, the Customer has permitted the Customer's facilities to become hazardous, the Customer's facilities fail to comply with applicable statutes, standards and codes and/or FortisAlberta requirements, or if the use of the Point of Service may cause damage to any other Point of Service or Facilities;
- (b) to the knowledge of FortisAlberta, or in its judgement, the Customer's facilities are unsafe or defective or will become unsafe or defective imminently, or have or are causing characteristics that might affect the quality of service for other Customers. In this event, the Service Connection may not be restored until the Customer facilities are approved by the appropriate authority or FortisAlberta. FortisAlberta shall provide written notice to the Customer within a reasonable time of the reason for the disconnection under this subsection and the actions required for reconnection;

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- (c) on account of theft by the Customer of any FortisAlberta Facilities;
- (d) if any tampering with any service conductors, seals or any other Facilities of FortisAlberta or any meters, whether or not provided by FortisAlberta is discovered;
- (e) upon receiving a written request to provide access to the meter, the Customer refuses or neglects to arrange such access;
- (f) if the Customer changes their requirements for a Point of Service or Electric Distribution Service without the permission of FortisAlberta; or
- (g) as required by law.

If the disconnection is a result of a safety violation, FortisAlberta will reconnect the service in accordance with Section 10.4.

10.3.2 Disconnection With Notice

FortisAlberta may withhold connection or may disconnect a Customer's Point of Service (without prejudice to any of FortisAlberta's other remedies) after providing 48 hours advance notice to the Customer, as applicable, in the following circumstances:

- (a) if the Customer neglects or refuses to pay when due any amounts required to be paid under the Terms and Conditions (which amount is not the subject of a good faith dispute), with the exception that FortisAlberta will not disconnect a residential or farm service Customer:
 - i. at any time during the period from October 15 to April 15, or
 - ii. at any other time when the temperature is forecast to be below 0 degrees Celsius in the 24-hour period immediately following the proposed disconnection;
- (b) subject to Section 10.3.2(a), if the Customer is in violation of any of the Terms and Conditions or any of the terms of an Electric Services Agreement with FortisAlberta; or

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- (c) any other circumstances, similar to those described above, that FortisAlberta determines require the withholding or disconnecting of service upon 48 hours notice.

FortisAlberta also reserves the right to install a device to limit or reduce the amount of Energy provided to the Customer.

10.4 Reconnect Service

This Section applies when FortisAlberta is asked to reconnect or restore service to a Point of Service whose service was previously restricted by a current-limiting device or disconnected.

Before reconnecting or restoring service, the Customer, or the Customer's Retailer, shall pay any amount owing to FortisAlberta including written off accounts, and

- (a) if service is reconnected by the Customer within 12 months of disconnection, the Customer, or the Customer's Retailer, shall pay a service charge to cover FortisAlberta's minimum monthly and reconnection charges, as determined in the Fee Schedule; or
- (b) if service is reconnected by the Customer after 12 months of disconnection, the Customer, or the Customer's Retailer, shall pay a reconnection charge as determined in the Fee Schedule.

If the disconnection is a result of a safety violation, or as a result of a Customer's action, inaction or facilities that are causing any problems, damage, interference or disturbance, FortisAlberta will reconnect the service when such issues are resolved and when the Customer has provided, or paid FortisAlberta's costs of providing, such services, devices or equipment as may be necessary to resolve such issues.

10.5 Removal of Facilities upon Disconnection of Service

Upon Permanent Disconnection, FortisAlberta shall be entitled to remove any of its Facilities located upon the Land of the Customer and to enter upon the Customer's Land for that purpose.

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ARTICLE 11 – BILLING

11.1 General

A bill may be issued to the Customer by a Retailer on behalf of FortisAlberta or directly by FortisAlberta. FortisAlberta may invoice the Customer directly for Customer Contributions, meter tests or other services covered in the Terms and Conditions. Each Point of Service is billed as a separate service.

FortisAlberta shall collect all franchise fees and sales, excise, or other taxes imposed by governmental authorities with respect to any services, including Electric Distribution Service and services for Transmission Load Customers and DG Customers.

The Customer shall pay all amounts required to be paid under the Terms and Conditions upon receipt of an invoice for such amounts. Invoices shall be deemed rendered and other notices duly given when delivered to the Customer at the address for service. Failure to receive such invoice from FortisAlberta will not entitle the Customer to any delay in the settlement of each account, or to any extension of the date after which a late payment charge, as defined in Section 11.6, becomes applicable.

Services transferred to any person, including an affiliate, by the Customer, including an affiliate, at the same Point of Service shall be subject to the previous Customer's Electric Service Agreement terms and billing history and the terms of Section 4.4.3.

In accordance with Section 16.2, it is the Customer's responsibility to make arrangements with a Retailer to obtain Electricity Services, including enrolment for Electric Distribution Service.

11.2 Determination of Applicable Rates

FortisAlberta bills the Retailer of Record based on the charges set out in its Rates, Options and Riders Schedules. Each Point of Service is billed as a separate service. The determination of these charges will be made in accordance with FortisAlberta's Terms and Conditions and its Rates, Options and Riders Schedules.

The availability of rates, options and riders are specified in the Rates, Options and Riders Schedules. If the operational characteristics of the Point of Service change, a different rate may be applicable and certain provisions in Article 7 may apply. This could result in the Customer being required to pay an additional Customer Contribution or receiving a refund. A

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Customer-requested change of service under this Section will not be made more than once in any 12-month period.

