



FortisAlberta Inc.

2026 Annual Performance-Based Regulation Rate Adjustment

December 17, 2025

Alberta Utilities Commission

Decision 30274-D01-2025

FortisAlberta Inc.

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Proceeding 30274

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Published by the:

Alberta Utilities Commission

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1 Decision summary

1. In this decision, the Alberta Utilities Commission considers FortisAlberta Inc.'s 2026 annual performance-based regulation (PBR) rate adjustment filing pursuant to the provisions of the third generation (PBR3) plan. The Commission finds that Fortis's 2026 distribution rates proposed in this application are determined in accordance with the provisions of the PBR3 plan approved in Decision 27388-D01-2023.¹ Accordingly, for the reasons that follow, the Commission approves the 2026 distribution rates including the system access service (SAS) rates and riders, as well as the terms and conditions (T&Cs) for electric distribution service.

2. For clarity, the T&Cs for electric distribution service for 2026 are approved on a final basis. The 2026 distribution rates will remain interim until the approved levels of all remaining placeholders (such as the I factor, Y factor and K-bar amounts) have been determined by the Commission.

2 Introduction

3. On September 10, 2025, Fortis submitted its 2026 annual PBR rate adjustment filing, requesting approval of its 2026 electric distribution access service (DAS) rates and riders, transmission SAS rates, billing determinants and corresponding rate schedules in accordance with the parameters of the PBR3 plan. Fortis also requested approval of its customer and retailer T&Cs of electric distribution service. Additionally, Fortis included in the application its 2024 transmission access charge deferral account (TACDA) true-up and requested the related true-up amounts be collected or refunded through its TAC rider.

4. The Commission issued notice of application on September 11, 2025, and requested that interested parties file a statement of intent to participate (SIP) by September 19, 2025. The Commission received a statement of intent to participate from the Office of the Utilities Consumer Advocate (UCA). The process established for this proceeding included information requests (IRs) to, and responses from, Fortis, as well as the option of filing written argument and reply argument. Additionally, there was a process step that allowed Fortis to update its application to account for the approved 2026 return on equity (ROE) as well as other relevant updates related to the Alberta Electric System Operator (AESO) tariff.

3 Background: how rates are set under PBR

5. The PBR3 framework approved in Decision 27388-D01-2023 provides a rate-setting mechanism (price cap for electric distribution utilities and revenue-per-customer cap for gas

¹ Decision 27388-D01-2023: 2024-2028 Performance-Based Regulation Plan for Alberta Electric and Gas Distribution Utilities, Proceeding 27388, October 4, 2023.

distribution utilities). During the PBR3 term, rates are adjusted annually using a formula that includes an indexing mechanism that tracks the rate of inflation (I) that is relevant to the prices of inputs the utilities use, less a productivity offset (X). With the exception of specifically approved adjustments, as discussed further below, a utility's revenues are not linked to its costs during the PBR term.

6. The PBR price cap formula relevant to Fortis is set out below:

$$R_t = R_{t-1} * (1 + I - X) \pm K \pm Kbar \pm Y \pm Z - ESM$$

where:

R_t	Rates for the current year
R_{t-1}	Rates for the previous year
I	The I factor
X	The productivity offset
K	Type 1 capital adjustments
$Kbar$	Type 2 capital adjustments
Y	Y factor adjustments
Z	Z factor adjustments
ESM	Earnings sharing mechanism (ESM)

7. In Decision 27388-D01-2023, the Commission approved certain PBR rate adjustments to enable the recovery of specific costs where certain criteria have been satisfied. These include an adjustment for certain flow-through costs that should be recovered from, or refunded to, customers directly (Y factors) and an adjustment to account for the effect of exogenous and material events for which the distribution utility has no other reasonable cost recovery or refund mechanism within the PBR plan (Z factor).

8. For the PBR3 plan, the Commission continued to divide capital into Type 1 (extraordinary) and Type 2 (normal course) capital. For Type 1 capital, the Commission approved a modified capital tracker mechanism with defined eligibility criteria, with the revenue requirement associated with approved amounts to be collected from ratepayers by way of a "K factor" adjustment to the annual PBR rate-setting formula. For Type 2 capital, the Commission approved a K-bar mechanism that provides an amount of capital funding for each year of the PBR3 plan based, in part, on capital additions made during the PBR2 term.

9. Each distribution utility's annual PBR rate adjustment filing addresses all applicable parameters relevant to the establishment of the PBR rates and T&Cs for that utility for a given year, and relies on certain filed information to establish rates including:

- I factor and the resulting I-X index;

- K factor and K-bar factor adjustments related to approved Type 1 and Type 2 capital, respectively, including true-ups from prior periods;
- Y factor adjustment to collect flow-through items that are not collected through separate riders;
- previously approved Z factors;
- amounts to be shared with customers through the ESM;
- billing determinants for each rate class;
- backup showing the application of the formula by rate class and resulting rate schedules;
- a copy of the Rule 005² filing filed in the current year as well as the ROE adjustment schedules for prior years;
- certain financial reporting requirements;
- changes proposed to T&Cs; and
- any other material relevant to the establishment of current year rates.

10. As noted above, in addition to these items, Fortis's current annual PBR rate adjustment filing includes a rate component related to the TACDA true-up.

4 PBR rate adjustments

4.1 2026 PBR indices and annual adjustments

11. As mentioned in Section 3, the PBR3 price cap plan for Fortis provides a rate-setting mechanism based on a formula that adjusts customer rates annually by means of the I-X indexing mechanism plus specifically approved adjustments. The annual parameters and adjustments used by Fortis to arrive at its 2026 rates and the Commission's assessment of the applied-for amounts are detailed below. Additional discussion on select parameters is provided in the sections that follow.

12. Fortis did not apply for any Type 1 capital funding or Z factor rate adjustments to be included in its 2026 PBR rates.

I-X index

13. In the PBR3 plan, the I factor is calculated as a weighted average of two indices published by Statistics Canada. The labour cost inflation, weighted at 60 per cent, is measured by the Fixed Weighted Index of average hourly earnings for all employees in Alberta. The non-labour cost inflation, weighted at 40 per cent, is measured by the Alberta Consumer Price Index for all items. In accordance with Decision 27388-D01-2023, the I factor is first calculated as a placeholder based on data for the most recent July to June period. This placeholder is then trued

² Rule 005: *Annual Reporting Requirements of Financial and Operational Results*.

up to the actual calendarized inflation for the year (i.e., January to December) in a subsequent annual rate adjustment filing.

14. Fortis calculated the interim 2026 I factor to be 2.59 per cent.³ The approved X factor for the PBR3 term is 0.4 per cent, inclusive of industry total factor productivity growth, a stretch factor and a benefit-sharing premium.⁴ As explained in Decision 27388-D01-2023, for K-bar calculation purposes, the X factor is 0.1 per cent as it excludes the benefit-sharing premium component.⁵

15. The Commission has reviewed Fortis's calculation of the 2026 interim I factor and finds it to be consistent with the methodology set out in Decision 27388-D01-2023.⁶ Accordingly, the 2026 interim I factor of 2.59 per cent and the resulting I-X index of 2.19 per cent are approved. For K-bar purposes, the 2026 I-X index of 2.49 per cent is approved. Consistent with the determinations in Decision 27388-D01-2023, the interim I factor of 2.59 per cent will be trued up in a future proceeding to reflect the actual experienced inflation in 2026.⁷

16. In its application, Fortis calculated the 2024 final I factor to be 3.32 per cent, and the corresponding 2024 I factor true-up to be a \$0.8 million collection from customers.⁸ Fortis also updated its 2025 I factor placeholder of 3.20 per cent to reflect the 2026 interim I factor placeholder of 2.59 per cent and included an interim 2025 I factor true-up, resulting in a \$3.5 million refund to customers.⁹ Additionally, Fortis included a 2024 ECM true up of approximately \$12,000, reflecting the final 2024 I factor of 3.32 per cent, under the Y factor as set out in Table 1 below.

17. The Commission finds that the calculations of the 2024 I factor true up, the 2024 ECM true-up and the 2025 interim I factor true up are consistent with the methodology set out in Decision 27388-D01-2023 and prior Commission directions. These true-ups are approved as filed.

Y factor

18. The Y factor includes costs the Commission determines should be directly recovered from or refunded to customers provided such costs do not qualify for capital treatment or Z factor treatment.¹⁰ Fortis's 2026 Y factor was \$0.3 million, inclusive of carrying costs, as set out in the table below:

Table 1. 2026 Y factor amounts¹¹

Item	2026 Amounts
	(\$ million)
AUC Assessment Fees	1.3

³ Exhibit 30274-X0021, Schedules 1.0 and 2.0 - 2026 PBR Formula I-X - K-bar - Y and Z Factors.

⁴ Decision 27388-D01-2023, PDF pages 6-7, paragraph 2.

⁵ Decision 27388-D01-2023, PDF pages 32-33, paragraphs 102-103.

⁶ Decision 27388-D01-2023, PDF page 24, paragraph 70.

⁷ Decision 27388-D01-2023, PDF pages 30-31, paragraph 95.

⁸ Exhibit 30274-X0001, FortisAlberta 2026 Annual Rates Application, paragraph 100.

⁹ Exhibit 30274-X0001, FortisAlberta 2026 Annual Rates Application, paragraph 100.

¹⁰ Decision 2012-237: Rate Regulation Initiative, Distribution Performance-Based Regulation, Proceeding 566, Application 1606029, September 12, 2012, paragraphs 617 and 631. Largely the same Y factor definition was adopted in Decision 27388-D01-2023, PDF page 123, Appendix 5, Section 2, Y factor.

¹¹ Exhibit 30274-X0001, application, PDF page 23, Table 3-3.

Item	2026 Amounts
	(\$ million)
Intervener Costs	0.1
AESO [Alberta Electric System Operator] Load Settlement Costs	0.2
Property, Business & Linear Taxes	1.8
Farm Transmission Credit	(3.2)
AESO Contributions	0.1
Efficiency Carryover Mechanism ¹²	0.0
Carrying Costs	(0.1)
Total Y factor adjustments	0.3

Note: There are other flow-through items (e.g., transmission system access payments) that are collected from, or refunded to, customers by way of separate riders.

19. The Commission has assessed the amounts included in Fortis's applied-for Y factor and finds they were adequately supported, properly calculated and in compliance with previous Commission directions. The Commission has also reviewed Fortis's carrying costs and finds that they are properly calculated and consistent with the applicable provisions of Rule 023: *Rules Respecting Payment of Interest*. Accordingly, the applied-for Y factor amount is approved.

K-bar

20. K-bar funding provides incremental Type 2 capital funding to supplement the revenues generated under the I-X mechanism. The 2026 K-bar funding in PBR3 is calculated by taking the difference between a notional revenue requirement based on capital additions equal to an escalated average of actual capital additions in the 2018-2022 PBR term and the revenue obtained under I-X for each project or program included in Type 2 capital. For each subsequent year, K-bar will be calculated using the same steps as those used for 2026, with adjustments made to account for the effects of inflation and productivity growth, customer growth and changes to the weighted average cost of capital for a given year.¹³

21. In the application, Fortis calculated its K-bar amount using the placeholder ROE of nine per cent. In the November 14, 2025, ROE and Balancing Pool rider update, Fortis updated its 2026 K-bar calculation to use the 2026 ROE of 9.02 per cent approved by the Commission in Decision 30411-D01-2025.¹⁴ Using the approved ROE, Fortis calculated its 2026 K-bar funding to be \$41.9 million. Additionally, Fortis's 2025 interim K-bar true-up for the updated inflation placeholder and actual cost of debt resulted in a collection of \$5.2 million. Fortis's 2024 K-bar true-up for the finalized I factor and actual cost of debt resulted in a collection of \$1.6 million. The UCA did not object to Fortis's applied-for K-bar funding or K-bar true up.

22. The Commission has reviewed Fortis's schedules showing the calculation of the 2026 K-bar funding and finds that it followed the approved methodology set out in Decision 27388-D01-2023. Thus, the Commission approves Fortis's 2026 K-bar of \$41.9 million. The Commission also approves Fortis's 2025 interim K-bar true-up collection of \$5.2 million and Fortis's 2024 final K-bar true-up collection number of \$1.6 million and associated carrying costs.

¹² The ECM line item is a collection of approximately \$12,000 associated with the true-up of the 2024 ECM to reflect the 2024 final I factor. See Exhibit 30274-X0066, Updated Schedules 1.0 and 2.0 - 2026 PBR Formula I-X - K-bar - Y and Z Factors – Clean.

¹³ Decision 27388-D01-2023, Appendix 7- K-bar calculation, PDF pages 131-133.

¹⁴ Decision 30411-D01-2025: 2026 Return on Equity, Proceeding 30411, November 12, 2025.

The 2025 and 2026 K-bar values will be subject to further true-ups for the final I factor and the actual cost of debt in subsequent proceedings.

Earnings sharing mechanism

23. The ESM provisions are not discussed in the current decision as Fortis's achieved ROE in 2024, after permitted adjustments, does not exceed the threshold of 200 basis points above the 2024 approved ROE of 9.28 per cent.

24. In its argument, the UCA recognized that in Decision 27388-D01-2023, "the Commission stated that adjustments to the actual ROE for ESM calculation purposes must be minimized to avoid creating undesirable incentives for all parties in terms of reporting or scrutinizing costs."¹⁵ However, the UCA was of the view that utilities have opportunities for gaming their achieved ROEs, and that some extraordinary adjustments may be necessary to counter-act this. As a result, the UCA recommended that the distribution utilities under PBR should be required to report on extraordinary expenditures in future annual filings.¹⁶

25. In response to a UCA IR, Fortis confirmed that it did not have any extraordinary expenses in 2024. Fortis also noted that any adjustments made to its ROE are consistent with the criteria outlined in Decision 27388-D01-2023.¹⁷ In its reply argument, Fortis stated that the UCA's desired expansion of the concept of "extraordinary" lacks a solid definition, underscoring its impracticality. Fortis further stated that the Commission already has the discretion to request targeted disclosures when such disclosures are warranted by the circumstances.¹⁸ Fortis provided its ESM calculation with the pre-determined adjustments in Schedule 2.1.2 of its application.¹⁹

26. In Decision 27388-D01-2023, the Commission established pre-determined and objective adjustments to the achieved ROEs reported in Rule 005 for the purposes of the ESM calculations. In addition, the Commission continued in the PBR3 term the requirement for the distribution utilities to file schedule showing disallowed costs, excluded from a distribution utility's ROE.²⁰ For these reasons, the Commission finds that no additional reporting is required annually as suggested by the UCA.

4.2 2026 billing determinants forecast

27. Forecast billing determinants are generally used to allocate K, K-bar, Y and Z factors to rate classes and to calculate the resulting rate adjustments. Additionally, the customer growth billing determinant is used for calculating K-bar for all distribution utilities²¹ and is also used in performing the annual use-per-customer adjustments for gas distribution utilities under the revenue-per-customer cap plan.

¹⁵ Decision 27388-D01-2023, PDF page 96, paragraph 371.

¹⁶ Exhibit 30274-X0093, UCA Argument – 30274, paragraphs 23-24.

¹⁷ Exhibit 30274-X0056, FAI-UCA-2025OCT17-001-004, PDF pages 7-8.

¹⁸ Exhibit 30274-X0095, FortisAlberta Reply Argument, paragraphs 11-12.

¹⁹ Exhibit 30274-X0066, Updated Schedules 1.0 and 2.0 - 2026 PBR Formula I-X - K-bar - Y and Z Factors – Clean.

²⁰ Decision 27388-D01-2023, Appendix 5, Section 6, Financial reporting requirements, PDF page 125.

²¹ Decision 27388-D01-2023, PDF page 50, paragraph 170.

4.2.1 Forecast billing determinants and prior year variance analysis

28. In the application, Fortis provided detailed 2026 billing determinant forecasts.²² Fortis submitted that its forecast 2026 billing determinants were based on the same methodology approved in Decision 2013-072.²³

29. In Decision 25843-D01-2020, the Commission directed Fortis to continue to provide information on any variances from forecast to actual billing determinants by rate class and identify the cause of variances larger than \pm five per cent on an annual basis.²⁴ There were variances larger than \pm five per cent in the following rate classes in 2024:

- Farm Service
- Irrigation Service
- General Service
- Large General Service.

30. Fortis provided variance explanations for these rate classes.²⁵ No party objected to Fortis's billing determinant forecast or its variance explanations.

31. The Commission considers that variances from forecasts such as those described by Fortis for 2024 may reasonably be expected in the context of this annual rate adjustment filing. Such occurrences do not generally call into question the predictive value of the methodology used to generate such forecasts, and Fortis is directed to continue to provide information on any variances from forecast to actual billing determinants by rate class and to identify the cause of variances larger than five per cent on an annual basis.

32. Based on its review and assessment, the Commission finds Fortis's 2026 forecast billing determinants to be reasonable and approves them.

4.2.2 Calculation of the customer growth escalator

33. For K-bar purposes, the Commission approved the use of the customer growth escalator (CGE) to account for the incremental revenue associated with system growth. The CGE is calculated as the year-over-year percentage change in the average customer count reduced by 15 per cent. Based on its forecast number of customers, Fortis applied for a 2026 CGE of 1.43 per cent.²⁶

34. Fortis's approach to calculating the CGE differs from the approaches used by the other distribution utilities under PBR3. In particular, Fortis updates previously approved forecast mid-year customer counts when calculating a next year's CGE, resulting in different customer count values for the same forecast year across different filings. For example, the 2025 forecast

²² Exhibit 30274-X0022, Schedule 2.4 A to C 2026 Billing Determinants and Analysis.

²³ Decision 2013-072: AltaGas Utilities Inc., ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., EPCOR Distribution & Transmission Inc. and FortisAlberta Inc., 2012 Performance-Based Regulation Compliance Filings, Proceeding 2130, Application 1608826, March 4, 2013, paragraph 243.

²⁴ Decision 25843-D01-2020: FortisAlberta Inc., 2021 Annual Performance-Based Regulation Rate Adjustment, Proceeding 25843, December 18, 2020, paragraph 55.

²⁵ Exhibit 30274-X0022, Schedule 2.4 A to C - 2026 Billing Determinants and Analysis.

²⁶ Exhibit 30274-X0062, Updated Appendix C - 2024-2028 K-bar Schedules – Clean.

customer count approved in Decision 29297-D01-2024 was 638,196. In the present application Fortis used the 2025 forecast customer count of 640,372 as a starting point to calculate the 2026 GGE. This is shown in Table 2 below, with relevant cells highlighted in grey.

Table 2. Fortis’s 2025 and 2026 CGE calculations²⁷

Description	GGE calculation
2025 CGE Calculation	
Forecast 2024 Mid-Year Customers ¹	627,939
Forecast 2025 Mid-Year Customers ¹	638,196
Year-over-year change	10,257
GGE	1.63%
CGE at 85%	1.39%
2026 CGE Calculation	
Forecast 2025 Mid-Year Customers ²	640,372
Forecast 2026 Mid-Year Customers ²	651,160
Year-over-year change	10,788
GGE	1.68%
CGE at 85%	1.43%

Notes:

(1) Customer forecast approved in Decision 29297-D01-2025, inclusive of 2023 Rule 005 actual customers.

(2) Customer forecast underpinning the billing determinants in Schedule 2.4 (A to C), inclusive of 2024 Rule 005 actual customers.

35. In an IR response to the Commission, Fortis explained that an updated customer count of 640,372 for 2025 represents “the average of the 2024 final customer count underpinning FortisAlberta’s 2024 Rule 005 customer count and the 2025 forecast customer count used in the 2026 billing determinant forecast as filed in Proceeding 30274,”²⁸ i.e., the current application. Fortis also stressed that it is important that the CGE forecast reflects the customer count embedded in its billing determinant forecast to maintain consistency with the overall revenue received under the I-X mechanism.

36. After reviewing Fortis’s IR response, the Commission is of the view that Fortis’s method is not inherently arbitrary or unreasonable. Fortis’s CGE calculation reflects its overall approach to billing determinant forecasting where Fortis updates its prior year’s forecast (in this case, 2025) to reflect the available actuals (for 2024) and most recent available information (for 2025) to form the basis for the next year’s forecast (in this case, 2026). The Commission agrees with Fortis that it is important to maintain consistency between CGE calculations for K-bar purposes and its customer count billing determinant forecast. It is also important to note that Fortis does not alter the previously approved CGE numbers. For example, Fortis’s 2024 K-bar true-up in this proceeding is based on the approved 2024 CGE value.

37. The Commission observes that other distribution utilities under PBR also rely on the most recent available information to forecast next year’s billing determinants. However, they do not retrospectively adjust their 2025 forecasts to account for this information but only incorporate it in the 2026 forecast numbers.²⁹ The method used by the other distribution utilities

²⁷ Exhibit 30274-X0062, Updated Appendix C - 2024-2028 K-bar Schedules – Clean.

²⁸ Exhibit 30274-X0040, FAI-AUC-2025OCT17-001-009, PDF page 6.

²⁹ See, for example, Proceeding 30300, ATCO Electric’s 2026 PBR annual rate adjustment application, Exhibit 30300-X0041, ATCO Electric Round 1 IR Responses to AUC, PDF pages 3-4.

maintains consistency with the approved numbers and is not dissimilar to the logic behind using the unrevised values in the subsequent I factor calculations set out in Decision 2012-237.³⁰ When considered over the extended period of time, such as a five-year PBR term, the two methods of CGE calculations are expected to result in the same overall effect except for allocating some part of customer growth changes to a previous or subsequent year. However, the Commission is aware that switching from one method to another may result in one-time transitional issues such as random over- or under-collection of K-bar amounts for the year the transition is made.

38. In light of the above considerations, the Commission approves Fortis's CGE of 1.43 per cent for 2026. For a more transparent K-bar calculation and to be consistent with other distribution utilities under PBR, the Commission directs Fortis to discuss in its 2027 annual PBR rate adjustment filing how it would transition to the method of CGE calculation used by other distribution utilities and the reasonable timeline for such a transition, as well as its plan for dealing with any transitional issues.

