



Aquila Networks Canada (Alberta) Ltd.

**Distribution Tariff Update and
Request for a Deferral Account to Manage
Annual AESO Charges**

April 13, 2004

ALBERTA ENERGY AND UTILITIES BOARD

Decision 2004-031: Aquila Networks Canada (Alberta) Ltd.
Distribution Tariff Update and Annual AESO Charges Deferral Account
Application No. 1322026

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Contents

1	INTRODUCTION.....	1
2	UPDATES TO TERMS AND CONDITIONS, RATE 11 AND RIDER A-1 SCHEDULE.....	2
3	AESO CHARGES DEFERRAL ACCOUNT.....	3
3.1	The TDA	3
3.2	The OAC	4
4	ORDER	7
	APPENDIX A – SUMMARY OF CHANGES TO AQUILA TERMS AND CONDITIONS OF DISTRIBUTION TARIFF SERVICES, RATES, AND RIDERS	9
	APPENDIX B – TERMS & CONDITIONS, RATE 11 AND RIDER A-1 SCHEDULE.....	10

ALBERTA ENERGY AND UTILITIES BOARD

Calgary Alberta

AQUILA NETWORKS CANADA (ALBERTA) LTD. DISTRIBUTION TARIFF UPDATE AND ANNUAL AESO CHARGES DEFERRAL ACCOUNT

Decision 2004-031
Application No. 1322026
File No. 1900-10-7

1 INTRODUCTION

By letter dated November 26, 2003, the Board received an application (Application) from Aquila Networks Canada (Alberta) Ltd. (Aquila) for approval of updates to its:

- Terms and Conditions (T&Cs)
- Rate 11 schedule
- Rider A-1 schedule

Aquila advised the Board that recent revisions to the *Electric Utilities Act* S.A. 2003, c. E-5.1 (EUA) and associated Regulations required minor adjustments to the T&Cs, Rate 11 schedule and Rider A-1 schedule. Further, other minor changes, to correct errors or clarify these existing tariffs were included as part of the updates.

Further, as a result of transmission, power pool and load settlement functions being consolidated under the AESO by the revised EUA, Aquila requested that the scope of the transmission deferral account approved by the Board in respect of certain prior years should be expanded effective January 1, 2004, to capture all Alberta Electric System Operator (AESO) charges, not just those relating to the regulated transmission tariff. To this end, Aquila proposed an AESO Charges Deferral Account (ACDA) as a means of flowing through to customers the total costs for AESO services. The ACDA would consist of a number of items, including Transmission Revenue and Costs, other AESO charges, and system settlement code development costs.

The Board notes that Aquila's original transmission deferral account was approved as part of a negotiated settlement in Decision 2001-37.¹ According to the settlement, the transmission deferral account would be in respect of differences from the forecast of pricing, but not volume, in respect of Transmission Administrator charges. The Board has dealt with the disposition of this deferral account on several occasions, most recently in Decision 2003-075,² where it approved amounts related to 2002, including costs relating to system settlement code development and implementation.

By letter dated December 19, 2003, the Board provided notice of the Application to interested parties on the Aquila 2002–2006 DT mailing list. The Board indicated that it would deal with the Application using a written proceeding, and established the following schedule:

¹ Decision 2001-37 – UtiliCorp Networks Canada (Alberta) Ltd., 2001 Distribution Tariff Application Part B: Phase I Distribution Tariff Revenue Requirement, Phase II Rate Design and Terms and Conditions of Service, dated May 16, 2001

² Decision 2003-075 – Aquila Networks Canada (Alberta) Ltd., 2002 Transmission Deferral Account, dated October 28, 2003

PROCESS STEP

Register as an Intervenor	January 9, 2004
Information Requests (if any)	January 9, 2004
Information Responses (if any)	January 16, 2004
Intervenor Evidence/Comments/Argument	January 23, 2004
Rebuttal/Reply	January 30, 2004

By letter dated January 22, 2004, Aquila filed an amendment to its Application. Aquila noted that on January 15, 2004, the Alberta government filed the *Distribution Tariff Amendment Regulation A.R. 6/2004* (The Disconnection Amendment Regulation), which requires a distribution utility to include in its terms and conditions a provision relating to the disconnection of a customer for non-payment of a bill. The regulation specifies the provision must be included in the terms and conditions “as soon as is reasonably possible, but not later than October 15, 2004.”

To avoid a further update to its T&Cs later this year, Aquila requested that this Application be amended to include the required disconnection provision. In addition, a customer identified an error in the final phrase of the Force Majeure definition included in Aquila’s T&Cs. Aquila requested that these items be included in the review process currently underway.

By letter dated January 23, 2004, the Board agreed with Aquila’s request to include the above noted amendments in the review process, and provided a process whereby intervenors could comment on the amendments.

The Board notes that the Alberta Association of Municipal Districts & Counties, the Alberta Federation of REA’s Ltd., the Alberta Irrigation Projects Association, the Consumers’ Coalition of Alberta and the Public Institutional Consumers of Alberta, all collectively referred to as the FIRM group, filed Information Requests and comments in this Application.

The Board panel assigned to this Application was R. G. Lock, P.Eng (Presiding Member), B. T. McManus, Q.C., and T. McGee. The Board considers that the record for this proceeding closed January 30, 2004.

2 UPDATES TO TERMS AND CONDITIONS, RATE 11 AND RIDER A-1 SCHEDULE

Aquila noted that in Decision 2003-019, concerning Aquila’s 2002/2003 Distribution Tariff, dated February 28, 2003, the Board stated:

With respect to the request by ANCA that it provide future required minor adjustments to its T&Cs by way of a filing to the Board, the Board considers this practice acceptable as long as ANCA confines such adjustments to minor items that arise out of matters such as changes in legislation or changes necessitated from changes to the SSC. The Board does not consider it appropriate for ANCA to make any policy type of changes to the T&Cs in this manner.³

³ Decision 2003-019, p. 169

Aquila maintains that this Application is in keeping with the Board's guidance. In particular, recent changes to the EUA and associated regulations, made it necessary to update the T&Cs with the proposed changes. In addition to the changes arising from the legislation, Aquila included other minor changes, to correct errors or clarify existing policy. One clarification related to the application of Rate 11 to multi-unit buildings. A summary of the updates and changes to the T&Cs, Rate 11 and Rider A-1 schedules are included in Appendix A.

Views of FIRM

FIRM had no objections to the proposed updates to the T&Cs, Rate 11 schedule and Rider A-1, and to the proposed changes to the definition of Force Majeure. FIRM also found acceptable the proposed amendments to the T&Cs to incorporate the requirements of the Disconnection Amendment Regulation.

Views of the Board

The Board has reviewed the proposed amendments to the T&Cs, Rate 11 and Rider A-1, including the proposed amendment to the definition of Force Majeure. It has also reviewed the proposed further amendment to the T&Cs to incorporate the requirements of the Disconnection Amendment Regulation. The Board notes that none of the intervenors opposed these changes and the Board considers the changes to be appropriate. Accordingly, the amendments are approved, and the updated versions of the T&Cs, Rate 11 and Rider A-1 are included in Appendix B.

3 AESO CHARGES DEFERRAL ACCOUNT

Aquila proposed an annual ACDA that would combine the transmission component of the approved Distribution Tariff and the associated transmission deferral account, thereby ensuring that all costs charged to Aquila by the AESO for transmission services are flowed-through to Aquila's customers. The ACDA would be the sum of:

- a new and expanded Transmission Deferral Account (TDA) to replace the existing transmission deferral account;
- a new Other AESO Charges Deferral Account (OAC),

each of which is described below.

3.1 The TDA

The TDA will contain the difference between "Total Transmission Revenues" and "Total Transmission Costs" incurred in relation to a calendar year. In comparison, Aquila's current transmission deferral account only captures price related differences on forecast volumes. Aquila noted that Total Transmission Revenues and Total Transmission Costs would consist of the following:

Total Transmission Revenues will consist of total transmission revenues collected under Aquila's Distribution Tariff for all distribution connected load, being: Rates 11, 21, 23, 24, 25, 26, 28, 29, 31, 33, 37, 38, 41, 43, 44, 45, 61, 63, 66 and 81, and;

Total Transmission Costs will consist of the net amount of all payments by Aquila to the AESO and all refunds from the AESO to Aquila in accordance with the AESO Tariff that relate to provision of transmission service to all Aquila distribution connected Points of Delivery (PODs). It will also include certain other transmission related costs and credits. Specifically, Total Transmission Costs will include:

1. Amounts settled in accordance with the AESO Tariff Rate Schedules in effect, including:
 - Demand Transmission Service
 - Demand Opportunity Service
 - Demand Under-frequency Load Shedding Credits
 - Rate Rider B – Working Capital Deficiency / Surplus Rider
 - Rate Rider C - Deferral Account Adjustment Rider
 - Any other applicable AESO rates, deferral amount dispositions or riders;
2. Option M - Distribution Connected Generation Credits paid by Aquila to generators connected to Aquila's distribution system representing the avoided cost of transmission at those PODs;
3. The net amount of all payments paid by Aquila to the AESO or refunded by the AESO to Aquila to arrange for new transmission facilities and system access service in accordance with the AESO Tariff or payments or refunds made in accordance with Board decisions, where the amounts cannot be directly assigned and flowed-through by Aquila to specific end-use customers including, but not limited to:
 - AESO Interconnection Application Fees
 - AESO Customer Contributions
 - security, cancellation or study costs associated with arranging transmission facilities and system access service from the AESO;
4. Amounts related to provision of Ancillary Services by Aquila to the AESO in accordance with the AESO Tariff (e.g. Import Load Remedial Action Scheme revenues).

3.2 The OAC

The OAC will consist of AESO charges to Aquila, including but not limited to those generally authorized under sections 20 and 21 of the EUA, and pertaining to the calendar year in question. The OAC is proposed in order to capture amounts that are not part of the EUB approved AESO Tariff, but which apply to Aquila, for example, system settlement code development costs charged to Aquila.

Aquila proposed to accumulate and deal with the ACDA in relation to activities or services provided or received on a calendar year basis. For this purpose, in respect of any particular calendar year, the ACDA should include those costs and revenues which relate to an activity occurring or service received or provided in that calendar year, where such costs and revenues are invoiced to, or received by, Aquila within a reasonable time frame following such activity, and in any event, within a reasonable time after the end of the calendar year in question. If an

invoice in respect of an activity or service is not received within a reasonable time following the end of the calendar year in which the activity occurred or service was received, Aquila proposed that the amount would be captured in the ACDA of the subsequent year.

Aquila also proposed to continue with its current practice of finalizing its ACDA and filing the related application with the Board once per year, within a reasonable time after the calendar year was over. Further, Aquila proposed that the deferral account balance for the year in question would be summed with any other outstanding balances or adjustments related to amounts from previous years, and may be refunded or collected from customers in the subsequent year, or carried forward for future disposition, as approved by the Board.

Views of FIRM

FIRM noted that the ACDA would flow-through to customers the total costs for AESO services, and would consist of a number of items, including transmission revenue and costs, other AESO charges, and system settlement code development costs.

FIRM also noted that the proposed ACDA was a major change from the existing transmission deferral account structure, as the deferral account was expanded to capture all AESO charges, not just those relating to the regulated transmission tariff. Further the proposed TDA differs from the prior 2001-2003 TDA methodology in that it captures 100% of the difference between transmission revenues and costs, rather than only the price-related difference on forecast volumes.

FIRM submitted that since all AESO charges were proposed to be captured in the deferral account, a detailed monthly accounting of all these charges needed to be kept in order to facilitate prudence reviews and allocation to rate classes in the annual deferral account proceeding. FIRM argued that this was important since other AESO charges can relate to non-transmission functions such as the power pool and load settlement functions.

FIRM considered that Aquila's proposal would shift risk to its distribution customers, given that Aquila originally only recognized the price-related difference on forecast volumes. Aquila was compensated for the risk associated with being incorrect with respect to the volume forecast through its approved capital structure. FIRM argued that this change in risk should be recognized through a reduction to the equity component of the capital structure, and noted that although the Generic Cost of Capital proceeding (Application No. 1271597) would address component risks for the distribution utilities, the proposed change in the structure of the deferral account was new and materially impacted the utility's risk and should be considered by the Board on a stand-alone basis.

FIRM stated that if the Board approved the flow-through treatment for all AESO costs, then customers should see a reduction in the forecast return to Aquila, all other things being equal. FIRM argued that it was appropriate to have Aquila's rates on an interim refundable basis coincide with any approval of the proposed deferral account.

Views of Aquila

Aquila noted the argument that its risk would be reduced due to the proposed change in the structure of the deferral account, and that if the Board approves the flow-through treatment for all AESO costs, then customers should see a reduction in the forecast return to Aquila.

Aquila considered that FIRM's proposal contradicts the position taken in the Generic Cost of Capital proceeding by the Consumer Group (CG), which included all members of the FIRM group. The CG proposed uniform common capital structure and uniform return for all the electric distribution companies, regardless of any deferral account differences and deferral account coverages that may exist among them. Further, the CG did not propose any distinctions in the level of return on equity or equity capital structure given that the different electric distribution companies have different proposals for deferral accounts dealing with charges from the AESO.

Aquila argued that according to the CG's evidence in the Generic Cost of Capital proceeding, Aquila's proposed AESO Deferral account structure should not bear on the outcome of the Generic Cost of Capital proceeding, and therefore should also not in any way have an impact on base rates.

Aquila submitted that the structure of the AESO Deferral account as proposed in this Application should be approved, and FIRM's suggestion that approval of the deferral account, as proposed, should lead to a reduced return and interim base rates is misplaced, and should be rejected.

Views of the Board

The Board notes FIRM's argument that risk to Aquila will be reduced if the proposed AESO Charges Deferral Account is approved, and that this change in risk should be recognized in the capital structure, and that customers should see a reduction in the forecast return to Aquila.

The Board agrees with FIRM, that the risk to Aquila might be reduced if the proposed AESO Charges deferral account were approved, given that it captures 100% of the difference between transmission revenues and costs, rather than just the price-related difference on forecast volumes. The Board notes that if it were to approve the ACDA, there is no information on this record as to the materiality of any change in risk that would occur or evidence on the appropriate adjustment if any to the capital structure. Further, the Board considers that it would not be appropriate to adjust the capital structure of Aquila based on this proceeding given that the issue of capital structure is currently being reviewed by the Board in the Generic Cost of Capital proceeding.

The Board notes Aquila raised the CG proposal from the Generic Cost of Capital proceeding, that there should be a uniform common capital structure and uniform return for all the electric distribution companies, regardless of any deferral account differences and deferral account coverage that may exist among them. While this argument does seem to suggest that it would be appropriate to approve the ACDA, the fact remains that the capital structure and return for Aquila has not been decided at this point in time.

The Board considers that without a determination on capital structure and rate of return, it would be premature to approve the ACDA. It is not known at present how the scope and breath of deferral account differences will factor into the determination of capital structure and/or rates of return for the several electric distribution utilities. In particular, it is not known at present how the deferral account evidence before the Board in the Generic Cost of Capital proceeding in relation to Aquila will be considered in the determination of an appropriate rate of return and capital structure for Aquila. In these circumstances, the Board believes that it should defer consideration of the ACDA until the Generic Cost of Capital decision is rendered. At that point, Aquila may file a new application in respect of the ACDA for further consideration by the

Board. In any such Application, Aquila should provide specific evidence with respect to any change in risk which may result from an approval of the ACDA and how, if at all, any such change should be reflected with a change to return or capital structure.

4 ORDER

IT IS HEREBY ORDERED THAT:

- (1) The updates to the Terms and Conditions of Service, Rate 11 and Rider A-1 schedule, which are attached as Appendix B are effective January 1, 2004.

Dated in Calgary, Alberta on April 13, 2004.