11.3 Minimum Charges

The Minimum Charge calculated in accordance with the Rates, Options and Riders Schedules will be applicable.

11.4 Consumption Period

The basis of all charges to the Retailer for Electric Distribution Service provided to a Customer is the consumption period, defined as the time between two consecutive meter readings, or estimates, or a combination thereof, for the Customer's Point of Service, unless otherwise indicated in the Rates, Options and Riders Schedules. Charges will generally be billed on a monthly basis.

The charges for Electric Distribution Service, including any applicable charges under an Electric Service Agreement, shall commence on the earlier of the first billing date after the date upon which the Customer commences taking service, or 30 days after the date that service is made available to the Customer. FortisAlberta reserves the right to enrol the Customer with its default retailer in the event that the Point of Service is not enrolled after 30 days that the service is made available.

FortisAlberta may elect to change a Customer's meter reading schedule.

11.5 Billing Period

The billing period for a Point of Service means the timeframe between scheduled meter reading or usage estimate production dates as established by FortisAlberta, and generally ranges between 27 and 35 days. FortisAlberta will establish the billing period for a Point of Service in accordance with the Tariff Billing Code made pursuant to the Act, as amended or replaced from time to time.

11.6 Late Payment Charges

A late payment charge of 1.5% per month (19.56% per annum) is applied if FortisAlberta has not received the Customer's payment before 1 month has elapsed from the date the bill was issued. FortisAlberta applies a short grace period before it applies the late payment charge if it can be demonstrated that the bill was paid on time at the Customer's financial institution.

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FortisAlberta reserves the right to assess a service charge to the Customer, or the Customer's Retailer, in respect of any dishonoured payment returned by the Customer's bank for any reason as defined in the Fee Schedule.

11.7 Collections

Any invoice rendered for which valid payment has not been received by the due date shall be considered past due. On the first day following the payment due date, late payment charges as set out in the Section 11.6 will be applicable to all overdue billed amounts, including arrears and previously unpaid late payment charges. Failure to make payments on time will also be subject to normal credit action, which may include, but is not limited to: reminder letters; notification by telephone; use of collection agencies; withholding of additional service, disconnection of service and legal action.

11.8 Adjustments of Bills in the Event of a Billing Error

For those Customers for whom the Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time, is applicable, where FortisAlberta overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, FortisAlberta shall render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the Retailer for the amount of the overcharge, without interest, in accordance the Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time.

For those Customers for whom the Regulated Rate Option Regulation made pursuant to the Act, as amended or replaced from time to time, is not applicable, where FortisAlberta overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, FortisAlberta shall render an adjusted bill for the amount of the undercharge, without interest, and shall issue a refund or credit to the Retailer for the amount of the overcharge, without interest, in accordance with the following procedures:

- (a) If a Retailer is found to have been overcharged due to billing error, FortisAlberta will calculate the amount of the overcharge (for refund to the Retailer on the Retailer's next bill following the discovery of the billing error) up to a maximum of 12 months immediately preceding the month in which the billing error was discovered; or

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- (b) If a Retailer is found to have been undercharged due to billing error, FortisAlberta will bill the Retailer for those billing periods during which a billing error occurred up to a maximum of 12 months immediately preceding the month in which the billing error was discovered.

Whenever FortisAlberta adjusts any bills to the Retailer in the event of billing error, and issues an adjusted bill or a refund or credit to the Retailer in respect thereof, the Retailer shall be responsible for adjusting bills and issuing refunds or credits as appropriate to the affected Customers.

If the period of billing error cannot be determined with reasonable accuracy because of a metering error, the undercharge or overcharge will be calculated in accordance with Section 9.11.

ARTICLE 12 – SPECIFIC PROVISIONS RELATING TO DG CUSTOMERS

12.1 General

This Article sets out specific terms and conditions related to DG Customers and MG Customers that are in addition to any applicable terms and conditions set out in other Articles of the Terms and Conditions. In the event of a conflict between Article 12 of these Customer Terms and Conditions and the Micro-Generation Regulation made pursuant to the Act, as amended or replaced from time to time, the Micro-Generation Regulation shall prevail.

DG Customers have generating facilities that are interconnected to the Electric Distribution System and may or may not be exporting Energy to the AIES. DG Customers may also have on-site Load requirements or generator stand-by/supplemental Load requirements to which the applicable terms and conditions of the Terms and Conditions will apply.

All DG Customers are required to enter into an Interconnection Agreement with FortisAlberta (an “**Interconnection Agreement**”) to establish detailed terms, conditions and provisions with respect to safe and effective operation of the specific interconnection.

12.2 Interconnection

A DG Customer or any other person acting on the behalf of the DG Customer must apply in writing for interconnection to the Electric Distribution System. The application must include all relevant information concerning site location, facility requirements and requested export

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levels. Any requested changes to these requirements must be provided in writing to FortisAlberta.

The interconnection of a generator to the Electric Distribution System shall not create a safety hazard to Customers, the public or operating personnel, nor compromise the reliability, power quality or effective operation of the interconnected distribution or transmission system or any part thereof and shall comply with all applicable legislation, policies, standards, rules or codes of federal, provincial or local regulatory entities, Independent System Operator or wire owners, as they may change from time to time.