5 2024 TACDA true-up

39. All electric distribution utilities accessing the electric transmission system in the province are charged by the AESO for transmission services provided in relation to customers in the distribution utilities' service areas. The purpose of the annual TACDA true-up is to ensure that revenues collected through a distribution utility's transmission access charges in a year recover the AESO tariff charges paid by the utility in that year.

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

41. The annual TACDA true-up schedules are based on the harmonized framework approved by the Commission for all four electric distribution utilities in Decision 3334-D01-2015.³¹ To reduce regulatory burden, the annual TACDA true-up is included in the annual rate adjustment filing.

5.1 Total net true-up amount

42. Fortis applied for a net 2024 TACDA refund of \$2.98 million to customers. The various components of the total true-up amount applied for are listed in Table 3 and are further described in this section.

³⁰ Decision 2012-237, at paragraphs 238, 239 and 249.

³¹ Decision 3334-D01-2015: Commission-Initiated Review, Electric Transmission Access Charge Deferral Accounts – Annual Applications, Proceeding 3334, Application 1610728-1, July 21, 2015.

Table 3. Components of the applied-for 2024 TACDA true-up amount

Component	True-up amount collection/(refund) (\$ million)
Previous deferral account rider true-up	(0.04)
2022 SAS deferral true-up	(0.36)
AESO deferral account reconciliation (DAR) true-up	(3.15)
2022 Balancing Pool rebate true-up	0.07
Border Customer Deferral	0.53
Carrying costs	(0.03)
Total collect/(refund)	(2.98)

Source: Exhibit 30274-X0072, Updated Schedule 3.3 - 2024 TACDA True-up and 2026 Transmission Adjustment Rider – Clean.

43. The deferral account rider true-up ensures that the amounts actually collected or refunded through a previously approved rider equal the amounts approved by the Commission. In 2024, Fortis was approved to refund \$44.38 million through a TAC rider.³² The actual refund was \$44.34 million, necessitating a total refund to customers of \$0.04 million.

44. The SAS deferral true-up ensures the actual transmission access revenues received from SAS rates and related quarterly riders equals the actual transmission costs incurred. Fortis's total 2024 transmission access revenues for distribution-connected customers, including revenues received through its quarterly TACDA true-up riders, amounted to \$705.28 million which, compared to total costs of \$704.92 million, results in a required refund of \$0.36 million.

45. The AESO DAR deals with any variances between the actual costs the AESO incurs and the revenues it receives to ensure that "... on an annual basis, no profit or loss results from its operation."³³ Any such variances are refunded to, or recovered from, market participants by way of the AESO DAR, typically undertaken on an annual basis. The distribution utilities flow through these collections or refunds to customers in their service areas. The Commission approved the AESO's 2024 DAR in Decision 30213-D01-2025.³⁴ The reconciliation results in a \$3.15 million refund to Fortis's customers.

46. Fortis's Balancing Pool true-up ensures that its Balancing Pool refund to, or collection from, its customers match its settlement with the AESO.³⁵ In 2024, the AESO collected \$22.32 million from Fortis. Due to differences between forecast and actual billing determinants, Fortis collected \$22.25 million from its customers in 2024, necessitating a collection of \$0.07 million from customers.

³² Decision 28576-D02-2024: FortisAlberta Inc., 2024 Annual Performance-Based Regulation Rate Adjustment, Proceeding 28576, March 27, 2024, PDF pages 14-15, Table 3.

³³ Under Section 14(3) of the *Electric Utilities Act*.

³⁴ Decision 30213-D01-2025: Alberta Electric System Operator, 2024 Deferral Account Reconciliation, Proceeding 30213, August 18, 2025.

³⁵ Under Section 82 of the *Electric Utilities Act*, each year the Balancing Pool is required to forecast its revenues and expenses to determine any excess or shortfall of funds. Based on this forecast, the Balancing Pool determines an annualized amount that will be refunded to, or collected from, electricity consumers over the year "... so that no profit or loss results, after accounting for the annualized amount under Section 82(7) as a revenue or expense of the Balancing Pool." This amount, known as the consumer allocation, applies to all market participants who receive SAS from the AESO and is recovered through Rider F of the AESO tariff. The consumer allocation is based on the amount of electric energy consumed annually. In 2023, the Balancing Pool charged a consumer allocation of \$2.20 per megawatt hour (MWh).

47. Fortis's Border Customer Deferral captures the net differences between Fortis receipts and payments pertaining to transactions related to the extra-provincial supply of energy and wires services to border customers. In 2024, Fortis paid \$1.14 million to extra-provincial suppliers to service its border customers. Fortis received \$0.62 million from the power pool, necessitating a collection of \$0.53 million.

48. Fortis calculated carrying costs on outstanding amounts related to the TACDA true-up balances in accordance with Rule 023.³⁶ The rate used was the Bank of Canada's target for overnight interest rates plus 1.75 per cent. Fortis complied with the Commission's direction from Decision 25801-D01-2020³⁷ and excluded the 2024 AESO DAR from the calculation and allocation of carrying costs. The total carrying costs amounted to a \$0.03 million refund to customers.

49. Fortis's application and schedules are consistent with the harmonized framework approved by the Commission in Decision 3334-D01-2015. The Commission finds the amounts comprising the 2024 annual TACDA true-up to be reasonable. The Commission also finds the assignment of the individual components of the 2024 TACDA true-up to rate classes to be consistent with previously approved methodologies and is reasonable in the circumstances. Accordingly, the Commission approves a net refund to customers of \$2.98 million as set out in Table 3 above.

5.2 TAR rate and effective period

50. Fortis proposed to apply the 2024 annual TACDA true-up by way of the tariff adjustment rider (TAR). To smooth rates over time and promote rate stability, Fortis proposed the TAR to be in effect over a 12-month period from January 1, 2026, to December 31, 2026, to coincide with the period over which Fortis's 2026 PBR rates will be in effect.

51. Fortis calculated the TAR by first summing the 2024 TACDA true-up components and related carrying costs by rate class and for each REA. For each rate class, Fortis then calculated a per cent TAR by using the 2024 TACDA true-up amount for that rate class as the numerator and each rate class's transmission component of the distribution tariff as the denominator. For the REAs, the resulting 2024 TACDA true-up dollar amounts will be charged to each REA directly. The resulting true-up amounts and the proposed TAR rates are set out in the table below:

³⁶ Rule 023 applies as the lag in the implementation of the refund exceeds 12 months and the revenue amount is sufficient per Section 3(2)(c) to warrant the awarding of carrying costs.

³⁷ Decision 25801-D01-2020: FortisAlberta Inc., 2019 Annual Transmission Access Charge Deferral Account True-Up, Proceeding 25801, November 20, 2020, paragraph 30.

Table 4. True-up amounts and proposed TAR rate by rate class

Rate class	Total true-up (\$000)	2026 Base TAR (% of transmission charges)
Residential	(916)	(0.59)
Farm	397	1.44
Irrigation	2,518	13.46
Exterior Lighting	281	17.40
Small General Service	2,140	3.30
Oil and Gas	166	0.66
General Service	(4,670)	(1.84)
Large General Service	(4,058)	(2.69)
Opportunity Transmission	-	-
Transmission Connected	131	-
Armena REA Ltd.	(9)	-
Battle River Power Coop	75	-
Drayton Valley REA Ltd.	84	-
Duffield REA Ltd.	(7)	-
EQUUS REA Ltd.	2	-
Ermineskin REA Ltd.	979	-
Lindale REA Ltd.	(3)	-
Mayerthorpe & District REA Ltd.	(7)	-
Montana REA Ltd.	(3)	-
Niton REA Ltd.	(3)	-
North Parkland Power REA Ltd.	(3)	-
Peigan Indian REA Ltd.	(12)	-
Rocky REA Ltd.	0	-
Stony Plain REA Ltd.	(9)	-
T-Rural	0	-
Tomahawk REA Ltd.	97	-
West Liberty REA Ltd.	(6)	-
West Wetaskiwin REA Ltd.	(35)	-
Wild Rose REA Ltd.	(8)	-
Total	(2,977)	

Source: Exhibit 30274-X0072, Updated Schedule 3.3 - 2024 TACDA True-up and 2026 Transmission Adjustment Rider – Clean.

52. As shown in Table 4, while the total net true-up amount results in a refund, the TAR across individual rate classes will result in either a collection from or a refund to some customer classes and REAs. This is due to the relative size of the components of the true-up amounts allocated to each rate class and REA.

53. The Commission finds Fortis’s use of the TAR to collect the 2024 TACDA true-up amounts to be reasonable because using a separate rider facilitates better tracking of these flow-through costs. The Commission agrees that implementing the TAR over the same period as Fortis’s 2026 PBR rates will promote rate stability. In Section 6, the Commission assesses the bill impact of Fortis’s 2026 PBR rates (inclusive of the TAR) and approves them.

6 Resulting 2026 PBR rates

54. In this section the Commission evaluates how SAS charges and DAS charges are collected through distribution rates. These individual components will be recovered by Fortis’s distribution tariff – through its distribution rates, SAS rates and rate riders. The Commission also evaluates the resulting bill impacts.

6.1 System access service rates

55. In the application, Fortis requested approval of its 2026 SAS rates. On November 14, 2025, Fortis updated its application to account for the most recent information available in two AESO applications regarding 2026 SAS rates and the AESO's Balancing Pool consumer allocation Rider F.³⁸ On November 7, 2025, the AESO filed an application requesting approval for its 2026 Rider F charge of \$1.26/MWh for certain market participants, including those receiving demand transmission service effective January 1 to December 31, 2026. Given the updated 2026 Rider F, Fortis's applied for 2026 Balancing Pool Allocation Rider charge is \$1.26/MWh, based on the 2026 forecast energy at the customer level of 61,118 gigawatt-hours.³⁹

56. Fortis indicated that it calculated its proposed 2026 SAS rates using the same cost-of-service study methodologies and rate structure approved for its 2025 SAS rates in Decision 25916-D01-2021⁴⁰ and Decision 26818-D01-2021.^{41 42} The UCA did not object to Fortis's proposed 2026 SAS rates.

57. The Commission has reviewed Fortis's calculations of its proposed 2026 SAS rates, the underlying assumptions and the 2026 Balancing Pool Rider and finds them to be reasonable and consistent with its past SAS rate applications. In Section 6.2 below, the Commission assesses the bill impact of Fortis's 2026 PBR rates (inclusive of SAS rates) and approves them.

6.2 Distribution rates

58. In previous sections of this decision, the Commission approved individual components of the PBR framework, including the I-X index, Y factor and K-bar factor, all of which result in annual adjustments to Fortis's 2026 PBR rates. The Commission also approved Fortis's forecast billing determinants and the associated customer growth escalator for K-bar purposes. Further, the Commission approved the 2026 SAS rates and collection of the 2024 TACDA true-up by way of the TAR. All these items result in adjustments to Fortis's 2026 PBR rates.

59. Fortis provided bill impact schedules reflecting the 2026 proposed rates. The resulting estimated bill impacts for a typical Fortis customer in each rate class are shown in the table below.

³⁸ Proceeding 30427, AESO's 2026 Independent System Operator tariff application, Exhibit 30427-X0013, AESO's 2026 Rider F; Exhibit 30427-X0002, application.

³⁹ Proceeding 30427, Exhibit 30427-X0013; Exhibit 30427-X0027, Appendix F – Balancing Pool Notice.

⁴⁰ Decision 25916-D01-2021: FortisAlberta Inc., 2022 Phase II Distribution Tariff Application, Proceeding 25916, July 8, 2021.

⁴¹ Exhibit 30274-X0001, application, paragraph 71.

⁴² Decision 26818-D01-2021: FortisAlberta Inc., 2022 Phase II Distribution Tariff Application Compliance Filing, Proceeding 26818, October 20, 2021.

Table 5. Bill impacts of Fortis's proposed 2026 distribution rates

Rate class description	Typical bill change December 31, 2025, to January 1, 2026			
	Distribution tariff charges ⁴³		Total charges (bundled) ⁴⁴	
	(\$)	(%)	(\$)	(%)
Residential	0.99	0.6	1.06	2.0
Farm (Breaker Billed)	7.24	1.7	4.18	2.2
Farm (Demand Metered)	15.12	1.7	8.57	2.2
FortisAlberta Irrigation	176.76	3.6	45.14	2.3
Exterior Lighting	21.80	0.9	22.47	2.1
Small General Service	16.27	3.1	3.46	2.2
Oil & Gas Service	34.16	2.5	10.34	2.2
General Service	238.01	3.3	25.03	2.2
Electric Vehicle Fast Charging Station	47.83	6.6	5.17	2.2
Large General Service	(3,437.52)	-2.1	171.45	1.5

Source: Exhibit 30274-X0076, Updated Schedule 4.2 A to E - 2026 Typical Bill Impacts by Rate Class – Clean.

60. The Commission has reviewed the schedules setting out the 2026 PBR rate calculations and observes that Fortis has calculated its 2026 rates consistent with the parameters of the PBR3 plan and methodologies previously accepted by the Commission. The Commission therefore accepts the general principles and methodologies utilized by Fortis for calculating its 2026 PBR rates.

61. The Commission has also reviewed the typical bill impacts from December 2025 to January 2026 and assessed the likelihood of rate shock resulting from the proposed 2026 PBR rates. In the past, the Commission has generally considered a 10 per cent increase from the last approved increase to be the threshold potentially indicative of rate shock. The Commission observes that the changes to total bundled customer bills are not expected to exceed 10 per cent for any of the rate classes.

62. Considering all of the above, the Commission approves Fortis's rates on an interim basis effective January 1, 2026. These 2026 rates will remain interim until the approved levels of all remaining placeholders (such as the I factor, Y factor and K-bar amounts) have been determined for 2026 by the Commission in one or more subsequent proceedings. Fortis's 2026 rates will be finalized following such future Commission approvals, and any required true-up adjustments will be made in accordance with directions subsequently provided by the Commission.

7 Efficiency metrics

63. In Decision 27388-D01-2023,⁴⁵ the Commission directed distribution utilities to track and report efficiency metrics under the third generation PBR plan. The required metrics include:

- (i) Controllable O&M (operation and maintenance) per customer.

⁴³ Distribution charges only (including transmission access payments), excluding retail and local access fee charges.

⁴⁴ All charges, comparing distribution, retail and local access fee charges.

⁴⁵ Decision 27388-D01-2023, PDF page 105, paragraph 412.

- (ii) Controllable O&M per kilometre (km) of line (pipe).
- (iii) Total cost per customer, broken out by total O&M per customer and total capital additions per customer separately.
- (iv) Total cost per km of line (pipe), broken out by total O&M per km of line (pipe) and total capital additions per km of line (pipe) separately reported.

64. For these metrics, controllable O&M is defined as expenditures reported under Rule 005, adjusted to exclude items outside the utility's direct control. Fortis has provided the following efficiency metrics for 2024:

Table 6. Efficiency metrics

Metrics	2024 (\$)
Controllable O&M per customer	257.09
Controllable O&M per km of Line	1,217.10
Total cost per customer	1,266.66
Total O&M per customer	439.27
Total capital additions per customer	827.39
Total cost per km of line	5,996.57
Total O&M per km of line	2,079.58
Total capital additions per km of line	3,916.99

Source: Exhibit 30274-X0008, Appendix F - 2024 Efficiencies Calculations.

65. In its argument, the UCA stated its position that Fortis should also be required to report the above metrics for 2023, citing ATCO Electric Ltd.'s and ATCO Gas's voluntary reporting of 2023 efficiency metrics. The UCA argued that 2023 metrics were necessary to provide trend information.⁴⁶ Fortis responded that it had properly complied with the Commission's reporting requirements regarding its efficiency metrics. Fortis also argued that ATCO Electric's and ATCO Gas's decision to voluntarily report the relevant 2023 metrics does not impose an obligation on Fortis to do the same.

66. In Decision 27388-D01-2023, the Commission directed the utilities "to calculate and present the above metrics annually, at the time of the annual PBR rate adjustment filing."⁴⁷ That decision sets out the parameters of the PBR3 plans in place from 2024 to 2028 and does not apply to 2023. Therefore, the Commission agrees with Fortis's view that the direction is not applicable to 2023 and in providing the 2024 metrics, Fortis has complied with the Commission's direction. However, the Commission finds the UCA's recommendation to compare changes in efficiency metrics to be helpful and directs Fortis, in subsequent annual filings, to comment on any material changes in efficiency metrics from prior year values, starting with 2024 results.

⁴⁶ Exhibit 30274-X0093, UCA argument – 30274, paragraphs 14-16.

⁴⁷ Decision 27388-D01-2023, PDF page 106, paragraph 416.

8 Other matters

67. The Commission has reviewed Fortis's revised maximum investment levels (MILs) and specific customer contributions provided in [Appendix 7](#)⁴⁸ of the distribution T&Cs for 2026 and finds the proposed increases to the MILs and specific customer contributions to be consistent with Decision 27658-D02-2023.⁴⁹ The Commission also finds the late payment interest rate reduction request to be reasonable for the purposes of this decision. These issues are discussed in more detail below.

8.1 Terms and conditions of service

68. As part of the application, Fortis amended its distribution T&Cs MILs and fee schedules in accordance with Decision 27658-D02-2023 by adjusting its 2026 MILs and specific customer contributions by the I-X index for 2026.⁵⁰

69. Fortis proposed several other amendments to its customer T&Cs and related schedules as part of its 2026 annual PBR rate adjustment filing. Fortis indicated that these amendments are primarily administrative in nature and are intended to improve clarity, align Fortis's provisions with those approved for other electric distribution utilities, and support the implementation of previously approved programs and municipal agreements.

70. First, Fortis proposed a minor amendment to the rates, options and riders schedule for Rate 62 – Electric Vehicle Fast Charging Service. Specifically, Fortis removed an obsolete reference to Option A that had been inadvertently carried over when Rate 62 was introduced. This amendment does not affect the rate design or the charges applicable under Rate 62.

71. Second, Fortis proposed updates to its A-1 municipal franchise fee rider to reflect Fortis's pending municipal Franchise Fee Agreement with Strathcona County. A new municipal service area, Strathcona County – Sherwood Park, was added to the A-1 Rider list to distinguish it from Strathcona County proper and to support distinct retailer billing codes. No changes were proposed to the rider percentage applicable to either service area.

72. Third, Fortis proposed amendments to Article 6 (Rights of Way and Access to Facilities) of its customer T&Cs. The amendment clarifies that easements and rights-of-way granted to Fortis for its facilities extend to facilities required to serve other downstream customers who rely on those same Fortis facilities. Fortis submitted that this clarification aligns its T&Cs with the corresponding provisions recently approved for ATCO Electric.

73. Fourth, Fortis proposed administrative amendments to sections 7.2.2 and 7.3.3 of Article 7 (Distribution and Transmission Extension) to replace references to "Customer-requested Optional Facilities (which are Transmission Facilities)" with "Transmission Facilities." Fortis submitted that this clarifies that the provisions apply to all transmission facilities and aligns the company's T&Cs with the Commission's findings in Decision 29006-

⁴⁸ Exhibit 30274-X0044, FAI-AUC-2025OCT17-001 Attachment 4 - Appendix K - 2026 Fee Schedule

⁴⁹ Decision 27658-D02-2023: Residential Standards of Service and Maximum Investment Levels – Phase 2, Proceeding 27658, October 18, 2023.

⁵⁰ Exhibit 30274-X0001, application, paragraph 120.

D01-2025⁵¹ regarding the allocation of transmission-related costs to customers whose connection or load increase requires such facilities.

74. Finally, Fortis proposed amendments to its fee schedule and to articles 2 and 9 of its customer T&Cs to support implementation of its next-generation Advanced Metering Infrastructure (AMI) Program. These amendments allow residential customers taking service under Rate 11 to opt out of AMI meters and request a non-AMI meter. Fortis stated that these provisions align with similar AMI-related T&C amendments approved for ATCO Electric and ENMAX.

75. The UCA objected to Fortis's proposed amendments to its customer T&Cs on the grounds that all Alberta distribution utilities should have their T&Cs standardized.⁵² The Commission acknowledges the UCA's position on this matter but is not prepared to mandate the standardization of all distribution utilities' T&Cs at this time. Consequently, the Commission will continue to assess T&C changes on a case-by-case basis.

76. The Commission finds Fortis's proposed amendments to be largely administrative in nature; accordingly, the Commission approves Fortis's customer T&Cs and retailer DAS T&Cs, as set out in [Appendix 4](#) and [Appendix 5](#) to this decision, on a final basis.

8.1.1 Customer T&Cs – definition of Customer

77. In IRs, the Commission asked Fortis whether any changes need to be made to the definition of "Customer"⁵³ and "Subdivision Developer"⁵⁴ in its customer T&Cs, given the Commission's findings in Decision 27658-D01-2022. Specifically, the Commission asked whether Fortis considered a "Subdivision Developer" to be a "Customer" in the same sense as a ratepayer.

78. Fortis responded that developers have distinct and ongoing relationships with Fortis, as they are responsible for constructing electric distribution utility infrastructure within new residential developments, which is later transferred to Fortis, and Fortis's interactions with developers therefore need to be governed by clear and enforceable terms. Fortis highlighted that the definition of "customer" in the *Electric Utilities Act* is specific to that act and contemplates that Fortis may provide services to entities other than "customers" as defined in that act. In addition, Fortis stated that developers do act as "customers" under the *Electric Utilities Act*, for a period of time during which their developments are connected and energized by the distribution system but have not interconnected the individual customers the development is intended to

⁵¹ Decision 29006-D01-2025: Court of Appeal of Alberta–Directed Examination of Distribution Facility Owner Payments Under the Independent System Operator Tariff Customer Contribution Policy, Proceeding 29006, July 22, 2025.

⁵² Exhibit 32074-X0093, UCA Argument – 30274, paragraph 12.