ALBERTA ENERGY AND UTILITIES BOARD

(original signed by)

R. G. Lock, P.Eng.
Presiding Member

(original signed by)

B. T. McManus, Q.C.
Member

(original signed by)

T. McGee
Member

APPENDIX A – SUMMARY OF CHANGES TO AQUILA TERMS AND CONDITIONS OF DISTRIBUTION TARIFF SERVICES, RATES, AND RIDERS



"2003-11-26 Aquila
2004 DT Update - Ch

(Consists of 6 pages)



"2004-01-22 Aquila
2004 DT Update - Ch

(Consists of 2 pages)

APPENDIX B – TERMS & CONDITIONS, RATE 11 AND RIDER A-1 SCHEDULE



"App B - Terms and
Conditions.doc"

(Consists of 61 pages)



"Rate 11 -
Aquila.doc"

(Consists of 1 page)



"Rider A-1
Aquila.doc"

(Consists of 4 pages)

**Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed November 26, 2003
Updated references to revised <i>Electric Utilities Act</i> and regulations as noted	<p>ARTICLE 1 – INTRODUCTION... The Terms and Conditions...are established pursuant to section 4 of the <i>Distribution Tariff Regulation</i>, A.R. 84/2000, as amended from time to time.</p>	<p>ARTICLE 1 – INTRODUCTION... The Terms and Conditions...are established pursuant to section 2 of the <i>Distribution Tariff Regulation</i>, A.R. 162/2003, as amended from time to time.</p>
	<p>2.4 Definitions</p> <p>“Act” means the <i>Electric Utilities Act</i>, R.S.A. 2000, c. E-5, as amended from time to time</p> <p>“Default Retailer” has the meaning attributed to it in section 11 of the RRR Regulation</p> <p>“Distribution Tariff” means a distribution tariff prepared by Aquila in accordance with the <i>Distribution Tariff Regulation</i> A.R. 84/2000, as amended from time to time</p> <p>“Distribution Tariff Services” means all services provided by Aquila in accordance with the <i>Distribution Tariff Regulation</i> A.R. 84/2000, as amended from time to time</p> <p>“Load Settlement Services” means those services carried out by Aquila as an owner of an Electric Distribution System, in accordance with section 7(1)(f) of the RRR Regulation and the Settlement System Code</p> <p>“Power Pool” means the scheme operated by the persons appointed under section 9(1)(b) and (c) of the Act for the dispatch and exchange of electric energy and financial settlement for the exchange of electric energy</p> <p>“RRR Regulation” means the <i>Roles, Relationships and Responsibilities Regulation</i> A.R. 86/2000 (consolidated up to 213/2002), as amended from time to time</p> <p>“Settlement System Code” means the specifications, standards, methods, calculations and conventions established under section 20 of the RRR Regulation that govern Load Settlement Services in respect of the delivery and exchange of electricity in Alberta</p> <p>“System Controller” means the person referred to in section 9(1)(c) of the Act</p>	<p>2.4 Definitions</p> <p>“Act” means the <i>Electric Utilities Act</i>, R.S.A. 2003, c. E-5.1, as amended from time to time</p> <p>“Default Supplier” has the meaning attributed to it in section 3 of the RRR Regulation</p> <p>“Distribution Tariff” means a distribution tariff prepared by Aquila in accordance with the <i>Distribution Tariff Regulation</i> A.R. 162/2003, as amended from time to time</p> <p>“Distribution Tariff Services” means all services provided by Aquila in accordance with the <i>Distribution Tariff Regulation</i> A.R. 162/2003, as amended from time to time</p> <p>“Load Settlement Services” means those services carried out by Aquila as an owner of an Electric Distribution System, in accordance with the Settlement System Code</p> <p>“Power Pool” means the scheme operated by the Independent System Operator under section 18 of the Act for exchange of electric energy and financial settlement for the exchange of electric energy</p> <p>“RRR Regulation” means the <i>Roles, Relationships and Responsibilities Regulation</i> A.R. 169/2003, as amended from time to time</p> <p>“Settlement System Code” means the standards for determining and communicating responsibility for the operation of an efficient, fair, and openly competitive electricity market in Alberta, as established by the Independent System Operator under section 20(1)(h) of the Act</p> <p><i>Deleted — see “Independent System Operator” (previously “Transmission Administrator”)</i></p>

**Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed November 26, 2003
	<p>“Transmission Administrator” is the person(s) appointed by the Lieutenant Governor in Council to act as the transmission administrator pursuant to the Act</p> <p>“Transmission Load Customer” means a Customer at a Transmission Connected Service who has not received a section 18 RRR Regulation release or an industrial system designation as noted in the Act</p> <p>4.1 Retailer Qualification for Distribution Tariff Services (d) warrant in writing to Aquila that it will comply with the guidelines established in the Settlement System Code and that it has been qualified by the Power Pool as a participant therein</p> <p>5.1 Wholesale Billing Only Aquila bills the Retailer of Record the amounts payable for Distribution Tariff Services in accordance with the Terms and Conditions and the <i>Billing Regulation</i>, A.R. 290/99 (consolidated up to 40/2001), as amended from time to time....</p> <p>6.8 Section 18 Release In accordance with section 18 of the RRR Regulation, Transmission Connected Customers may request the right to contract for System Access Service directly with the Independent System Operator....</p> <p>10.5 New Facilities and Distribution Access Service Additions Aquila 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 <i>Billing Regulation</i>, A.R. 290/99 (consolidated up to 40/2001), as amended from time to time.</p>	<p>“Independent System Operator” is the corporation established by section 7 of the Act to carry out the duties of section 17 of the Act</p> <p>“Transmission Load Customer” means a Customer at a Transmission Connected Service who has not received a section 40 industrial system designation or a section 101(2) release as noted in the Act</p> <p>4.1 Retailer Qualification for Distribution Tariff Services (d) warrant in writing to Aquila that it will comply with the guidelines established in the Settlement System Code and that it has been registered by the Independent System Operator as a participant in the Power Pool</p> <p>5.1 Wholesale Billing Only Aquila bills the Retailer of Record the amounts payable for Distribution Tariff Services in accordance with the Terms and Conditions and the <i>Billing Regulation</i>, A.R. 159/2003, as amended from time to time....</p> <p>6.8 Section 101(2) Release In accordance with section 101(2) of the Act, Transmission Connected Customers may request the right to contract for System Access Service directly with the Independent System Operator....</p> <p>10.5 New Facilities and Distribution Access Service Additions Aquila 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 <i>Billing Regulation</i>, A.R. 159/2003, as amended from time to time.</p>
Error in Distribution Customer Exit Charge wording	<p>3.10 Disconnection and Permanent Termination of Service by Customer (d) plus, for Customers on Rate 63, the Contract Kilometres (specified in the contract or in the contract amendment notification) multiplied by the corresponding maximum Company Investment Level....</p>	<p>3.10 Disconnection and Permanent Termination of Service by Customer (d) plus, for Customers on Rate 63, the metres of Customer extension (specified in the contract or in the contract amendment notification) multiplied by the corresponding maximum Company Investment Level....</p>

**Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed November 26, 2003														
Update to current version of Aquila's Harmonic Specification	<p>3.13.7 Protection of Facilities</p> <p>(b) exceed harmonic interference levels set out in Aquila's June 14, 2001 "Harmonic Specification for Harmonic Producing Customers Connected to Aquila's Electric Distribution System"</p>	<p>3.13.7 Protection of Facilities</p> <p>(b) exceed harmonic interference levels set out in Aquila's current "Harmonic Specification for Harmonic Producing Customers Connected to Aquila's Electric Distribution System"</p>														
<p>Compliance with revised <i>Distribution Tariff Regulation</i> A.R. 162/2003</p> <p><i>The Dominion Bond Rating Service rates Aquila's debt and is the more frequently used credit rating agency, and has therefore been substituted for the Canadian Bond Rating Service.</i></p>	<p>4.2 Credit Requirements</p> <p>4.2.1 General All Retailers must submit and maintain security, in a form acceptable to Aquila, and consisting of any one of, or a combination of:</p> <p>(a) an irrevocable bank guarantee; (b) an irrevocable letter of credit; (c) a cash deposit in the name of Aquila at a Canadian chartered bank, trust company, credit union, or other lending institute acceptable to Aquila; or (d) a guarantee of a parent company with a credit rating of at least BBB from the Canadian Bond Rating Service (or any successor corporation) or equivalent rating from a major reputable bond rating service satisfactory to Aquila (in any event such guarantee to be equivalent to the amount below). A parental guarantee will not exceed the guidelines attached. Should the 75-day forecast value exceed the guideline for credit rating, additional security consisting of one or a combination of (a) (b) and or (c) above is required to ensure the entire 75-day forecast value.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Rating</th> <th style="text-align: center;">Credit Limit</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">< BBB</td> <td style="text-align: center;">\$0</td> </tr> <tr> <td style="text-align: center;">BBB</td> <td style="text-align: center;">\$10 M</td> </tr> <tr> <td style="text-align: center;">A</td> <td style="text-align: center;">\$15 M</td> </tr> <tr> <td style="text-align: center;">AA</td> <td style="text-align: center;">\$20 M</td> </tr> <tr> <td style="text-align: center;">AAA</td> <td style="text-align: center;">\$30 M</td> </tr> </tbody> </table> <p>All such security must be in an amount equal to a credit limit calculated as the value. forecast by Aquila. of the Retailer's</p>	Rating	Credit Limit	< BBB	\$0	BBB	\$10 M	A	\$15 M	AA	\$20 M	AAA	\$30 M	<p>4.2 Credit Requirements Retailers must satisfy the following security requirements in accordance with sections 8 through 12 of the <i>Distribution Tariff Regulation</i> A.R. 162/2003.</p> <p>4.2.1 General</p> <p>(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 Aquila's Distribution Tariff over a 60-day period. (b) The security must be submitted and maintained in a form acceptable to Aquila, consisting of any one of, or a combination of:</p> <ol style="list-style-type: none"> i. a cash deposit or bond in the name of Aquila at a Canadian chartered bank, trust company, credit union, or other financial institution acceptable to Aquila; 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 Aquila. <p>(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 Aquila, in the following amounts:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Rating (or Lowest Rating)</th> <th style="text-align: center;">Security Reduction</th> </tr> </thead> <tbody> </tbody> </table>	Rating (or Lowest Rating)	Security Reduction
Rating	Credit Limit															
< BBB	\$0															
BBB	\$10 M															
A	\$15 M															
AA	\$20 M															
AAA	\$30 M															
Rating (or Lowest Rating)	Security Reduction															

**Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed November 26, 2003										
	<p>payments under Aquila’s Distribution Tariff over a 75-day period. All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer.</p> <p>4.2.2 Additional Security When the credit limit, re-calculated as the value, forecast by Aquila, of the Retailer’s payments under Aquila’s Distribution Tariff for the next 75 days, exceeds the security provided to date, upon 5 Business Days notice by Aquila, the Retailer shall either: (a) pay Aquila in advance the amount by which the credit limit now exceeds the security, or (b) provide additional security to Aquila in accordance with section 4.2.1 above to a total equal to the new credit limit. If Aquila, acting reasonably, determines that it is not secured for the financial obligation of the Retailer, Aquila may, upon 5 Business Days notice, cease to provide additional Distribution Tariff Services hereunder to that Retailer until the Retailer provides Aquila with adequate security.</p>	<table data-bbox="1386 324 1848 479"> <tr> <td>less than BBB–</td> <td>\$0</td> </tr> <tr> <td>BBB– to BBB+</td> <td>\$10 000 000</td> </tr> <tr> <td>A– to A+</td> <td>\$15 000 000</td> </tr> <tr> <td>AA– to AA+</td> <td>\$20 000 000</td> </tr> <tr> <td>AAA– or higher</td> <td>\$25 000 000</td> </tr> </table> <p>(d) A guarantee or guarantees provided under (b): i. from a person other than the Retailer may not exceed the amount of the security reduction that would arise under (c) if the Retailer had the same credit rating as the person providing the guarantee, and ii. from two or more persons other than the Retailer may not exceed in total the amount of the largest single security reduction that would arise under (c) if the Retailer had the highest rating of any of the persons providing the guarantees.</p> <p>All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer.</p> <p>4.2.2 Additional Security When the Retailer’s actual outstanding charges under Aquila’s Distribution Tariff materially exceed the value projected by the Retailer under section 4.2.1 above, upon 5 Business Days notice by Aquila, the Retailer shall either: (a) pay Aquila in advance the amount by which the actual outstanding charges now exceed the projected value, or (b) provide additional security to Aquila in accordance with section 4.2.1 above to a total equal to the actual outstanding charges. If Aquila, acting reasonably, determines that it is not secured in accordance with this clause for the financial obligation of the Retailer, Aquila may, upon 5 Business Days notice, cease to provide additional Distribution Tariff Services hereunder to that Retailer until the Retailer provides Aquila with adequate security.</p>	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
less than BBB–	\$0											
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AA– to AA+	\$20 000 000											
AAA– or higher	\$25 000 000											
<p>Compliance with <i>Regulated Default Supply Regulation</i> A.R. 168/2003</p>	<p>4.9.6 Adjustments for Faulty Metering Notwithstanding the section “Adjustment of Bills in Event of Billing Error”, in any of the above noted cases Aquila may make adjustments for the lesser of the period of the error or one year.</p>	<p>4.9.6 Adjustments for Faulty Metering In accordance with Section 9 of the <i>Regulated Default Supply Regulation</i> A.R. 168/2003 and notwithstanding the section “Adjustment of Bills in Event of Billing Error”. in any of the</p>										

**Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed November 26, 2003
	<p>5.9 Adjustment of Bills in Event of Billing Error Where Aquila overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, Aquila 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....</p>	<p>above noted cases Aquila may make adjustments for the lesser of the period of the error or one year.</p> <p>5.9 Adjustment of Bills in Event of Billing Error Where Aquila overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, Aquila 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 Section 9 of the <i>Regulated Default Supply Regulation</i> A.R. 168/2003 and the following procedures....</p>
<p>Inclusion of prorating formula for irrigation services in consumption period description</p>	<p>5.4 Consumption Period For each Customer, basic monthly and capacity charges are prorated over the consumption period using the following formulas: (a) $\text{basic monthly charge} \times \text{days in consumption period} \div 365$ (b) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \div 365$</p>	<p>5.4 Consumption Period For each Customer, basic monthly and capacity charges are prorated over the consumption period using the following formulas: (a) $\text{basic monthly charge} \times \text{days in consumption period} \div 365$ (b) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \div 365$ (c) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \div 214$, for irrigation service consumption from April 1 to October 31</p>
<p>Clarification of After Hours Reconnection fee</p>	<p style="text-align: center;">APPENDIX A – FEE SCHEDULE</p> <p>11. After Hour Reconnection This will be charged to the Retailer when the Customer needs a connection outside regular business hours, weekdays 8:00 – 4:00. Aquila will, time permitting, do reconnects between 4:00 and 10:00 pm at overtime rates.</p>	<p style="text-align: center;">APPENDIX A – FEE SCHEDULE</p> <p>11. After Hours Reconnection This will be charged to the Retailer when the Customer’s service is connected outside regular business hours, weekdays 8:00 – 4:00. Aquila will, time permitting, do reconnects between 4:00 and 10:00 pm at overtime rates.</p>

Aquila Terms and Conditions of Distribution Tariff Services, Rates, and Riders
Summary of Changes

Reason for Change	Existing Rates and Riders Effective August 1, 2003	Proposed Rates and Riders Filed November 26, 2003												
Clarification of application guidelines for Rate 11	<p style="text-align: center;">RATE 11 RESIDENTIAL SERVICE</p> <p>In addition to single family dwellings, Rate 11 is also available to...</p> <p>4. multi-unit residential buildings which are served through a single meter and which are currently billed on a residential rate;</p> <p>5. senior citizen apartment complexes served through a single meter...</p> <p>In cases 4, 5 and 6 (multi-residential), Aquila charges for all units, occupied or not.</p>	<p style="text-align: center;">RATE 11 RESIDENTIAL SERVICE</p> <p>In addition to single family dwellings, Rate 11 is also available to...</p> <p>4. existing multi-unit residential buildings which are currently served through a single meter and billed on a residential rate;</p> <p>5. senior citizen apartment complexes served through a single meter...</p> <p>In cases 4, 5 and 6 (multi-residential), Aquila charges for all units, occupied or not.</p> <p>Except for cases 4 and 5, all multi-unit residential buildings (including apartment and condominium buildings) must have individual dwelling units separately metered and billed on Residential Rate 11, with common use areas such as hallway, lobby, and laundry room lighting metered and billed on Small General Service Rate 41.</p>												
Taxation authority number change	<p>RIDER A-1 MUNICIPAL ASSESSMENT RIDER</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Number</td> <td style="text-align: center;">Name</td> <td style="text-align: center;">Rider</td> </tr> <tr> <td>08 0302</td> <td>Strathcona, County of</td> <td>1.89%</td> </tr> </table>	Number	Name	Rider	08 0302	Strathcona, County of	1.89%	<p>RIDER A-1 MUNICIPAL ASSESSMENT RIDER</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Number</td> <td style="text-align: center;">Name</td> <td style="text-align: center;">Rider</td> </tr> <tr> <td>09 0302</td> <td>Strathcona County, Special Municipality of</td> <td>1.89%</td> </tr> </table>	Number	Name	Rider	09 0302	Strathcona County, Special Municipality of	1.89%
Number	Name	Rider												
08 0302	Strathcona, County of	1.89%												
Number	Name	Rider												
09 0302	Strathcona County, Special Municipality of	1.89%												