Prior to interconnecting generating facilities with the Electrical Distribution System, the DG Customer shall:

- (a) satisfy all participant and application requirements of the Independent System Operator (if the generator is producing electricity beyond the on-site requirements thereby exporting into the AIES and exchanging Energy through the Power Pool);
- (b) comply with all applicable requirements of Alberta Distributed Generation Interconnection Guide, as amended or replaced from time to time and found at www.energy.gov.ab.ca;
- (c) in the event that the DG customer is a MG customer, comply with all applicable requirements of Micro-Generation Regulation, made pursuant to the Act, as amended or replaced from time to time, and any additional requirements of the AUC;
- (d) obtain mutual acceptance of the Operating Procedures by DG Customer and FortisAlberta;
- (e) obtain and provide copies of required permits, licenses and authorizations to FortisAlberta, including the Commission's approval and order to connect and of acceptance from the local inspection and code enforcement authorities;
- f) satisfy all requirements of FortisAlberta in relation to the generating facility metering; and
- (g) execute an Interconnection Agreement, which may include Operating Procedures established by FortisAlberta.

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12.3 Continuity, Interruption or Disconnection of Service

In addition to the provisions of Section 16.6, the Interconnection Facilities will include an acceptable visible disconnect switch as a means of isolating the DG Customer generating facilities from FortisAlberta Facilities. FortisAlberta may disconnect the DG Customer generating facilities from FortisAlberta Facilities without prior notice where in FortisAlberta's opinion:

- (a) the DG Customer has violated the terms of the Interconnection Agreement with FortisAlberta;
- (b) the DG Customer has permitted their facilities to deteriorate or become hazardous;
- (c) the DG Customer facilities fails to comply with applicable laws or standards and requirements of FortisAlberta, including those as set out in Alberta Distributed Generation Interconnection Guide, as amended from time to time and found at www.energy.gov.ab.ca;
- (d) the MG Customer facilities fail to comply with applicable laws or standards and requirements of FortisAlberta, including those as set out in Micro-Generation Regulation, made pursuant to the Act, as amended or replaced from time to time, and found on www.auc.ab.ca; or
- (e) the use of the service may cause damage to FortisAlberta's Facilities or interfere with or disturb service to any other Customer.

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

12.4 Approvals

The DG Customer must obtain written approval from FortisAlberta before any modification is made to the generating facilities.

The DG Customer will be responsible for becoming, and maintaining their status as, a Power Pool participant and complying with any Independent System Operator requirements for any Energy delivered to the Power Pool.

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The DG Customer will be responsible for securing all required technical, commercial, or operational arrangements with the Independent System Operator and the Power Pool.

The DG Customer will be responsible for operating in compliance with accepted industry operating and maintenance standards as established, from time to time, by the Independent System Operator and FortisAlberta, and as specified in the Interconnection Agreement, including the Operating Procedures, between the DG Customer and FortisAlberta. FortisAlberta shall have the right, but not the obligation, to inspect the DG Customer's or MG Customer's facilities for compliance. This right of inspection shall not relieve the DG Customer of responsibility for the safe design, construction, maintenance and operation of its facilities, and all liability in connection therewith remains with the DG Customer. The DG Customer shall provide reasonable access upon prior notice to enable FortisAlberta to conduct such inspection.

The DG Customer shall obtain and provide to FortisAlberta copies of all required permits, licenses, certificates, inspections, reports and authorizations prior to commencement of service or any change or service requirements at any Point of Interconnection, which includes:

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

12.5 Metering

The DG Customer shall be responsible for all metering, polling and provision of metering data with respect to the DG Customer's generating facilities.

The DG Customer is responsible for the installation, maintenance and operation of metering facilities to measure active energy and reactive energy, both generated and consumed by the DG Customer, in compliance with the standards set by FortisAlberta and the applicable provincial and federal regulators.

The DG Customer shall read the meter and provide the required metering data to FortisAlberta and the Independent System Operator in a format and frequency that is acceptable to these parties. FortisAlberta may use the metering data for internal settlement use.

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Telemetry is required for all generating units where FortisAlberta or the Independent System Operator has determined that telemetry is required to meet their needs, typically for units larger than 5,000 kW.

12.6 DG Customer Charges/Credits

The following charges and credits apply to a DG Customer and may apply to a MG Customer:

12.6.1 Interconnection Charges

The DG Customer will be required to pay all incremental interconnection costs (“**Interconnection Charges**”) as determined by FortisAlberta, to allow the DG Customer to make use of the electric distribution system, including:

- (a) Interconnection Facilities Costs, as determined by FortisAlberta;
- (b) Prepaid operation & maintenance charges as set out in Section 12.6.2;
- (c) Transmission Costs for any transmission related costs associated with the interconnection, as determined and assessed by the Independent System Operator or a Transmission Facility Owner and flowed through to FortisAlberta; and
- (d) Application fees associated with performing engineering estimates, planning, operating or protection studies or any additional or routine studies, modeling and testing required by the Independent System Operator.

If a DG Customer also has on-site Load or generator stand-by / supplemental requirements, the Terms and Conditions governing such services will apply.

The DG Customer must pay the Interconnection Charges before any work on the interconnection proceeds. Payment made by a DG Customer for Interconnection Facilities Costs does not entitle the DG Customer to ownership of any such Facilities.

The DG Customer may be required to pay further Interconnection Facilities Costs or Transmission Costs at a later date, for modifications or upgrades to the electric distribution system or transmission system that would not have otherwise been required if the generator were not interconnected to the electric distribution system, including the replacement or repair costs of assets at the end of their useful life.