⁵³ In Fortis's terms and conditions, "'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 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;"

⁵⁴ In Fortis's terms and conditions, "'Subdivision Developer' means the registered owner or their duly appointed representative developing the Land on which the electrical system is being installed."

serve. Given this, Fortis argued that including “Subdivision Developer” within the definition of “Customer” in Fortis’s customer T&Cs is both practical and appropriate.⁵⁵

79. The Commission has previously stated that it is important to distinguish between service provided to developers and service provided to utility customers that are ratepayers in customer T&Cs.⁵⁶

80. The Commission remains of the view that it is important to distinguish between service provided to developers and service provided to utility customers that are ratepayers, and further revisions to achieve this objective in Fortis’s customer T&Cs are required. The Commission directs Fortis, in its 2027 annual PBR rate adjustment filing, to suggest a proposed solution. While the Commission will not be prescriptive in its direction, its concerns may be addressed by removing from the definition of “Customer” in the customer T&Cs: “also includes ... a Subdivision Developer” and by a revision to the definition of “Subdivision Developer” that highlights the finding in Decision 27658-D02-2023 (at paragraph 14) that developers are generally not “customers,” as that term is defined in, or contemplated by, the *Electric Utilities Act*.

8.2 Financial reporting requirements and senior officer attestation

81. In Decision 27388-D01-2023, the Commission adopted the requirement from the past PBR plans that each distribution utility provide the following financial information in its annual PBR rate adjustment filing:

- (a) A copy of its Rule 005 filing.
- (b) A schedule showing disallowed costs, excluded from a distribution utility’s ROE.
- (c) Attestations and certifications signed by a senior officer of the distribution utility.⁵⁷

82. The Commission provided a detailed summary or description of each of the above requirements in Section 4.6 of Decision 23355-D02-2018.⁵⁸

83. The Commission has reviewed the financial information provided by Fortis⁵⁹ and is satisfied that Fortis has complied with the financial reporting requirements set out in Decision 27388-D01-2023.

⁵⁵ Exhibit 30274-X0040, PDF pages 15-16; Exhibit 30274-X0094, PDF page 6.

⁵⁶ Decision 29298-D01-2024, paragraph 82; and Decision 30300-D01-2025: ATCO Electric Ltd., 2026 Annual Performance-Based Regulation Rate Adjustment, Proceeding 30300, December 12, 2025, PDF page 20, paragraph 69.

⁵⁷ Decision 27388-D01-2023, PDF page 125, Appendix 5, Section 6, Financial reporting requirements.

⁵⁸ Decision 23355-D02-2018: Rebasings for the 2018-2022 Performance-Based Regulation Plans for Alberta Electric and Gas Distribution Utilities Second Compliance Proceeding, Proceeding 23355, October 10, 2018, paragraphs 71-74.

⁵⁹ Exhibit 30274-X0005, Appendix D - FortisAlberta 2024 Report of Finances and Operations; Exhibit 30274-X0020, Appendix M – Attestation.

9 Order

84. It is hereby ordered that:

- (1) FortisAlberta Inc.'s 2026 distribution rates including the system access service rates and riders set out in [Appendix 3](#) are approved on an interim basis, effective January 1, 2026.
- (2) FortisAlberta Inc.'s customer and retailer terms and conditions for electric distribution service, set out in Appendix 4 and Appendix 5, respectively, and the customer contributions schedules and fee schedules, set out in [Appendix 6](#) and Appendix 7, respectively, are approved on a final basis, effective January 1, 2026.

Dated on December 17, 2025.

Alberta Utilities Commission

(original signed by)

Vera Slawinski
Commission Member

Appendix 1 – Proceeding participants

Name of organization (abbreviation) Company name of counsel or representative
FortisAlberta Inc. (Fortis)
Office of the Utilities Consumer Advocate (UCA) Brownlee LLP Russ Bell & Associates Inc.

Alberta Utilities Commission
Commission panel V. Slawinski, Commission Member
Commission staff C. Young

Appendix 2 – Summary of Commission directions

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

1. The Commission considers that variances from forecasts such as those described by Fortis for 2024 may reasonably be expected in the context of this annual rate adjustment filing. Such occurrences do not generally call into question the predictive value of the methodology used to generate such forecasts, and Fortis is directed to continue to provide information on any variances from forecast to actual billing determinants by rate class and to identify the cause of variances larger than five per cent on an annual basis.
..... paragraph 31
2. In light of the above considerations, the Commission approves Fortis's CGE of 1.43 per cent for 2026. For a more transparent K-bar calculation and to be consistent with other distribution utilities under PBR, the Commission directs Fortis to discuss in its 2027 annual PBR rate adjustment filing how it would transition to the method of CGE calculation used by other distribution utilities and the reasonable timeline for such a transition, as well as its plan for dealing with any transitional issues. paragraph 38
3. In Decision 27388-D01-2023, the Commission directed the utilities "to calculate and present the above metrics annually, at the time of the annual PBR rate adjustment filing." That decision sets out the parameters of the PBR3 plans in place from 2024 to 2028 and does not apply to 2023. Therefore, the Commission agrees with Fortis's view that the direction is not applicable to 2023 and in providing the 2024 metrics, Fortis has complied with the Commission's direction. However, the Commission finds the UCA's recommendation to compare changes in efficiency metrics to be helpful and directs Fortis, in subsequent annual filings, to comment on any material changes in efficiency metrics from prior year values, starting with 2024 results..... paragraph 66
4. The Commission remains of the view that it is important to distinguish between service provided to developers and service provided to utility customers that are ratepayers, and further revisions to achieve this objective in Fortis's customer T&Cs are required. The Commission directs Fortis, in its 2027 annual PBR rate adjustment filing, to suggest a proposed solution. While the Commission will not be prescriptive in its direction, its concerns may be addressed by removing from the definition of "Customer" in the customer T&Cs: "also includes ... a Subdivision Developer" and by a revision to the definition of "Subdivision Developer" that highlights the finding in Decision 27658-D02-2023 (at paragraph 14) that developers are generally not "customers," as that term is defined in, or contemplated by, the *Electric Utilities Act*. paragraph 80

Appendix 3 – 2026 interim rate schedule

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Appendix 3 - 2026
interim rate schedule

(consists of 48 pages)

Appendix 4 – Customer terms and conditions

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Appendix 4 -
Customer terms and c
(consists of 73 pages)

Appendix 5 – Retailer terms and conditions

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Appendix 5 - Retailer
terms and conditions

(consists of 50 pages)

Appendix 6 – Customer contributions schedules

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Appendix 6 -
Customer contributions
(consists of 5 pages)

Appendix 7 – Fee schedule

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



Appendix 7 - Fee
schedule

(consists of 6 pages)



FORTISALBERTA INC.

INTERIM RATES, OPTIONS AND RIDERS SCHEDULES

JANUARY 1, 2026

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RATE 11: RESIDENTIAL SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 11 is available to Points of Service serving separate units used for residential purposes. This rate is also available for existing multi-residential units that are currently served through one meter where a Service and Facilities Charge is billed to each separate unit.

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.042560 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System Usage Charge	kWh	\$0.033477 /kWh
Facilities and Service Charge (for each unit)	Daily	\$1.034442 /day

Minimum Charges

The Distribution Minimum Charge is the Facilities and Service Charge.

Terms and Conditions

The Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Each new Point of Service or residential unit must be metered separately.

Exclusions

Common use areas such as hallway, lobby, laundry rooms and lighting in an incorporated multi residential building, may be metered and billed on the applicable general rate.

A garage that is separately metered from the household is to be billed on the applicable general service rate.

Applicable Options and Riders

- Rider A-1 Municipal Assessment Rider
- Quarterly Transmission Adjustment Rider
- Municipal Franchise Fee Riders
- Balancing Pool Allocation Rider
- Base Transmission Adjustment Rider

RATE 21: FARM SERVICE – BREAKERED SERVICE (CLOSED)

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 21 is applicable to existing Points of Service that remain billed as a breakered farm service by FortisAlberta or were previously billed as a breakered farm service by another wire owner.

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.045958 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System Usage Charge	kWh	\$0.032840 /kWh
Local Facilities Charge	Based on kVA breaker size	\$0.372907 /kVA-day
Service Charge	Daily	\$1.282578 /day

Minimum Charges

The Distribution Minimum Charge is the Local Facilities Charge based on a 5 kVA breaker size plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option C – Idle Service Option
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 22: FARM SERVICE – DEMAND METERED

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 22 is applicable to Points of Service that are located on Rural Lands which includes a residence and on which agricultural activities are conducted.

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.045958 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System Usage Charge	Peak Metered Demand (kVA)	\$0.289200 /kVA-day
Local Facilities Charge	kVA of Capacity	\$0.372907 /kVA-day
Service Charge	Daily	\$1.282578 /day

The Peak Metered Demand (kVA) is the highest metered kVA demand in the billing period.

The kVA of Capacity is the greater of:

- i. the highest metered kVA demand in the billing period;
- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 10 kVA.

Minimum Charges

The Distribution Minimum Charge is the Local Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option C – Idle Service Option
- Option I – Interval Metering Option
- Municipal Franchise Fee Riders
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider
- Base Transmission Adjustment Rider

RATE 23: GRAIN DRYING SERVICE (CLOSED)***Approved in AUC Decision:*** 30274-D01-2025***Effective Date:*** January 1, 2026**Availability**

Rate 23 is applicable to Points of Service that have, in addition to the farm service, varying load levels throughout the year due to the use of grain drying equipment for part of the year.

Rate 23 is not available for any new installations.

Breakered Service

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.045958 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System Usage Charge	kWh	\$0.032840 /kWh
Local Facilities Charge	Based on kVA breaker size	\$0.372907 /kVA-day
Service Charge	Daily	\$1.282578 /day

Minimum Charges

The Distribution Minimum Charge is the Local Facilities Charge (5 kVA breaker size minimum) plus the Service Charge.

Demand Metered

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.045958 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System Usage Charge	Peak Metered Demand (kVA)	\$0.289200 /kVA-day
Local Facilities Charge	kVA of Capacity	\$0.372907 /kVA-day
Service Charge	Daily	\$1.282578 /day

The Peak Metered Demand (kVA) is the highest metered kVA demand in the billing period. The kVA of Capacity is the greater of:

- i. the highest metered kVA demand in the billing period;
- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 10 kVA.

Minimum Charges

The Distribution Minimum Charge is the Local Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option C – Idle Service Option
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 26: IRRIGATION SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 26 is available for Points of Service for the primary purpose of irrigation for the period from April 1 to October 31.

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.066219 /kWh

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System & Facilities Charge	kW [or kVA] of Capacity	\$0.287553 /kW-day	\$0.2587977 /kVA-day
Service Charge	Daily	\$0.067575 /day	

The System & Facilities Charge is the greater of:

(a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity,
based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. the Contract Minimum Demand as specified by the Terms and Conditions;
- iii. the sum of the motor nameplate horsepower ratings of all installed motors (1 horsepower equals 0.746 kW) * 85%;
- iv. kW of Minimum Installation / 0.95 * 85%; or
- v. the Rate Minimum of 3 kW.

OR

(b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity,
based on the highest metered kVA demand in the billing period.

Minimum Charges

The Distribution Minimum Charge is the System & Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Application

Distribution Charges are only applicable from April 1 to October 31, whereas Transmission Charges are applicable in any month where there is kWh consumption.

Applicable Options and Riders

- Option C – Idle Service Option
- Option I – Interval Metering Option
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 31: STREET LIGHTING SERVICE – INVESTMENT OPTION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 31 is available for street lighting fixtures attached to FortisAlberta's distribution system for which investment has been applied pursuant to the Terms and Conditions, provided that such street lighting fixtures are owned and maintained by FortisAlberta.

Transmission Charges		
Component	Billing Unit	Rate
System Usage Charge	Wattage	\$0.000490 /Watt-day

Distribution Charges		
Component	Billing Unit	Rate
Fixture Charge	Fixture	\$0.981892 /Fixture/day * [Lighting Multiplier, if other than 1.0]

Minimum Charges

The Distribution Minimum Charge is the Fixture Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Non-standard streetlight facilities such as fixtures and poles, are subject to a separate agreement with additional Terms and Conditions between FortisAlberta and the Customer.

Application

The Lighting Multiplier, if other than 1.0, must be approved by the Commission.

System Usage (wattage) charges do not apply during periods of temporary de-energization or if the Energy is supplied to the Customer through a separately metered service.

If the Load requirements change over time, or if loads that are not lighting loads are serviced from the lighting service, FortisAlberta may, in its discretion acting reasonably, meter the lighting service on the appropriate rate at the Customer's cost.

Decorative lighting is available to Municipalities for festive purposes during the months of December through February provided that FortisAlberta reserves the right to impose conditions to availability that are necessary or reasonable as determined by FortisAlberta.

Maintenance

Standard maintenance for Rate 31 includes: lamps, photo-eye controls and lamp cleaning, glassware, reflectors and ballasts (fixture replacement), painting of poles, vandalism, vehicle impacts, cable faults and scheduled inspection.

Applicable Options and Riders

- Option C – Idle Service Option
- Rider A-1 Municipal Assessment Rider
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 33: STREET LIGHTING SERVICE – NO INVESTMENT OPTION (CLOSED)

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 33 is only available for street lighting fixtures attached to FortisAlberta's distribution system on Customer owned facilities if set out in an existing agreement between the Customer and FortisAlberta.

Transmission Charges		
Component	Billing Unit	Rate
System Usage Charge	Wattage	\$0.000490 /Watt-day

Distribution Charges		
Component	Billing Unit	Rate
Fixture Charge	Fixture	\$0.351395 /Fixture/day * [Lighting Multiplier, if other than 1.0]

Minimum Charges

The Distribution Minimum Charge is the Fixture Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Non-standard streetlight facilities such as fixtures and poles, are subject to a separate agreement with additional Terms and Conditions between FortisAlberta and the Customer.

Application

The Lighting Multiplier, if other than 1.0, must be approved by the Commission.

System Usage (wattage) charges do not apply during periods of temporary de-energization or if the Energy is supplied to the Customer through a separately metered service.

If the Load requirements change over time, or if loads that are not lighting loads are serviced from the lighting service, FortisAlberta may, in its discretion acting reasonably, meter the lighting service on the appropriate rate at the Customer's cost.

Decorative lighting is available to Municipalities for festive purposes during the months of December through February provided that FortisAlberta reserves the right to impose conditions to availability that are necessary or reasonable as determined by FortisAlberta.

Maintenance

Rate 33 charges cover standard routine maintenance, including without limitation, replacement of failed lamps, photo eye control, lamp cleaning and scheduled system inspections.

The Customer will be responsible for all maintenance costs incurred by FortisAlberta for changes beyond the secondary terminals of the power supply transformer including, but not limited to, replacement of the system or components following loss by any cause such as vehicle impact, vandalism or age.

Applicable Options and Riders

- Option C – Idle Service Option
- Rider A-1 Municipal Assessment Rider
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 38: YARD LIGHTING SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 38 is available for yard lighting fixtures and where investment has been applied pursuant to the Customer Terms and Conditions, provided that such fixtures are owned and maintained by FortisAlberta.

Transmission Charges		
Component	Billing Unit	Rate
System Usage Charge	Wattage	\$0.000490 /Watt-day

Distribution Charges		
Component	Billing Unit	Rate
Fixture Charge	Fixture	\$0.616345 /Fixture/day

Minimum Charges

The Distribution Minimum Charge is the Fixture Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Maintenance

Standard maintenance for Rate 38 includes: lamps, photo-eye controls and lamp cleaning, glassware, reflectors and ballasts (fixture replacement), painting of poles, vandalism, vehicle impacts, cable faults and scheduled inspection.

Applicable Options and Riders

- Option C – Idle Service Option
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 41: SMALL GENERAL SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 41 is available to Points of Service with an Expected Peak Capacity less than 75 kW, which do not qualify for other end-use based rates such as residential, farm, irrigation or oil & gas service.

Transmission Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge ¹	Peak Metered Demand (in kW or kVA)	\$0.150213 /kW-day	\$0.1351917 /kVA-day
Capacity Charge ²	kW [or kVA] of Capacity	\$0.120582 /kW-day	\$0.1085238 /kVA-day
Variable Charge	kWh	\$0.006276 /kWh	

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge ¹	Peak Metered Demand (in kW or kVA)	\$0.158148 /kW-day	\$0.1423332 /kVA-day
Local Facilities Charge ²	kW [or kVA] of Capacity	\$0.286351 /kW-day	\$0.2577159 /kVA-day
Service Charge	Daily	\$1.118330 /day	

¹ The System Usage Charge is the greater of the Peak Metered kW Demand charge or the Peak Metered kVA Demand charge.

- The Peak Metered Demand (in kVA or kW) is the highest metered kVA or kW demand in the billing period.

² The Transmission Capacity Charge and the Distribution Local Facilities Charge are the greater of:

- (a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity, based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. 85% of the highest metered kW demand in the past 12 month period including and ending with the billing period, less 50 kW;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 3 kW.

OR

- (b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity, based on the greater of:

- i. the highest metered kVA demand in the billing period; or
- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period, less 55.5556 kVA.

Minimum Charges

The Transmission Minimum Charge is the Capacity Charge.

The Distribution Minimum Charge is the Local Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- | | |
|--|---|
| • Option C – Idle Service Option | • Base Transmission Adjustment Rider |
| • Option D – Flat Rate Option | • Quarterly Transmission Adjustment Rider |
| • Option I – Interval Metering Option | • Balancing Pool Allocation Rider |
| • Rider A-1 Municipal Assessment Rider | • Municipal Franchise Fee Riders |

RATE 44: OIL & GAS (CAPACITY) SERVICE (CLOSED)

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 44 is available to Points of Service that serve oil and natural gas field services including pumping and related operations such as rectifiers, cathodic protection and radio transmitters and to water pumping services, provided that the Expected Peak Capacity is less than 75 kW.

This rate is not available for new installations.

Transmission Charges			
Component	Billing Unit	kW Rate	kVA Rate
System & Capacity Charge ¹	kW [or kVA] of Capacity	\$0.341768 /kW-day	\$0.3075912 /kVA-day
Variable Charge	kWh	\$0.006375 /kWh	

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System & Facilities Charge ¹	kW [or kVA] of Capacity	\$1.005408 /kW-day	\$0.9048672 /kVA-day
Service Charge	Daily	\$0.714071 /day	

For Points of Service that are unmetered, the kW of Capacity Charge is based on the sum of all connected motors and equipment (1 horsepower equals 0.746 kW).

For Points of Service that are demand metered:

¹ The Transmission System & Capacity Charge and the Distribution System & Facilities Charge are the greater of:

(a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity, based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. 85% of the highest metered kW demand in the past 12 month period including and ending with the billing period;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 3 kW.

OR

(b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity, based on the greater of:

- i. the highest metered kVA demand in the billing period; or

- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period.

Minimum Charges

The Transmission Minimum Charge is the System & Capacity Charge.

The Distribution Minimum Charge is the System & Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- | | |
|--|---|
| • Option C – Idle Service Option | • Base Transmission Adjustment Rider |
| • Option D – Flat Rate Option | • Quarterly Transmission Adjustment Rider |
| • Rider A-1 Municipal Assessment Rider | • Balancing Pool Allocation Rider |
| • Municipal Franchise Fee Riders | |

RATE 45: OIL & GAS SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 45 is available to Points of Service for oil and natural gas field services including pumping and related operations such as rectifiers, cathodic protection and radio transmitters and to water pumping services, provided that the Expected Peak Capacity is less than 75 kW.

Transmission Charges			
Component	Billing Unit	kW Rate	kVA Rate
System & Capacity Charge ¹	kW [or kVA] of Capacity	\$0.341768 /kW-day	\$0.3075912 /kVA-day
Variable Charge	kWh	\$0.006375 /kWh	

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System & Facilities Charge ¹	kW [or kVA] of Capacity	\$1.005408 /kW-day	\$0.9048672 /kVA-day
Service Charge	Daily	\$0.714071 /day	

For Points of Service that are either unmetered or energy metered only, the kW of Capacity Charge is based on the sum of all connected motors and equipment (1 horsepower equals 0.746 kW).

For Points of Service that are demand metered:

¹ The Transmission System & Capacity Charge and the Distribution System & Facilities Charge are the greater of:

(a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity, based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. 85% of the highest metered kW demand in the past 12 month period including and ending with the billing period;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 3 kW.

OR

(b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity, based on the greater of:

- i. the highest metered kVA demand in the billing period; or
- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period.

Minimum Charges

The Transmission Minimum Charge is the System & Capacity Charge.

The Distribution Minimum Charge is the System & Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta service and metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option C – Idle Service Option
- Option D – Flat Rate Option
- Option I – Interval Metering Option
- Rider A-1 Municipal Assessment Rider
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider
- Municipal Franchise Fee Riders

RATE 61: GENERAL SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 61 is available to Points of Service that do not qualify for other end-use specific rates such as residential, farm or irrigation service, with an Expected Peak Capacity of 2,000 kW or less.

Transmission Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge ¹	Peak Metered Demand (in kW or kVA)	\$0.244663 /kW-day	\$0.2201967 /kVA-day
Capacity Charge ²	kW [or kVA] of Capacity	\$0.140959 /kW-day	\$0.1268631 /kVA-day
Variable Charge	kWh	\$0.006424 /kWh	

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge ¹	Peak Metered Demand (in kW or kVA)	\$0.107884 /kW-day	\$0.0970956 /kVA-day
Local Facilities Charge ²	kW [or kVA] of Capacity	\$0.114553 /kW-day	\$0.1030977 /kVA-day
Service Charge	Daily	\$1.385825 /day	

¹ The System Usage Charge is the greater of the Peak Metered kW Demand charge or the Peak Metered kVA Demand charge.

- The Peak Metered Demand (in kVA or kW) is the highest metered kVA or kW demand in the billing period.

² The Transmission Capacity Charge and the Distribution Local Facilities Charge are the greater of:

- (a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity, based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. 85% of the highest metered kW demand in the past 12 month period including and ending with the billing period;
- iii. the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of 50 kW.