Aquila Terms and Conditions of Distribution Tariff Services
Summary of Changes

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed January 22, 2004
Error in Force Majeure definition wording (change emphasized in last phrase)	<p>2.4 Definitions</p> <p>“Force Majeure” means circumstances not reasonably within the control of Aquila, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the 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, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise <i>which, except for lack of funds, shall not be considered</i> an event of Force Majeure</p>	<p>2.4 Definitions</p> <p>“Force Majeure” means circumstances not reasonably within the control of Aquila, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the 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, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise, <i>except for lack of funds which shall not be considered</i> an event of Force Majeure</p>
Compliance with <i>Distribution Tariff Amendment Regulation</i> A.R. 6/2004	<p>3.16.2 Disconnection With Notice</p> <p>Aquila may withhold connection or may disconnect a Customer’s Service Connection (without prejudice to any of Aquila’s other remedies) after providing 48 hours advance notice to the Customer, as applicable, in the following circumstances:</p> <p>(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);</p> <p>(b) as required by law;</p> <p>(c) if the Customer is in violation of any of the Terms and Conditions or any of the terms of an Electric Services Agreement with Aquila;</p> <p>(d) any other similar circumstances to those described above that Aquila determines, in its sole discretion, acting reasonably.</p>	<p>3.16.2 Disconnection With Notice</p> <p>Aquila may withhold connection or may disconnect a Customer’s Service Connection (without prejudice to any of Aquila’s other remedies) after providing 48 hours advance notice to the Customer, as applicable, in the following circumstances:</p> <p>(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 Aquila will not disconnect a residential or farm service Customer:</p> <p>i. at any time during the period from October 15 to April 15, or</p> <p>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;</p> <p>(b) as required by law;</p> <p>(c) if the Customer is in violation of any of the Terms and Conditions or any of the terms of an Electric Services Agreement with Aquila;</p> <p>(d) any other similar circumstances to those described above that Aquila determines, in its sole discretion, acting reasonably.</p>

**Aquila Terms and Conditions of Distribution Tariff Services
 Summary of Changes**

Reason for Change	Existing Terms and Conditions Effective August 1, 2003	Proposed Terms and Conditions Filed January 22, 2004
	<p>require the withholding or disconnecting of service upon 48 hours notice. Aquila also reserves the right to install a current-limiting device to restrict the capability of the Distribution Tariff Services.</p>	<p>require the withholding or disconnecting of service upon 48 hours notice. Aquila also reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer.</p>
	<p>4.13 Discontinuance of Distribution Tariff Services by De-energization (d) Aquila will not process a De-energization if Aquila, acting reasonably, believes De-energization would cause any actual or threatened danger to life or property; and (e) at the request of the Retailer or the Customer, Aquila will leave all of its Facilities in place after the Point of Delivery has been de-energized if the Retailer or Customer, as applicable, agrees to continue to pay the Minimum Charge.</p>	<p>4.13 Discontinuance of Distribution Tariff Services by De-energization (d) Aquila will not process a De-energization if Aquila, acting reasonably, believes De-energization would cause any actual or threatened danger to life or property; (e) Aquila 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, although Aquila reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer; and (f) at the request of the Retailer or the Customer, Aquila will leave all of its Facilities in place after the Point of Delivery has been de-energized if the Retailer or Customer, as applicable, agrees to continue to pay the Minimum Charge.</p>

APPENDIX B

AQUILA NETWORKS CANADA (ALBERTA) LTD.

TERMS & CONDITIONS

TABLE OF CONTENTS	Page No.
ARTICLE 1 – INTRODUCTION TO TERMS AND CONDITIONS OF DISTRIBUTION TARIFF SERVICES.....	1
ARTICLE 2 – INTERPRETATION.....	1
2.1 Conflicts.....	1
2.2 Headings.....	1
2.3 Extended Meanings.....	2
2.4 Definitions.....	2
ARTICLE 3 – PROVISIONS RELATING TO SERVICE CONNECTIONS.....	8
3.1 Interpretation.....	8
3.2 Application for Service Connection.....	8
3.3 Inability to Supply a New Service Connection.....	8
3.4 Facilities Provided by the Customer.....	9
3.5 Facilities Provided by Aquila.....	9
3.6 Meters.....	9
3.7 Customer Contracts.....	10
3.8 Customer Contributions.....	11
3.9 Changes to Service Peak Demand Requirements.....	14
3.10 Disconnection and Permanent Termination of Service by Customer.....	17
3.11 Temporary Service Connection.....	17
3.12 Approvals.....	18
3.13 Other Customer Responsibilities.....	18
3.14 Unauthorized Use or Unsafe Conditions.....	20
3.15 Right to Enter the Customer’s Property.....	21
3.16 Right to Disconnect the Customer’s Service Connection.....	21
3.17 Reconnection Following Disconnection by Aquila of Customer’s Service Connection.....	23
3.18 Removal of Facilities upon Disconnection of Service.....	23
ARTICLE 4 – PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES (OTHER THAN SERVICE CONNECTIONS).....	23
4.1 Retailer Qualification for Distribution Tariff Services.....	23
4.2 Credit Requirements.....	24
4.3 Application for Enrolment of Customers of the Retailer.....	26
4.4 Retailer Authorization.....	27
4.5 Retailer Arrangements with Customers.....	27
4.6 Single Retailer for Customer.....	27
4.7 Retailer Identification Number.....	27
4.8 De-enrolment as Retailer.....	27
4.9 Metering.....	28
4.10 Settlements.....	30
4.11 Exchange of Information.....	30
4.12 Discontinuance of Distribution Tariff Services at Request of Customer or Retailer.....	31

TABLE OF CONTENTS	Page No.
4.13 Discontinuance of Distribution Tariff Services by De-energization	31
ARTICLE 5 – BILLING.....	32
5.1 Wholesale Billing Only.....	32
5.2 Determination of Applicable Rates.....	32
5.3 Minimum Charges	32
5.4 Consumption Period.....	32
5.5 Billing Period.....	33
5.6 Billing Information	33
5.7 Payment of Account.....	33
5.8 Late Payment	34
5.9 Adjustment of Bills in Event of Billing Error.....	34
5.10 Billing the Customer	34
ARTICLE 6 – SPECIFIC PROVISIONS RELATING TO TRANSMISSION CONNECTED SERVICES	35
6.1 General.....	35
6.2 System Access Service	35
6.3 Metering.....	36
6.4 Billing	36
6.5 Customer Contributions.....	36
6.6 Changes to System Access Service.....	36
6.7 Transmission Related Exit Costs	36
6.8 Section 101(2) Release	37
ARTICLE 7 – SPECIFIC PROVISIONS RELATING TO DISTRIBUTION CONNECTED GENERATORS	37
7.1 General.....	37
7.2 Interconnection	37
7.3 Continuity, Interruption or Disconnection of Service.....	38
7.4 Approvals.....	38
7.5 Metering.....	39
7.6 DG Customer Charges/Credits	40
7.7 Protective Devices and Liability.....	41
7.8 Service Calls	42
7.9 Exchange of Information	42
ARTICLE 8 – LIABILITY AND INDEMNITY.....	42
8.1 Aquila Liability.....	42
8.2 Responsible Party Liability.....	43
8.3 Force Majeure	45
8.4 Notice.....	45
8.5 Obligation to Remedy.....	45
8.6 Strikes and Lockouts.....	46

TABLE OF CONTENTS	Page No.
ARTICLE 9 – ARBITRATION.....	46
9.1 Resolution by Aquila and Responsible Party.....	46
9.2 Resolution by Arbitration	46
9.3 Arbitrators.....	46
9.4 Refusal to Appoint an Arbitrator	46
9.5 Failure to Appoint a Third Arbitrator	47
9.6 Technical Competence.....	47
9.7 Compensation of Arbitrators.....	47
9.8 Application of the <i>Arbitration Act</i> (Alberta)	47
9.9 Decisions Binding.....	47
9.10 Continuity of Distribution Tariff Services.....	47
ARTICLE 10 – ADDITIONAL PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES.....	48
10.1 Ownership of Facilities.....	48
10.2 Proper Use of Services.....	48
10.3 Distribution Tariff Services Obtained from Retailer	48
10.4 Responsibility of Retailer for Electricity Purchases.....	48
10.5 New Facilities and Distribution Access Service Additions	49
10.6 Distribution Access Services Interruption	49
10.7 Independent System Operator or Transmission Facility Owner Requirements.....	49
10.8 Compliance with Applicable Legal Authorities	49
10.9 Requirement to Enter into New Contracts.....	50
10.10 No Assignment.....	50
10.11 No Waiver.....	50
10.12 Law	50
10.13 Notice.....	50
APPENDIX A – FEE SCHEDULE.....	52
APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES	54

Effective January 1, 2004

Page 1

Capitalized terms used in the Terms and Conditions of Distribution Tariff Services, as may be amended from time to time, (the “Terms and Conditions”) and not otherwise defined in the context in which they are used, have the meaning ascribed thereto under section 2.4 “Definitions”.

ARTICLE 1 – INTRODUCTION TO TERMS AND CONDITIONS OF DISTRIBUTION TARIFF SERVICES

The Terms and Conditions, as approved by the Board form part of the Distribution Tariff and are established pursuant to section 2 of the *Distribution Tariff Regulation*, A.R. 162/2003, as amended from time to time. The Distribution Tariff is available upon request to Aquila and can be accessed on Aquila’s website at: www.aquilanetworks.ca/retailers/documentation.htm.

The Terms and Conditions apply to Aquila and its relationship with Distribution Load Customers, Transmission Load Customers, DG Customers and Retailers (together, the “Responsible Parties”). All Responsible Parties by virtue of their relationship with Aquila are deemed to have accepted these Terms and Conditions.

The services provided by Aquila hereunder are regulated by the Board, and parties having any inquiries or complaints regarding the Terms and Conditions may direct such inquiries or complaints directly to Aquila or to the Board.

No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board. Whenever the Board approves an amendment to the Terms and Conditions, such amendment, including its effective date, will be posted on Aquila’s website at www.aquilanetworks.ca/retailers/documentation.htm.

ARTICLE 2 – INTERPRETATION

2.1 Conflicts

If there is any conflict between a provision expressly set out in an order of the Board (the “Order”) and the Terms and Conditions, the Order shall govern.

If there is any conflict between a provision in the Terms and Conditions and a provision in a Retail Service Agreement, Electric Service Agreement or any other existing or future agreement between Aquila and a Responsible Party relating to the provision of a Service Connection or Distribution Tariff Services, the provision in the Terms and Conditions shall govern.

2.2 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. The Terms and Conditions have

Effective January 1, 2004

Page 2

attached hereto Appendices A and B, which Appendices are incorporated by reference herein. The Appendices should be read in their entirety. The Terms and Conditions reference in most but not all circumstances where an Appendix should be consulted for more information.

2.3 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 persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

2.4 Definitions

The following words and phrases, whenever used in these Terms and Conditions unless the context otherwise specifies, shall have the meanings set forth below:

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

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

“**Aquila Standard Service**” means the least cost distribution Facilities alternative which meets the obligations of good electric practice and factors in safety and clearance concerns (typically overhead service is provided);

“**Board**” means the Alberta Energy and Utilities Board established pursuant to the *Alberta Energy and Utilities Board Act*, R.S.A. 2000, c. A-17, as amended from time to time;

“**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in the Province of Alberta and encompassing the hours between 8:00 a.m. and 4:00 p.m. Mountain Standard time; and “**day**” means any calendar day;

“**Buy-Down Charge**” has the meaning ascribed herein under the section “Changes to Service Peak Demand Requirements”;

“**Commitment Agreement**” means the written agreement that may be required at Aquila’s sole discretion between the Distribution Load Customer or Transmission Load Customer and Aquila whereby such Customer both authorizes the design and construction of new or expanded Facilities and agrees to pay all cancellation costs if the project is cancelled or if the Customer fails to sign an Electric Service Agreement prior to the energization of the new or expanded Facilities;

“**Company Investment**” is as defined herein under the section “Customer Contributions”;

“**Company Transmission Costs**” is as defined herein under the section “Customer Contributions”;

Effective January 1, 2004

Page 3

“Contract Kilometres” means the length of distribution line measured in kilometres from the Point of Service to the transmission Point of Delivery, as determined by Aquila for Customers on Rates 63 and 81 of the Rate Sheets;

“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” means a person purchasing electricity for that person’s own use;

“Customer Contribution” is as determined herein in accordance with the section “Customer Contributions”;

“Customer Extension Costs” is as defined herein under the section “Customer Contributions”;

“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 Shared Costs” is as defined herein under the section “Customer Contributions”;

“Customer Transmission Contributions” has the meaning attributed herein under the section “Customer Contributions”;

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

“De-energization” has the meaning attributed to it in the Settlement System Code;

“Default Supplier” has the meaning attributed to it in section 3 of the RRR Regulation;

“Disconnection” means the cessation of Electricity Services resulting from removal of Facilities;

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

“Distribution Access Service” has the meaning attributed thereto in the Act;

“Distribution Connected Generating Customer” or **“DG Customer”** means a Customer that has on-site generating facilities that are interconnected and operating in parallel with the Electric Distribution System;

“Distribution Contract Exit Charge” is as defined herein under the section “Disconnection and Permanent Termination of Service by Customer”;

Effective January 1, 2004

Page 4

“Distribution Load Customer” means a Customer interconnected to Aquila’s Electric Distribution System for the purpose of purchasing electricity for that person’s own use;

“Distribution Tariff” means a distribution tariff prepared by Aquila in accordance with the *Distribution Tariff Regulation* A.R. 162/2003, as amended from time to time;

“Distribution Tariff Services” means all services provided by Aquila in accordance with the *Distribution Tariff Regulation* A.R. 162/2003, as amended from time to time;

“Electric Distribution System” has the meaning attributed thereto in the Act;

“Electric Service Agreement” means an agreement between Aquila and a Customer for the provision of Distribution Access Service and/or System Access Service;

“Electricity Services” means the services associated with the provision of electricity to Customers, including the exchange of electricity through the Power Pool, making arrangements to manage financial risk associated with pool price, arranging with the distribution company for Distribution Access Service, System Access Service and system support services, end-use Customer billing maintaining information systems, and any other services specified in and provided in accordance with the Regulations;

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

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

“Force Majeure” means circumstances not reasonably within the control of Aquila, including, but not limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the 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, 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;

“Independent System Operator” is the corporation established by section 7 of the Act to carry out the duties of section 17 of the Act;

“Interconnection Agreement” means an agreement entered between Aquila and a DG Customer that sets out the provisions and obligations of the parties with respect to the

Effective January 1, 2004

Page 5

interconnection, including the Operating Procedures. Interconnection Agreements are required when any generator interconnects to the Electric Distribution System;

“Interconnection Facilities” for DG Customers means all incremental distribution Facilities required to interconnect the circuits of the DG customer’s generating Facilities to Aquila’s facilities, and all modifications to Aquila distribution Facilities required for interconnection which may include, without limitation, poles, lines, substations, service leads, and protective and metering equipment, but which shall not include Transmission Facilities;

“Interconnection Facilities Costs” are the capital costs of the DG Customer’s Interconnection Facilities;

“Investment Level” means the total investment in dollars that Aquila is permitted to make toward the construction of a new distribution service or additional service requirements at an existing Service Connection, which total investment available is determined by the expected service life of the Facilities as well as the Expected Peak Demand and shall be in accordance with the investment table as stated in Appendix B attached hereto, and such total distribution investment available shall not exceed the actual cost of constructing the distribution Facilities;

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

“kW” means kilowatt or kilowatts;

“kWh” means kilowatt hour or kilowatt hours;

“Load” means energy consumed by Customers together with allocated losses and other unaccounted for energy;

“Load Settlement Services” means those services carried out by Aquila 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 Aquila 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 180% of the Minimum Demand;

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

“Minimum Charge” means the higher of the rate minimum and the rate applied to the contract Minimum Demand;

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

Effective January 1, 2004

Page 6

“Operating Demand” means the value calculated as the average of the highest seven of the last twelve 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 both the DG Customer’s facilities and Aquila’s facilities relating to the interconnection, which may be revised from time to time by Aquila upon written notice to the DG Customer;

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

“Point of Delivery” means the point at which the electric energy is transferred from the Transmission Facilities to either Aquila’s distribution Facilities or a Transmission Load Customer Point of Service;

“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 Aquila’s distribution Facilities;

“Point of Service” means the point at which the wires or apparatus of a Customer are connected to the conductors of an electric utility;

“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 section 18 of the Act for exchange of electric energy and financial settlement for the exchange of electric energy;

“Prepaid Line Share” has the meaning ascribed herein under the section “Customer Contributions”;

“Rate Sheet” means that portion of Aquila’s Distribution Tariff which sets out charges;

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

“Responsible Parties” means all Retailers, Transmission Load Customers, Distribution Load Customers and DG Customers;

“Retail Service Agreement” means an agreement between Aquila and a Retailer for the provision of the applicable Distribution Tariff Services;

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

Effective January 1, 2004

Page 7

“Retailer Identification” means the 10-digit number that uniquely represents each Retailer operating within Alberta (the Canada Customs and Revenue Agency business number will be used as the Retailer Identification);

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

“RRR Regulation” means the *Roles, Relationships and Responsibilities Regulation A.R. 169/2003*, as amended from time to time;

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

“Settlement System Code” means the standards for determining and communicating responsibility for the operation of an efficient, fair, and openly competitive electricity market in Alberta, as established by the Independent System Operator under section 20(1)(h) of the Act;

“Subdivision Developers” means the registered owner or corporation or its duly appointed representative developing the land on which the electrical system is being installed;

“System Access Service” has the meaning given to it in the Act;

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

“Transmission Connected Service” means a Point of Service:

- (a) that is served at a transmission voltage level and is not interconnected to the Aquila Electric Distribution System; and
- (b) for which Aquila 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 to it in the Act;

“Transmission Facility Owner” has the meaning given to it in the Act;

“Transmission Load Customer” means a Customer at a Transmission Connected Service who has not received a section 40 industrial system designation or a section 101(2) release as noted in the Act;

“Transmission System” has the meaning given to it in the Act; and

Effective January 1, 2004

Page 8

“Underground Residential Development Agreement” means the agreement between Aquila and the Subdivision Developer by which the underground electrical distribution facilities are to be installed on the lands to provide Service Connections to each proposed lot and the common area within the lands.