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In the event that the DG Customer cancels a generator interconnection project, the DG Customer will pay all Cancellation Costs incurred by FortisAlberta.

After a generating facility is interconnected, payment of Interconnection Facilities Costs is non-refundable. If an interconnection for a DG Customer is no longer required, the DG Customer is credited with the value of any Interconnection Facilities that may be salvaged, less the costs of undertaking the salvage.

12.6.2 Prepaid Operation and Maintenance Charge

Operation and Maintenance (“O&M”) amounts will be determined in accordance with Table 4 of the Customer Contribution Schedules and based on the generator’s original service life. The DG Customer will pay O&M on a prepaid basis. O&M charges will apply to charges related to future Facilities costs for modifications or upgrades, including replacement or repair. At the expiration of the original service life, a further prepaid O&M amount may be charged if the DG Customer wishes to remain interconnected to FortisAlberta’s Electric Distribution System.

12.6.3 System Access Service Credits/Charges

DG Customers, excluding MG Customers, that export to the AIES receive Option M credits or charges, in accordance with the Rates, Options and Riders Schedules, where incremental transmission System Access Service costs to FortisAlberta are avoided or incurred.

12.6.4 Distribution Loss Reduction Credits/Charges

Distribution line losses, loss reduction credits and incremental loss charges are not applicable.

12.7 Protective Devices and Liability

For the purposes of this Section, “**islanding**” refers to the operation of a generating unit wherein it provides the sole source of production on an Electric Distribution System.

The DG Customer shall be responsible for determining whether it needs any devices to protect their equipment from damage that may result from the interconnection to FortisAlberta Facilities. The DG Customer shall provide and install any such devices. The DG Customer will provide FortisAlberta with the required documentation and settings for such devices.

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Where FortisAlberta has determined that there are adverse impacts on other consumers or operating processes, FortisAlberta can order modifications by the DG Customer to these protective systems. The DG Customer must obtain written approval from FortisAlberta for any modifications to these protective systems.

The DG Customer must ensure the generators do not island during interruptions of service to FortisAlberta's distribution system and operate in a manner acceptable to FortisAlberta.

The DG Customer shall be responsible for any damages as a result of, but not limited to:

- (a) islanded operation of the DG Customer's facility;
- (b) if direct or transfer tripping is not installed on FortisAlberta's Facilities or Transmission Facilities or, if installed, fails to operate correctly, the failure of the DG Customer's facility to detect and clear an electrical fault that occurs on FortisAlberta's Facilities or Transmission Facilities;
- (c) if live-line close blocking is not installed on FortisAlberta's Facilities or Transmission Facilities or, if installed, it fails to operate correctly, the failure of the DG Customer's facility to shut down after disconnection from FortisAlberta's Facilities or Transmission Facilities and before the automatic reclosing of the FortisAlberta or Transmission switching devices; and
- (d) asynchronous reclosing on the DG Customer's facility.

12.8 Service Calls

FortisAlberta may require a DG Customer to pay the actual costs of a requested service call if the source of the problem is the DG Customer's own facilities or if the generator company fails to respond to a request to disconnect from the distribution system.

12.9 Exchange of Information

The DG Customer will be responsible for providing technical information to FortisAlberta as required. FortisAlberta will treat this information as confidential and will not release such information to any other parties without the written consent of the DG Customer. Information related to distribution system use or modeling of such use, may be restricted in order to respect Customer confidentiality.

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FortisAlberta will be responsible for providing technical information to the DG Customer as required except that nothing herein requires FortisAlberta to release proprietary or confidential information of FortisAlberta or any other person. The DG Customer will treat this information as confidential and will not release such information to any other parties without the written consent of FortisAlberta. Information related to distribution system use or modeling of such use may be restricted in order to respect confidentiality of Responsible Parties.

12.10 Extension of Option M Credits/Charges to REAs

Option M credits or charges are extended to rural electrification associations (REAs), to be passed through to the REA distribution generation customer, when an REA has a distribution generation customer (excluding MG customers) interconnected to its distribution system downstream of a FortisAlberta transmission POD, and the distribution generation customer is exporting into the AIES in accordance with the Rates, Options and Riders Schedules.

For the purpose of the calculation and application of Option M credits/charges to a rural electrification association (REA) that has a distribution generation customer (excluding MG Customers) interconnected to its distribution system, the REA must provide all information and satisfy all conditions necessary, as determined by FortisAlberta acting reasonably, to calculate and apply Option M credits/charges to the REA, including, but not limited to:

- a) a copy of the interconnection agreement between the REA and the DG customer, or DG customer identification information, which shall include the meter point definition record;
- b) the provision of all metering data and information necessary, as contemplated for a DG Customer in accordance with Section 12.5;
- c) per the Settlement System Code, the REA is deemed to have authorized FortisAlberta to use any Load Settlement and metering data and information required for the purpose of the calculation and application of Option M credits/charges to a REA that has a distribution generation customer (excluding MG Customers) interconnected to its distribution system.

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ARTICLE 13 – SPECIFIC PROVISIONS RELATING TO TRANSMISSION CONNECTED SERVICES

13.1 General

This Section sets out specific terms and conditions related to Transmission Load Customers that are in addition to any terms and conditions that are applicable as described in other sections of the Terms and Conditions.