OR

- (b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity, based on the greater of:

- i. the highest metered kVA demand in the billing period; or

- ii. 85% of the highest metered kVA demand in the past 12 month period including and ending with the billing period.

Minimum Charges

The Transmission Minimum Charge is the Capacity Charge.

The Distribution Minimum Charge is the Local Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- | | |
|--|---|
| • Option A – Primary Service Option | • Municipal Franchise Fee Riders |
| • Option C – Idle Service Option | • Base Transmission Adjustment Rider |
| • Option I – Interval Metering Option | • Quarterly Transmission Adjustment Rider |
| • Rider A-1 Municipal Assessment Rider | • Balancing Pool Allocation Rider |

RATE 62: ELECTRIC VEHICLE FAST CHARGING SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 62 is available to eligible Points of Service as determined in FortisAlberta's sole discretion, with an Expected Peak Capacity of 500 kW or less.

Transmission Charges		
Component	Billing Unit	Rate
Variable Charge	kWh	\$0.387514 /kWh

Distribution Charges		
Component	Billing Unit	Rate
System & Local Facilities Charge	kWh	\$0.193777 /kWh
Service Charge	Daily	\$1.385825 /day

Minimum Charges

The Distribution Minimum Charge is the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option C – Idle Service Option
- Option I – Interval Metering Option
- Rider A-1 Municipal Assessment Rider
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 63: LARGE GENERAL SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 63 is available to Points of Service that do not qualify for other specific end-use rates such as residential, farm or irrigation service, with an Expected Peak Capacity greater than 2,000 kW.

Transmission Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge ¹	Peak Metered Demand (in kW or kVA)	\$0.214447 /kW-day	\$0.1930023 /kVA-day
Capacity Charge ²	kW [or kVA] of Capacity	\$0.174184 /kW-day	\$0.1567656 /kVA-day
Variable Charge	kWh	\$0.006228 /kWh	

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
System Usage Charge	Contract km	\$27.080602 /km-day	
Local Facilities Charge ²	kW [or kVA] of Capacity	\$0.015170 /kW-day	\$0.0136530 /kVA-day
Service Charge	Daily	\$15.998863 /day	

¹ The Transmission System Usage Charge is the greater of the Peak Metered kW charge or the Peak Metered kVA charge.

- The Peak Metered Demand (in kVA or kW) is the highest metered kVA or kW demand in the billing period.

² The Transmission Capacity Charge and the Distribution Local Facilities Charge are the greater of:

(a) the kW of Capacity charge;

Where the kW of Capacity charge = kW Rate * number of days * kW of Capacity,
based on the greater of:

- i. the highest metered kW demand in the billing period;
- ii. 90% of the highest metered kW demand in the past 12 month period including and ending with the billing period;
- iii. 135% of the Contract Minimum Demand as specified by the Terms and Conditions; or
- iv. the Rate Minimum of
2,000 kW.

OR

(b) the kVA of Capacity charge;

Where the kVA of Capacity charge = kVA Rate * number of days * kVA of Capacity, based
on the greater of:

- i. the highest metered kVA demand in the billing period; or

- ii. 90% of the highest metered kVA demand in the past 12 month period including and ending with the billing period.

Minimum Charges

The Transmission Minimum Charge is the Capacity Charge.

The Distribution Minimum Charge is the System Usage Charge, the Local Facilities Charge plus the Service Charge.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Option A – Primary Service Option
- Option C – Idle Service Option
- Rider A-1 Municipal Assessment Rider
- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider
- Quarterly Transmission Adjustment Rider
- Balancing Pool Allocation Rider

RATE 65: TRANSMISSION CONNECTED SERVICE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 65 is available to Transmission Connected Services, as defined by FortisAlberta's Customer Terms and Conditions of Electric Distribution Service.

Transmission Charges	
The Transmission Charge is the current Independent System Operator (ISO) tariff charges as billed by the Alberta Electric System Operator (AESO) flowed through directly to the Customer.	

Distribution Charges	
Service Charge	\$50.619440 /day

Minimum Charges

The Transmission Minimum Charge is the ISO tariff charges flowed through directly to the Customer.

The Distribution Minimum Charge is the Service Charge.

Terms and Conditions

FortisAlberta will apply the Terms and Conditions of the AESO to Transmission Connected Services. Each Transmission Connected Service is equivalent to the respective AESO Point of Delivery (POD) and will be billed on this rate only when FortisAlberta has a distinct System Access Service Agreement in existence with the AESO, specifically for the POD, and FortisAlberta is being charged the ISO tariff by the AESO for the POD.

Applicable Options and Riders

- Municipal Franchise Fee Riders
- Base Transmission Adjustment Rider

RATE 66: OPPORTUNITY TRANSMISSION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Rate 66 is available to Points of Service that have:

- (a) an Electric Service Agreement with FortisAlberta under Rate 61 or Rate 63;
- (b) interval metering at the Point of Service; and
- (c) an Opportunity Transmission Agreement with FortisAlberta for the Firm Demand and the period of usage.

Rate 66 is available if FortisAlberta determines, upon receipt of the request for Opportunity Transmission, that the requested capacity at the Point of Delivery (POD) is available.

Transmission Charges	
For all kWh	\$0.241113 /kWh
Distribution Charges	
For all kWh	\$0.026152 /kWh

A Service Charge of \$75 per Opportunity Transmission Agreement will apply. The Opportunity Transmission Agreement will indicate requested Opportunity Demand and number of hours per day that the Firm Demand will be operating.

An Opportunity Transmission Agreement is available for no more than one calendar month at a time.

The Minimum Charge for each 24-hour (calendar day) period, in which Opportunity Demand is used, will be the total distribution tariff rate, including both the transmission and distribution charges * Contract Opportunity Demand (kW) * 6 hours.

If the Rate 61 or Rate 63 kW [or kVA] of Capacity Charge calculated for the kW or kVA of Capacity exceeds the sum of the Firm Demand and the Maximum Opportunity Demand specified in the agreement, during any time within the period covered by the agreement, then the Firm Demand level will be increased by the excess (kW) amount. The increased Firm Demand will be the basis for billing the Point of Service's Rate 61 or 63 Point of Service for the current and subsequent billing periods.

OPTION A: PRIMARY SERVICE OPTION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

The Primary Service Option is available for a minimum period of 12 consecutive months to Points of Service:

- (a) currently being billed under the General Service Rate 61 or the Large General Service Rate 63 and has an Electric Service Agreement;
- (b) normally metered at a primary voltage with the customer providing the transformation to the customer's utilization voltage;
- (c) with an Expected Peak Capacity not less than 1,000 kW; and
- (d) where the total cost of the required customer-related supply facilities (including any customer-supplied transformation) is less than FortisAlberta's investment.

The Primary Service Option is not available to Rate 65.

Distribution Charges			
Component	Billing Unit	kW Rate	kVA Rate
Local Facilities Credit ¹	kW [or kVA] of Capacity	(\$0.014296) /kW-day	(\$0.0128664) /kVA-day

¹ The Local Facilities Credit is the lesser of the kW of Capacity Credit or the kVA of Capacity Credit.

Option A will be calculated based on the kW and kVA of Capacity as specified under Rate 61 General Service or Rate 63 Large General Service schedules, as applicable.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Municipal Franchise Fee Riders
- Rider A-1 Municipal Assessment Rider

OPTION C: IDLE SERVICE OPTION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

For all Points of Service, the Idle Service Option is applicable where:

- (a) the Customer chooses to De-Energize for a given period of time while leaving the applicable Facilities in place; or
- (b) due to the acts or omissions of the Customer, a Point of Service has not been enrolled with their Retailer within 30 days of the service being made available to the Customer, as provided as per the Terms and Conditions.

Rate Class Description	Rate Code	Applicability	Idle Service Charge
Farm Breakered Service	21	All Points of Service	The Distribution Minimum Charge as per the applicable rate schedule.
Farm Demand Metered	22		
Grain Drying (Closed)	23		
Irrigation	26	All Points of Service during the Irrigation season from April 1 to October 31	
Streetlighting	31, 33 & 38	For all Fixtures	
Small General	41	All Points of Service	The Minimum Charges for Distribution and Transmission as per the applicable rate schedule.
Oil and Gas Service (Closed)	44		
Oil and Gas Service	45		
General Service	61		
Electric Vehicle Fast Charging Service	62		
Large General Service	63		

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

OPTION D: FLAT RATE OPTION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

The Flat Rate Option is available to unmetered Points of Service which qualify for the Small General Service Rate 41 or Oil & Gas Service Rates 44 and 45 and which have a kW of Capacity with minimal or accurately predictable average monthly kWh consumption. The Flat Rate Option is applied for a minimum period of 12 consecutive months.

A Flat Rate bill is calculated on the Small General Service Rate 41 or the Oil & Gas Service Rates 44 and 45, using an estimated kW of Capacity, Peak Metered Demand (in kW) and kWh consumption in the billing period.

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Application

- (a) If the loads change over time or if the loads are no longer predictable, FortisAlberta may meter the service at the Customer's cost and bill accordingly.
- (b) For new Points of Service only: Upon agreement with and at the discretion of FortisAlberta, virtual aggregation and grouping of small connected devices with each individual device being less than 1 kW (which may be physically disparate) can be represented as a single Point of Service for billing and settlement purposes.

OPTION I: INTERVAL METERING OPTION

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

The Interval Metering Option is available for Points of Service with a Contract Minimum Demand of less than 333 kW (which coincides with an Expected Peak Capacity of less than 500 kW), with interval meters, to enable 15-minute interval data (does not apply to Distribution Generation (DG) Customers who own and poll the meters).

Distribution Charges		
Component	Billing Unit	Rate
Service Charge	Daily	\$1.158823 /day

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Applicable Options and Riders

- Municipal Franchise Fee Riders
- Rider A-1 Municipal Assessment Rider

OPTION M: DISTRIBUTION GENERATION CREDIT/CHARGE

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Option M is available to Distribution Generation (DG) Customers that are interconnected to the distribution system downstream of a FortisAlberta transmission Point of Delivery (POD) and which are exporting into the Alberta Interconnected Electric System (AIES).

DG Customers who have contracts under the provisions of the Small Power Research and Development (SPRD) Act are exempt from Option M.

Transmission Charges/Credits

The Option M Credit or Charge will be the difference between Alberta Electric System Operator (AESO) System Access Service charges to FortisAlberta at the upstream POD with the generator in operation and the charges that would have been incurred if the generator had not been in operation, calculated based on the amount of electricity exported into the AIES at the Point of Interconnection.

System Access Service Charges include any charges applicable at the POD in accordance with the AESO approved tariff including, but are not limited to, Demand Transmission Service (DTS) and Supply Transmission Service (STS).

In accordance with Decision 26090-D01-2021, a multiplier will be applied to the calculated DTS portion before finalizing and issuing the payment or invoice to the DG Customer.

The applied multiplier for the calculated DTS portion of Option M Distribution Generation Credit/Charge is as follows:

Year	First day when the multiplier will be applied	Multiplier
1	January 1, 2022	0.8
2	January 1, 2023	0.6
3	January 1, 2024	0.4
4	January 1, 2025	0.2
5	January 1, 2026	0

The STS portion of the Option M calculation will continue to be a flow through of AESO's STS credit or charges, on a 100 percent basis.

Distribution Charges/Credits

The Distribution Generation Credits/Charges will be calculated monthly for each DG Customer, with a maximum export capacity of 1.0 MW or greater in the month, the credits and charges will be calculated on an actual basis. For Customers below 1.0 MW, the credits and charges will be calculated based on the average credit and charge levels for those above 1.0 MW.

Distribution Charges		
Component	Billing Unit	Rate
Service Charge	Monthly	\$43.962282 /month

Terms and Conditions

The Customer Terms and Conditions of Electric Distribution Service form part of this Rate Schedule and apply to all Electricity Services supplied under this Tariff.

All Points of Service must comply with FortisAlberta metering standards that can be found in the Service and Metering Guide available at www.fortisalberta.com.

Application

Option M credits or charges are extended to rural electrification associations (REAs) when a 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. Option M credits or charges extended to REAs will be calculated consistent with FortisAlberta DG Customers as described above.

RIDER E: CUSTOMER SPECIFIC FACILITIES

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Applicable to facilities on Customer-owned or -leased property that do not qualify for other specific rates, as requested by the Customer and agreed to by FortisAlberta.

The Customer Specific Facilities Rider E will be set out in an agreement between the customer and FortisAlberta and will be calculated to allow FortisAlberta to recover the revenue requirement of the applicable Facilities. The revenue requirement will be calculated on a rate base of net book value and will include Return, Income Tax, Depreciation, an Early Abandonment Adjustment, and Operating and Maintenance costs.

Distribution Charges		
Component	Billing Unit	Rate
Customer Facilities Charge	Revenue Requirement	Customer Specific
Service Charge	Daily	\$15.998863 /day

Application

- (a) The charge will be based on the weighted average cost of capital and depreciation rates as approved by the Alberta Utilities Commission from time to time and a proportionate share of income taxes and operating and maintenance costs.
- (b) The charge is subject to change as new Facilities are added or currently installed Facilities are retired.
- (c) For Facilities shared among more than one customer, a separate agreement will be established for each customer making use of the Facilities.
- (d) Facilities constructed under the Customer Specific Facilities Rider E are owned and maintained by FortisAlberta.

RIDER A-1 MUNICIPAL ASSESSMENT RIDER

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

The percentages below apply to the total distribution tariff charges, including both the transmission and distribution charges, at each Point of Service, excluding Riders, according to the taxation authority in which the Point of Service is located.

Rates 21, 22, 23, 26, 38, 65 and REA Wire Owners are exempt from Rider A-1.

Number	Name	A1-Rider	Number	Name	A1-Rider
03-0002	Acme, Village Of	1.83%	02-0034	Bon Accord, Town Of	2.27%
01-0003	Airdrie, City Of	0.85%	04-0367	Bondiss, S.V. Of	0.33%
03-0004	Alberta Beach, S.V. Of	1.47%	06-0036	Bonnyville #87, M.D. of	0.66%
25-0466	Alexander First Nation	1.59%	02-0039	Bow Island, Town Of	0.87%
25-0467	Alexis Nakota Sioux Nation	1.62%	02-0040	Bowden, Town Of	1.47%
03-0005	Alix, Village Of	0.62%	03-0041	Boyle, Village Of	1.75%
03-0007	Amisk, Village Of	2.05%	06-0383	Brazeau County	0.86%
04-0009	Argentia Beach, S.V. Of	0.67%	03-0042	Breton, Village Of	1.46%
03-0010	Arrowwood, Village Of	4.27%	01-0043	Brooks, City Of	1.37%
06-0012	Athabasca County	0.49%	02-0044	Bruderheim, Town Of	1.20%
02-0011	Athabasca, Town Of	1.45%	11-0406	Buffalo Lk Metis	3.08%
02-0387	Banff, Town Of	0.19%	04-0414	Burnstick Lake, S.V.	0.31%
03-0363	Barnwell, Village Of	0.75%	01-0046	Calgary, City Of	0.72%
03-0013	Barons, Village Of	0.95%	02-0047	Calmar, Town Of	1.32%
06-0015	Barrhead #11, County Of	0.53%	06-0049	Camrose County	1.06%
02-0014	Barrhead, Town Of	1.26%	01-0048	Camrose, City Of	1.17%
02-0016	Bashaw, Town Of	0.91%	02-0050	Canmore, Town Of	0.56%
02-0017	Bassano, Town Of	1.42%	06-0053	Cardston County	0.68%
03-0018	Bawlf, Village Of	1.16%	02-0052	Cardston, Town Of	0.00%
01-0019	Beaumont, City Of	1.13%	03-0054	Carmangay, Village Of	1.07%
06-0020	Beaver County	1.02%	03-0055	Caroline, Village Of	1.10%
25-0468	Beaver Lake Cree Nation	1.38%	02-0056	Carstairs, Town Of	1.12%
03-0022	Beiseker, Village Of	1.07%	04-0057	Castle Island, S.V. Of	5.43%
02-0024	Bentley, Town Of	1.29%	03-0061	Champion, Village Of	1.60%
04-0026	Betula Beach, S.V. Of	0.82%	03-0062	Chauvin, Village Of	1.82%
06-0506	Big Lakes County	0.19%	01-0356	Chestermere, City of	0.79%
06-0382	Bighorn #8, M.D. Of	0.44%	03-0064	Chipman, Village Of	2.48%
25-0469	Big Stone Cree Nation	1.59%	02-0065	Claresholm, Town Of	1.05%
04-0384	Birch Cove, S.V. Of	4.93%	06-0377	Clearwater County	0.69%
04-0028	Birchcliff, S.V. Of	0.35%	03-0066	Clive, Village Of	1.16%
03-0029	Bittern Lk, Village Of	0.64%	03-0068	Clyde, Village Of	2.93%
02-0031	Blackfalds, Town Of	1.19%	02-0069	Coaldale, Town Of	0.89%

FortisAlberta's Terms and Conditions of Electric Distribution Service provide for other charges, including an arrears charge of 1.5% per month.

Number	Name	A1-Rider	Number	Name	A1-Rider
02-0360	Coalhurst, Town Of	1.32%	06-0481	Greenview #16, M.D. Of	0.25%
02-0070	Cochrane, Town Of	0.85%	04-0138	Gull Lake, S.V. Of	0.73%
03-0076	Coutts, Village Of	1.90%	04-0358	Half Moon Bay, S.V. Of	0.50%
03-0077	Cowley, Village Of	0.80%	02-0143	Hardisty, Town Of	1.31%
03-0078	Cremona, Village Of	1.19%	03-0144	Hay Lakes, Village Of	(0.79%)
02-0079	Crossfield, Town Of	0.73%	02-0148	High River, Town Of	0.85%
09-0361	Crowsnest Pass, Muni Of	2.14%	03-0149	Hill Spring, Village Of	1.34%
04-0080	Crystal Springs, S.V. Of	0.52%	02-0151	Hinton, Town Of	0.65%
06-0376	Cypress County	0.38%	03-0152	Holden, Village Of	1.64%
03-0081	Czar, Village Of	1.10%	03-0153	Hughendon, Village Of	1.77%
02-0082	Daysland, Town Of	1.57%	03-0154	Hussar, Village Of	0.72%
02-0086	Devon, Town Of	1.03%	07-0168	ID No. 13	0.14%
02-7662	Diamond Valley, Town Of	0.83%	07-0159	ID No. 4	0.38%
02-0088	Didsbury, Town Of	0.98%	07-0164	ID No. 9	0.14%
02-0091	Drayton Valley, Town Of	1.12%	02-0180	Innisfail, Town Of	0.56%
03-0093	Duchess, Village Of	1.07%	03-0182	Irma, Village Of	1.08%
02-0095	Eckville, Town Of	1.45%	02-0183	Irricana, Town Of	1.30%
03-0096	Edberg, Village Of	1.26%	04-0185	Island Lake, S.V. Of	0.00%
03-0097	Edgerton, Village Of	2.84%	04-0368	Island Lk South, S.V. Of	1.64%
01-0098	Edmonton, City Of	(0.05%)	04-0186	Itaska Beach, S.V. Of	0.78%
02-0100	Edson, Town Of	1.24%	04-0379	Jarvis Bay, S.V. Of	0.27%
25-0426	Enoch Cree Nation # 440	1.19%	07-0373	Kananaskis I.D.	0.28%
25-0427	Ermineskin Cree Nation	0.93%	04-0187	Kapasiwin, S.V. Of	2.30%
03-0109	Ferintosh, Village Of	1.06%	11-0411	Kikino Metis	0.84%
06-0110	Flagstaff County	0.46%	02-0188	Killam, Town Of	1.49%
06-0111	Foothills County	0.48%	06-0191	Kneehill County	0.56%
03-0112	Foremost, Village Of	1.37%	06-4353	Lac La Biche County	0.33%
02-0115	Fort Macleod, Town Of	0.65%	06-0193	Lac Ste Anne County	1.52%
06-0118	Forty Mile #8, County Of	0.68%	06-0195	Lacombe County	0.45%
01-0117	Ft Saskatchewan, City Of	0.74%	01-0194	Lacombe, City Of	1.08%
04-0123	Ghost Lake, S.V. Of	0.50%	04-0196	Lakeview, S.V. Of	4.05%
02-0124	Gibbons, Town Of	1.49%	06-0198	Lamont County	0.36%
03-0128	Glenwood, Village Of	1.11%	02-0197	Lamont, Town Of	1.73%
04-0129	Golden Days, S.V. Of	0.66%	04-0378	Larkspur, S.V. Of	1.57%
04-0134	Grandview, S.V. Of	0.53%	06-0201	Leduc County	0.31%
02-0135	Granum, Town Of	0.56%	01-0200	Leduc, City Of	0.84%

FortisAlberta's Terms and Conditions of Electric Distribution Service provide for other charges, including an arrears charge of 1.5% per month.