ARTICLE 3 – PROVISIONS RELATING TO SERVICE CONNECTIONS

3.1 Interpretation

For the purposes of this Article 3, all references to “Customer” are to be interpreted as “Distribution Load Customer”.

3.2 Application for Service Connection

A Customer or a Retailer or any other person acting on behalf of the Customer may apply for a Service Connection to permit the Customer to obtain Electricity Services that will allow for the supply of energy at a nominal 60-Hertz alternating current and at an agreed standard voltage level.

If a Retailer or any other person acting on behalf of a Customer applies for a Service Connection on behalf of the Customer, the Retailer or other person must provide Aquila with a verifiable authorization from the Customer to make the application on its behalf. The Customer authorization will include the Customer’s name and an explicit expression of the Customer’s intention to obtain the Service Connection.

3.3 Inability to Supply a New Service Connection

Aquila may, in its sole discretion, reject any applicant’s request for a Service Connection when:

- (a) the type of Service Connection applied for is not available or normally provided by Aquila in the locality where the Service Connection is requested and the Customer has not agreed to pay the incremental cost of the service requested;
- (b) Aquila is aware that the applicant or the Customer does not have currently in force all permits or other authorizations that may be required for the installation of the Service Connection;
- (c) Aquila 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 Aquila;
- (d) the Customer has not, when requested by Aquila to do so, provided a signed written application for a Service Connection or a signed Electric Service Agreement;

Effective January 1, 2004

Page 9

- (e) any representation made by the applicant or the Customer to Aquila for the purpose of obtaining a Service Connection is, in Aquila's sole opinion, fraudulent, untruthful or misleading; or
- (f) Customer's facilities or use thereof, in Aquila's opinion, have unusual characteristics that might adversely affect the quality of service supplied to other Customers, public safety, or the safety of Aquila's personnel.

3.4 Facilities Provided by the Customer

The Customer provides and is responsible for all wiring and electrical equipment on the Customer's side of the meter, including a suitable service entrance and meter socket or enclosure. For underground installations, the Customer provides and is responsible for the underground conduit and underground service leads. If requested by the Customer, Aquila will install the underground conduit and underground service leads and the Customer will reimburse Aquila for the installation costs.

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 Safety Codes Act of Alberta. For safety reasons, Aquila has the right, but not the obligation, to inspect the Customer's wiring. Inspection by Aquila does not relieve the Customer from any responsibility with respect to the Customer's wiring or electrical equipment.

3.5 Facilities Provided by Aquila

Aquila installs, owns and maintains all of the distribution Facilities required to supply electricity up to the Point of Service. Each Point of Service is billed as a separate service. Aquila arranges with the Independent System Operator for all Transmission Facilities required for Customer requirements. Aquila is obligated only to provide Facilities that can deliver up to the Maximum Supply capacity.

Aquila 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.

3.6 Meters

Aquila shall provide, install and seal meters for the purpose of measuring the electricity delivered to a Distribution Load Customer by way of a Service Connection. The meters used to measure the amount of electricity consumed by the Distribution Load Customer are approved by Measurement Canada, and will be energy meters, or energy and demand measurement equipment with either thermal response, block response or sliding block response.

Electricity supplied to the Customer by the Retailer will be metered by metering equipment owned and maintained by Aquila, which will be installed at a location designated by Aquila,

Effective January 1, 2004

Page 10

normally at the Point of Service. 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 Electric Code and any other applicable statutes, regulations, standards and codes.

Aquila may, at any reasonable time, read, inspect, remove and test a meter installed on property owned or controlled by the Customer. Aquila may, at any time, change any meter it installed.

Aquila installs interval energy recorders on all Points of Service with expected Operating Demands of 500 kW or greater. Interval energy recorders are available to three-phase Customers with expected demands of less than 500 kW for a metering charge (see Appendix A attached hereto), plus the cost of installation.

3.7 Customer Contracts

3.7.1 Term of Electric Service Agreement

Customers connected or connecting to the Aquila Electric Distribution System are required to make contract arrangements with Aquila, on the following basis:

- (a) Customers with Expected Peak Demand under 75 kW are not generally required to sign a contract with Aquila. However, if the actual Operating Demand significantly differs from the Expected Peak Demand, Aquila reserves the right to require an Electric Service Agreement.
- (b) Customers with Expected Peak Demand between 75 kW and 2000 kW are required to sign an Electric Service Agreement with an initial three-year term.
- (c) Customers with Expected Peak Demand greater than 2000 kW are required to sign an Electric Service Agreement with an initial term based on the number of years used to calculate the original investment.

3.7.2 Subdivision Developers

Subdivision Developers are required to sign an Underground Residential Development Agreement as appropriate.

3.7.3 Commitment Agreements

A Commitment Agreement may be required, at Aquila's sole discretion, to be in effect until an Electric Service Agreement is executed or the request for a Service Connection has been cancelled.

3.7.4 Transfer of Contractual Obligations

All Electric Service Agreements, whether or not they require Aquila assignment consent, that are properly transferred to an affiliate or successor taking over the operation of an

Effective January 1, 2004

Page 11

existing facility must take on the obligations of the existing agreement and the demand history. Any change in service requirements as a result of such transfer shall be made in accordance with the Terms and Conditions. The existing contractual arrangements will remain in place until any new agreements have been approved and accepted by both parties.

3.8 Customer Contributions

All Customer Contributions other than Customer Transmission Contributions are payable before design, ordering and construction may begin. Customer Transmission Contributions are payable in accordance with the Independent System Operator tariff.

3.8.1 Customer Distribution Contribution

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

$$\text{“Customer Distribution Contribution”} = \text{Customer Extension Costs} \pm \text{Customer Shared Costs} - \text{Company Investment}$$

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

The “Customer Shared Costs” are determined as follows:

- (a) For rural residential subdivisions, Customer Shared Costs are calculated based on the costs of the Facilities divided by the number of lots served.
- (b) For all irrigation services and all rural services with Expected Peak Demand under 100 kW not covered in (a), Customer Shared Costs are calculated as Prepaid Line Share, based on the formulae shown in Table 3, Appendix B. Prepaid Line Share amounts are not refundable.
- (c) For all services 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 distribution 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.

The “Company Investment”, where the expected service life is 15 years or more, is determined according to Table 1, Appendix B attached hereto.

Effective January 1, 2004

Page 12

The Expected Peak Demand will be used for establishing the Company 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 enough operating history is available in order to determine the Operating Demand.

When establishing the expected service life of an investment, Aquila considers both the viable technical life of the Facilities provided by Aquila, and the economic life of the Customer's operation. If the lesser of these is less than 15 years, the maximum Investment Levels are reduced according to Table 2, Appendix B attached hereto.

In a new residential subdivision, since some Points of Service may not be occupied and connected immediately, the Subdivision Developer is initially responsible for the full Customer Extension Costs and Customer Shared Costs for each Point of Service. The Company Investment, less any costs, including but not limited to metering, incurred by Aquila to complete the connection, is paid to the Developer or Municipality as each Point of Service is connected, as described in the section below "Refunds of Customer Distribution Contributions".

In the event that the maximum Company Investment 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.

3.8.2 Other Contributions

Cost of Optional Facilities

If the Customer requests Facilities beyond or different from those Facilities reasonably or normally required to provide Aquila Standard Service, as covered in the Customer Extension Cost, the Customer will pay the cost of those optional Facilities, plus prepaid operation and maintenance as indicated in Table 4 of Appendix B attached hereto. Such payment is only refundable if the optional Facilities are deemed standard within ten years of the original payment date.

Distribution Cost of Temporary Services

For distribution 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, as detailed in the section "Temporary Service Connections". In addition, Customer Transmission Contributions may apply.

Customer Transmission Contribution

Aquila may incur company transmission costs (the "Company Transmission Costs") as a result of entering into contracts with the Independent System Operator for provision of System Access Service in support of Customers' electricity supply requirements.

Effective January 1, 2004

Page 13

Company Transmission Costs include but are not limited to contributions and application fees made by Aquila to the Independent System Operator in respect of a Point of Delivery providing System Access Service to a Customer. Company Transmission Costs are allocated to Customers as follows:

- (a) for a Customer other than a temporary services Customer, with an Expected Peak Demand of 2000 kW or less, no Customer Transmission Contribution will be initially levied;
- (b) for a Customer not initially assessed a Customer Transmission Contribution because the Expected Peak Demand was 2000 kW or less, but whose Operating Demand exceeds 2000 kW within ten years of the original determination, Aquila reserves the right to levy a Customer Transmission Contribution equal to the Customer Transmission Cost, offset by any refund received from the Independent System Operator; and
- (c) for a Customer other than a temporary service Customer with an Expected Peak Demand greater than 2000 kW, 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 Cost equals the Company Transmission Cost;
 - ii. where a number of new Customers are served from a new Point of Delivery, each Customer is allocated a portion of the Company Transmission Cost, 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 Cost; 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, including a Customer with an independently owned distribution system, any resulting Company Transmission Cost 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 Cost.
- (d) For a temporary service Customer, regardless of Expected Peak Demand, the Customer Transmission Contribution is equal to the Customer Transmission Cost plus an amount equivalent to the present value of any additional ongoing System Access Service attributable to the Customer.

Effective January 1, 2004

Page 14

Any obligations undertaken by Aquila in connection with the Independent System Operator's Construction Commitment Agreements become the obligations of the Customer to Aquila.

Any refunds of contributions received by Aquila from the Independent System Operator may be passed on to Customers as described in the section "Refunds of Customer Contributions".

3.8.3 Refunds of Customer Contributions

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

- (a) Customers not subject to Prepaid Line Share (see Table of Appendix B attached hereto) 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.
- (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 "Changes to Service Peak Demand Requirements".
- (c) In a residential subdivision, where the developer initially paid the total cost of the distribution supply Facilities, refunds are made in accordance with the provisions of the residential development agreement, for each residence that is connected and taking service within ten years following the date of payment, to the current developer (or to the Municipality if so assigned by the developer), without interest.

Customer Transmission Contributions may be refunded to a Customer in whole or in part, if Aquila receives a refund of Company Transmission Costs from the TA, which can be attributed to the Customer

3.9 Changes to Service Peak Demand Requirements

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

A Customer shall give Aquila reasonable written notice prior to any change in requirements at a Point of Service to enable Aquila 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 must be executed based on the new Expected Peak Demand. A Retailer or any other person who is acting on behalf of the Customer and who provides Aquila with verifiable authorization from the Customer may give such notice to Aquila

Effective January 1, 2004

Page 15

on the Customer's behalf. However, Aquila reserves the right to require such notice directly from the Customer.

The Customer shall be responsible for all damage caused to Aquila's Electric Distribution System as a result of the Customer changing requirements at a Point of Service without Aquila's permission.

3.9.1 Changes to Distribution Facilities

If a Customer requests a change to his or her service requirements and Aquila 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 "Customer Distribution Contribution" 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 Aquila's Facilities being removed, less any Customer Contribution and less accumulated depreciation;
- (b) the estimated cost of removing Aquila's Facilities, less the estimated salvage value;
- (c) the estimated cost of installing Aquila'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, Aquila may at its own discretion and expense replace Facilities to more closely match the greater of the Customer's Operating Demand or the Customer's Maximum Supply.

3.9.2 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 is required before the Customer may change his or her Operating Demand.

Increases

If a Customer's Expected Peak Demand increases beyond the Maximum Supply capacity, the Customer shall execute a new Electric Services Agreement as provided by Aquila. The Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand. A refund 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 company Investment Level for the service life of the

Effective January 1, 2004

Page 16

new demand, provided in Table 2 of Appendix B attached hereto. 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 Company Investment Level. There is no payment related to the per kilometre component.

Decreases

If a Customer's Expected Peak Demand decreases, the Customer may enter into a new Electric Service Agreement as provided by Aquila upon request, and the Contract Minimum Demand will be revised to two-thirds of the new Expected Peak Demand. In order to decrease the Contract Minimum Demand, 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 Company Investment Level for the remaining service life, provided in Table 2 of Appendix B attached hereto, less any amount by which the original Company Investment exceeded the original distribution costs.

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 Company Investment level (see Table 2, Appendix B). There is no Buy-Down Charge related to the per kilometre component.

A Customer is required to give notice to reduce the Contract Minimum Demand. For every 30 kW reduction in Minimum Demand, a one-month notice is required, to a maximum of sixty months. A Customer may give no more than one notice to reduce per year per Point of Service. If less notice is provided, the Customer is charged a "Payment In Lieu Of Notice", 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, for the number of months falling short of the required notice.

Following a Buy-Down, demand history is reduced correspondingly for billing purposes by the amount of the reduction in Operating Demand corresponding to the reduction in Contract Minimum Demand.

3.9.3 Changes to System Access Costs

If Aquila must modify its arrangements with the Independent System Operator to accommodate a change in Customer's service requirements, for Points of Service with Operating Demands greater than 2000 kW, the Customer pays for all costs attributable to such modification, including, but not limited to, additional contributions required from

Effective January 1, 2004

Page 17

Aquila by the Independent System Operator. The attributable costs are determined as described in the section “Transmission Customer Contribution”.

3.10 Disconnection and Permanent Termination of Service by Customer

When a Customer wishes to permanently disconnect his or her Service Connection, in addition to the requirements under “Discontinuance of Distribution Tariff Services at the Request of a Customer or Retailer”, a Customer may be assessed a “Distribution Customer Exit Charge”. See also “Right to Disconnect the Customer’s Service Connection”.

The Distribution Customer Exit Charge is:

- (a) the Buy-Down Charge using a new demand of zero if the termination of service occurs before the end of the initial term;
- (b) less the value of any extension Facilities that may be salvaged, reduced by the cost of undertaking the salvage;
- (c) plus a Payment In Lieu Of Notice, calculated as the Minimum Demand for the number of months falling short of the required notice. The number of months notification required is determined by dividing the Contract Minimum Demand by 30;
- (d) plus, for Customers on Rate 63, the metres of Customer extension (specified in the contract or in the contract amendment notification) multiplied by the corresponding maximum Company Investment Level for the remaining service life, provided in Table 2 of Appendix B attached hereto, and any charges required from Aquila by the TA;
- (e) plus any outstanding amounts attributable to the Customer with respect to, but not limited to, any deferral accounts and Board approved riders and charges arising from services supplied by the distribution company prior to the termination of service.

For Points of Service with Operating Demands of 75 kW or greater, Distribution Customer Exit Charge provisions apply for the service life of the Company Investment, as established at the time of investment.

3.11 Temporary Service Connection

Where a Service Connection is to be used for temporary purposes only, the Customer must pay the Distribution Cost of Temporary Services in accordance with section 3.8.2 and the Customer Transmission Contribution in accordance with section 3.8.2(d). Unless otherwise approved by Aquila in writing, temporary service shall be defined as installations intended for removal within a period not to exceed 24 months.

Effective January 1, 2004

Page 18

3.12 Approvals

The applicant for a Service Connection 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 Aquila. Aquila 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 Aquila's requirements applicable to the installation and operation of the Service Connection. Aquila reserves the right to verify that all necessary approvals have been obtained by applicants and Customers, however is not obligated to do so.