Transmission Load Customers taking service from FortisAlberta will be subject to the provisions of the Independent System Operator approved tariff as it applies to FortisAlberta at the Point of Delivery (“**POD**”) to which the Transmission Load Customer’s service is connected. This includes an application of all tariff amounts such as, but not limited to, contributions, riders, application fees, miscellaneous charges, study costs or Independent System Operator deferral account dispositions that are paid to or refunded by the Independent System Operator, in accordance with the Independent System Operator’s approved tariff.

13.2 System Access Service

FortisAlberta arranges for provision of System Access Service from the Independent System Operator for all Customers. The arrangements for System Access Service and the associated Transmission Facility for Transmission Load Customers will be aligned with the Transmission Load Customer’s service requirements recognizing that the rates, terms and conditions of the Independent System Operator tariff will be applied directly to the Transmission Load Customer.

FortisAlberta is not obligated to commit to the Transmission Facility Owner or the Independent System Operator for commencement of the construction of new facilities required for System Access Service for a Transmission Load Customer until adequate credit arrangements, guarantees and Commitment Agreements, acceptable to FortisAlberta, are made with the Transmission Load Customer and the Transmission Facility Owner or the Independent System Operator, as appropriate.

The Transmission Load Customer is required to sign an Electric Service Agreement with FortisAlberta and an interconnection agreement with the Transmission Facility Owner prior to the System Access Service Agreement being executed.

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13.3 Metering

The meter of the Transmission Connected Service is the meter at the respective Point of Delivery. Consequently, metering equipment shall be installed in accordance with any Independent System Operator metering requirements. Any contribution associated with installation, changes or upgrades to metering to satisfy these requirements will be the responsibility of the Transmission Load Customer.

13.4 Billing

A Transmission Load Customer will be billed as Rate 65 in accordance with the Rates, Options and Riders Schedules. In the event that there is a dispute regarding any billing, the Transmission Load Customer shall pay the disputed amount to the Retailer and work to resolve the dispute.

13.5 Transmission Load Customer Contributions

If a customer contribution is required by the Transmission Facility Owner or Independent System Operator for a Transmission Facility to provide System Access Service to a Transmission Load Customer, a charge for such contribution will apply directly to the Transmission Load Customer. Payment must be made in accordance with the Independent System Operator tariff to the Transmission Facility Owner or the Independent System Operator, as appropriate.

13.6 Changes to System Access Service

For any POD which is the Point of Service for a Transmission Load Customer, FortisAlberta will make a request to the Independent System Operator for an increase or reduction in transmission contract levels or a change to the terms of System Access Service only upon written request from the Transmission Load Customer.

Changes to a Transmission Load Customer's contract levels or terms of System Access Service will be effective only upon agreement between FortisAlberta and the Independent System Operator.

The Transmission Load Customer will pay any costs and receive any refunds from the Independent System Operator that occur as a result of any such changes.

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13.7 Transmission Related Exit Costs

If a service for a Transmission Load Customer is terminated or disconnected, in addition to any other applicable requirements under the Terms and Conditions, the Transmission Load Customer shall pay all transmission related exit costs, which include:

- (a) any costs charged by the Independent System Operator to FortisAlberta, as a direct consequence of the Transmission Load Customer's termination or disconnection of service;
- (b) the present value of any ongoing System Access Service costs for the particular POD that are attributable to the Transmission Load Customer and that will not be recovered by FortisAlberta from the Transmission Load Customer as a direct consequence of the Transmission Load Customer's termination or disconnection of service;
- (c) any other un-recovered transmission related amounts as stipulated in the contract between FortisAlberta and the Transmission Load Customer; and
- (d) any outstanding amounts attributable to the Transmission Load Customer with respect to, but not limited to, any deferral accounts, rate riders or Commission decisions.

13.8 Section 101(2) Release

In accordance with Section 101(2) of the Act, a Transmission Load Customer may, with the prior approval of FortisAlberta, enter into an agreement to contract for System Access Service directly with the Independent System Operator. Should FortisAlberta agree to such release, FortisAlberta reserves the right to bill the released Customer directly for all Commission approved riders and charges arising from services supplied by FortisAlberta prior to the release.

ARTICLE 14 – LIABILITY AND INDEMNITY

14.1 FortisAlberta Liability

Notwithstanding any other provision of the Terms and Conditions or any provision of an agreement between FortisAlberta and a Responsible Party or between FortisAlberta and any other person, relating, directly or indirectly, to the provision of service under the Distribution Tariff (a “**FortisAlberta Agreement**”), FortisAlberta, its directors, officers, agents, employees

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and representatives (“**FortisAlberta Parties**”), shall not be liable to a Responsible Party, their directors, officers, agents, employees and representatives, or any other person in law, equity, tort or contract (the “**Applicable Parties**”) for any loss, injury, damage, expense, charge, cost or liability of any nature whatsoever suffered or incurred by Applicable Parties, or any of them, whether of a direct, indirect, special or consequential nature or whether incurred or suffered directly or as a result of a third party contract, howsoever or whensoever caused, and whether in any way caused by or resulting from the acts or omissions of FortisAlberta Parties, or any of them, except for direct property damages incurred by an Applicable Party as a direct result of a breach of the Terms and Conditions or applicable FortisAlberta Agreement or other act or omission by a FortisAlberta Party, which breach or other act or omission is caused by the negligence or wilful act or omission of such FortisAlberta Party. Any liability under this Section will be limited to an amount in proportion to the degree to which the FortisAlberta Party acting negligent or wilfully is determined to be at fault. For the purpose of the foregoing and without otherwise restricting the generality thereof, “direct property damage” shall not include loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and Energy, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever.