Number	Name	A1-Rider	Number	Name	A1-Rider
02-0202	Legal, Town Of	2.04%	02-0250	Pincher Creek, Town Of	0.82%
06-0507	Lesser Slave #124, M.D.	1.73%	04-0253	Point Alison, Village Of	0.85%
06-0204	Lethbridge County	0.36%	06-0255	Ponoka County	0.77%
01-0203	Lethbridge, City Of	0.51%	02-0254	Ponoka, Town of	(0.29%)
03-0207	Lomond, Village Of	2.55%	04-0256	Poplar Bay, S.V. Of	0.45%
03-0208	Longview, Village Of	0.97%	06-0258	Provost #52, M.D. Of	0.40%
03-0209	Lougheed, Village Of	0.71%	02-0257	Provost, Town Of	1.72%
02-0211	Magrath, Town Of	1.24%	06-0501	Ranchland #66, M.D. Of	1.50%
04-0210	Ma-Me-O Beach, S.V. Of	0.88%	02-0261	Raymond, Town Of	1.18%
02-0215	Mayerthorpe, Town Of	2.32%	06-0263	Red Deer County	0.86%
04-0359	Mewatha Beach, S.V. Of	0.86%	01-0262	Red Deer, City Of	0.18%
02-0218	Milk River, Town Of	1.84%	02-0265	Redwater, Town Of	1.06%
02-0219	Millet, Town Of	1.09%	02-0266	Rimbey, Town Of	0.94%
03-0220	Milo, Village Of	5.17%	02-0268	Rocky Mtn House, Town	1.43%
06-0222	Minburn # 27, County Of	1.03%	06-0269	Rocky View County	0.40%
02-0224	Morinville, Town Of	1.43%	03-0270	Rockyford, Village Of	1.12%
06-0226	Mountain View County	0.48%	03-0272	Rosemary, Village Of	1.31%
04-0230	Nakamun Park, S.V. Of	2.41%	04-0273	Ross Haven, S.V. Of	1.24%
02-0232	Nanton, Town Of	1.01%	03-0276	Ryley, Village Of	2.14%
03-0233	New Norway, Village Of	1.06%	04-0277	Sandy Beach, S.V. Of	0.98%
06-0235	Newell, County Of	0.36%	04-0279	Seba Beach, S.V. Of	0.67%
02-0236	Nobleford, Town Of	0.47%	02-0280	Sedgewick, Town Of	1.29%
04-0237	Norglenwold, S.V. Of	0.22%	25-0419	Siksika Nation	1.50%
04-0385	Norris Beach, S.V. Of	0.69%	04-0282	Silver Beach, S.V. Of	0.29%
25-0442	O'Chiese First Nation	0.64%	04-0283	Silver Sands, S.V. Of	2.70%
02-0238	Okotoks, Town Of	0.80%	06-0286	Smoky Lake County	18.49%
02-0239	Olds, Town Of	1.03%	04-0369	South Baptiste, S.V. Of	0.06%
02-0240	Onoway, Town Of	1.58%	04-0288	Southview, S.V. Of	3.19%
06-0512	Opportunity 17, M.D. Of	2.94%	08-0142	Special Areas	0.46%
06-0243	Paintearth No. 18, County of	2.64%	03-0099	Spring Lake, V.	1.03%
04-0374	Parkland Beach, S.V. Of	0.93%	01-0291	Spruce Grove, City Of	1.09%
06-0245	Parkland County	0.57%	01-0292	St. Albert, City Of	1.36%
25-0444	Paul First Nation	0.99%	03-0295	Standard, Village Of	1.06%
02-0248	Penhold, Town Of	1.37%	02-0297	Stavely, Town Of	1.11%
02-0249	Picture Butte, Town Of	0.80%	06-0299	Stettler #6, County of	0.42%
06-0251	Pincher Creek #9, M.D. Of	0.88%	03-0300	Stirling, Village Of	1.07%

FortisAlberta's Terms and Conditions of Electric Distribution Service provide for other charges, including an arrears charge of 1.5% per month.

Number	Name	A1-Rider	Number	Name	A1-Rider
25-0451	Stoney (Bears paw) Band	0.67%	02-0331	Viking, Town Of	1.96%
02-0301	Stony Plain, Town Of	1.10%	06-0334	Vulcan County	0.53%
09-0302	Strathcona County	0.71%	02-0333	Vulcan, Town Of	1.05%
15-0523	Strathcona County – Sherwood Park	0.71%	03-0364	Wabamun, Village Of	0.57%
02-0303	Strathmore, Town Of	0.98%	06-0336	Wainwright #61, M.D. Of	0.99%
03-0304	Strome, Village Of	0.46%	02-0335	Wainwright, Town Of	1.03%
06-0305	Sturgeon County	0.51%	04-0380	Waiparous, S.V. Of	0.29%
04-0388	Sunbreaker Cove, S.V. Of	0.41%	03-0338	Warburg, Village Of	1.80%
04-0306	Sundance Beach, S.V. Of	0.60%	06-0340	Warner #5, County Of	0.90%
25-0454	Sunchild First Nation	1.99%	03-0339	Warner, Village Of	1.86%
02-0307	Sundre, Town Of	1.21%	04-0370	West Baptiste, S.V. Of	0.40%
04-0386	Sunrise Beach, S.V. Of	3.14%	04-0344	West Cove, S.V. Of	1.97%
04-0357	Sunset Beach, S.V. Of	0.64%	06-0346	Westlock County	0.98%
04-0308	Sunset Point, S.V. Of	0.86%	02-0345	Westlock, Town Of	1.37%
02-0310	Sylvan Lake, Town Of	1.43%	06-0348	Wetaskiwin #10, County	1.34%
06-0312	Taber, M.D. Of	0.49%	01-0347	Wetaskiwin, City Of	1.88%
02-0311	Taber, Town Of	0.93%	06-0349	Wheatland County	0.45%
06-0314	Thorhild County	1.16%	04-0371	Whispering Hills, S.V. Of	0.56%
02-0315	Thorsby, Town of	2.87%	02-0350	Whitecourt, Town Of	1.03%
02-0318	Tofield, Town	1.73%	06-0353	Willow Creek #26, M.D.	0.56%
25-0448	Tsui T'ina Nation	3.25%	09-0508	Wood Buffalo, Muni Of	0.28%
04-0324	Val Quentin, S.V. Of	0.83%	06-0480	Woodlands County	0.50%
02-0326	Vauxhall, Town Of	1.06%	06-0482	Yellowhead County	0.32%
06-0329	Vermilion River, County of	0.41%	04-0354	Yellowstone, S.V. Of	(0.53%)

FortisAlberta's Terms and Conditions of Electric Distribution Service provide for other charges, including an arrears charge of 1.5% per month.

MUNICIPAL FRANCHISE FEE RIDERS

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Effective for all consumption, estimated or actual, on and after the first of the month following Commission approval, the following franchise fee riders apply to each rate class.

Price Adjustment

A percentage surcharge per the table below will be added to the total distribution tariff, including both the transmission and distribution charges, and excluding any Riders, calculated for every Point of Service within each Municipality and will be billed to the applicable Retailer.

FortisAlberta will pay to each Municipality each month, in accordance with the franchise agreements between FortisAlberta and the Municipalities or an agreement with a non-municipality, the franchise fee revenue collected from the Retailers.

Municipality Code	Municipality	Rider	Effective	Municipality Code	Municipality	Rider	Effective
03-0002	Acme	3%	2013/07/01	03-0041	Boyle	20%	2021/01/01
01-0003	Airdrie	20%	2021/04/01	03-0042	Breton	20%	2015/01/01
03-0005	Alix	8.50%	2019/01/01	01-0043	Brooks	14%	2021/01/01
03-0004	Alberta Beach	8%	2021/01/01	02-0044	Bruderheim	4%	2024/04/01
03-0007	Amisk	0%	2014/01/01	02-0047	Calmar	20%	2013/07/01
02-0011	Athabasca	20%	2024/01/01	01-0048	Camrose	18%	2025/04/01
04-0009	Argentia Beach	0%	2017/01/01	02-0050	Canmore	16%	2024/01/01
03-0010	Arrowwood	12%	2015/07/01	03-0054	Carmangay	15%	2021/01/01
02-0387	Banff	8%	2025/01/01	03-0055	Caroline	12%	2021/01/01
07-0164	Banff Park	6%	2025/01/01	02-0056	Carstairs	10%	2015/01/01
03-0363	Barnwell	15%	2025/01/01	03-0061	Champion	15%	2015/04/01
03-0013	Barons	5%	2015/04/01	03-0062	Chauvin	11%	2016/01/01
02-0014	Barrhead	14%	2023/04/01	01-0356	Chestermere	11.50%	2014/01/01
02-0016	Bashaw	2%	2021/01/01	03-0064	Chipman	0%	2016/01/01
02-0017	Bassano	14.40%	2019/01/01	02-0065	Claresholm	7%	2025/01/01
03-0018	Bawlf	9%	2025/01/01	03-0066	Clive	11%	2023/01/01
01-0019	Beaumont	17.25%	2020/01/01	03-0068	Clyde	18%	2024/01/01
03-0022	Beiseker	3.50%	2019/01/01	02-0069	Coaldale	20%	2025/04/01
02-0024	Bentley	10%	2019/01/01	02-0360	Coalhurst	7.5%	2023/01/01
04-0026	Betula Beach	0%	2017/01/01	02-0070	Cochrane	17%	2020/01/01
03-0029	Bittern Lake	8%	2025/01/01	03-0076	Coutts	3%	2017/01/01
02-0031	Blackfalds	20%	2013/10/01	03-0077	Cowley	5%	2016/01/01
02-0034	Bon Accord	19%	2022/01/01	03-0078	Cremona	10%	2016/01/01
02-0039	Bow Island	17%	2024/01/01	02-0079	Crossfield	17%	2023/01/01
02-0040	Bowden	15%	2017/01/01	09-0361	Crowsnest Pass	16%	2016/01/01

Municipality Code	Municipality	Rider	Effective	Municipality Code	Municipality	Rider	Effective
04-0080	Crystal Springs	0%	2016/01/01	01-0194	Lacombe	17.63%	2024/01/01
03-0081	Czar	5%	2013/10/01	04-0196	Lakeview	2%	2016/01/01
02-0082	Daysland	10%	2024/01/01	02-0197	Lamont	7.50%	2020/01/01
02-0086	Devon	18.50%	2025/01/01	04-0378	Larkspur	3%	2020/04/01
02-7662	Diamond Valley	10%	2023/01/01	01-0200	Leduc	16%	2014/01/01
02-0088	Didsbury	17%	2016/01/01	02-0202	Legal	20%	2024/01/01
02-0091	Drayton Valley	13.40%	2025/01/01	03-0207	Lomond	15%	2017/01/01
03-0093	Duchess	15%	2018/01/01	03-0208	Longview	17%	2017/01/01
02-0095	Eckville	10%	2015/01/01	03-0209	Lougheed	8%	2025/01/01
03-0096	Edberg	13%	2021/01/01	02-0211	Magrath	15%	2023/01/01
03-0097	Edgerton	15%	2022/01/01	04-0210	Ma-Me-O Beach	0%	2016/01/01
02-0100	Edson	4.70%	2024/01/01	02-0215	Mayerthorpe	14.75%	2025/01/01
03-0109	Ferintosh	11%	2016/01/01	04-0359	Mewatha Beach	2%	2016/10/01
03-0112	Foremost	7%	2016/01/01	02-0218	Milk River	12%	2017/01/01
02-0115	Fort Macleod	15%	2018/10/01	02-0219	Millet	18%	2024/01/01
01-0117	Fort Saskatchewan	0%	2013/10/01	03-0220	Milo	20%	2017/01/01
02-0124	Gibbons	10%	2013/01/01	02-0224	Morinville	20%	2013/07/01
03-0128	Glenwood	5%	2022/04/01	04-0230	Nakamun Park	0%	2013/10/01
04-0129	Golden Days	0%	2017/01/01	02-0232	Nanton	9%	2019/01/01
02-0135	Granum	0%	2024/02/01	02-0236	Nobleford	5%	2023/01/01
04-0134	Grandview	0%	2016/01/01	03-0233	New Norway	6%	2009/01/01
04-0138	Gull Lake	0%	2016/01/01	04-0237	Norglenwold	5%	2015/01/01
04-0358	Half Moon Bay	0%	2021/01/01	04-0385	Norris Beach	0%	2016/01/01
02-0143	Hardisty	9.50%	2021/01/01	02-0238	Okotoks	20%	2021/01/01
03-0144	Hay Lakes	9%	2021/01/01	02-0239	Olds	20%	2025/01/01
02-0148	High River	20%	2015/07/01	02-0240	Onoway	10.50%	2024/01/01
03-0149	Hill Spring	5%	2014/01/01	04-0374	Parkland Beach	0%	2015/01/01
02-0151	Hinton	11.73%	2022/01/01	02-0248	Penhold	19%	2014/01/01
03-0152	Holden	4%	2016/01/01	02-0249	Picture Butte	11%	2022/01/01
03-0153	Hughenden	5%	2016/01/01	02-0250	Pincher Creek	20%	2024/01/01
03-0154	Hussar	12.50%	2017/01/01	04-0253	Point Alison	0%	2017/01/23
02-0180	Innisfail	18%	2025/04/01	04-0256	Poplar Bay	0%	2016/01/01
03-0182	Irma	20%	2015/01/01	02-0257	Provost	20%	2015/01/01
02-0183	Irricana	8%	2023/05/01	02-0261	Raymond	16%	2022/01/01
04-0185	Island Lake	0%	2016/01/01	02-0265	Redwater	10%	2023/04/01
04-0186	Itaska Beach	0%	2017/10/01	02-0266	Rimbey	20%	2022/01/01
04-0379	Jarvis Bay	0%	2015/10/08	02-0268	Rocky Mtn House	16.80%	2025/01/01
04-0187	Kapasiwin	0%	2018/04/01	03-0270	Rockyford	7%	2024/01/01
02-0188	Killam	10%	2024/01/01	03-0272	Rosemary	15.50%	2023/01/01

Municipality Code	Municipality	Rider	Effective	Municipality Code	Municipality	Rider	Effective
04-0273	Ross Haven	0%	2016/01/01	02-0310	Sylvan Lake	18%	2023/01/01
03-0276	Ryley	3%	2016/01/01	02-0311	Taber	18%	2020/07/01
04-0279	Seba Beach	4%	2014/01/01	02-0315	Thorsby	20%	2014/01/01
02-0280	Sedgewick	12%	2025/01/01	02-0318	Tofield	5%	2015/01/01
04-0283	Silver Sands	3%	2018/01/01	04-0324	Val Quentin	0%	2016/01/01
04-0369	South Baptiste	0%	2005/05/01	02-0326	Vauxhall	8%	2022/01/01
04-0288	South View	3%	2019/01/01	02-0331	Viking	8%	2013/01/01
03-0099	Spring Lake, V.	0%	2025/04/01	02-0333	Vulcan	20%	2013/10/01
01-0291	Spruce Grove	20%	2016/01/01	03-0364	Wabamun	10%	2017/01/01
01-0292	St. Albert	15%	2023/01/01	02-0335	Wainwright	12%	2024/01/01
03-0295	Standard	4%	2024/04/01	07-0159	Waterton Park	8%	2018/10/01
02-0297	Stavely	6%	2021/01/01	03-0338	Warburg	10%	2015/01/01
03-0300	Stirling	12%	2019/01/01	03-0339	Warner	7%	2024/01/01
02-0301	Stony Plain	20%	2013/01/01	04-0344	West Cove	3%	2025/01/01
15-0523	Strathcona County – Sherwood Park	0%	2026/01/01	02-0345	Westlock	16.25%	2024/01/01
02-0303	Strathmore	20%	2020/07/01	01-0347	Wetaskiwin	18%	2024/01/01
03-0304	Strome	9%	2022/01/01	04-0371	Whispering Hills	5%	2016/10/01
02-0307	Sundre	12%	2024/01/01	02-0350	Whitecourt	5.34%	2025/01/01
04-0386	Sunrise Beach	0%	2018/01/01	04-0354	Yellowstone	13%	2025/01/01
04-0308	Sunset Point	10%	2017/01/01				

BASE TRANSMISSION ADJUSTMENT RIDER

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

For all Points of Service from January 1, 2025 to December 31, 2025, the following rider, by rate class, applies as a percentage (%) of the Customer's base Transmission Charges.

Rate Class Description	Rate Code	Percentage Charge / (Credit)
Residential Service	11	-0.59%
Farm & Grain Drying Services	21, 22, and 23	1.44%
Irrigation Service	26	13.46%
Street Lighting Services	31, 33, and 38	17.40%
Small General Service	41	3.30%
Oil and Gas Services	44 and 45	0.66%
General Service & Electric Vehicle Fast Charging Service	61 and 62	-1.84%
Large General Service	63	-2.69%
Transmission Connected Service	65	\$4.851 /day

QUARTERLY TRANSMISSION ADJUSTMENT RIDER

Q1: Approved in AUC Decision:

Effective Date:

Q2: Approved in AUC Decision:

Effective Date:

Q3: Approved in AUC Decision:

Effective Date:

Q4: Approved in AUC Decision:

Effective Date:

Availability

For all Points of Service, energy delivered, estimated or actual from January 1, 2026 to December 31, 2026, the following rider applies to the Distribution Tariff by rate class.

Rate Class Description	Rate Code	Quarterly Transmission Adjustment Rider (QTAR) Rate / (Credit)			
		Q1 Jan 1, 2026	Q2 Apr 1, 2026	Q3 Jul 1, 2026	Q4 Oct 1, 2026
Residential Service	11				
Farm & Grain Drying Services	21, 22 & 23				
Irrigation Service	26				
Street Lighting Services	31, 33 & 38				
Small General Service	41				
Oil & Gas Services	44 & 45				
General Service & Electric Vehicle Fast Charging Service	61 & 62				
Large General Service	63				

BALANCING POOL ALLOCATION RIDER

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

To collect from or refund to FortisAlberta Customers, an amount transferred to the AESO and its customers from the Balancing Pool under Section 82 of the *Electric Utilities Act*.

Rate Class Description	Rate Code	Charge / (Credit)
Residential Service	11	\$0.001198 /kWh
Farm & Grain Drying Services	21, 22, and 23	\$0.001213 /kWh
Irrigation Service	26	\$0.001197 /kWh
Street Lighting Services	31, 33, and 38	\$0.000014 /Watt-day
Small General Service	41	\$0.001208 /kWh
Oil & Gas Services	44, and 45	\$0.001226 /kWh
General Service & Electric Vehicle Fast Charging Service	61 and 62	\$0.001235 /kWh
Large General Service	63	\$0.001199 /kWh
Transmission Connected Service	65	ISO tariff Rider F flowed through to Customer

REA WIRE OWNER – INTEGRATED SYSTEM CHARGES

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

Integrated System Charges are applicable to each specific Rural Electrification Association (REA) wire owner who, along with FortisAlberta, own and operate the integrated electric distribution system(s) in the Overlapping Service Area(s); and to farm customers who own their entire electric service extension (T-Rurals).

Application

The Transmission System Access Service Charge is applied and billed monthly to each REA wire owner and T-Rural customers, as allocated by FortisAlberta and approved by the Commission. This charge represents each REA wire owner's proportionate share of the annual forecast ISO tariff transmission costs.

The Distribution Service Charge is applied and billed monthly to each REA wire owner and T-Rural customers, as allocated by FortisAlberta and approved by the Commission.

REA	Transmission System Access Service Charge \$/ year*	Distribution Service Charge \$/ year**
Armena REA Ltd.	\$471,859	\$11,235
Battle River Power Coop	\$6,086,519	\$126,336
Blue Mountain Power Coop	\$2,186,873	\$55,950
Drayton Valley REA Ltd.	\$427,050	\$11,383
Duffield REA Ltd.	\$348,563	\$9,477
EQUUS REA Ltd.	\$10,940,331	\$187,548
Ermineskin REA Ltd.	\$94,826	\$2,848
Lindale REA Ltd.	\$286,837	\$7,755
Mayerthorpe & District REA Ltd.	\$881,239	\$20,774
Montana REA Ltd.	\$32,431	\$1,074
Niton REA Ltd.	\$197,997	\$4,927
North Parkland Power REA Ltd.	\$1,513,145	\$42,746
Peigan Indian REA Ltd.	\$127,183	\$5,384
Stony Plain REA Ltd.	\$304,046	\$6,573
T-Rurals	\$5,622	\$63
West Liberty REA Ltd.	\$359,700	\$7,612
West Wetaskiwin REA Ltd.	\$514,521	\$14,166
Wild Rose REA Ltd.	\$1,567,947	\$38,953

* Monthly detailed breakdown by ISO tariff components provided as per Commission approval.

** Annual charge to be divided by 12 months and billed monthly.

BASE TRANSMISSION ADJUSTMENT RIDER FOR REAs

Approved in AUC Decision: 30274-D01-2025

Effective Date: January 1, 2026

Availability

The Base Transmission Adjustment Rider (TAR) is related to amounts allocated to each Rural Electrification Association (REA) and T-Rural customers in FortisAlberta's Annual Transmission Access Charge Deferral Account True-up Application. This rider charge is calculated on an annual basis and is billed monthly over a period of 12 months to each REA wire owner and T-Rural customers.

REA	Base Transmission Adjustment Rider \$ / Annual
Armena REA Ltd.	-\$9,057
Battle River Power Coop	\$74,907
Blue Mountain Power Coop	\$84,299
Drayton Valley REA Ltd.	-\$7,203
Duffield REA Ltd.	\$1,982
EQUUS REA Ltd.	\$978,824
Ermineskin REA Ltd.	-\$2,506
Lindale REA Ltd.	-\$6,910
Mayerthorpe & District REA Ltd.	-\$3,450
Montana REA Ltd.	-\$2,611
Niton REA Ltd.	-\$2,880
North Parkland Power REA Ltd.	-\$12,185
Peigan Indian REA Ltd.	\$158
Stony Plain REA Ltd.	-\$9,444
T-Rurals	\$225
West Liberty REA Ltd.	-\$6,180
West Wetaskiwin REA Ltd.	-\$35,052
Wild Rose REA Ltd.	-\$8,422

QUARTERLY TRANSMISSION ADJUSTMENT RIDER FOR REAs

Q1: Approved in AUC Decision:

Effective Date:

Q2: Approved in AUC Decision:

Effective Date:

Q3: Approved in AUC Decision:

Effective Date:

Q4: Approved in AUC Decision:

Effective Date:

Availability

The Quarterly Transmission Adjustment Rider (QTAR) is related to amounts allocated to each Rural Electrification Association (REA) and T-Rural customers in FortisAlberta's Quarterly AESO DTS Deferral Account Rider Applications. This rider charge is calculated on a quarterly basis and is billed monthly over a period of 3 months to each REA wire owner and T-Rural customers.