3.13 Other Customer Responsibilities

3.13.1 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 Distribution Tariff Services including, without limitation, single phasing protection on three-phase Service Connections. The Customer shall provide and install all such devices.

3.13.2 Service Calls

Aquila 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 (see also Appendix A).

3.13.3 Standards for Connection

The Customer's installation shall conform to the requirements of Aquila's guidelines and/or such further requirements as Aquila may establish from time to time. Copies of such guidelines are available on request and from Aquila's website.

3.13.4 Compliance with Governmental Directives

The Customer acknowledges and agrees that Aquila may need to act in response to governmental or civil authority directives which may affect Customer's service including emergency orders or directions made pursuant to the *Alberta Disaster Services Act* R.S.A. 2000, c. D-13, as amended from time to time. The Customer agrees to cooperate with Aquila in order to comply with the directives.

3.13.5 Interference with Aquila's Property

No one other than an employee or authorized agent of Aquila shall be permitted to remove, operate, or maintain meters, electric equipment and other Aquila-owned Facilities. The Customer shall not interfere with or alter the meter, seals or other

Effective January 1, 2004

Page 19

Facilities or permit the same to be done by any person other than the authorized agents or employees of Aquila. The Customer shall be responsible for all damage to or loss of such property unless occasioned by circumstances as determined in Aquila's sole discretion 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 Aquila's access and service and in conformance with applicable laws and regulations in force from time to time.

3.13.6 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 Aquila's Electric Distribution System (including without limitation, Aquila's Facilities installed or interconnected to serve the Customer facilities) (the "Contamination"), the Customer shall immediately disclose this information to Aquila 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 Aquila from any damage, injury, loss, costs and claims ("Costs") suffered or incurred by Aquila, 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 Aquila's Electric Distribution System to prevent any future occurrence of any similar contamination and/or to mitigate excessive costs of ongoing maintenance or, where Electric Distribution System upgrade is not feasible, the costs of continued maintenance of the Electric Distribution System resulting from Contamination. "Effluent" means any solid, liquid or gas, or combination of any of them, including, without limitation, salt, dust, smoke, particulate matter, debris, hazardous waste, chemicals, vapour, runoff, wastewater or sewage.

3.13.7 Protection of Facilities

The Customer shall not install or allow to be installed on property owned or controlled by the Customer any temporary or permanent structures that could interfere with the proper and safe operation of Aquila's Facilities or result in non-compliance with applicable statutes, regulations, standards or codes.

The Customer shall furnish and maintain, at no cost to Aquila, the necessary space, housing, fencing, barriers, and foundations for the protection of the facilities to be installed upon the Customer's premises, whether the facilities are furnished by the Customer or Aquila. If the Customer refuses, Aquila 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 Aquila's specifications and approval.

Effective January 1, 2004

Page 20

The Customer shall pay all costs of relocating Aquila's Facilities at the Customer's request, for the Customer's convenience, or if necessary to remedy any violation of law or regulation caused by the Customer. If requested by Aquila, the Customer shall pay the estimated cost of the relocation in advance.

The Customer will ensure that its facilities comply with the applicable requirements of the Canadian Electrical Code and with all technical guidelines issued from time to time by Aquila. The Customer shall not use Aquila's Service Connection or Distribution Tariff Services in a manner so as to cause undue interference with any other Customer's use of a Service Connection or Distribution Tariff Services such as an abnormal disturbance to the voltage, frequency and wave form of the electricity supply. At Aquila's request, the Customer shall take whatever action is required to correct the interference or disturbance at the Customer's expense. In particular, the Customer will conduct its operations so that the Customer does not:

- (a) contribute to a level of voltage flicker in excess of 5%; or
- (b) exceed harmonic interference levels set out in Aquila's current "Harmonic Specification for Harmonic Producing Customers Connected to Aquila's Electric Distribution System".

The Customer will use reasonable efforts to conduct its operations in order to maintain a Power Factor of not less than 90% lagging.

Notwithstanding the provisions in Article 7, the Customer shall not, without the written consent of Aquila, use its own generator facilities in parallel operation with Aquila's Electric Distribution System.

A Customer shall not extend or permit the extension of facilities connected to Aquila's Electric Distribution System beyond property owned, occupied or controlled by that Customer.

3.14 Unauthorized Use or Unsafe Conditions

If Aquila finds an unauthorized use of electricity, including as a result of any tampering with a meter or any other Aquila Facility, it may 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 also to ensure the safety of the general public. Upon finding an unauthorized use of electricity, Aquila may disconnect the Service Connection and charge the Customer all costs incurred in correcting the condition. Nothing in this section shall be deemed to constitute a waiver of any other rights of redress which may be available to Aquila or to limit in any way any legal recourse which may be open to it. See also "Right to Disconnect the Customer's Service Connection".

Effective January 1, 2004

Page 21

3.15 Right to Enter the Customer's Property

3.15.1 Easements

By accepting Distribution Tariff Services, the Customer is deemed to have granted to Aquila, without any cost to Aquila, such easements or rights-of-way over, upon or under the property owned, controlled or leased by the Customer as Aquila reasonably requires at any time for unimpeded ingress and egress for the purposes of the construction, installation, maintenance, repair, operation and removal of the Facilities required for a Service Connection to the Customer, for vegetation management, emergency response and the performance of all other obligations required to be performed by Aquila hereunder.

3.15.2 Right of Entry

Aquila's employees, agents and other representatives shall have the right to enter the Customer's property at all reasonable times and intervals for the purpose of installing, maintaining, replacing, testing, monitoring, reading, removing or disconnecting Aquila's meters, meter reading devices, wires or other electrical equipment and appliances or other Facilities or for the purpose of discontinuing service or for any other purpose incidental to the provision of Distribution Tariff Services. The Customer shall not prevent or hinder Aquila's entry. Aquila will endeavour to provide reasonable notice to the Customer when it requires entry to the Customer's property.

3.15.3 Vegetation Management

In order to maintain safe and reliable service, the Customer must treat, trim or cut trees and brush that may interfere with the operation of Aquila's Facilities on the Customer's property in accordance with applicable statutes, regulations, standards or codes. If the Customer does not treat, trim or cut trees and brush that may interfere with the operation of Aquila's Facilities, Aquila has the right to enter the Customer's property and perform these services without prior notice to the Customer and to charge the Customer a reasonable fee for this service.

3.16 Right to Disconnect the Customer's Service Connection

3.16.1 Disconnection Without Notice

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

Effective January 1, 2004

Page 22

- (a) in the opinion of Aquila, 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 Aquila requirements, or if the use of the Service Connection may cause damage to any other Service Connection or facilities;
- (b) to the knowledge of Aquila, or in its sole judgement, the Customer's facilities are unsafe or defective or will become unsafe or defective imminently. In this event, the Service Connection may not be restored until the Customer facilities are approved by the appropriate authority. Aquila 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 Aquila Facilities;
- (d) if any tampering with any service conductors, seals or any other Facilities of Aquila or any meters, whether or not provided by Aquila is discovered; or
- (e) if the Customer changes its requirements for a Service Connection or Distribution Tariff Services without the permission of Aquila.

3.16.2 Disconnection With Notice

Aquila may withhold connection or may disconnect a Customer's Service Connection (without prejudice to any of Aquila'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 Aquila 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) as required by law;
- (c) if the Customer is in violation of any of the Terms and Conditions or any of the terms of an Electric Services Agreement with Aquila;
- (d) any other similar circumstances to those described above that Aquila determines, in its sole discretion, acting reasonably, require the withholding or disconnecting of service upon 48 hours notice.

Effective January 1, 2004

Page 23

Aquila also reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer.

3.17 Reconnection Following Disconnection by Aquila of Customer's Service Connection

Following a disconnection of a Customer's Service Connection, Aquila will reconnect the service upon request of the party who made the original disconnect request when the condition which led to the disconnection has been corrected and Aquila has been paid:

- (a) the actual costs of reconnection as per Appendix A;
- (b) the Minimum Charge for the period of disconnection (up to a maximum of 10 months); and
- (c) all costs associated with Aquila providing and/or installing such devices or equipment as may be necessary to resolve any problems and to prevent such future damage, interference or disturbance that was the result of the Customer's facilities, action or inaction.

The reconnection fee and the Minimum Charge for the first 10 months of disconnection referred to in (a) and (b) respectively above, shall be waived if the Service Connection has been disconnected for more than 14 consecutive months.

3.18 Removal of Facilities upon Disconnection of Service

After disconnection of a Service Connection, Aquila will be entitled to enter upon and remove from the property owned or controlled by the Customer any of Aquila's Facilities located upon the property.

ARTICLE 4 – PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES (OTHER THAN SERVICE CONNECTIONS)

4.1 Retailer Qualification for Distribution Tariff Services

The Retailer must fulfill and maintain the following requirements to the satisfaction of Aquila before Aquila will provide Distribution Tariff Services to that Retailer:

- (a) submit to Aquila a fully completed and executed Retail Service Agreement;
- (b) if the Retailer sells electricity to Customers with annual consumption of less than 250,000 kWh, furnish a certified copy of the license issued to it and warrant in writing to Aquila that it is licensed pursuant to and will comply with the provisions of the *Fair Trading Act* R.S.A. 2000, c. F-2, and any regulations or policies made thereunder, as amended from time to time;

Effective January 1, 2004

Page 24

- (c) satisfy the credit requirements of Aquila as described below in the Terms and Conditions;
- (d) warrant in writing to Aquila that it will comply with the guidelines established in the Settlement System Code and that it has been registered by the Independent System Operator as a participant in the Power Pool;
- (e) meet the compliance testing protocol of Aquila in respect of information exchange; and
- (f) meet any other requirements that Aquila, acting reasonably, may impose in order to provide Distribution Tariff Services hereunder to the Retailer. If Aquila determines that a Retailer must satisfy additional requirements under this section 4.1(f) in order to qualify for Distribution Tariff Services, the following process will apply:
 - i. where Aquila is confronted with a situation which may materially alter the risk to Aquila, or in order to comply with applicable legislation, Aquila may implement the additional requirement and then apply to the Board for approval of same; or
 - ii. in all other circumstances, Aquila shall apply to the Board for approval of the proposed additional requirement prior to implementing same.

Upon satisfaction of the above requirements, Aquila will provide Distribution Tariff Services other than Service Connections to the Retailer, upon and 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 Aquila reserves the right, upon giving the Retailer 10 Business Days notice, acting reasonably, to discontinue Distribution Tariff Services to that Retailer hereunder if at any time the Retailer fails to meet these requirements.

4.2 Credit Requirements

Retailers must satisfy the following security requirements in accordance with sections 8 through 12 of the *Distribution Tariff Regulation* A.R. 162/2003.

4.2.1 General

- (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 Aquila's Distribution Tariff over a 60-day period.
- (b) The security must be submitted and maintained in a form acceptable to Aquila, consisting of any one of, or a combination of:
 - i. a cash deposit or bond in the name of Aquila at a Canadian chartered bank, trust company, credit union, or other financial institution acceptable to Aquila;
 - ii. an irrevocable letter of credit;

Effective January 1, 2004

Page 25

- 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 Aquila.
- (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 Aquila, 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):
- i. from a person other than the Retailer may not exceed the amount of the security reduction that would arise under (c) if the Retailer had the same credit rating as the person providing the guarantee, and
 - ii. from two or more persons other than the Retailer may not exceed in total the amount of the largest single security reduction that would arise under (c) if the Retailer had the highest rating of any of the persons providing the guarantees.

All costs associated with obtaining security and meeting prudential requirements are the responsibility of the Retailer.

4.2.2 Additional Security

When the Retailer's actual outstanding charges under Aquila's Distribution Tariff materially exceed the value projected by the Retailer under section 4.2.1 above, upon 5 Business Days notice by Aquila, the Retailer shall either:

Effective January 1, 2004

Page 26

- (a) pay Aquila in advance the amount by which the actual outstanding charges now exceed the projected value, or
- (b) provide additional security to Aquila in accordance with section 4.2.1 above to a total equal to the actual outstanding charges.

If Aquila, acting reasonably, determines that it is not secured in accordance with this clause for the financial obligation of the Retailer, Aquila may, upon 5 Business Days notice, cease to provide additional Distribution Tariff Services hereunder to that Retailer until the Retailer provides Aquila with adequate security.

4.3 Application for Enrolment of Customers of the Retailer

In order to initiate the provision of Distribution Tariff Services by Aquila, the Retailer shall complete and provide to Aquila an application for Distribution Tariff Services in compliance with the Settlement System Code.

Aquila will, subject to the Terms and Conditions, accept an application by a Retailer for provision of Distribution Tariff Services to a Customer hereunder. Aquila reserves the right, but is not obligated, to verify the identity of the Customer and the accuracy of the Customer Information. Aquila may deny the application if any information required in the application, including the Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect.

Upon receipt of an application from a Retailer, Aquila will accept the application of the Retailer and recognize the Retailer as the Retailer of Record for the particular Customer.

Aquila will, in compliance with the Settlement System Code, transfer an existing Point of Service receiving Distribution Tariff Services to the Retailer or notify the Retailer of the status of the enrolment. If an enrolment is accepted, Aquila will notify the Retailer after the third Business Day of the effective date of the acceptance which shall be no later than 3 Business Days from the receipt of the enrolment request. If an enrolment is rejected, Aquila will provide the Retailer with the reason(s) for the rejection.

Enrolments will be processed by Aquila on a first-come, first-served basis. 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 Aquila shall be processed in that period.

Aquila reserves the right to refuse Distribution Tariff Services, at any Point of Service, to any Customer of the Retailer who is indebted to Aquila. The Retailer will not be liable to Aquila for any outstanding indebtedness of the Customer to Aquila which accrued prior to the enrolment of the Customer to the Retailer.

Effective January 1, 2004

Page 27

4.4 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 Distribution Tariff Services.

4.5 Retailer Arrangements with Customers

Unless otherwise stated herein, the Retailer shall be solely responsible for having appropriate contractual or other arrangements with Customer(s) necessary to provide Electricity Services to Customers. Aquila 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 Customers or to perform its obligations to its Customers.

4.6 Single Retailer for Customer

Aquila shall not be required to recognize and deal with more than one Retailer in respect of a Point of Service at any given time.

4.7 Retailer Identification Number

Any information exchange or communications between the Retailer and Aquila under the Terms and Conditions shall employ a Retailer Identification.

4.8 De-enrolment as Retailer

To de-enrol as Retailer of Record for a particular Customer, a Retailer shall, at least 7 days before the de-enrolment is to take effect, complete and provide to Aquila a notice of de-enrolment pursuant to the Settlement System Code. Aquila may reject the notice of de-enrolment if Aquila determines that any information required in the notice, including Customer Information, provided by the Retailer is false, incomplete or inaccurate in any respect. Aquila reserves the right to verify the identity of the Customer and the accuracy of the Customer Information. Upon receipt of a notice of de-enrolment from a Retailer, Aquila will either:

- (a) process the de-enrolment within 7 days; or
- (b) notify the Retailer within 2 Business Days that the notice of de-enrolment has been rejected and the reasons for such rejection. Upon receipt of a rectified notice of de-enrolment, Aquila will, within 7 days, process the de-enrolment.

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

Effective January 1, 2004

Page 28

4.9 Metering

4.9.1 Meter Reading

Aquila shall make an actual meter reading for each Point of Service for Customers of the Retailer in compliance with the requirements of the System Settlement Code. At the request of a Retailer of Record, Aquila shall make an actual meter reading for every Aquila billing period or at such other time as may be requested by the Retailer and Aquila shall charge the Retailer for the additional meter reading expense as per Appendix A.

4.9.2 Record

An accurate record of meter readings will be kept by Aquila which will be the basis for billing information provided to the Retailer in respect of its Customers and for billing by Aquila to the Retailer in accordance with the Distribution Tariff.

4.9.3 Metering Data

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 Aquila will charge whichever of the Retailer or the Customer made the request. If the Customer directly requests such information, in no circumstances shall the Retailer be liable for such charges.

4.9.4 Estimated Consumption and Demand

The amount of energy used by a Customer will be estimated by Aquila 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 Aquila's billing cycle; or
- (f) if the seal of a meter is broken or if the meter does not register correctly, regardless of the cause.

Effective January 1, 2004

Page 29

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

The 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.

Aquila 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 Aquila.

If requested by the Retailer, Aquila will provide the Retailer with a description of the methodology used to estimate the use of energy by the Customers of the Retailer.