14.2 Release

Subject to Section 14.1, none of the FortisAlberta Parties (as defined above) will be liable to Applicable Parties (as defined above) for any damages, costs, charges, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties or any of them, howsoever and whensoever caused, and each Applicable Party hereby forever releases each of the FortisAlberta Parties from any liability or obligation in respect thereof.

14.3 FortisAlberta Not Liable to Customer

For greater certainty and without limitation to the foregoing in Sections 14.1 and 14.2, FortisAlberta Parties (as defined above) shall not be liable to a Customer party for any damages of any kind (except to the extent FortisAlberta is liable for such damages in accordance with Section 14.1):

- (a) caused by or arising from any FortisAlberta Party’s conduct in compliance with or in breach of, or as permitted by, the Terms and Conditions, a Commitment Agreement, an Electric Service Agreement, an Interconnection Agreement or an Underground Electrical Distribution System Services Agreement between FortisAlberta and a

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- Customer, a Retail Service Agreement between FortisAlberta and a Retailer or any legal or regulatory requirements related to service provided to a Responsible Party;
- (b) caused to the Customer and arising from any failure of a Retailer to comply with the Terms and Conditions, a Retail Service Agreement, any agreement with FortisAlberta relating to Electric Distribution Service or for any damages caused by or arising from equipment installed or actions taken by a Retailer;
 - (c) caused by or arising from a Retailer's failure to perform any commitment to the Customer, including but not limited to the Retailer's obligation, including their obligation under Part 8 of the Act, to provide Electricity Services including Electric Distribution Service to the Customer; or
 - (d) caused by or resulting from any acts, omissions or representations made by a Retailer in connection with soliciting Customers for Electric Distribution Service or performing any of the Retailer's functions in providing Electricity Services including Electric Distribution Service.

14.4 Responsible Party Liability

In addition to any other liability provisions set out in the Terms and Conditions or any provision in a FortisAlberta Agreement, an Applicable Party (as defined above) shall be liable to the FortisAlberta Parties and indemnify and save harmless the FortisAlberta Parties for any damages, costs, charges, expenses, fees (including legal fees and disbursements on an indemnity basis), judgments, fines, penalties, injuries, losses, or any liabilities in law, equity, tort or contract suffered or incurred by FortisAlberta Parties (as defined above), whether of a direct or indirect nature or whether incurred or suffered directly or as a result of a third party contract, caused by or arising from any acts or omissions of an Applicable Party that result in a breach ("**Breach**") of the Terms and Conditions or the applicable FortisAlberta Agreement, or any negligent or wilful acts or omissions of an Applicable Party outside of a Breach. Any liability under this Section will be limited to an amount in proportion to the degree to which the Applicable Party is at fault. Any liability and indemnity provisions hereunder are in addition to, but do not limit, the liability protection provisions of the Act and Regulations.

The Responsible Party shall be liable for any loss, damage, expense, charge, cost or other liability of any kind, whether to FortisAlberta, its agents or employees, FortisAlberta property or otherwise, arising directly or indirectly by reason of: (i) the routine presence in or use of Energy over the wires, cables, devices or other Facilities owned or controlled by the Responsible Party; (ii) the Responsible Party's improper or negligent use of Energy or electric

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wires, cables, devices or other Facilities; or (iii) the negligent acts or omissions or wilful acts or omissions of the Responsible Party or any person permitted on such Responsible Party's Land.

14.5 Force Majeure

14.5.1 Force Majeure Relief

If an event or circumstance of Force Majeure occurs that affects FortisAlberta's ability to provide a Service Connection or other interconnection to its Electric Distribution System or Electric Distribution Service, FortisAlberta's obligations and responsibilities hereunder and under any agreement relating to Service Connections or other interconnections to its Electric Distribution System or the provision of Electric Distribution Service, so far as they are affected by the Force Majeure or the consequences thereof, shall be suspended without liability to the Responsible Party until such Force Majeure or the consequences thereof are remedied and for such period thereafter as may reasonably be required to restore the Electric Distribution Service. The Minimum Charge, if applicable, will continue to be payable during the period in which FortisAlberta claims relief by reason of Force Majeure.

14.5.2 Notice

FortisAlberta shall promptly give the relevant party notice of the Force Majeure including full particulars thereof and shall promptly give the relevant party notice when the Force Majeure ceases to prevent performance of FortisAlberta's obligations.

14.5.3 Obligation to Remedy

FortisAlberta shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

14.5.4 Strikes and Lockouts

Notwithstanding any other provision of the Terms and Conditions, the settlement of any strike, lockout or other industrial disturbance affecting FortisAlberta shall be wholly in the discretion of FortisAlberta and FortisAlberta may settle such strike, lockout or industrial disturbance at such time and on such terms and conditions as it may deem appropriate. No failure or delay in settling of such strike, lockout or

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industrial disturbance shall constitute a cause or event within the control FortisAlberta or deprive FortisAlberta of the benefits of this Section 14.5.

ARTICLE 15 – ARBITRATION

15.1 Resolution by FortisAlberta and Responsible Party

If any dispute between FortisAlberta and a Responsible Party shall arise at any time in connection with the Terms and Conditions which is not otherwise resolved, both FortisAlberta and the Responsible Party, acting reasonably and in good faith, shall use all reasonable efforts to resolve the dispute as soon as possible in an amicable manner.