REA	QTAR Rate / (Credit)			
	Q1 Jan 1, 2026	Q2 Apr 1, 2026	Q3 July 1, 2026	Q4 Oct 1, 2026
Armena REA Ltd.				
Battle River Power Coop				
Blue Mountain Power Coop				
Drayton Valley REA Ltd.				
Duffield REA Ltd.				
EQUUS REA Ltd.				
Ermineskin REA Ltd.				
Lindale REA Ltd.				
Mayerthorpe & District REA Ltd.				
Montana REA Ltd.				
Niton REA Ltd.				
North Parkland Power REA Ltd.				
Peigan Indian REA Ltd.				
Stony Plain REA Ltd.				
T-Rurals				
West Liberty REA Ltd.				
West Wetaskiwin REA Ltd.				
Wild Rose REA Ltd.				

Note: The QTAR for the quarters will be determined and posted in accordance with the quarterly adjustment mechanism as approved by the Commission and is effective on the date indicated above.

BALANCING POOL ALLOCATION RIDER FOR REAs***Approved in AUC Decision:*** 30274-D01-2025***Effective Date:*** January 1, 2026**Availability**

To collect from or refund to each Rural Electrification Association (REA) and T-Rural customers, an amount transferred to the AESO and its customers from the Balancing Pool under Section 82 of the *Electric Utilities Act*. The Balancing Pool Allocation Rider Charges are flowed through from the approved ISO tariff and allocated to the REA wire owners and the T-Rural customers by FortisAlberta. This rider charge is calculated on an annual basis and is billed monthly over a period of 12 months to each REA wire owner and T-Rural customers.

REA	Balancing Pool Allocation Rider \$/ Annual Charge or (Credit)
Armena REA Ltd.	\$12,149
Battle River Power Coop	\$161,477
Blue Mountain Power Coop	\$57,915
Drayton Valley REA Ltd.	\$10,821
Duffield REA Ltd.	\$8,847
EQUUS REA Ltd.	\$303,211
Ermineskin REA Ltd.	\$2,525
Lindale REA Ltd.	\$7,157
Mayerthorpe & District REA Ltd.	\$22,742
Montana REA Ltd.	\$771
Niton REA Ltd.	\$4,902
North Parkland Power REA Ltd.	\$39,520
Peigan Indian REA Ltd.	\$3,395
Stony Plain REA Ltd.	\$7,926
T-Rurals	\$147
West Liberty REA Ltd.	\$9,294
West Wetaskiwin REA Ltd.	\$13,644
Wild Rose REA Ltd.	\$40,721



FortisAlberta Inc.

**CUSTOMER TERMS AND CONDITIONS OF ELECTRIC
DISTRIBUTION SERVICE**

EFFECTIVE January 1, 2026



FortisAlberta Inc.
Customer Terms and Conditions
of Electric Distribution Service

Effective January 1, 2026

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**FortisAlberta Inc.**
Customer Terms and Conditions
of Electric Distribution Service**Effective January 1, 2026**

*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.

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

**FortisAlberta Inc.**
Customer Terms and Conditions
of Electric Distribution Service**Effective January 1, 2026**

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;
- (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;



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“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 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;



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“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;

“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;



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“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. Expected Peak Demand is also referred to as Expected Peak Capacity in the Rate, Options and Riders Schedules;

“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 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;



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“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;

“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;

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“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);

“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;

“Non-Standard Meter” means a meter that does not have the capability of remotely communicating with FortisAlberta’s metering network, and includes any meter installed by FortisAlberta where FortisAlberta and the Customer have agreed it is appropriate for the Customer’s service, where a Customer has opted out of the installation of a Standard Meter, or where FortisAlberta determines that a Standard Meter cannot reasonably be installed;

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“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 and includes where a Customer ceases to receive Electric Distribution Service from FortisAlberta to become a member of an REA. Permanent Disconnection is also referred to as “salvage”;

“Permanently Disconnect” means to effect a Permanent Disconnection;

“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;

“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

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Distribution Tariff which sets out charges;

“REA” means “rural electrification association” as that term is defined in the Act;

“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;

“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 Meter” means a meter installed by FortisAlberta as the default meter type that

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has the capability of remotely communicating with FortisAlberta's metering network. A Standard Meter may include any model of meter designated by FortisAlberta from time to time as appropriate for use on its metering network;

"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 4.7;

"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;

"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;



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“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 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.

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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.

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.

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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.

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

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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.

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.

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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 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

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the Commitment Agreement or as set out elsewhere.

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

FortisAlberta reserves the right to require its default retailer to enroll 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 4.6;
- (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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After FortisAlberta has approved a Customer's request for a Service connection, FortisAlberta will provide the Customer with a written estimate. The estimate will contain the following information:

- (a) the estimated cost of the Service Connection,
- (b) the amount that FortisAlberta will invest pursuant to section 7.1, and
- (c) the Customer Distribution Contribution.

If a Customer Distribution Contribution is required, the estimate will also show the estimated cost by component as follows:

- (a) construction (includes labour, equipment and services);
- (b) materials; and
- (c) engineering, project management, and administrative.

FortisAlberta will not start work to provide the Service Connection until the Customer has accepted the estimate in writing. FortisAlberta will provide the Customer with a new estimate in the following circumstances:

- (a) if the estimated Customer Distribution Contribution of the Customer's Service Connection increases by more than 10% but the scope of work needed to provide the Service Connection does not otherwise change;
- (b) if FortisAlberta must change the scope of work needed to provide the Customer's Service Connection; or
- (c) if the Customer requests that FortisAlberta change the scope of work needed to provide the Service Connection.

If there is a change in the scope of work needed to provide the Service Connection, FortisAlberta will not proceed with those changes until the Customer has accepted the new estimate in writing.

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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.

4.5.2 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.

4.5.3 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 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



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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.

4.5.4 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.

4.5.5 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.

4.6 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.

4.7 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
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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 4.5.1.

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.

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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.

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.

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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 and extensions thereof, and for vegetation management, emergency response and the performance of all other obligations required to be performed by FortisAlberta hereunder. 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 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.

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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 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.



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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 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 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.

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- (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 subdivision, since some Points of Service may not be occupied and connected immediately, the Subdivision Developer is initially responsible for the full Customer Extension Costs and Customer Shared Costs for each Point of Service. The FortisAlberta Investment is paid to the Subdivision Developer, or in the case of streetlights, 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 (e.g., 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



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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:
 - i. where a single Customer is served from a new Point of Delivery, the Customer Transmission Contribution equals the Transmission Cost associated with 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 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 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 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.

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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.

REA 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 an REA'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 an REA.

In the event that FortisAlberta incurs Transmission Costs as a result of entering into contracts with the Independent System Operator for provision of System Access Service in support of an REA's electricity supply requirements, such charges will be invoiced or refunded directly, without interest, to the REA in accordance with the ISO tariff.

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 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 Point of Service that is connected and taking service within 10 years following the date of payment, to the current developer (or in the case of streetlights, to the Municipality), without interest.

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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.

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

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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.

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



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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.

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.

With respect to the transmission component of FortisAlberta's Distribution Tariff charges, 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. 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

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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 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 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.



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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, and which salvage value shall, where applicable, include the payment to be received by FortisAlberta from an REA purchasing Facilities associated with the Permanent Disconnection provided, however, that only those amounts to be paid by the REA in respect of the Facilities that were subject to investment by FortisAlberta shall be applied to reduce the sum of (a) and (b) above;
- (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 Distribution Customer Exit Charge at the time that a contract termination proposal is accepted by the Customer. Where the Permanent Disconnection is occurring so that the departing Customer can receive service from an REA, the Distribution Customer Exit Charge is subject to change to reflect the final amount actually paid by the REA in respect of applicable transferred Facilities.

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

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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, 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



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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 Government 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.

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

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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.

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

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buildings) will be metered and billed on an individual basis, unless the Company agrees otherwise. 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.

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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).

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 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.

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FortisAlberta will install Standard Meters to measure the Energy delivered to a Customer through a Service Connection except where:

- (a) FortisAlberta and the Customer have agreed that a Non-Standard Meter is appropriate for the Customer's service; or
- (b) a Customer submits a written request to FortisAlberta to either opt out of the installation of a Standard Meter or have a Standard Meter replaced with a Non-Standard Meter, in each case subject to FortisAlberta's discretion in evaluating and approving the request and provided that:
 - i. the service is designated as a residential service pursuant to FortisAlberta's Rates, Options and Riders Schedules;
 - ii. the service is individually metered;
 - iii. the service rating is 200 amperes or less;
 - iv. FortisAlberta has regular and ongoing access to the meter;
 - v. FortisAlberta is able to procure a Non-Standard Meter and necessary support from its suppliers; and
 - vi. if applicable, at least six (6) months have elapsed since FortisAlberta last revoked its approval of the Customer's request for a Non-Standard Meter.

For any Customer that is subject to exception (a), 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 the non-standard nature of the alternative arrangement, as set forth in the Fee Schedule, 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.

Any Customer that is subject to exception (b) shall be required to pay for meter reads and the fee for installation of a Non-Standard Meter, as applicable, pursuant to FortisAlberta's Fee Schedule.

Where a Customer's service is metered by a Non-Standard Meter under this section and the Customer discontinues service, FortisAlberta reserves the right to remove the Non-



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Standard Meter and install a Standard Meter at that site to measure Energy for future Customers.

FortisAlberta reserves the right to revoke approval of a Customer's request to opt out of the installation of a Standard Meter or to have a Standard Meter replaced with a Non-Standard Meter if the Customer's Retailer issues a De-Energization request for non-payment. If approval is revoked, FortisAlberta will replace the Non-Standard Meter with a Standard Meter, which shall remain in place for a minimum of six (6) consecutive months, after which the Customer may re-apply for a Non-Standard Meter. If FortisAlberta approves the request, the Customer shall be responsible for all costs arising from the installation and operation of the Non-Standard Meter.

A Customer that has service metered by a Non-Standard Meter and that previously opted out of the installation of a Standard Meter may, at any time, submit a written request to FortisAlberta to have a Standard Meter installed at that site, without incurring any charges.

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.

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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.

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.

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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.

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.

Notwithstanding Section 11.8, in any of the above noted cases FortisAlberta may make

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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.

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



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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.

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.

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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;
- (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.

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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
- (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



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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.

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 4.5.3.

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.

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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.

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.

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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. 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**11.8.1 For Points of Service with the Rate of Last Resort Provider**

For those Customers for whom the Rate of Last Resort 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 Distribution Tariff billing error including, but not limited to:

- (a) incorrect meter reads;
- (b) meter tampering; or
- (c) clerical errors.

FortisAlberta shall render an adjusted bill without interest, to the Retailer of Record in accordance with the Rate of Last Resort Regulation made pursuant to the Act, as amended or replaced from time to time.

The following adjustments for the billing will occur as follows:

- (a) if a Point of Service is found to have been overcharged due to billing error, FortisAlberta will calculate the amount of the overcharge up to a maximum

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of 8 years immediately preceding the month in which the billing error was discovered, or

- (b) if the Point of Service has been found to have been undercharged due to a billing error, FortisAlberta will calculate the amount of the undercharge for those billing periods during which a billing error occurred, up to a maximum of 11 months immediately preceding the month in which the billing error was discovered.

11.8.2 For Points of Service with the Non-Rate of Last Resort Provider

For those Customers for whom the Rate of Last Resort 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:

- (a) incorrect meter reads;
- (b) meter tampering; or
- (c) clerical errors.

FortisAlberta shall render an adjusted bill to the Retailer of Record.

The following adjustments for the billing will occur as follows:

- (a) if a Point of Service is found to have been overcharged due to billing error, FortisAlberta will calculate the amount of the overcharge up to a maximum of 8 years immediately preceding the month in which the billing error was discovered; or
- (b) if a Point of Service 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 11 months immediately preceding the month in which the billing error was discovered.

Whenever FortisAlberta adjusts any bills to the Retailer of Record in the event of a billing error, and issues an adjusted bill, for a refund or an additional charge to the Retailer of Record in respect thereof, the Retailer of Record shall be responsible for adjusting bills and issuing refunds or additional charges 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.

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

FortisAlberta will attempt to provide interconnection services to DG Customers requesting such services as set out in these Terms and Conditions. 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. In the event that an MG Customer is seeking interconnection to the Electric Distribution System for a facility that cannot be accommodated within currently available capacity, the MG Customer may resize their generating facilities to align with existing capacity or may request that upgrades be made

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to accommodate the MG generating facility. In the event that the MG Customer requests that upgrades be completed, the MG customer may be subject to Interconnection Charges if such charges are determined by FortisAlberta to be extraordinary pursuant to the Micro-Generation Regulation. FortisAlberta will follow the process in the Micro-Generation Regulation to recover these extraordinary costs from the MG Customer.

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) 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;
- (c) obtain mutual acceptance of the Operating Procedures by DG Customer and FortisAlberta;
- (d) 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;
- (e) satisfy all requirements of FortisAlberta in relation to the generating facility metering; and
- (f) execute an Interconnection Agreement, which may include Operating Procedures established by FortisAlberta.

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;

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- (c) the DG Customer facilities fail to comply with any applicable legislation, policies, standards, rules or codes of federal, provincial or local regulatory entities, Independent System Operator or wire owners, as amended from time to time;
- (d) the MG Customer facilities fail to comply with applicable laws or standards and requirements of FortisAlberta, including those as set out in the 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.

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



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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.

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, subject to the Micro-Generation Regulation, 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;



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- (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.

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.

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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. 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

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(d) asynchronous reclosing on the DG Customer's facility.

12.8 Service Calls and Additional Support

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.

FortisAlberta may require a DG Customer to pay the actual costs of a request for support, which may include but is not limited to engineering studies, modeling and/or testing completed by the Company, after the DG Customer has paid Interconnection Charges pursuant to section 12.6.1.

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.

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 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 an 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:



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- (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.

**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

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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.

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.

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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.

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

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Distribution Tariff (a **"FortisAlberta Agreement"**), FortisAlberta, its directors, officers, agents, employees 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 Customer, a Retail Service Agreement between FortisAlberta and a Retailer or any legal or regulatory requirements related to service provided to a Responsible Party;



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- (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 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.

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

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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.

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.



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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).

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.

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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 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.

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

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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 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

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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.

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.

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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.

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.



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*Capitalized terms used in these Retailer Terms and Conditions of Electric Distribution Service (the “**Retailer Terms and Conditions**”), as may be amended 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 RETAILER 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. In its role as a wire owner, FortisAlberta will also enable a Retailer to acquire access to its Electric Distribution System for the purposes of allowing the Retailer 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.

These Retailer Terms and Conditions govern the relationship between FortisAlberta and Retailers, or any party who will be acting as an Agent on behalf of a Retailer for transactions, including, but not limited to, retail billing and Load Settlement. These Retailer Terms and Conditions will also govern the relationship between FortisAlberta and a Customer of a Retailer or any another party acting as an agent of the Customer in their dealings with FortisAlberta.

These Retailer Terms and Conditions serve as a companion to the Customer Terms and Conditions to govern the relationship between FortisAlberta and a Customer, 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 Retailer Terms and Conditions and the Customer Terms and Conditions together form the Terms and Conditions of Electric Distribution Service of FortisAlberta (the “**Terms and Conditions**”). These Retailer Terms and Conditions outline the rules that Retailers and agents must follow to engage in retailer transactions with FortisAlberta.

The service provided by FortisAlberta hereunder is regulated by the Alberta Utilities Commission (the “**Commission**” or the “**AUC**”) 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.



ARTICLE 2 – DEFINITIONS AND INTERPRETATION

2.1 Definitions

The following words and phrases, whenever used in the Retailer Terms and Conditions, a Retail Service Agreement or an application, contract or agreement for service, shall have the meanings set forth below, or the meaning set forth in the Customer 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;

“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 re-enacted, amended or replaced from time to time; and **“day”** means any calendar day;

“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 re-enacted, amended or replaced from time to time;

“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;

“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 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 of the Customer Terms and Conditions, and includes but is not limited to, a Customer Distribution Contribution, a Customer Transmission Contribution, and other contributions;



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“Customer Information” means Customer name, Customer telephone number, Customer mailing address, site contact name and site contact telephone number and other information as described in the Settlement System Code;

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

“De-Energization” or **“De-Energize”** for the purpose of these Retailer Terms and Conditions, have the meaning given such terms in, and are determined in accordance with, the Settlement System Code, and are sometimes referred to as a **“DER”** transaction;

“Default Supplier” has the meaning given such term in, and is determined in accordance with, the RRR Regulation;

“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 in the Customer Terms and Conditions;

“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 with 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;



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“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. Expected Peak Demand is also referred to as Expected Peak Capacity in the Rate, Options and Riders Schedules;

“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 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 Commissions (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;

“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;



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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;

“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;

“Load Settlement Services” means those services carried out by FortisAlberta as an owner of an Electric Distribution System, in accordance with the Settlement System Code;

“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);

“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;



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“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 to 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;

“Miscellaneous Service” means a non-standard service provided by FortisAlberta from time to time at the request of a Customer or Retailer;

“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;

“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 and includes where a Customer ceases to receive Electric Distribution Service from FortisAlberta to become a member of an REA. Permanent Disconnection is also referred to as salvage;

“Permanently Disconnect” means to effect a Permanent Disconnection;

“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;

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

“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;

“Rate of Last Resort Provider” means the party authorized by FortisAlberta to provide electricity services to eligible customers in the FortisAlberta service area under a regulated rate tariff;

“Rate of Last Resort Tariff” means a regulated rate tariff for the provision of Electricity Services to eligible Customers pursuant to the Act;



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

“REA” means “rural electrification association” as that term is defined in the Act;

“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 Guidebook” has the meaning given such term in, and is determined in accordance with, Section 3.5 herein;

“Retailer Identification” or **“Retailer ID”** means the 9-digit number that uniquely represents each Retailer operating within Alberta, as approved by and provided to FortisAlberta by the Alberta Electric System Operator;

“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;

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

“RRR Regulation” means the Roles, Relationships and Responsibilities Regulation made pursuant to the Act, as amended or replaced from time to time;

“Rural Lands” means a parcel of land which is situated outside the boundaries of a city, town, village, summer village or a specialized municipality;



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

“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;

“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;

“Tariff Billing Code” means the Alberta Tariff Billing Code established by the Commission under the provisions of the Act, as amended or replaced from time to time;

“Temporary Disconnection” means the cessation of Electricity Services on a temporary basis and does not involve removal of Facilities. Temporary Disconnection is also referred to as a De-Energize or DER transaction;

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

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

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



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

“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.

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 a Commitment Agreement, Electric Service Agreement, Interconnection Agreement, Retail Service Agreement, Underground Electrical Distribution System Services Agreement or any 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 Appendix and Schedule

The following appendix and schedule, as amended or replaced from time to time, are attached to form part of these Retailer Terms and Conditions:

Appendix “A” – Disconnect of a Point of Service; and

Fee Schedule (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 Retailers are affected by the amendment and an explanation of how affected Retailers will be notified of the amendments. Within 60 days after such notice is filed, the Commission will either acknowledge the notice of 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 amendment, the amendment will take effect upon the date of such acknowledgement.

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 made pursuant to the Act, 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 Retailer Terms and Conditions govern the relationship between FortisAlberta and a Retailer and any agent of the Retailer that is also approved by FortisAlberta to interact with FortisAlberta on behalf of the Retailer. These Retailer Terms and Conditions will also govern the relationship between FortisAlberta and Customers for whom the Retailer is acting as an agent in its dealings with FortisAlberta.

All Responsible Parties by virtue of their relationship with FortisAlberta are deemed to have accepted the Terms and Conditions. The entering into of a Retail Service Agreement, the use by a Responsible Person of a service, or the payment by the



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Responsible Person of an account rendered by FortisAlberta in relation to a service shall constitute acceptance by the Retailer of these Terms and Conditions.

3.5 Retailer Guidebook

FortisAlberta has developed the Retailer Guidebook to help Retailers understand the normal practices of FortisAlberta. FortisAlberta will amend the Retailer Guidebook, from time to time, to reflect changes to the electric utility industry, changes in FortisAlberta's requirements or the changing needs of Retailers or Customers. While FortisAlberta will endeavour to follow practices in the Retailer Guidebook, these practices will not appropriately cover every situation that may arise, and it may be necessary to deviate from the Retailer Guidebook. If there is any conflict between the Retailer Guidebook 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 Retailer Guidebook can be accessed on FortisAlberta's website at <http://www.fortisalberta.com>.

3.6 Timeliness, Due Diligence and Security Requirements of Retailer

The Retailer shall exercise due diligence and use reasonable efforts in meeting its obligations, hereunder, and perform same in a timely manner. The Retailer shall adhere to all credit, deposit and security requirements specified in the Terms and Conditions. The Retailer shall make every effort to ensure that its Customers are aware of the provisions of the Terms and Conditions that may affect the Customer(s).

3.7 Retailer Arrangements with Customers

Unless otherwise stated herein, the Retailer shall be solely responsible for having appropriate contractual or other arrangements with a Customer necessary to provide service to the Customer. FortisAlberta shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to obtain or maintain proper contractual or other arrangements with a Customer or to perform its obligations to a Customer.



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3.8 Responsibility of the Retailer for Electric Purchases

The Retailer will be solely responsible for the purchase of electricity from the Power Pool and for arranging the delivery of such electricity to the appropriate Points of Service for Customers, subject to the Terms and Conditions.

3.9 Retailer Authorization

A Retailer shall be responsible for obtaining proper authorization from each Customer authorizing the enrolment of the Customer by the Retailer for receipt of Electric Distribution Service.

3.10 Retailer Identification Number

Any information exchange or communications between the Retailer and FortisAlberta under the Terms and Conditions shall employ a Retailer ID. In circumstances where the Retailer has multiple Retailer IDs, the review, setting, and maintaining of prudential requirements shall be addressed based on the circumstances of each case.

3.11 Single Retailer for Point of Service

FortisAlberta shall not be required to recognize and deal with more than one Retailer in respect of a Point of Service at any given time. Nothing in the Terms and Conditions shall prohibit a Customer from entering into arrangements with multiple Retailers for a Point of Service, provided that a single Retailer is designated to be the Customer's Retailer for the purposes of the Terms and Conditions.