4.9.5 Metering Disputes

Measurement Canada regulates meter accuracy disputes. If a Retailer or Distribution Load Customer requests that the accuracy of a meter be tested, Aquila charges a fee, pursuant to Appendix A attached hereto. If the meter is inaccurate, Aquila will refund the fee and make appropriate adjustments to the applicable Customer or Retailer's bills. If the meter is found to be accurate, Aquila will keep the fee to cover the cost of testing the meter.

4.9.6 Adjustments for Faulty Metering

Aquila 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 unmetered or incorrectly metered, regardless of the cause, or when a meter is found to be inaccurate in accordance with the *Electricity and Gas Inspection Act*, R.S. 1985, c. E-4 as amended from time to time; in these cases Aquila 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.

In accordance with Section 9 of the Regulated Default Supply Regulation A.R. 168/2003 and notwithstanding the section "Adjustment of Bills in Event of Billing Error", in any of

Effective January 1, 2004

Page 30

the above noted cases Aquila may make adjustments for the lesser of the period of the error or one year.

4.10 Settlements

4.10.1 Load Settlement Information

In accordance with the Settlement System Code, Aquila shall provide the Load Settlement Services. Aquila 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 Aquila for Power Pool financial settlement purposes. Daily, interim and final hourly Load data for the sum of all Points of Service supplied by the Retailer will be provided in compliance with the Settlement System Code.

4.10.2 Provision of Individual Customer Load Profiles to Retailers

At the request of the Retailer, Aquila will provide to the Retailer individual Customer Load profiles.

4.10.3 No Liability for Estimating Errors

The process of Retailer Load estimation involves statistical samples and estimating error. Aquila 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.

4.11 Exchange of Information

4.11.1 Provision of Customer Information to Retailer

Aquila shall provide Customer Usage Information to a Retailer upon request and only after receiving written consent to such disclosure from the Customer.

Prior to requesting Aquila to release the Customer Usage Information, the Retailer shall be responsible for obtaining and providing to Aquila the written authorization from the Customer referred to above in a form satisfactory to Aquila.

4.11.2 Provision of Information between Aquila and Retailer

Aquila and the 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 Aquila in accordance with the Terms and Conditions. See Appendix A for charges that will apply to certain requests made to Aquila.

Effective January 1, 2004

Page 31

4.12 Discontinuance of Distribution Tariff Services at Request of Customer or Retailer

Customers arrange for termination of Distribution Tariff Services through their Retailer of Record. If Distribution Tariff Services are no longer required, the Retailer of Record must notify Aquila at least 5 days before the service is to be discontinued. At the request of the Customer or Retailer, as applicable, Aquila will also leave all of its Facilities in place after a discontinuance of service if the Customer or the Retailer, as applicable, is eligible for Aquila's idle service option and this option is chosen or the Customer agrees to pay the Minimum Charge. If disconnection of the Service Connection is requested, the terms of section "Disconnection and Permanent Termination of Service by Customer" apply.

4.13 Discontinuance of Distribution Tariff Services by De-energization

A Retailer may request that Aquila de-energize a site. To discontinue Distribution Tariff Services through De-energization, a Retailer shall, at least 7 days before the site is to be de-energized, complete and provide to Aquila a notice of De-energization pursuant to the requirements of the Settlement System Code. Such notice of De-energization shall clearly specify the Retailer's reason(s) for seeking to de-energize a site. Aquila reserves the right to verify the identity of the Customer of the Retailer pursuant to which De-energization has been requested, and the accuracy of the Customer Information that has been provided by the Retailer. Upon receipt of such notice, Aquila will either:

- (a) process the De-energization within 7 days; or
- (b) notify the Retailer within 2 Business Days that the notice of De-energization has been rejected and the reasons for such rejection. Upon receipt of the rectified notice of De-energization, Aquila will, within 7 days, process the De-energization.

Notwithstanding the foregoing:

- (c) Aquila may reject the notice of De-energization if Aquila, 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;
- (d) Aquila will not process a De-energization if Aquila, acting reasonably, believes De-energization would cause any actual or threatened danger to life or property;
- (e) Aquila 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,

although Aquila reserves the right to install a device to limit or reduce the amount of electric energy provided to the Customer; and

Effective January 1, 2004

Page 32

- (f) at the request of the Retailer or the Customer, Aquila will leave all of its Facilities in place after the Point of Delivery has been de-energized if the Retailer or Customer, as applicable, agrees to continue to pay the Minimum Charge.

Upon De-energization, the Retailer shall no longer be the Customer's Retailer of Record unless otherwise requested by the Retailer in writing to Aquila.

ARTICLE 5 – BILLING

5.1 Wholesale Billing Only

Aquila bills the Retailer of Record the amounts payable for Distribution Tariff Services in accordance with the Terms and Conditions and the *Billing Regulation*, A.R. 159/2003, as amended from time to time. Aquila will not assume any billing or collection obligations or responsibilities related to billing Customers or collecting from Customers for, or on behalf of, a Retailer. Aquila will bill Customers directly for any amounts required according to the Terms and Conditions.

5.2 Determination of Applicable Rates

Aquila bills the Retailer of Record based on the charges set out in the Rate Sheets. Aquila's Rate Sheets in the Distribution Tariff indicate to what type of service each Rate Sheet applies. Each Point of Service is billed as a separate service.

The rate selection criteria are specified on each Rate Sheet. If the operational characteristics of the Point of Service change and subsequently a different rate is applicable, the Customer may be required to pay an additional Customer Contribution. A change of service under this section will not be made more than once in any 12-month period..

5.3 Minimum Charges

The Minimum Charge will be calculated in accordance with the Rate Sheets.

5.4 Consumption Period

The basis of all charges to the Retailer for Distribution Tariff Services provided to a Customer is the consumption period, defined as the time between two consecutive meter readings, or estimates thereof, for the Customer's site, unless otherwise indicated in the applicable Rate Sheet. For each Customer, basic monthly and capacity charges are prorated over the consumption period using the following formulas:

- (a) basic monthly charge \times days in consumption period \times 12 \div 365
- (b) charge per unit \times capacity units \times days in consumption period \times 12 \div 365

Effective January 1, 2004

Page 33

- (c) $\text{charge per unit} \times \text{capacity units} \times \text{days in consumption period} \div 214$, for irrigation service consumption from April 1 to October 31

For newly connected services, the first consumption period begins on the earlier of the date the service was connected or thirty days from when the service was made available to the Customer.

5.5 Billing Period

The billing period for the Retailer is defined generally as the calendar month directly preceding the month in which the associated bill is issued to the Retailer. The amount charged to the Retailer for the billing period reflects the aggregate of charges for Distribution Tariff Services provided to Customers of the Retailer, with consumption periods that end within the billing period.

5.6 Billing Information

A bill to the Retailer for the amounts payable by the Retailer for Distribution Tariff Services will set out the following information with respect to the billing period for which the bill is rendered:

- (a) the total amount due from the Retailer for Distribution Tariff Services provided by Aquila to Customers of the Retailer;
- (b) details of the amount due from the Retailer for Distribution Tariff Services provided by Aquila as applicable to each of the Retailer's Customers; and
- (c) any other information required to be provided by Aquila to the Retailer on a bill issued by Aquila to the Retailer pursuant to the Act and Regulations.

5.7 Payment of Account

Aquila will bill the Retailer as contemplated above in the month immediately following the billing period during which the Distribution Tariff Services are provided. The Retailer shall pay to Aquila, within 10 days after the bill is issued, or, in the event that the tenth day after the bill is issued is not a Business Day, by the close of the first Business Day following the tenth day after the bill is issued, the amount billed by Aquila for the preceding billing period. 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, Aquila will return any amount found owing to the Retailer forthwith. The right or ability of either party to dispute a bill provided hereunder shall only apply to bills 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. Failure to receive a bill in a timely way does not release a Retailer from the obligation to pay the amount owing on the bill.

Effective January 1, 2004

Page 34

5.8 Late Payment

Aquila 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 Aquila from a Retailer either:

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

5.9 Adjustment of Bills in Event of Billing Error

Where Aquila overcharges or undercharges on a bill as a result of a billing error including, but not limited to, incorrect meter reads or any calculation, rate application or clerical errors, Aquila 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 Section 9 of the *Regulated Default Supply Regulation* A.R. 168/2003 and the following procedures:

- (a) If a Retailer is found to have been overcharged due to billing error, Aquila will calculate the amount of the overcharge (for refund to the Retailer on the Retailer's next bill following the discovery of the billing error) for those billing periods during which a billing error occurred up to a maximum of the 12 billing periods immediately preceding the month in which the billing error was discovered. However, if the period of billing error cannot be determined with reasonable accuracy, the overcharge will be calculated for the three billing periods immediately preceding the month in which the billing error was discovered.
- (b) If a Retailer is found to have been undercharged due to billing error, Aquila will bill the Retailer for those billing periods during which a billing error occurred up to a maximum of the 12 billing periods immediately preceding the month in which the billing error was discovered. However, if the period of billing error cannot be determined with reasonable accuracy, the undercharge will be calculated for the three billing periods immediately preceding the month in which the billing error was discovered.

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

5.10 Billing the Customer

Aquila may bill the Customer directly for Customer Contribution, meter tests or other services covered in the Terms and Conditions. A late payment charge of 1.5% per month (19.56% per

Effective January 1, 2004

Page 35

year) is applied if the Customer's payment has not been received by Aquila before one month from the date the bill was issued. The Customer is charged a \$20.00 dishonoured cheque charge for each cheque returned for insufficient funds.

Services transferred to an affiliate or successor of the Customer carrying on the same business at the same Point of Service shall be subject to the previous Customer's Electric Service Agreement terms and billing history. See the subsection herein called "Transfer of Contractual Obligations" under the section "Customer Contracts".

ARTICLE 6 – SPECIFIC PROVISIONS RELATING TO TRANSMISSION CONNECTED SERVICES

6.1 General

This section sets out specific Aquila 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 Connected Customers taking service from Aquila will be subject to the provisions of the Independent System Operator approved tariff as it applies to Aquila 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.

6.2 System Access Service

Aquila 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 facilities 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.

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

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

Effective January 1, 2004

Page 36

6.3 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 Connected Customer.

6.4 Billing

A Point of Service will be billed as Rate 65 in accordance with the Rate Sheets, riders and options in the Distribution Tariff.

6.5 Customer Contributions

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

6.6 Changes to System Access Service

For any POD which is the Point of Service for a Transmission Load Customer, Aquila 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 Aquila and the Independent System Operator.

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

6.7 Transmission Related Exit Costs

If a service for a Transmission Load Customer is terminated or disconnected, the Customer shall pay all transmission related exit costs, which include:

- (a) any costs charged by the Independent System Operator to Aquila, as a direct consequence of the 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 Customer and that will not be recovered by Aquila from the Customer as a direct consequence of the Customer's termination or disconnection of service,

Effective January 1, 2004

Page 37

- (c) any other un-recovered transmission related amounts as stipulated in the contract between Aquila and the Customer; and
- (d) any outstanding amounts attributable to the Customer with respect to, but not limited to, any deferral accounts, rate riders or Board decisions.

6.8 Section 101(2) Release

In accordance with section 101(2) of the Act, Transmission Connected Customers may request the right to contract for System Access Service directly with the Independent System Operator. Should Aquila agree to such release, Aquila reserves the right to bill the released Customer directly for all Board approved riders and charges arising from services supplied by the distribution company prior to the release.

ARTICLE 7 – SPECIFIC PROVISIONS RELATING TO DISTRIBUTION CONNECTED GENERATORS

7.1 General

This section sets out specific Aquila Terms and Conditions related to Distribution Connected Generating Customers (DG Customers) that are in addition to any terms and conditions that are applicable as described in other sections of this document.

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 for Distribution Tariff Services will apply.

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

7.2 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 Aquila.

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, 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.

Effective January 1, 2004

Page 38

Prior to interconnecting generating facilities with the 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) obtain mutual acceptance of the Operating Procedures by the DG Customer and Aquila;
- (c) obtain and provide copies of required permits, licenses and authorizations to Aquila;
- (d) satisfy all requirements of Aquila in relation to the generating facility metering (see below); and
- (e) execute an Interconnection Agreement, which includes Operating Procedures, with Aquila.

7.3 Continuity, Interruption or Disconnection of Service

In addition to the provisions of section 10.6, the Interconnection Facilities will include an acceptable visible disconnect switch as a means of isolating the DG Customers generating facilities from Aquila distribution Facilities. Aquila may disconnect the DG Customers generating facilities from Aquila distribution Facilities without prior notice where in Aquila's opinion:

- (a) The DG Customer has violated the terms of the operating agreement with Aquila;
- (b) The DG Customer has permitted the wiring of its facilities to become hazardous;
- (c) The wiring of the DG Customer facilities fails to comply with applicable law; or
- (d) The use of the service may cause damage to Aquila's Facilities or interfere with or disturb service to any other Customer.

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

7.4 Approvals

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

The DG Customer will be responsible for becoming a Power Pool participant and complying with any Independent System Operator requirements for any energy delivered to the Power Pool.

Effective January 1, 2004

Page 39

The DG Customer will be responsible for providing technical information to Aquila as required. Aquila will treat this information as confidential and will not release such information to any other parties without the expressed and written consent of the DG Customer.

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 Aquila, and as specified in the Operating Procedures between the DG Customer and Aquila. Aquila shall have the right, but not the obligation, to inspect the DG Customer's facilities for compliance.

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

- (a) Board approval and the Board order to connect;
- (b) acceptance from the local inspection and code enforcement authorities; and
- (c) an agreement with Aquila 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 electric energy.

7.5 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 Aquila and the applicable provincial and federal regulators.

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

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

Effective January 1, 2004

Page 40

7.6 DG Customer Charges/Credits

The following charges and credits apply to a DG Customer:

7.6.1 Interconnection Charges

The DG Customer shall pay all interconnection charges for interconnection and utilization of distribution system Facilities, including:

- (a) **Interconnection Facilities Costs**, which are the capital costs of DG Customer's Interconnection Facilities, as determined by Aquila;
- (b) **Prepaid Operation & Maintenance Charge**, if applicable (see below);
- (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 Aquila; and
- (d) **Application Fee** associated with Aquila performing engineering estimates, planning, operating or protection studies or any additional studies required by the Independent System Operator.

If a DG Customer also has on-site load or generator stand-by / supplemental requirements the Aquila 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 DG Customers for Interconnection Facilities Costs does not entitle DG Customers 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 distribution or transmission system that would not have otherwise been required if the generator were not interconnected to the 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 additional costs related to the cancellation of the project incurred by Aquila.

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.

Effective January 1, 2004

Page 41

7.6.2 Operation and Maintenance Charge

Operation and Maintenance (“O&M”) amounts will be determined in accordance with Table 4 of Appendix B attached hereto. The DG Customer will pay O&M on a prepaid or biannual basis. The biannual O&M Charge will be payable as long as the Interconnection Facilities are in place to serve the DG Customer. O&M charges will apply to charges related to future Facilities costs for modifications or upgrades, including replacement or repair.

7.6.3 System Access Service Credits/Charges

DG Customers that export to the AIES receive Option M credits or charges where incremental transmission System Access Service costs to Aquila are avoided or incurred.

7.6.4 Distribution Loss Reduction Credits/Charges

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

7.7 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 its equipment from damage that may result from the interconnection to Aquila Facilities. The DG Customer shall provide and install any such devices. The DG Customer will provide Aquila with the required documentation and settings for such devices. Where Aquila has determined that there are adverse impacts on other consumers or operating processes, Aquila can order modifications to these protective systems. The DG Customer must obtain written approval from Aquila for any modifications. The DG Customer must use reliable means to insure the generators do not island during interruptions of service to Aquila’s distribution system.

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 Aquila or Transmission Facilities or, if installed, it fails to operate correctly, the failure of the DG Customer’s Facility to detect and clear an electrical fault that occurs on Aquila or Transmission Facilities;
- (c) if live-line close blocking is not installed on the Aquila 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 the Aquila or Transmission Facilities and before the automatic reclosing of the Aquila or Transmission switching devices; and

Effective January 1, 2004

Page 42

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

7.8 Service Calls

Aquila may require a DG Customer to pay the actual costs of a DG Customer's 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.

7.9 Exchange of Information

The DG Customer will be responsible for providing technical information to Aquila as required. Aquila 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.