15.2 Resolution by Arbitration

If any dispute has not been resolved within 30 days after written notice from FortisAlberta or the Responsible Party to the other of their desire to have the dispute resolved, then upon written notice by either party the dispute may be resolved through other proceedings, including arbitration on the terms set out herein or on such terms as otherwise agreed to by the parties.

Notwithstanding anything herein, any disputed matters between FortisAlberta and a Responsible Party relating to an order or direction made or approved by the Commission or falling within the exclusive jurisdiction of the Commission, shall be referred to the Commission for resolution.

15.3 Arbitrators

Where FortisAlberta and a Responsible Party have agreed to arbitrate a dispute or difference in connection with the Terms and Conditions, the dispute or difference shall be referred to a single arbitrator, agreed upon by both parties. In the event that the parties cannot agree to a single arbitrator within 10 days of agreeing to proceed by way of arbitration, the dispute or difference shall be referred to a Board of Arbitrators consisting of one arbitrator to be appointed by each of FortisAlberta and the Responsible Party, and which arbitrators shall, by instrument in writing, jointly appoint a third arbitrator within 20 days of written notice for arbitration, after they are themselves appointed, unless FortisAlberta and the Responsible Party concur in the appointment of a single arbitrator. The arbitrator or arbitrators shall render a decision within 90 days of the latest appointment.

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If an arbitration decision is not made within the time herein provided, then until it is so made and unless the other party has taken any of the actions referred to in this paragraph, a party, upon 30 days' notice to the other party and to the arbitrators, may: (i) cancel the appointment of the arbitrator previously made and initiate new arbitration proceedings by a new notice to the other party pursuant to this Section; or (ii) cancel such arbitration proceedings and proceed in the courts as though Article 15 did not exist.

15.4 Refusal to Appoint an Arbitrator

If either FortisAlberta or the Responsible Party shall neglect or refuse to appoint an arbitrator within 10 days after the other party (provided such other party has appointed their arbitrator) has served FortisAlberta or the Responsible Party, as the case may be, with written notice to make the appointment, the party who has appointed their arbitrator shall be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint an arbitrator for the party in default.

15.5 Failure to Appoint a Third Arbitrator

If the arbitrators appointed by FortisAlberta and the Responsible Party have not, within 20 days after their appointment or the appointment of the arbitrator last appointed, as the case may be, appointed a third arbitrator, either FortisAlberta or the Responsible Party shall be entitled to apply, upon notice to the other party, to a Justice of the Court of Queen's Bench of Alberta to appoint such an arbitrator.

15.6 Technical Competence

Any arbitrator appointed under the provisions of this Article whether by concurrence of FortisAlberta and the Responsible Party, by either party, by the arbitrators, or by a Justice of the Court of Queen's Bench of Alberta shall, in the opinion of the persons making such appointment, be possessed of such technical or other qualifications as may be reasonably necessary to enable the arbitrator to properly adjudicate upon the dispute or difference.

15.7 Compensation of Arbitrators

Each party shall be responsible for the costs of the arbitrator appointed by it hereunder. The costs of a single arbitrator or the third arbitrator, as the case may be, shall be determined by the arbitrator(s).

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15.8 Application of the Arbitration Act

The arbitration shall be conducted in accordance with the *Arbitration Act* (Alberta), R.S.A. 2000, c. A-43 (the “**Arbitration Act**”), as amended or replaced from time to time. In the event of a conflict between the Terms and Conditions and the Arbitration Act, the Terms and Conditions shall prevail.

15.9 Decisions Binding

A decision of the single arbitrator, or the majority of the three arbitrators named or appointed, shall be final and binding upon each of the parties to the dispute or difference, and not subject to appeal.

15.10 Continuity of Electric Distribution Service

All performance required under the Terms and Conditions by FortisAlberta and the Responsible Party and payment shall continue during the dispute resolution proceedings contemplated by this Article.

ARTICLE 16 – ADDITIONAL PROVISIONS RELATING TO ELECTRIC DISTRIBUTION SERVICE

16.1 Ownership of Facilities

FortisAlberta is and remains the owner of all Facilities necessary to provide Electric Distribution Service to Customers and all of the Electric Distribution System in respect of which FortisAlberta provides any portion of the financial investment, unless an agreement between FortisAlberta and the Responsible Party specifically provides otherwise.

Payment made by Customers for costs incurred by FortisAlberta in installing Facilities does not entitle Customers to ownership of any such Facilities, unless an agreement between FortisAlberta and the Customer specifically provides otherwise.

16.2 Electric Distribution Service Obtained from Retailer

FortisAlberta will not initiate or continue Electric Distribution Service at a Point of Service unless the Customer is enrolled to obtain Electric Distribution Service. It is the Customer’s

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responsibility to make arrangements with a Retailer to obtain Electricity Services, including enrolment for Electric Distribution Service.

16.3 Proper Use of Services

A Customer assumes full responsibility for the proper use of the Service Connection and Electric Distribution Service provided by FortisAlberta and for the condition, suitability and safety of any and all wires, cables, devices or appurtenances energized on the Customer's Land or on premises owned or controlled by the Customer where the Customer is not the Registered Owner of the Land.