3.12 Fees and Other Charges

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

ARTICLE 4 – CUSTOMER INQUIRIES AND INFORMATION

4.1 Customer Inquiries

For Customers requesting information on Electric Distribution Service, FortisAlberta will make available the following information:

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- (a) notification and informational materials to consumers about competition and consumer choices; and
- (b) direct Customers, on request, to a source where they may obtain the current list of licensed Retailers maintained in accordance with the *Fair Trading Act (Alberta)*, R.S.A. 2000, c.F-2 (the "Fair Trading Act"), as amended or replaced from time to time. FortisAlberta is under no obligation to assure the accuracy of this list.

4.2 Customer Inquiries Related to Emergency Situations and Outages

Retailers shall make every effort to ensure Customers contacting the Retailer regarding distribution emergency conditions, outages, safety or environment situations related to FortisAlberta's Electric Distribution System are referred immediately to FortisAlberta. FortisAlberta reserves the right, without providing notice to the Retailer, to test or audit the response time of the Retailer. FortisAlberta will communicate any unacceptable patterns to the Retailer to be corrected.

4.3 Provision of Customer Information to Retailer

In accordance with the Alberta Utilities Commission Rule 010 "Rules on Standards for Requesting and Exchanging Site – Specific Historic Usage Information for Retail Electricity and Natural Gas Markets", FortisAlberta will provide historic Customer Usage Information to a Retailer that has a Retail Service Agreement and a representation and warranties agreement in place with FortisAlberta. The representation and warranties agreement requires that Retailers have a written customer authorization for each historical usage information request submitted to FortisAlberta. Rule 010 specifies that Retailers who request historical usage information from a wire owner must do so using the electronic transaction as per Rule 010.

4.4 Provision of Information between FortisAlberta and Retailer

The Retailer must notify FortisAlberta as promptly as reasonably practical of any changes to Customer Information, as FortisAlberta relies on this information to perform its obligations to Customers. Such information shall be provided in a form described in the Settlement System Code.

FortisAlberta and a Retailer shall supply to each other all other data, materials or other information specified to be supplied in the Terms and Conditions, or that may otherwise be reasonably required by the Retailer or FortisAlberta in accordance with the Terms and Conditions. Without limiting the generality of the foregoing, FortisAlberta reserves the right to require updated Customer Information from a Retailer from time to time. Changes set out in the Fee Schedule will apply to certain requests made to FortisAlberta.

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FortisAlberta shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the Retailer's failure to provide up-to-date and accurate Customer Information to FortisAlberta. FortisAlberta reserves the right to assess a charge to recover the costs incurred by FortisAlberta for additional work undertaken by FortisAlberta as a result of inaccurate Customer Information provided by the Retailer.

ARTICLE 5 – PROVISION OF SERVICE**5.1 Retailer Qualification for Electric Distribution Service**

The Retailer must fulfill and maintain the following requirements to the satisfaction of FortisAlberta before FortisAlberta will provide or continue to provide Electric Distribution Service to that Retailer:

- (a) submit to FortisAlberta a fully completed and executed Retail Service Agreement, a Retailer Credit Application form, and any other documents or forms that may be required by FortisAlberta from time to time;
- (b) furnish to FortisAlberta a certified copy of the license issued to the Retailer and warrant in writing to FortisAlberta that it is licensed pursuant to, and will comply with, the provisions of the Fair Trading Act and any regulations or policies made thereunder, as amended from time to time;
- (c) adhere to the credit, deposit and security requirements of FortisAlberta as described in Article 6;
- (d) warrant in writing to FortisAlberta that it will at all times comply with the Settlement System Code;
- (e) meet the compliance testing protocol of FortisAlberta in respect of information exchange as set forth in the Retailer Guidebook;
- (f) warrant in writing to FortisAlberta that it has been, and will be at all times, qualified by the Independent System Operator as pool participant under the Independent System Operator rules respecting the operation of the Power Pool and the Independent System Operator has approved the Retailer for consumption within the FortisAlberta service area; and
- (g) meet any other requirements that FortisAlberta, acting reasonably, may impose in order to provide Electric Distribution Service hereunder to the Retailer. If

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FortisAlberta determines that a Retailer must satisfy additional requirements in order to qualify for Electric Distribution Service, the following process will apply:

- i. where FortisAlberta is confronted with a situation which would likely materially alter the risk to FortisAlberta, or in order to comply with applicable legislation, FortisAlberta may implement the additional requirement and then apply to the Commission for approval of same; or
- ii. where FortisAlberta is not confronted with the circumstances outlined in (i), above, FortisAlberta shall apply to the Commission for approval of the proposed additional requirement prior to implementing same.

Upon satisfaction of the above requirements, FortisAlberta will provide Electric Distribution Service to the Retailer, subject to the Terms and Conditions. Subject to complying with all the applicable laws, and the directions or requirements of any of the entities mentioned above, FortisAlberta reserves the right, upon giving the Retailer 10 Business Days' notice, acting reasonably, to discontinue Electric Distribution Service to the Retailer if at any time the Retailer no longer fulfils the above requirements.

5.2 Application for Enrolment of Customers of the Retailer

In order to initiate the provision of Electric Distribution Service by FortisAlberta, the Retailer shall complete and provide to FortisAlberta an application for Electric Distribution Service in compliance with the Settlement System Code. The Retailer shall provide updated Customer Information with each application for Point of Service enrolment where applicable.

FortisAlberta will, subject to the Terms and Conditions, accept an application by a Retailer for provision of Electric Distribution Service to a Customer hereunder and upon acceptance, will recognize the Retailer as the Retailer of Record for the particular Point of Service. FortisAlberta reserves the right, but is not obligated, to verify the identity of the Customer and the accuracy of the Customer Information. FortisAlberta may deny the application if any information required in the application, including the Customer Information and Retailer Identification, provided by the Retailer is false, incomplete or inaccurate in any respect.

Enrolments will be processed by FortisAlberta on a first-come, first-served basis. Each enrolment will be time and date-stamped when received by FortisAlberta. If more than one enrolment is received for a Point of Service while an earlier enrolment is pending; only the first valid enrolment received by FortisAlberta shall be processed that day. Enrolment of a Point of Service is irrevocable, and the Retailer bears full responsibility for the accuracy of enrolment transactions submitted to FortisAlberta.

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FortisAlberta will, in compliance with the Settlement System Code, transfer an existing Point of Service receiving Electric Distribution Service to the Retailer or notify the Retailer of the status of the enrolment. If an enrolment is accepted, FortisAlberta will notify the Retailer in accordance with the timing requirements set out in the Settlement System Code. If an enrolment is rejected, FortisAlberta will provide the Retailer with the reason(s) for the rejection.

If a Retailer finds that it has enrolled an incorrect Point of Service, that Retailer shall notify FortisAlberta in accordance with the Settlement System Code. Upon receiving notice from the Retailer, FortisAlberta will notify the previous Retailer to enrol the Point of Service. A Retailer that erroneously enrolls a Point of Service will bear responsibility for the associated Distribution Tariff costs and any other financial implications associated with the error.

FortisAlberta reserves the right to refuse Electric Distribution Service, at any Point of Service, to any Customer of the Retailer who has failed to meet their obligations under the Terms and Conditions or an Electric Service Agreement with FortisAlberta, including where the Customer has not made payment when due to FortisAlberta. The Retailer will not be liable to FortisAlberta for any outstanding indebtedness of the Customer to FortisAlberta which accrued prior to the enrolment of the Customer to the Retailer. However, the Retailer will be liable for all outstanding indebtedness which accrued while the Retailer remained the Retailer of Record for the Customer.

ARTICLE 6 – PRUDENTIAL REQUIREMENTS**6.1 General**

This Article 6 is not applicable to Rate of Last Resort Providers.

Retailers must satisfy the security requirements in Sections 8 through 12 of the Distribution Tariff Regulation A.R. 162/2003 to ensure that the Retailer is and remains of sufficient financial standing to meet its ongoing financial obligations. FortisAlberta reserves the right to re-evaluate the security requirements of a Retailer on a regular basis, and to require additional security where appropriate.

- (a) All Retailers must submit and maintain security in an amount equal to a credit limit calculated as the value projected by the Retailer of the Retailer's payments under FortisAlberta's Distribution Tariff over a 45-day period. This period shall remain consistent with applicable regulations, as amended from time to time.
- (b) The security must be submitted and maintained in a form acceptable to FortisAlberta, consisting of any one of, or a combination of:



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- i. a cash deposit or bond in the name of FortisAlberta at a Canadian chartered bank, trust company, credit union, or other financial institution acceptable to FortisAlberta;
 - ii. an irrevocable letter of credit;
 - iii. an irrevocable bank guarantee; or
 - iv. an irrevocable guarantee, with supporting resolutions, from a person or persons (other than the Retailer) with a credit rating of at least BBB– from the Dominion Bond Rating Service (or any successor corporation) or equivalent rating from a major reputable bond rating service satisfactory to FortisAlberta.
- (c) The security required in (a) will be reduced if the Retailer provides its current credit rating (or its lowest credit rating if more than one has been obtained) of at least BBB– from the Dominion Bond Rating Service (or any successor corporation) or equivalent rating from a major reputable bond rating service satisfactory to FortisAlberta, in the following amounts:

Rating (or Lowest Rating)	Security Reduction
Less than BBB–	\$0
BBB– to BBB+	\$10,000,000
A– to A+	\$15,000,000
AA– to AA+	\$20,000,000
AAA– or higher	\$25,000,000

- (d) A guarantee or guarantees provided under (b) shall be provided in accordance with Subsection 8(4) of the Distribution Tariff Regulation A.R. 162/2003.

All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer. A Retailer must complete the credit application process and meet credit requirements before a Point of Service is enrolled with FortisAlberta for the Retailer.

6.2 Additional Security

When the Retailer's actual outstanding charges under FortisAlberta's Distribution Tariff materially exceed the value projected by the Retailer under Section 6.1, upon 5 Business Days' notice by FortisAlberta, the Retailer shall either:



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- (a) pay FortisAlberta in advance the amount by which the actual outstanding charges then exceed the projected value, or
- (b) provide additional security to FortisAlberta in accordance with Section 6.1 to a total equal to the actual outstanding charges.

A Retailer whose credit rating has been downgraded shall report to FortisAlberta the downgrading of its Credit Rating within 2 Business Days of the downgrading and must provide any additional security required as a result of the downgrading within 5 Business Days of the downgrading as required under Section 9 of the Distribution Tariff Regulation.

A Retailer must provide and maintain the required amount of security until all obligations of the Retailer under FortisAlberta's Distribution Tariff are satisfied. FortisAlberta reserves the right to re-evaluate the security requirements of a Retailer on a regular basis, and to require additional security where appropriate.

If a Retailer defaults in paying any amounts owing under FortisAlberta's Distribution Tariff, FortisAlberta will provide the Retailer notice as required by Section 12 of the Distribution Tariff Regulation and will be entitled to realize on the security of the Retailer to recover the Retailer's arrears including any accrued interest if they are not paid within 3 Business Days after the date of the notice, provided that FortisAlberta shall be entitled to realize on the security without notice if, in the opinion of FortisAlberta, the giving of such notice would impair FortisAlberta's ability to make a claim against the Retailer's security. FortisAlberta may require additional security to replace the security drawn down because of the default by the Retailer. The Retailer must provide the additional security within 5 Business Days of FortisAlberta's request to do so.

If the Retailer fails to provide any additional security that it is required to provide, FortisAlberta reserves the right to suspend the provision of Electric Distribution Service until the Retailer provides FortisAlberta with the required security.

If FortisAlberta, acting reasonably, determines that it is not secured in accordance with this section for the financial obligation of the Retailer, FortisAlberta may, upon 5 Business Days' notice, cease to provide Electric Distribution Service hereunder to that Retailer until the Retailer provides FortisAlberta with adequate security.

ARTICLE 7 - DISCONTINUANCE OF ELECTRIC DISTRIBUTION SERVICE

7.1 Discontinuance by Retailer

To discontinue Electric Distribution Service, a Retailer shall complete and provide to FortisAlberta a notice of de-select in the form and manner set out in the Retailer



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Guidebook and in compliance with the Settlement System Code. Such notice shall clearly specify the Retailer's reason(s) for seeking to de-select the Point of Service (Customer).

To de-select the Retailer of Record for a particular Point of Service, a Retailer shall, 7 days (or such other time as may be required under the Settlement System Code) before the de-selection is to take effect, complete and provide to FortisAlberta a notice of de-selection pursuant to the Settlement System Code. FortisAlberta may reject the notice of de-selection if FortisAlberta determines that any information required in the notice, including Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect. FortisAlberta reserves the right, but is not obligated, to notify the Customer of the pending transaction, verify the identity of the Customer and the accuracy of the Customer Information. Upon receipt of a notice of de-selection from a Retailer, FortisAlberta will, in compliance with the Settlement System Code, either process the de-selection request or notify the Retailer that the notice of de-selection had been rejected and the reason(s) for such rejection.

De-selected Points of Service for which FortisAlberta has received no enrolment application will be assigned to the Default Supplier in accordance with the RRR Regulation.

The Retailer is responsible to ensure that its Customers are provided notice of the de-selection, and the consequences thereof, and FortisAlberta will not be held liable for any Customer disputes with the Retailer.

The Retailer shall remain responsible for Electricity Services to the Point of Service until a replacement Retailer is appointed and in place for the Point of Service.

7.2 Discontinuance by FortisAlberta

FortisAlberta may discontinue or restrict Electric Distribution Service to a Retailer if any of the following occur:

- (a) the Retailer's license has been revoked by Alberta Government Services;
- (b) the Retailer has failed to meet its obligations under the Terms and Conditions or under its Retail Service Agreement with FortisAlberta; or
- (c) the Retailer has failed to meet its credit requirements pursuant to Article 6.

Notification of discontinuance will be made electronically by FortisAlberta to the Retailer. FortisAlberta will provide the Retailer 10 Business Days' notice before FortisAlberta discontinues Electric Distribution Service to the Retailer. Upon discontinuance of Electric Distribution Service pursuant to this Section, the provision of the affected service(s) will



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be assumed by the Default Supplier for non-eligible Customers, and the person for whom FortisAlberta has made arrangements to provide the Rate of Last Resort Tariff for eligible Customers.

ARTICLE 8 – SERVICE DISCONNECTION AND RECONNECTION

This Article, as amended from time to time, specifies the processes for the transactions between FortisAlberta and a Retailer in relation to the physical disconnection of a Point of Service. For greater certainty, “**disconnection**” is synonymous with the term “**De-Energize**” as that term is used in the Settlement System Code.

8.1 De-energization of Service by a 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 these Retailer Terms and Conditions.

Normal charges, including Idle Service Charges, may continue to be applied by FortisAlberta during the period of any 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 8.2.4. FortisAlberta reserves the right to request the Customer's Retailer to provide the Customer's contact name and phone number for the purpose of verifying the disconnect request.

The Retailer shall remain responsible for Electricity Services and for Electric Distribution Service and for any charges related thereto until a replacement Retailer has enrolled the Customer at the Point of Service or the Point of Service is Permanently Disconnected.

FortisAlberta will notify the Retailer if a De-Energize request was not successfully completed and include the reason why it was not successfully completed. If the Retailer still requires a De-Energize, the Retailer must re-issue a De-Energize request the following Business Day.

8.2 Disconnection at the Request of the Customer

Any requests to disconnect service from a Customer shall be made in accordance with the Customer Terms and Conditions. FortisAlberta may directly charge a Customer a Distribution Customer Exit Charge related to a Permanent Disconnection. Until such time

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as all obligations of Customer to FortisAlberta are met, FortisAlberta reserves the right to reject a request for a disconnection.

8.2.1 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. In these limited circumstances, no Settlement System Code transactions (i.e., a De-Energize or DER transaction) shall be submitted by the Retailer. The Retailer is referred to the Retailer Guidebook of FortisAlberta for process details. Normal charges for Electric Distribution Service continue to apply during this period.

8.2.2 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. Idle Service Charges will apply during any period of De-Energization.

8.2.3 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.

8.2.4 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 will be removed unless the Customer, or the Customer's Retailer, agrees to pay the Idle Service Charges as set forth in Section 8.2.2, 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 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



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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. These costs will be charged directly to the Customer.

A Customer may be charged a Distribution Customer Exit Charge related to a Permanent Disconnection as set out in Section 7.5 of the Customer Terms and Conditions.

8.3 Disconnection by FortisAlberta

FortisAlberta reserves the right to disconnect electric service to a Customer in a number of circumstances as set out in Article 10 of the Customer Terms and Conditions, including but not limited to non-payment of FortisAlberta bills of any nature or any past due charges by the Customer; evidence of safety violations or fraud by the Customer; or the Customer failing to meet its obligations under the Terms and Conditions or any of the terms of the Customer's Electric Service Agreement.

8.4 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.



8.5 Removal of Facilities upon Disconnection of Service

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

ARTICLE 9 – BILLING

9.1 Wholesale Billing

FortisAlberta will bill the Retailer of Record the amounts payable for Electric Distribution Service in accordance with the Terms and Conditions, the Billing Regulation, A.R. 159/2003 and the Tariff Billing Code, as each may be amended from time to time, and as follows:

- (a) FortisAlberta will provide billing information in the prescribed format to the Retailer of Record for each billing cycle;
- (b) FortisAlberta will invoice the Retailer for Electric Distribution Service provided by FortisAlberta for the period generally corresponding to the billing information from the prior calendar month;
- (c) FortisAlberta will not assume any billing or collection obligations, or responsibilities related to billing or collecting from Customers, for or on behalf of the Retailer. The Retailer shall process Customer payments and handle collection responsibilities. FortisAlberta may, in addition to any other remedies available to it, restrict enrolment or terminate Electric Distribution Service to the Retailer, if such Retailer does not pay all outstanding bills in accordance with the Terms and Conditions;
- (d) FortisAlberta reserves the right to bill the Customer directly for any amounts required to be provided by the Customer under the Terms and Conditions; and
- (e) Retailers and any party acting as an agent on behalf of Retailers are required to provide Customers with notification of a FortisAlberta distribution rate change in the billing envelope, or through the electronic billing and payment process, that accompanies the first charge to the Customer at the new rate.

9.2 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



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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 in the Customer Terms and Conditions 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.

9.3 Minimum Charges

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

9.4 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.

9.5 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.

The amount charged to the Retailer and invoiced periodically (generally monthly) reflects the aggregate of charges for Electric Distribution Service provided to Customers of the Retailer, with consumption periods that end within the invoicing period.



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9.6 Billing Information

An invoice to the Retailer for the amounts payable by the Retailer for Electric Distribution Service will set out the billing information in accordance with the Tariff Billing Code and in accordance with the following:

- (a) the total amount due from the Retailer for Electric Distribution Service provided by FortisAlberta to Customers of the Retailer;
- (b) details of the amount due from the Retailer for Electric Distribution Service provided by FortisAlberta as applicable to each of the Retailer's Customers; and
- (c) any other information required to be provided by FortisAlberta to the Retailer on an invoice pursuant to the Act and Regulations.

An invoice to the Retailer for Miscellaneous Service will set out the following information with:

- (a) the total amount due from the Retailer for Miscellaneous Service provided by FortisAlberta to the Retailer;
- (b) any other information required to be provided by FortisAlberta to the Retailer on an invoice pursuant to the Act and Regulations.

9.7 Payment of Account

The Retailer shall pay to FortisAlberta the amount invoiced within 10 calendar days after the invoice is issued. In the event that the tenth day after the bill is issued is not a Business Day, the Retailer shall pay to FortisAlberta the amount invoiced by the close of the first Business Day following the tenth day after the invoice is issued.

FortisAlberta will establish an electronic billing and payment procedure for the payment of services hereunder. Notwithstanding such procedure, FortisAlberta will accept payment by electronic fund transfer or cheque if agreed to by FortisAlberta. An invoice will be deemed to have been paid when a valid payment has been received by FortisAlberta for the full amount.

9.8 Dispute of Amounts Owning

Should the Retailer dispute any amount owing, the Retailer shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with the Terms and Conditions. Following resolution of any such dispute, FortisAlberta will return any amount



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found owing to the Retailer forthwith. The right or ability of either party to dispute an invoice provided hereunder shall only apply to invoices rendered during a period of one year prior to the date that the disputing party first gives written notice of such dispute to the non-disputing party, or such longer period as may be applicable under the *Rate of Last Resort Regulation* made pursuant to the Act, as amended or replaced from time to time.

The Retailer shall pay all amounts owed to FortisAlberta for any of the Electric Distribution Service provided by FortisAlberta, whether or not the Customer has paid the Retailer. Failure to receive an invoice in a timely way does not release a Retailer from the obligation to pay the amount owing on the invoice.

9.9 Late Payment

FortisAlberta shall add a late payment charge of 1.5% per month (19.56% per annum) on any overdue amounts for which payment has not been received by FortisAlberta from a Retailer either:

- (a) within 10 days after the date of issue of the invoice; or
- (b) in the event that the tenth day after the date of issue of the invoice is not a Business Day, by the close of the first Business Day following the tenth day after the date of issue of the invoice.

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

9.10 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 9.9 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 and legal action.

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For those Customers for whom the *Rate of Last Resort 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 Distribution Tariff billing error including, but not limited to,

- (a) incorrect meter reads;
- (b) meter tampering; or
- (c) clerical errors.

FortisAlberta shall render an adjusted bill without interest, to the Retailer of Record in accordance with the *Rate of Last Resort Regulation* made pursuant to the Act, as amended or replaced from time to time.

The following adjustments for the billing will occur as follows:

- (a) If a Point of Service is found to have been overcharged due to billing error, FortisAlberta will calculate the amount of the overcharge up to a maximum of 8 years immediately preceding the month in which the billing error was discovered, or
- (b) the Point of Service has been found to have been undercharged due to a billing error, FortisAlberta will calculate the amount of the undercharge for those billing periods during which a billing error occurred, up to a maximum of 11 months immediately preceding the month in which the billing error was discovered.