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

ARTICLE 8 – LIABILITY AND INDEMNITY

8.1 Aquila Liability

8.1.1 General

Notwithstanding any other provision of the Terms and Conditions or any provision of an agreement between Aquila and a Responsible Party relating to the provision of Distribution Tariff Services (an "Aquila Agreement"), Aquila, its directors, officers, agents, employees, and representatives ("Aquila Parties"), will not be liable to a Responsible Party, its directors, officers, agents, employees or representatives (the "Applicable Parties") for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties, whether of a direct, indirect or consequential nature, howsoever or whensoever caused, and whether in any way caused by or resulting from the acts or omissions of Aquila Parties, except for direct property damages incurred by a Responsible Party as a direct result of a breach of the Terms and Conditions or applicable Aquila Agreement or other act or omission by a Aquila Party, which breach or other act or omission is caused by the negligence or wilful acts of harm of such Aquila Party. Any liability under this section will be limited to an amount in proportion to the degree to which the Aquila Party acting negligent or wilfully harmful is determined to be at fault.

Effective January 1, 2004

Page 43

8.1.2 Release

Subject to section 8.1.1 above, Aquila Parties (as defined above) will not be liable to Applicable Parties (as defined above) for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by Applicable Parties, howsoever and whensoever caused, and each Applicable Party hereby forever releases Aquila Parties from any liability or obligation in respect thereof.

8.1.3 Aquila Not Liable to Customer of Retailer

For greater certainty and without limitation to the foregoing in sections 8.1.1 and 8.1.2 above, Aquila Parties shall not be liable to a Customer for any damages of any kind (except to the extent Aquila is liable for such damages in accordance with section 8.1.1):

- (a) caused by or arising from any Aquila Party's conduct in compliance with, or as permitted by, the Terms and Conditions for Distribution Tariff Services to Retailers, a Retail Service Agreement between Aquila and a Retailer or any legal or regulatory requirements related to service provided to Retailers;
- (b) caused to the Customer and arising from any failure of a Retailer to comply with the Terms and Conditions, a Retailer Service Agreement 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 to provide Electricity Services including Distribution Tariff Services 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 Distribution Tariff Services or performing any of the Retailer's functions in providing Distribution Tariff Services.

8.2 Responsible Party Liability

8.2.1 General

In addition to any other liability provisions set out in the Terms and Conditions or any provision in an Aquila Agreement, an Applicable Party (as defined above) shall be liable for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by Aquila Parties (as defined above), whether of a direct or indirect nature, 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 Aquila Agreement, or any negligent or wilful acts or omissions of harm 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.

Effective January 1, 2004

Page 44

8.2.2 Indemnification by Retailer to Aquila for Third Party Claims

- (a) A Retailer (the “Indemnitor”) shall indemnify and hold harmless Aquila Parties (as defined above) (“Indemnitee(s)”) from and against any direct 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 Aquila 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 8.2.2(b) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under section 8.2.2(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 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

Effective January 1, 2004

Page 45

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 8.2.2 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.

8.3 Force Majeure

If an event or circumstance of Force Majeure occurs that affects Aquila's ability to provide a Distribution Tariff Service, Aquila's obligations and responsibilities hereunder and under any agreement relating to the provision of Distribution Tariff Services with a Responsible Party, so far as they are affected by the Force Majeure or the consequences thereof, shall be suspended until such Force Majeure or the consequences thereof are remedied and for such period thereafter as may reasonably be required to restore the Distribution Tariff Services. A Responsible Party will be required to continue to pay the Minimum Charge, if applicable, during the period in which Aquila claims relief by reason of Force Majeure.

8.4 Notice

Aquila shall promptly give the other 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 Aquila's obligations.

8.5 Obligation to Remedy

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

Effective January 1, 2004

Page 46

8.6 Strikes and Lockouts

Notwithstanding any other provision of the Terms and Conditions, the settlement of any strike, lockout or other industrial disturbance affecting Aquila shall be wholly in the discretion of Aquila and Aquila 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 Aquila or deprive Aquila of the benefits of this section.

ARTICLE 9 – ARBITRATION

9.1 Resolution by Aquila and Responsible Party

If any dispute between Aquila and a Responsible Party shall arise at any time in connection with the Terms and Conditions which is not otherwise resolved, Aquila 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.

9.2 Resolution by Arbitration

If any dispute has not been resolved within 30 days after written notice from Aquila or the Responsible Party to the other of its desire to have the dispute resolved, then upon written notice by either party the dispute shall be resolved through arbitration.

9.3 Arbitrators

All disputes or differences between Aquila and a Responsible Party in connection with the Terms and Conditions 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 receiving written notice of arbitration, all disputes or differences shall be referred to a Board of Arbitrators consisting of one (1) arbitrator to be appointed by each of Aquila and the Responsible Party who shall, by instrument in writing, appoint a third arbitrator within 20 days of written notice for arbitration, after they are themselves appointed. The arbitrator or arbitrators shall render a decision within 30 days of the latest appointment.

9.4 Refusal to Appoint an Arbitrator

If either Aquila 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 its arbitrator) has served Aquila or the Responsible Party, as the case may be, with written notice to make the appointment, the party who has appointed its 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.

Effective January 1, 2004

Page 47

9.5 Failure to Appoint a Third Arbitrator

If the arbitrators appointed by Aquila 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 Aquila 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.

9.6 Technical Competence

Any arbitrator appointed under the provisions of this Article whether by concurrence of Aquila 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 him to properly adjudicate upon the dispute or difference.

9.7 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 divided evenly between the parties.

9.8 Application of the *Arbitration Act* (Alberta)

The arbitration shall be conducted in accordance with the *Arbitration Act*, R.S.A. 2000, c. A-43, as amended from time to time. In the event of a conflict between these Terms and Conditions and the *Arbitration Act*, these Terms and Conditions shall prevail. Notwithstanding the foregoing, any disputed matters between Aquila and a Retailer relating to an order or direction made or approved by the Board or falling within the exclusive jurisdiction of the Board, shall be referred to the Board for resolution.

9.9 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.

9.10 Continuity of Distribution Tariff Services

All performance required under the Terms and Condition by Aquila and the Responsible Party and payment shall continue during the dispute resolution proceedings contemplated by this Article provided that, in the case of any such proceedings pertaining to amounts payable under the Terms and Conditions, any payments or reimbursements required as a result of the proceedings shall be effective as of a date to be determined in such proceedings and interest shall be paid thereon by the party required to make the payment or reimbursement on the amount

Effective January 1, 2004

Page 48

thereof at the rate quoted by the Royal Bank of Canada as its “prime rate” from the date so determined until paid.

ARTICLE 10 – ADDITIONAL PROVISIONS RELATING TO DISTRIBUTION TARIFF SERVICES

10.1 Ownership of Facilities

Aquila remains the owner of all distribution Facilities necessary to provide Distribution Tariff Services to Responsible Parties unless an agreement between Aquila and the Responsible Party specifically provides otherwise.

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

10.2 Proper Use of Services

The Responsible Parties assume full responsibility for the proper use of the Service Connection and Distribution Tariff Services provided by Aquila and for the condition, suitability and safety of any and all wires, cables, devices or appurtenances energized by energy on the Responsible Party’s premises or on premises owned or controlled by the Responsible Party that are not the Responsible Party’s property. The Responsible Party shall be liable for any loss, damage, expense, charge, cost or other liability of any kind, whether to Aquila, its agents or employees, Aquila 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 property.

10.3 Distribution Tariff Services Obtained from Retailer

Aquila will not initiate or continue Distribution Tariff Services at a Point of Service unless the Customer is enrolled to obtain Distribution Tariff Services. It is the Customer’s responsibility to make arrangements with a Retailer to obtain Electricity Services, including enrolment for Distribution Tariff Services.

10.4 Responsibility of Retailer for Electricity 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 these Terms and Conditions.

Effective January 1, 2004

Page 49

10.5 New Facilities and Distribution Access Service Additions

Aquila 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*, A.R. 159/2003, as amended from time to time.

10.6 Distribution Access Services Interruption

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

Without liability of any kind to Aquila, it shall have the right to curtail, interrupt or reduce Distribution Access Services to applicable Responsible Parties whenever Aquila reasonably determines, or when Aquila is directed by the Independent System Operator, that such a curtailment, interruption or reduction is: (i) necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of Aquila's Facilities; or (ii) to maintain the safety and reliability of Aquila's Electric Distribution System; or (iii) due to any other reason, including emergencies, forced outages, potential overloading of Aquila's Electric Distribution System, for system security reasons or as a result of Force Majeure.

10.7 Independent System Operator or Transmission Facility Owner Requirements

The Responsible Parties acknowledge and agree that Aquila 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. The Responsible Parties acknowledge and agree that they will cooperate with Aquila so that Aquila 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.

10.8 Compliance with Applicable Legal Authorities

Aquila 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. Aquila will not violate, directly or indirectly, or become a party to a violation of any 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 Distribution Tariff Services to the Responsible Parties. Aquila's obligation to provide a Service Connection and Distribution Tariff Services 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.

Effective January 1, 2004

Page 50

10.9 Requirement to Enter into New Contracts

In accordance with the provisions of the Act and the Regulations made thereunder, after December 31, 2000, Aquila came to act solely as a wire services provider providing Service Connections and Distribution Tariff Services 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 Aquila has with Responsible Parties relating to the provision of a Service Connection or Distribution Tariff Services are no longer relevant. As such, Aquila 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 Aquila.

10.10 No Assignment

The Responsible Parties shall not assign any of their rights or obligations under the Terms and Conditions or any other agreement with Aquila relating to a Service Connection or Distribution Tariff Services without obtaining any necessary regulatory approvals and Aquila's approval where required in such agreement. No assignment shall relieve the Responsible Parties of any of their obligations under the Terms and Conditions until such obligations have been assumed by the assignee and Aquila has agreed to the novation. Any assignment in violation of this section shall be void.

10.11 No Waiver

The failure of Aquila or a Responsible Party to insist in any one or more instances upon strict performance of any provisions of the Terms and Conditions or any agreement with Aquila relating to a Service Connection or Distribution Tariff Services, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect. No provision of the Terms and Conditions or any such agreement 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.

10.12 Law

The Terms and Conditions and any agreement of a Responsible Party with Aquila relating to a Service Connection or Distribution Tariff Services between Aquila and the Responsible Parties 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 such agreement shall be brought in the courts of the Province of Alberta.

10.13 Notice

Unless otherwise stated herein, all notices, demands or requests required or permitted under the Terms and Conditions or any agreement of a Responsible Party with Aquila for a Service

Effective January 1, 2004

Page 51

Connection or Distribution Tariff Services agreement 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 and the addressee set out in the Electric Service Agreement between the Customer and Aquila.

If to the Retailer, to the addressee set out in the Retail Service Agreement with Aquila.

If to a DG Customer, to the addressee set out in its agreement with Aquila.

If to Aquila, to:

Customer Care
Aquila Networks Canada (Alberta) Ltd.
700, 801 – 7th Ave. S.W.
Calgary, Alberta
T2P 3P7

Fax: (403) 514-4001

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

Effective January 1, 2004

Page 52

APPENDIX A – FEE SCHEDULE

The fees and charges indicated by this schedule are non-refundable and are charged in all circumstances to the party making the request, unless otherwise specified.

- | | |
|--|--|
| 1. Reconnection | \$90.00 |
| This fee is applicable when the wire service provider or the Retailer, for any of the following, has initiated a reconnect request to be completed during 8:00 AM – 4:00 PM Monday – Friday. | |
| <ul style="list-style-type: none"> • Electrical non-compliance • Non-payment • Customer initiated alterations to the electrical system | |
| 2. Off-Cycle Meter Reading | \$35.00 |
| This fee is applicable when an off-cycle meter reading is requested. | |
| 3. Interval Meter Data Management | \$150.00/month |
| For Points of Service with Operating Demands less than 500 kW, with Interval Meters, to enable 15-minute interval data. | |
| 4. Interval Meter Installation | Incremental cost on a per site basis (including time and materials but excluding additional cost of meter itself) |
| For Interval Meter installation at Points of Service with Operating Demands less than 500 kW. | |
| 5. Meter Testing | \$50.00 for residential/farm
\$100.00 all others |
| This fee is applicable when a request to test a meter is received. The fee is collected and refunded if the meter is found to be faulty. | |
| 6. Meter Signal | Cost to be determined on an individual site basis |
| This fee is applicable for the time and material associated with the meter signal requests. Costs can vary a great deal by service and must be determined on a site-by-site basis. | |
| 7. No Access | \$90.00 |
| This fee is applicable to the Customer when access to a site is refused. | |

Effective January 1, 2004

Page 53

- 8. Consumption/Settlement History Request** **\$25.00/hr for regular meter**
\$50.00/hr for interval meter
1 hr min
This fee is applicable when a request for specific Load Settlement data is made, including up to 12 months of site consumption history. If the request is for >12 months of site consumption history, the fee and minimum will be double.
- 9. Confirmation of Settlement Data** **\$25.00/hr for regular meter**
\$50.00/hr for interval meter
1 hr min
This fee applies when a Retailer requests that an investigation be performed of suspect Load Settlement data. In the event that the data is, in the opinion of Aquila, substantively incorrect, the fee will be waived.
- 10. Rush Connection** **\$90.00**
This fee is for Retailer requests to connect the Customer immediately. This is not available for the purposes of getting priority service.
- 11. After Hours Reconnection** **\$250.00**
This will be charged to the Retailer when the Customer's service is connected outside regular business hours, weekdays 8:00 – 4:00. Aquila will, time permitting, do reconnects between 4:00 and 10:00 pm at overtime rates.
- 12. Service Trips**
- (a) This fee is applicable to the Customer when multiple trips to a Customer's service are required for any of the following: **\$45.00**
- Electrical non-compliance at service location, at new service or reconnection of existing service
 - Unsafe conditions
 - Customer deficiency
- (b) A Customer or other Responsible Party will be required to pay the actual costs of a Customer (or Responsible Customer, as the case may be) requested service call if the source of the problem is determined to be that party's facilities. **Cost to be determined on an individual basis**
- 13. Site ID Search** **\$15.00**
This fee is applicable when a site ID has been requested which already exists in the wire service provider site ID catalogue.
- 14. Cancellation** **\$45.00**
This fee is applicable when a request is cancelled or deferred after the field staff have been mobilized.

Effective January 1, 2004

Page 54

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

Table 1
Maximum Investment Levels for Distribution Facilities
When the service life is 15 years or more

Type of Service	Maximum Investment Level
Residential	\$900 per service
Residential Development	\$900 per service, less Aquila's costs of metering and final connection.
Aquila Farm	\$650 per kVA of Peak Demand
Irrigation	\$0
Yard Lighting	\$750 per fixture
Street Lighting (Investment Option)	\$1,150 per fixture
Small General Service	\$667 per kW of Peak Demand
Oil and Gas Service	\$667 per kW of Peak Demand
General Service	\$667 per kW for the first 150 kW, plus \$167 per kW for additional kW of Peak Demand
Large General Service (Distribution Connected)	\$30 per kW of Peak Demand, plus \$30 per metre of Customer extension
Wholesale Service (Closed)	\$1 per kW of Peak Demand, plus \$10 per metre of Customer extension

Notes: Maximum investment levels are reduced if the expected service life is less than 15 years, as specified in Table 2.

Effective January 1, 2004

Page 55

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

Table 2
Maximum Investment Levels for Distribution Facilities
When the Service Life is less than 15 years.

Service Life	Aquila Farm	Small GS, Oil & Gas, and General Service	General Service	Large General Service		Wholesale Service (Closed)	
				On each kW of Peak Demand	On each metre of Customer Extension	On each kW of Peak Demand	On each metre of Customer Extension
Years	\$ per kVA	\$ per kW	\$ per kW	\$ per kW	\$ per metre	\$ per kW	\$ per metre
1	\$0	\$0	\$0	\$0	\$0	\$0.00	\$0.00
2	\$164	\$168	\$42	\$8	\$8	\$0.25	\$2.52
3	\$233	\$239	\$60	\$11	\$11	\$0.36	\$3.58
4	\$294	\$301	\$75	\$14	\$14	\$0.45	\$4.52
5	\$348	\$357	\$89	\$16	\$16	\$0.54	\$5.35
6	\$396	\$407	\$102	\$18	\$18	\$0.61	\$6.10
7	\$439	\$451	\$113	\$20	\$20	\$0.68	\$6.76
8	\$478	\$490	\$123	\$22	\$22	\$0.73	\$7.35
9	\$512	\$525	\$131	\$24	\$24	\$0.79	\$7.87
10	\$542	\$556	\$139	\$25	\$25	\$0.83	\$8.34
11	\$569	\$584	\$146	\$26	\$26	\$0.88	\$8.75
12	\$593	\$608	\$152	\$27	\$27	\$0.91	\$9.12
13	\$614	\$630	\$158	\$28	\$28	\$0.94	\$9.45
14	\$633	\$650	\$163	\$29	\$29	\$0.97	\$9.74
15 or more	\$650	\$667	\$167	\$30	\$30	\$1.00	\$10.00

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

Effective January 1, 2004

Page 56

APPENDIX B – CUSTOMER CONTRIBUTIONS SCHEDULES

Table 3
Base Costs and Factors for Prepaid Line Share Calculation.