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16.4 Independent System Operator or Transmission Facility Owner Requirements

Each Customer acknowledges and agrees that FortisAlberta is bound by all operating instructions, policies and procedures of the Independent System Operator and Transmission Facility Owners which are needed to maintain the integrity of Alberta's interconnected electric system. Each Responsible Party acknowledges and agrees that they will cooperate with FortisAlberta so that FortisAlberta will be in compliance with all such operating instructions, policies and procedures which include, but are not limited to, those operating instructions, policies and procedures pertaining to minimum and maximum generation emergencies, and supply voltage reduction or full interruption of Customer Load by either manual or automatic means.

16.5 Compliance with Applicable Legal Authorities

FortisAlberta and the Responsible Parties are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the Independent System Operator or of governmental authorities having applicable jurisdiction. FortisAlberta will not violate, directly or indirectly, or become a party to a violation of any applicable requirement of the Independent System Operator or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide a Service Connection or Electric Distribution Service to the Responsible Parties. FortisAlberta's obligation to provide a Service Connection and Electric Distribution Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of such services will have been obtained and will be maintained in force during such period of service.

16.6 Service Interruption

FortisAlberta operates its electric system so as to maintain a voltage within the limits set out in Canadian Standards Association Standard C235. While FortisAlberta takes reasonable efforts to guard against interruptions, it does not guarantee uninterrupted service.

Without liability of any kind to FortisAlberta, it shall have the right to disconnect or otherwise curtail, interrupt or reduce Electric Distribution Service to Responsible Parties whenever FortisAlberta reasonably determines, or when FortisAlberta is directed by the Independent System Operator, that such a disconnection, curtailment, interruption or reduction is: (i) necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of FortisAlberta's Facilities; (ii) to maintain the safety and reliability of FortisAlberta's Electric Distribution System; or (iii) due to any other reason, including dangerous or hazardous

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circumstances, emergencies, forced outages, potential overloading of FortisAlberta's Electric Distribution System, system security reasons or as a result of Force Majeure.

16.7 No Assignment of Agreements and Invalidity of Contractual Provisions

A Responsible Party shall not assign any of their rights or obligations under the Terms and Conditions, a Commitment Agreement, an Electric Service Agreement, an Interconnection Agreement, a Retail Service Agreement, an Underground Electrical Distribution System Services Agreement or any other agreement with FortisAlberta relating to Electric Distribution Service without obtaining any and all necessary regulatory approvals and FortisAlberta's approval where required in such agreement. No assignment shall relieve the Responsible Party of any of their obligations under the Terms and Conditions or any other agreement with FortisAlberta relating to a Point of Service or Electric Distribution Service until such obligations have been acknowledged by FortisAlberta to have been assumed by the assignee and FortisAlberta has agreed to the assumption. Any assignment in violation of this Section shall be void.

If any provision of the Terms and Conditions, a Commitment Agreement, an Electric Service Agreement, an Interconnection Agreement, a Retail Service Agreement, an Underground Electrical Distribution System Services Agreement or any other agreement with FortisAlberta is to any extent held invalid or unenforceable, the remainder of the Terms and Conditions or the agreement, as the case may be, and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

16.8 No Waiver

The failure of FortisAlberta or a Responsible Party to insist in any one or more instances upon strict performance of any provisions of the Terms and Conditions, an Electric Service Agreement, a Retail Service Agreement or any other agreement between the Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service, or to take advantage of any of its rights hereunder or thereunder, shall not be construed as a waiver of any such provision or the relinquishment of any such right or any other right hereunder or thereunder, which shall remain in full force and effect. No term or condition of the Terms and Conditions or any other agreement between the Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the party claimed to have waived or consented to excuse.

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16.9 Law

The Terms and Conditions and any other agreement between a Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta, without regard to principles of conflicts of law. Any action or proceeding arising in connection with the Terms and Conditions and any other agreement between a Responsible Party and FortisAlberta relating to a Point of Service or Electric Distribution Service shall be brought in the courts of the Province of Alberta.

16.10 New Facilities and Electric Distribution Service Additions

FortisAlberta reserves the right to communicate directly with the Customer in respect of any requests made by the Customer, the Retailer or any other party acting as agent for the Customer, for the construction of new Facilities or for additional services as provided for in the Billing Regulation made pursuant to the Act, as amended or replaced from time to time. FortisAlberta reserves the right to charge the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions.

16.11 Requirement to Enter into New Contracts

In accordance with the provisions of the Act and the Regulations made thereunder, after December 31, 2000, FortisAlberta came to act solely as a wire services provider providing Service Connections and Electric Distribution Service and was no longer responsible for providing electricity directly to Customers. As a result of these changes, many of the provisions contained in existing agreements FortisAlberta has with Responsible Parties relating to the provision of a Service Connection or Electric Distribution Service are no longer relevant. As such, FortisAlberta reserves the right to cause applicable Parties to enter into new agreements that reflect the changes necessary to conform to the new role assigned to FortisAlberta.

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16.12 Notice

Unless otherwise stated herein, all notices, demands or requests required or permitted under the Terms and Conditions or any agreement with a Responsible Party with FortisAlberta for a Service Connection or Electric Distribution Service shall be in writing and shall be personally delivered or sent by courier-service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to the Customer, to the site connection address or the address set out in the Electric Service Agreement between the Customer and FortisAlberta.

If to a DG Customer, to the address set out in their agreement with FortisAlberta.

If to FortisAlberta, to:

FortisAlberta Inc.
320 – 17th Ave. S.W.
Calgary, Alberta
T2S 2V1

Fax: (403) 514-4001

Notice received after the close of a Business Day shall be deemed received on the next Business Day.