9.11.2 For the Non-Rate of Last Resort Provider

For those Customers for whom *the Rate of Last Resort 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:

- (a) incorrect meter reads
- (b) meter tampering; or



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- (c) 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 up to a maximum of 8 years immediately preceding the month in which the billing error was discovered; or
- (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 11 months immediately preceding the month in which the billing error was discovered.

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

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 10.6.

9.12 Collection of Other Charges

FortisAlberta shall collect from the Retailer all franchise fees and sales, excise or other taxes imposed by governmental authorities that are applicable to Electric Distribution Service, including Electric Distribution Service and Miscellaneous Service, provided by FortisAlberta to Customers of the Retailer.

9.13 Cessation of Distribution Tariff charges relating to Oil and Gas Service

Notwithstanding anything to the contrary in these Retailer Terms and Conditions, if FortisAlberta receives a request from the Rate of Last Resort Provider to cease applicable Distribution Tariff charges for a Point of Service, FortisAlberta may, in its sole discretion, cease such charges if:

- (a) The Point of Service is located on Rural Lands;



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- (b) At the time that the Service Connection was originally provided, the Service Connection was not requested or approved by, or on behalf of, the then-Registered Owner of the Rural Lands;
- (c) The Point of Service was constructed as an oil and gas site;
- (d) The Rate of Last Resort Provider has requested that the Point of Service be De-Energized as a vacant premise for the purposes of the Settlement System Code; and
- (e) The Rate of Last Resort Provider has advised FortisAlberta in writing that the Rate of Last Resort Provider has conducted a reasonable level of due diligence and determined there is no eligible customer at the Point of Service.

Any cessation of Distribution Tariff Charges made under this Section 9.13 shall be effective only from the date that FortisAlberta determines, in its sole discretion, that all of the criteria described in a) through e) above have been satisfied.

FortisAlberta has the right, but not the obligation, acting in its sole discretion, to perform a salvage of Facilities located on Rural Lands at any time from 12 months after receiving the request from the Rate of Last Resort Provider as described above.

ARTICLE 10 – METERING

10.1 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 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.

10.2 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.



10.3 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.

10.4 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 premises;
- (c) where the meter is not scheduled to be read;
- (d) where it is determined that the amount of Energy used 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.

The energy demand of certain equipment which is used for short periods of time, such as arc welders, does not fully register on 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.

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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.

10.5 Meter Testing

Measurement Canada regulates meter testing. At the request of a Retailer or 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.

10.6 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.

Notwithstanding Section 9.11, in any of the above noted cases FortisAlberta may make adjustments for the lesser of the period of the error or 1 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



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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 11 - LOAD SETTLEMENT

11.1 Load Settlement Information

In accordance with the Settlement System Code, FortisAlberta shall provide the Load Settlement Services. FortisAlberta shall determine and report to the Retailer and the Independent System Operator the Load per hour for the aggregate of all Customers of the Retailer, as metered or estimated by FortisAlberta for Power Pool financial settlement purposes.

Only for Customers of the Retailer, a Retailer may request profiling and additional settlement information above the basic service provisions for Load Settlement specified in the Settlement System Code or information previously provided by FortisAlberta providing the Retailer provides a written request to FortisAlberta outlining the purpose for the additional settlement information.

Upon satisfaction of the above requirements, FortisAlberta will advise the Retailer in a written proposal of the type of work, time of delivery and charges as set out in the Fee Schedule.

11.2 No Liability for Estimating Errors

The process of Retailer Load estimation involves statistical samples and estimating errors. FortisAlberta shall not be responsible for any sampling or estimating errors and shall not be liable to any Retailer for any costs that are associated with such errors. FortisAlberta shall not be liable to any person for any damages, cost, expense, injury, loss or other liability of any kind whatsoever, or however caused, resulting directly or indirectly from its good faith performance of its responsibilities under this Article. No express or implied warranties of any kind shall apply to information or services provided by FortisAlberta to any person as part of such good faith performance, including without limitation implied warranties of fitness for a particular purpose.

ARTICLE 12 – LIABILITY AND INDEMNITY

12.1 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

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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 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 negligently 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.

12.2 Release

Subject to Section 12.1 above, 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.

12.3 FortisAlberta Not Liable to Customer

For greater certainty and without limitation to the foregoing in Sections 12.1 and 12.2 above, 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 12.1):

- (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, a Retail Service Agreement, an Interconnection Agreement or an Underground Electrical Distribution System Services Agreement between FortisAlberta and a Retailer, an Electric Service Agreement between FortisAlberta



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and a Customer, or any legal or regulatory requirements related to service provided to 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.

12.4 Responsible Party Liability

12.4.1 General

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



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improper or negligent use of Energy or electric 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 property.

12.4.2 Indemnification by Retailer to FortisAlberta for Third Party Claims

- (a) A Retailer (the "**Indemnitor**") shall indemnify and hold harmless FortisAlberta Parties (as defined above) ("**Indemnitee(s)**") from and against any damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claims, causes of action, actions, suits or proceedings by a third party ("**Claim**") which arise from damage to property or injury to or death of persons resulting from the Indemnitor's failure to perform its obligations under the Terms and Conditions or the applicable FortisAlberta Agreement (as defined above), which failure is caused by the negligence or wilful act or omission of harm of the Indemnitor acting within the scope of its authority or employment. The indemnity under this Section will be limited to an amount in proportion to the degree to which the Indemnitor is at fault.
- (b) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Section, such Indemnitee will give the Indemnitor prompt notice of the Claim, which shall describe the Claim in reasonable detail and shall indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.
- (c) Subject to Section 12.4.2(b) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Section 12.4.2(a) in respect of:
 - i. all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third-party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee shall make available to the Indemnitor all information in its possession or to

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which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor shall be entitled, at its option, to take carriage of the defence of the Claim by its own counsel and, if it elects to do so, the Indemnitee shall cooperate with the Indemnitor to the fullest reasonable extent in the defence, settlement or compromise of the Claim; or

- ii. some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee shall not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent shall not be unreasonably withheld.

The provisions of this Section 12.4.2 shall not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defences in relation to the Claim that conflict with legal defences being asserted by the Indemnitor.

12.5 Force Majeure**12.5.1 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

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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.

12.5.2 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.

12.5.3 Obligation to Remedy

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

12.5.4 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 industrial disturbance shall constitute a cause or event within the control FortisAlberta or deprive FortisAlberta of the benefits of this Section 12.5.

12.6 Events of Default

An event of default under these Retailer Terms and Conditions and the Retail Service Agreement will occur if either FortisAlberta or the Retailer ("**Defaulting Party**"):

- (a) is the subject of a bankruptcy, insolvency or similar proceeding;
- (b) makes an assignment for the benefit of its creditors;
- (c) applies for, seeks, consents to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets; or
- (d) fails to pay the other party ("**Non-Defaulting Party**") when payment is due, or to satisfy any other material obligation under the Terms and Conditions or the Retail Service Agreement including, without limiting the generality of the foregoing,

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fulfilling the creditworthiness requirements as set forth in Article 6, in accordance with the Terms and Conditions, and fails to remedy the failure or satisfy the obligation, as the case may be, within 10 Business Days after receipt of written notice thereof from the Non-Defaulting Party.

In an event of default, the Non-Defaulting Party shall, subject to the Terms and Conditions and any applicable regulatory requirements, be entitled to pursue any and all available legal and equitable remedies and terminate the Retail Service Agreement without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination. The non-defaulting party shall provide written notice to the defaulting party of its intention to terminate Electric Distribution Service hereunder.

ARTICLE 13 – ARBITRATION**13.1 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.

13.2 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.

13.3 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 Commission 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



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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.

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 13 did not exist.

13.4 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.

13.5 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.

13.6 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.

13.7 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).

**13.8 Application of the *Arbitration Act (Alberta)***

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.

13.9 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.

13.10 Continuity of Electric Distribution Service

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

**ARTICLE 14 - ADDITIONAL PROVISIONS RELATING TO ELECTRIC
DISTRIBUTION SERVICES****14.1 Ownership of Facilities**

FortisAlberta remains the owner of all Facilities necessary to provide Electric Distribution Service to Customers 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.

14.2 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 by Energy on the Customer's premises or on premises controlled by the Customer that are not the Customer's property.



14.3 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 may be 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.

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

14.5 Independent System Operator or Transmission Facility Owner Requirements

The Responsible Parties acknowledge and agree 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.



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14.6 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.

14.7 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 a Point of Service or Electric Distribution Service without obtaining any 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.

14.8 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



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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.

14.9 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.

14.10 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.

14.11 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 Retailer, to the address set out in the Retail Service Agreement between the Retailer and FortisAlberta.



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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.

**APPENDIX A – DISCONNECT OF A POINT OF SERVICE**

In accordance with the Act and as set out in these Retailer Terms and Conditions, a Retailer shall have the right to request that FortisAlberta disconnect service to a particular Customer, and FortisAlberta shall comply with that request. FortisAlberta's policy (as approved in the Terms and Conditions) with respect to disconnecting Customers is set out below.

1. Where a Retailer requests FortisAlberta to disconnect a Customer, the Retailer shall provide to FortisAlberta updated Customer Information. FortisAlberta reserves the right, but is not obligated, to notify the Customer of the pending transaction, verify the identity of the Customer of the Retailer, and the accuracy of the Customer Information that has been provided by the Retailer. FortisAlberta will not assume any billing or collection obligations or responsibilities for or on behalf of the Retailer.
2. A Retailer may request that FortisAlberta disconnect a Point of Service by providing a notice of De-Energization pursuant to the requirements of the Retailer Guidebook and the Settlement System Code. Such notice of De-Energization shall clearly specify the Retailer's reasons for seeking to disconnect a Point of Service. Upon receipt of such notice, FortisAlberta will, in compliance with the Settlement System Code, either process the De-Energization request or notify the Retailer that the notice of De-Energization had been rejected and the reason(s) for such rejection.
3. Unless otherwise requested by the Retailer, FortisAlberta:
 - (a) will schedule a disconnect between 8:00 A.M. to 4:00 P.M.;
 - (b) will not disconnect on Friday, Saturday, Sunday, a legal holiday, or a day before a legal holiday; and
 - (c) in certain remote areas where travel is difficult, will schedule the disconnects in that area to occur once every 10 Business Days.
4. The Retailer is responsible to ensure that its Customer is provided notice of a disconnection and for the consequences of the disconnection. FortisAlberta will have no liability for any disputes between the Customer and the Retailer in relation to a disconnection.
5. FortisAlberta may reject the disconnection request if FortisAlberta, acting reasonably, determines that any information required in the application, including the Customer Information provided by the Retailer, is false, incomplete or inaccurate in any respect.



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6. FortisAlberta will not process a disconnection if FortisAlberta believes disconnection would cause any actual or threatened danger to life or property.
7. FortisAlberta will not disconnect a residential or farm service Customer:
 - (a) at any time during the period from October 15 to April 15; or
 - (b) 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, although FortisAlberta reserves the right to install a device to limit or reduce the amount of Energy provided to the Customer.
8. The Retailer shall remain responsible for Electricity Services to the Customer until the earlier of:
 - (a) a replacement Retailer is appointed and in place for the Customer; or
 - (b) the Customer's Point of Service is Permanently Disconnected.
9. If a Retailer requests a De-Energization due to vacancy, FortisAlberta will dispatch the appropriate resources to execute the De-Energization. Should it become apparent that the Point of Service is occupied and the Customer is not on-site when FortisAlberta arrives to De-energize, FortisAlberta reserves the right to reject or suspend the De-Energize request and not to De-Energize immediately, but rather leave a warning notice in order to give the Customer the opportunity to make appropriate arrangements for electricity service.
10. At the request of the Retailer or the Customer, FortisAlberta will leave all of its Facilities in place after the Point of Service has been De-Energized if the Retailer or Customer, as applicable, agrees to pay Idle Service Charges.



FortisAlberta Inc.

CUSTOMER CONTRIBUTIONS SCHEDULES

EFFECTIVE JANUARY 1, 2026



CUSTOMER CONTRIBUTIONS SCHEDULES

Table 1

**2026 Maximum Investment Levels for Distribution Facilities
When the Investment Term is 15 years or more**

Type of Service	Maximum Investment Level
Rate 11 Residential	\$3,168 per service
Rate 11 Residential Development	\$3,168 per service, less FortisAlberta's costs of metering and final connection
Rate 21 and 22 Farm, and Rate 23 Grain Drying	\$6,787 base investment, plus \$971 per kVA of Peak Demand
Rate 26 Irrigation	\$6,787 base investment, plus \$1,080 per kW of Peak Demand
Rate 31 Street Lighting (Investment Option)	\$3,493 per fixture
Rate 38 Yard Lighting	\$966 per fixture
Rate 41 Small General Service	\$6,787 base investment, plus \$1,080 per kW of Peak Demand
Rate 45 Oil and Gas Service	\$6,787 base investment, plus \$1,080 per kW of Peak Demand FortisAlberta invests as required per unmetered to metered service conversion program.
Rate 61 General Service and Rate 62 Electric Vehicle Fast Charging Service	\$6,787 base investment, plus \$1,080 per kW for the first 150 kW, plus \$135 for additional kW of Peak Demand
Rate 63 Large General Service	\$122 per kW of Peak Demand, plus \$134 per metre of Customer Extension

Note: Maximum investment levels are reduced if the expected Investment Term is less than 15 years, as specified in Table 2.



CUSTOMER CONTRIBUTIONS SCHEDULES

Table 2

**2026 Maximum Investment Levels for Distribution Facilities
When the Investment Term is less than 15 years**

Applicability	All Rates, except Rates 11, 31, 38, and 63	Rate 21 and 22	Rate 26	Rates 41, 45, 61, and 62	Rates 61, and 62	Rate 63	
Investment Term (Years)	Base Investment	Base Investment, plus for each kVA of Peak Demand	Base Investment, plus for each kW of Peak Demand	Base Investment, plus for the first 150 kW of Peak Demand	Base Investment, plus for each Additional kW of Peak Demand	For each kW of Peak Demand	For each Metre of Customer Extension
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$1,296	\$185	\$206	\$206	\$26	\$23	\$26
3	\$1,888	\$270	\$300	\$300	\$38	\$34	\$37
4	\$2,445	\$350	\$389	\$389	\$49	\$44	\$48
5	\$2,969	\$425	\$473	\$473	\$59	\$53	\$59
6	\$3,463	\$495	\$551	\$551	\$69	\$62	\$68
7	\$3,928	\$562	\$625	\$625	\$78	\$71	\$78
8	\$4,365	\$625	\$695	\$695	\$87	\$78	\$86
9	\$4,777	\$683	\$760	\$760	\$95	\$86	\$94
10	\$5,164	\$739	\$822	\$822	\$103	\$93	\$102
11	\$5,529	\$791	\$880	\$880	\$110	\$99	\$109
12	\$5,873	\$840	\$935	\$935	\$117	\$106	\$116
13	\$6,196	\$886	\$986	\$986	\$123	\$111	\$122
14	\$6,500	\$930	\$1,034	\$1,034	\$129	\$117	\$128
15	\$6,787	\$971	\$1,080	\$1,080	\$135	\$122	\$134

Points of Service with a life of less than 2 years are considered Temporary Service and the maximum investment is zero.



CUSTOMER CONTRIBUTIONS SCHEDULES

Table 3

Base Costs and Factors for Prepaid Line Share Calculation

$$\text{Prepaid Line Share} = (\$ \text{ Base Cost} - \$ \text{ Customer Extension Costs}) \times \text{Factor}$$

Rate Category	Base Cost Single Phase	Base Cost Three Phase	Factor
Rural Residential	\$3,600	N/A	40%
Rural General Service and Oil and Gas (under 100 kW)	\$6,200	\$11,500	20%
FortisAlberta Farm and REA Farm Service (under 100 kVA)	\$6,200	\$11,500	20%
Rural Irrigation Services, all sizes	\$9,500	\$19,500	20%

**CUSTOMER CONTRIBUTIONS SCHEDULES****Table 4****Operation and Maintenance Charges**

Optional Facilities for Distribution Load Customers	
Prepaid O&M Charge	20% of Optional Facilities Cost

Interconnection Facilities for Distribution Connected Generation Customers	
Prepaid O&M Charge	20% of Interconnection Facilities Cost



FortisAlberta Inc.

FEE SCHEDULE

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FEE SCHEDULE

The fees and charges indicated by this schedule are non-refundable and are charged to the Retailer, unless otherwise specified or as otherwise determined by FortisAlberta.

1. Reconnection This fee is applicable to a reconnection request that is to be completed during the normal business hours of FortisAlberta (which are currently 8:00 AM – 4:00 PM, Monday through Friday, excluding holidays), including a reconnection after a disconnection as a result of: <ul style="list-style-type: none"> • non-compliance with applicable laws, codes, rules or FortisAlberta requirements; • non-payment; • Customer initiated alterations to the electrical system; or • a Customer-requested disconnection. 	\$139.00 reconnection fee, plus an additional \$97.00 fee if the following criteria are met: (1) the Customer is reconnected less than 12 months after the Customer requested a disconnection; and (2) the Customer did not pay appropriate Idle Service Charges during the period of disconnection.
2. Rush Connection This fee is applicable to an immediate or urgent reconnection request. This reconnection request is only available in emergency situations (such as where weather, personal welfare or safety may be an issue) and where an error on the part of a Retailer or FortisAlberta resulted in the disconnection. A Rush Connection is not available for the purposes of obtaining priority service.	\$139.00
3. After Hours Reconnection This fee is applicable to a reconnection request that is to be completed outside of the normal business hours of FortisAlberta (which are currently 8:00 AM – 4:00 PM, Monday through Friday, excluding holidays). An after-hours reconnection is only available if FortisAlberta can arrange to have the appropriate staff available outside of normal business hours, and in any event, only if the reconnection can be completed by FortisAlberta between 4:00 PM and 10:00 PM.	\$303.00



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<p>4.</p>	<p>Service Trips</p> <p>(a) This fee is applicable to a Customer when a trip to a Customer's Point of Service is required as a result of any of the following:</p> <ul style="list-style-type: none"> • non-compliance with applicable laws, codes, rules, the Terms and Conditions or other requirements of FortisAlberta; • unsafe conditions; • deficiencies related to Customer facilities; • the request for service is cancelled or deferred after FortisAlberta field staff have been mobilized; or • a request to install, remove, maintain, test, or operate non-standard metering equipment as approved by FortisAlberta <p>(b) A Customer will be required to pay the actual costs of a Customer requested service call if it is determined by FortisAlberta that the source of the Customer's problem is the Customer facilities and not FortisAlberta's Facilities.</p>	<p>\$139.00</p>
<p>5.</p>	<p>No Access</p> <p>This fee is applicable when access to a site is considered by FortisAlberta's employees, agents or other representatives as unsafe or is otherwise prevented, hindered or refused.</p>	<p>\$139.00</p>
<p>6.</p>	<p>6(a) Off-Cycle Meter Reading</p> <p>This fee is applicable when an off-cycle meter read is requested for a Standard Meter.</p>	<p>\$42.00</p>



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	6(b) Non-Standard Meter Reading This fee is applicable when electronic polling of the meter is not possible due to the customer's request for a Non-Standard Meter and manual meter reads, and other non-standard operational support activities are therefore required.	\$140.00 per read
7.	Interval Meter Installation For Interval Meter installation at Points of Service with a Contract Minimum Demand of less than 333 kW (which coincides with an Operating Demand of less than 500 kW) (does not apply to DG Customers who own and poll the meters). This will be charged directly to the Customer.	Incremental cost on a per site basis (including time and materials but excluding additional cost of meter itself)
8.	Meter Testing This fee is applicable when a request to test a meter is received. The fee will be refunded by FortisAlberta if the meter is determined by FortisAlberta to be faulty through no fault of the Customer. This fee may be charged directly to the Customer.	\$133.00 for Residential and Farm Customers and \$158.00 for all other Customers
9.	Meter Signal This fee is applicable to cover the time and material associated with meter signal requests. Costs can vary a great deal by service and must be determined on a site-by-site basis. This fee will be charged directly to the Customer.	Material cost to be determined on an individual site basis. Time cost is \$30.00/hr for a regular meter and \$61.00/hr for an interval meter, subject to a 1 hour minimum charge



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10. Meter Tampering	FortisAlberta shall be entitled to recover its direct and indirect costs and damages suffered as a result of any unauthorized use of Electricity Services, including, but not limited to, a broken seal, unauthorized connection or reconnection, energy theft, fraud or any other unauthorized use that requires FortisAlberta to take corrective action. This is exclusive of any costs or damages that may be imposed or suffered as a result of consumption and demand adjustments.	Costs incurred and damages suffered (in each case, both direct and indirect) by FortisAlberta
11. Customer Usage Information Request	This fee is applicable when a request is made for specific Customer Usage Information for a period more than 425 calendar days from the request date. This fee will be charged directly to the requesting party.	\$30.00/hr for a regular meter and \$61.00/hr for an interval meter With a 1 hour minimum charge
12. Settlement History or Confirmation of Settlement Data	This fee is applicable when a request is made for historical Load Settlement data and an investigation is required to be performed by FortisAlberta in respect of suspect data or suspected undelivered data. In the event that the data is, in the opinion of FortisAlberta, substantively incorrect or undelivered, the fee will be waived. This fee will be charged directly to the requesting party.	\$61.00/hr With a 1 hour minimum charge
13. Site ID Search	This fee is applicable when a request is made for a site ID that is in the wire service provider site ID catalogue.	\$18.00
14. Dishonoured Payments	This fee is applicable for all dishonoured cheques or other payment dishonoured, rejected or reversed by any financial institution for any reason. This fee will be charged directly to the defaulting party.	\$24.00



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15.	Excess Wattage Festive lighting service is available to municipalities who require decorative lighting for the Christmas season or other festive occasions during the months of December through February. A municipality may install festive lighting with a total wattage of up to 15% of their total street lighting wattage for a six week period at no charge. Any wattage in excess of 15% is charged the Excess Wattage charge. This will be charged directly to the municipality.	\$1.00 per kW per day
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