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

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

Effective January 1, 2004

Page 57

APPENDIX B – 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	
% of Interconnection Facilities Cost	
Prepaid O&M Charge	20%
Monthly O&M Charge (charged bi-annually)	0.24%

RATE 11 RESIDENTIAL SERVICE

Effective: January 1, 2004

Page 1 of 1

Availability Rate 11 is available to individually metered single family dwelling units that are used for domestic purposes only.

<i>Rate 11</i>	Transmission Component	Distribution Component	Total Distribution Tariff
All kWh delivered	0.7197¢/kWh	1.2424¢/kWh	1.9621¢/kWh
Single or first Unit	—	\$12.00/Month	\$12.00/Month
Each additional Unit	—	\$11.24/Month	\$11.24/Month

The Rate Minimum is \$12.00/Month.

Application In addition to single family dwellings, Rate 11 is also available to:

1. an individually metered single dwelling unit with a maximum of 1,000 watts used in connection with small business;
2. an individually metered single motel rental unit, provided that the owner has contracted with Aquila for service to each unit;
3. an individually metered private dwelling in a commercial travel trailer or mobile home park, provided that Aquila charges the owner of the park if the occupancy is temporary;
4. existing multi-unit residential buildings which are currently served through a single meter and billed on a residential rate;
5. senior citizen apartment complexes served through a single meter; or
6. travel trailer or mobile home parks served through a single meter where the owner of the park sub-meters each of the occupants of the park and charges the occupants of the park at rates no higher than Aquila's Residential Rate 11.

In cases 4, 5 and 6 (multi-residential), Aquila charges for all units, occupied or not.

Except for cases 4 and 5, all multi-unit residential buildings (including apartment and condominium buildings) must have individual dwelling units separately metered and billed on Residential Rate 11, with common use areas such as hallway, lobby, and laundry room lighting metered and billed on Small General Service Rate 41.

Aquila's Terms and Conditions of Distribution Tariff Services provide for other charges, including an arrears charge of 1.5% per month.

RIDER A-1 MUNICIPAL ASSESSMENT RIDER

Effective: January 1, 2004

Page 1 of 4

Availability The percentages below apply to the base Distribution Tariff charges at each Point of Service, according to the taxation authority in which the Point of Service is located. Rates 21, 23, 24, 26, 28, 29 and 81 are exempt from Rider A-1.

<i>Rider A-1</i>	<u>Number</u>	<u>Name</u>	<u>Rider</u>	<u>Number</u>	<u>Name</u>	<u>Rider</u>
	03 0002	Acme, Village of	4.34%	02 0043	Brooks, Town of	2.75%
	01 0003	Airdrie, City of	2.79%	02 0044	Bruderheim, Town of	4.85%
	04 0004	Alberta Beach, S.V. of	5.53%	11 0406	Buffalo Lake Metis	5.13%
	25 0466	Alexander (MD 90)	3.36%	04 0414	Burnstick Lake, S.V. of	0.15%
	25 0467	Alexis (C028)	5.08%	01 0046	Calgary, City of	0.74%
	03 0005	Alix, Village of	4.44%	02 0047	Calmar, Town of	4.57%
	03 0007	Amisk, Village of	5.42%	01 0048	Camrose, City of	3.11%
	04 0009	Argentina Beach, S.V.	1.41%	06 0049	Camrose, County #22	4.81%
	03 0010	Arrowwood, Village of	2.98%	02 0050	Canmore, Town of	2.39%
	06 0012	Athabasca, County #12	2.31%	06 0053	Cardston, M.D. #6	2.19%
	02 0011	Athabasca, Town of	3.62%	02 0052	Cardston, Town of	2.69%
	02 0387	Banff, Town of	2.20%	03 0054	Carmangay, Village of	5.14%
	03 0363	Barnwell, Village of	2.71%	03 0055	Caroline, Village of	4.28%
	03 0013	Barons, Village	4.71%	02 0056	Carstairs, Town of	5.15%
	06 0015	Barrhead, County #11	4.07%	04 0057	Castle Island, S.V. of	3.64%
	02 0014	Barrhead, Town of	3.78%	03 0061	Champion, Village of	5.53%
	02 0016	Bashaw, Town of	5.52%	03 0062	Chauvin, Village of	7.73%
	02 0017	Bassano, Town of	3.13%	02 0356	Chestermere Lake, Town	1.82%
	03 0018	Bawlf, Village of	4.48%	03 0064	Chipman, Village of	9.54%
	02 0019	Beaumont, Town of	3.26%	02 0065	Claresholm, Town of	4.35%
	06 0020	Beaver, County #9	3.86%	06 0377	Clearwater, M.D. #99	1.67%
	03 0022	Beiseker, Villave of	3.47%	03 0066	Clive, Village of	3.92%
	03 0024	Bentley, Village of	3.98%	03 0068	Clyde, Village of	6.39%
	04 0026	Betula Beach, S.V. of	3.86%	02 0069	Coaldale, Town of	3.87%
	25 0487	Bighorn, (Stony) 144 A	2.14%	02 0360	Coalhurst, Town of	3.08%
	06 0382	Bighorn, M.D. of #8	0.75%	02 0070	Cochrane, Town of	2.35%
	04 0384	Birch Cove, S.V. of	4.68%	03 0076	Coutts, Village of	5.96%
	04 0028	BirchCliff, S.V. of	2.06%	03 0077	Cowley, Village of	1.13%
	03 0029	Bittern Lake, Village of	5.55%	03 0078	Cremona, Village of	2.34%
	02 0030	Black Diamond, Town of	3.03%	02 0079	Crossfield, Town of	2.17%
	02 0031	Blackfalds, Town of	4.25%	02 0361	Crowsnest Pass, M.D. of	3.60%
	02 0034	Bon Accord, Town of	5.92%	04 0080	Crystal Springs, S.V. of	2.94%
	04 0367	Bondiss, S.V. of	3.24%	06 0376	Cypress County, M.D. #1	0.43%
	02 0039	Bow Island, Town of	3.46%	03 0081	Czar, Village of	4.83%
	02 0040	Bowden, Town of	5.55%	02 0082	Daysland, Town of	2.82%
	03 0041	Boyle, Village of	3.81%	02 0086	Devon, Town of	3.25%
	06 0383	Brazeau, M.D. #77	6.61%	02 0088	Didsbury, Town of	3.75%
	03 0042	Breton, Village of	5.06%	03 0093	Duchess, Village of	3.41%

Aquila's Terms and Conditions of Distribution Tariff Services provide for other charges, including an arrears charge of 1.5% per month.

RIDER A-1 MUNICIPAL ASSESSMENT RIDER

Page 2 of 4

<i>Rider A-1 (Continued)</i>	Number	Name	Rider	Number	Name	Rider
	02 0095	Eckville, Town of	4.51%	06 0195	Lacombe, County of	0.91%
	03 0096	Edberg, Village of	8.10%	02 0194	Lacombe, Town of	2.84%
	03 0097	Edgerton, Village of	5.22%	06 0538	Lakeland County	1.92%
	01 0098	Edmonton, City of	1.38%	04 0196	Lakeview, S.V. of	4.12%
	02 0100	Edson, Town of	3.64%	06 0198	Lamont, County #30	0.44%
	03 0109	Ferintosh, Village of	7.16%	02 0197	Lamont, Town of	5.71%
	06 0110	Flagstaff, County #29	2.30%	04 0378	Larkspur, S.V. of	3.80%
	06 0111	Foothills, M.D. #31	1.66%	01 0200	Leduc, City of	3.95%
	03 0112	Foremost, Village	4.04%	06 0201	Leduc, County of #25	2.33%
	02 0115	Fort McLeod, Town of	3.66%	03 0202	Legal, Village of	5.27%
	06 0118	Forty Mile, County #8	3.28%	06 0507	Lesser Slave Lake, M.D. 124	2.09%
	01 0117	Ft. Saskatchewan, City	0.94%	01 0203	Lethbridge, City of	1.42%
	04 0123	Ghost Lake, S.V. of	2.45%	06 0204	Lethbridge, County #26	1.46%
	02 0124	Gibbons, Town of	4.82%	03 0207	Lomond, Village of	4.37%
	03 0128	Glenwood, Village of	1.60%	03 0208	Longview, Village of	2.51%
	04 0129	Golden Days, S.V. of	3.77%	03 0209	Lougheed, Village of	5.35%
	04 0134	Grandview, S.V. of	2.13%	02 0211	Magrath, Town of	3.47%
	02 0135	Granum, Town of	5.15%	04 0210	Ma-Me-O Beach, S.V. of	2.97%
	06 0481	Greenview, M.D. #16	0.59%	02 0215	Mayerthorpe, Town of	4.85%
	04 0138	Gull Lake, S.V. of	3.41%	04 0359	Mewatha Beach, S.V. of	3.09%
	04 0358	Half Moon Bay, S.V. of	2.84%	02 0218	Milk River, Town of	5.76%
	02 0143	Hardisty, Town of	4.03%	02 0219	Millet, Town of	3.97%
	03 0144	Hay Lakes, Village of	4.71%	03 0220	Milo, Village of	3.67%
	02 0148	High River, Town of	2.06%	06 0222	Minburn, County of #27	3.86%
	03 0149	Hill Spring, Village of	3.09%	03 0223	Mirror, Village of	5.75%
	02 0151	Hinton, Town of	2.64%	02 0224	Morinville, Town of	3.37%
	03 0152	Holden, Village of	8.37%	06 0226	Mountainview, County #17	2.02%
	03 0153	Hughendon, Village of	7.85%	04 0230	Nakamun Park, S.V. of	2.13%
	03 0154	Hussar, Village of	3.22%	02 0232	Nanton, Town of	4.09%
	02 0180	Innisfail, Town of	1.83%	03 0233	New Norway, Village of	4.45%
	03 0182	Irma, Village of	4.02%	03 0234	New Sarepta, Village of	4.41%
	03 0183	Irricana, Village of	3.32%	06 0235	Newell, County of #4	1.33%
	04 0368	Island Lake, S.V. - South	3.23%	07 0168	No. 13	1.01%
	04 0185	Island Lake, S.V. of	2.92%	07 0159	No. 4 (incl Waterton S.D.)	0.56%
	04 0186	Itaska Beach, S.V. of	3.95%	07 0164	No. 9	0.46%
	04 0379	Jarvus Bay, S.V. of	1.98%	03 0236	Nobleford, Village of	2.94%
	07 0373	Kananaskis ID #5	0.86%	04 0237	Norglenwold, S.V. of	2.09%
	04 0187	Kapasiwin, S.V. of	3.21%	04 0385	Norris Beach, S.V. of	3.30%
	11 0411	Kikino Settlement (C103)	3.19%	25 0442	O'Chiese 203 (M099)	2.39%
	02 0188	Killam, Town of	4.25%	02 0238	Okotoks, Town of	2.49%
	06 0191	Kneehill, M.D. #48	3.05%	02 0239	Olds, Town of	2.70%
	02 0192	Lac La Biche, Town of	2.85%			
	06 0193	Lac Ste. Anne, County #28	3.67%			

Aquila's Terms and Conditions of Distribution Tariff Services provide for other charges, including an arrears charge of 1.5% per month.

RIDER A-1 MUNICIPAL ASSESSMENT RIDER

Page 3 of 4

<i>Rider A-1 (continued)</i>	Number	Name	Rider	Number	Name	Rider
	03 0240	Onoway, Village of	3.78%	02 0301	Stony Plain, Town of	3.61%
	06 0512	Opportunity M.D. #17	5.07%	09 0302	Strathcona County, Special Municipality of	1.89%
	04 0374	Parkland Beach, S.V. of	2.67%	02 0303	Strathmore, Town of	2.82%
	06 0245	Parkland County	2.06%	03 0304	Strome, Village of	5.93%
	25 0444	Paul Band Admin 133 A	3.71%	06 0305	Sturgeon, M.D. of #90	1.47%
	02 0248	Penhold, Town of	6.58%	04 0388	Sunbreaker Cove, S.V. of	2.75%
	02 0249	Picture Butte, Town of	3.16%	04 0306	Sundance Beach, S.V. of	2.04%
	06 0251	Pincher Creek, M.D. #9	1.72%	02 0307	Sundre, Town of	2.90%
	02 0250	Pincher Creek, Town of	4.33%	04 0386	Sunrise Beach, S.V. of	6.43%
	04 0253	Point Alison, S.V. of	2.60%	04 0357	Sunset Beach, S.V. of	3.08%
	06 0255	Ponoka, County #3	2.31%	04 0308	Sunset Point, S.V. of	3.02%
	02 0254	Ponoka, Town of	1.73%	02 0310	Sylvan Lake, Town of	3.51%
	04 0256	Poplar Bay, S.V. of	3.28%	06 0312	Taber, M.D. #14	1.87%
	06 0258	Provost, County of #52	1.57%	02 0311	Taber, Town of	2.25%
	02 0257	Provost, Town of	4.15%	06 0314	Thorhild, County #7	4.77%
	06 0501	Ranchlands, M.D. #66	3.22%	03 0313	Thorhild, Village of	6.51%
	02 0261	Raymond, Town of	4.26%	03 0315	Thorsby, Village of	5.79%
	06 0263	Red Deer, County of #23	2.38%	03 0317	Tilley, Village of	4.58%
	02 0265	Redwater, Town of	4.88%	02 0318	Tofield, Town of	4.47%
	02 0266	Rimbey, Town of	3.06%	25 0462	Tsuu T'ina (Redwood)	6.38%
	02 0268	Rocky Mountain House, Town of	2.90%	25 0448	Tsuu T'ina (Sarcee)	2.86%
	06 0269	Rocky View, M.D. #44	0.96%	02 0321	Turner Valley, Town of	3.40%
	03 0270	Rockyford, Village of	3.75%	04 0324	Val Quentin, S.V. of	3.76%
	04 0273	Ross Haven, S.V. of	4.48%	02 0326	Vauxhall, Town of	3.46%
	03 0276	Ryley, Village of	6.30%	06 0329	Vermillion River, County #24	1.70%
	04 0277	Sandy Beach, S.V. of	3.81%	02 0331	Viking, Town of	4.14%
	03 0278	Sangudo, Village of	5.18%	06 0334	Vulcan, County of #2	2.13%
	04 0279	Seba Beach, S.V. of	3.94%	02 0333	Vulcan, Town of	3.93%
	02 0280	Sedgewick, Town of	3.47%	03 0364	Wabamun, Village of	4.31%
	25 0419	Siksika (Blackfoot)	2.93%	06 0336	Wainwright, County of #61	3.80%
	04 0282	Silver Beach, S.V. of	3.14%	02 0335	Wainwright, Town of	3.51%
	04 0283	Silver Sands, S.V. of	4.50%	04 0380	Waiparous, S.V. of	2.66%
	04 0369	South Baptiste, S.V. of	2.56%	03 0338	Warburg, Village of	6.03%
	04 0288	Southview, S.V. of	4.85%	06 0340	Warner, County of #5	3.32%
	08 0142	Special Areas	1.19%	03 0339	Warner, Village of	6.06%
	04 0099	Spring Lake, S.V. of	3.80%	04 0370	West Baptiste, S.V. of	2.72%
	01 0291	Spruce Grove, City of	2.99%	04 0344	West Cove, S.V. of	4.35%
	01 0292	St. Albert, City of	3.77%	06 0346	Westlock, County of #92	3.02%
	03 0295	Standard, Village of	3.99%	02 0345	Westlock, Town of	4.54%
	02 0297	Stavely, Town of	4.46%	01 0347	Wetaskiwin, City of	3.86%
	03 0300	Stirling, Village of	4.24%			
	25 0426	Stony Plain, 135 (C031)	4.73%			

Aquila's Terms and Conditions of Distribution Tariff Services provide for other charges, including an arrears charge of 1.5% per month.

RIDER A-1 MUNICIPAL ASSESSMENT RIDER

Page 4 of 4

<i>Rider A-1</i> <i>(continued)</i>	Number	Name	Rider
	06 0348	Wetaskiwin, County of #10	3.02%
	06 0349	Wheatland, County of #16	1.23%
	04 0371	Whispering Hills, S.V. of	3.00%
	02 0350	Whitecourt, Town of	1.05%
	06 0353	Willow Creek, M.D. #26	1.82%
	09 0508	Wood Buffalo, M.D.	0.62%
	06 0480	Woodlands, M.D. #15	0.63%
	06 0482	Yellowhead M.D. of #94	1.00%

Aquila's Terms and Conditions of Distribution Tariff Services provide for other charges, including an arrears charge of 1.5% per month.