



Conditions of Service



CONDITIONS OF SERVICE

Effective: October 22, 2008

HORIZON UTILITIES CORPORATION
CONDITIONS OF SERVICE

PREFACE

The Distribution System Code (“DSC”) requires that each distributor produce a “Conditions of Service” document. The purpose of this document is to provide a means for communicating the types and level of service available to the Customers within Horizon Utilities Corporation’s service area. The DSC requires that the Conditions of Service be readily available for review by the general public. In addition, the most recent version of the document must be filed with the Ontario Energy Board (“OEB”) for the purpose of facilitating dispute resolutions in the event that a dispute cannot be resolved between the Customer and Horizon Utilities.

Horizon Utilities’ Conditions of Service document is based on the template presented in Appendix A of the DSC and is organized as follows:

- **Section 1 (Introduction):** contains references to the legislation that covers the Conditions of Service, the rights of the Customer and of Horizon Utilities, and the dispute resolution process.
- **Section 2 (Distribution Activities [General]):** contains references to services and requirements that are common to all Customer classes. This section covers items such as Rates, Billing, Hours of Work, Emergency Response, Power Quality, Available Voltages, and Metering.
- **Section 3 (Customer Class Specific):** contains references to services and requirements specific to individual Customer classes. This section covers items such as Service Entrance Requirements, Delineation of Ownership, Special Contracts, etc.

Other sections in the document include the Glossary of Terms and Appendices.

Subsequent changes will be incorporated with each submission to the OEB. Comments on the Conditions of Service or subsequent revisions can be emailed to info@horizonutilities.com. Horizon Utilities will file with the OEB a summary of public comments received from Customers about the Conditions of Service and any subsequent changes.

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SECTION 1 - INTRODUCTION

1.1 Identification of Distributor and Territory

Horizon Utilities Corporation, referred to herein as “Horizon Utilities” or “Distributor,” is incorporated under the laws of the Province of Ontario to distribute electricity to Customers within its licensed service area as defined in Schedule 1 of the Electricity Distribution Licence ED-2006-0031 issued to Horizon Utilities by the OEB. Schedule 1 can be found in **Appendix H**.

The licensed service area generally consists of those parts of the City of Hamilton and the City of St. Catharines to which Horizon Utilities’ distribution lines extend, except the areas serviced by Hydro One Networks Incorporated. Specific details of Horizon Utilities’ service area boundary are outlined in **Appendix H**. Horizon Utilities’ service area is subject to change with OEB approval.

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

1.2 Related Codes and Governing Laws

Horizon Utilities operates in accordance with the applicable provisions of:

- Electricity Act
- Ontario Energy Board Act
- Electricity Distribution Licence
- Electricity Distribution Rate Handbook
- Affiliate Relationships Code
- Distribution System Code
- Retail Settlement Code
- Standard Supply Service Code
- Transmission System Code
- Electricity and Gas Inspection Act
- Ontario Electrical Safety Code (“OESC”)
- Public Service Works on Highways Act
- Building Code Act
- Personal Information Protection and Electronic Documents Act (“PIPEDA”)
- Municipal Freedom of Information and Protection of Privacy Act (“MFIPPA”)

In the event of a conflict between the Conditions of Service and any of the Codes or Acts listed above, the Code or Act listed above shall prevail. In the event of a conflict between any of the Codes and any of the Acts listed above the Acts listed above shall prevail.

In the event of a conflict between the Conditions of Service and a Connection Agreement executed by the Customer and Horizon Utilities, the Connection Agreement shall govern.

Customers and their agents must plan and design the required electricity service with adherence to all applicable provincial and Canadian electrical codes, and all other applicable federal, provincial, and municipal laws, regulations, codes, and bylaws.

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1.3 Interpretations

Words and phrases contained herein have the meanings ascribed to them in these Conditions of Service and in the documents listed in **Section 1.2**.

The division of these Conditions of Service into headings, sections, paragraphs, subsections and the insertion of headings are for convenience of reference only and do not affect the interpretation of these Conditions of Service.

In these Condition of Services, unless there is something in the subject matter or context inconsistent therewith:

- Words or phrases importing the singular include the plural and vice versa.
- Words referring to a gender include any gender.
- Reference to a document, act, code or bylaw shall be reference to the document, act, code or bylaw as amended, re-enacted or replaced from time to time.
- Reference to a Section or Appendix refers to that Section or Appendix in the Conditions of Service unless stated otherwise.
- Any reference to duration of time in working days shall be a reference to the normal working days of Horizon Utilities and will not include any weekends, statutory holidays or holidays recognized by Horizon Utilities.

1.4 Amendments and Changes

The provisions of the Conditions of Service, and any amendments made from time to time, form part of any contract made between Horizon Utilities and any connected Customers or their agents. The most recent version of Horizon Utilities' Conditions of Service filed with the OEB will supersede all previous oral or written Conditions of Service of the Distributor, or those of its predecessor municipal electrical utilities.

When changes or amendments are made to the Conditions of Service, Horizon Utilities will provide notice to customers in accordance with the requirements of the DSC. Horizon Utilities may also post notice of changes to the Conditions of Service on its corporate website at www.horizonutilities.com. The Customer may obtain a print version of the current document by contacting Horizon Utilities' head office during normal business hours, Monday to Friday, between 8:30 a.m. and 4:30 p.m. A reasonable fee for providing the Customer with a hard copy of this document will apply. The current version of the Conditions of Service is posted on the Corporation's website and can be downloaded from www.horizonutilities.com.

1.5 Contact Information for Horizon Utilities

Corporate Address:

Horizon Utilities Corporation
55 John Street North,
PO Box 2249 LCD1,
Hamilton, ON L8N 3E4

Customer Service:

Hamilton:	Phone: 1-866-458-1236, fax: 905-522-6228
St. Catharines:	Phone: 905-984-8961, fax: 1-866-731-0451
Email:	info@horizonutilities.com

General Inquiries:	1-866-458-1236
Normal Business Hours:	8:30 a.m. to 4:30 p.m. Monday to Friday (excluding holidays)

Power Outage Inquiries:

Hamilton	905-522-4617
St. Catharines	905-684-8111

Horizon Utilities Website: www.horizonutilities.com

1.6 Customer Rights

The Customer has the right to access Horizon Utilities' distribution system and services in accordance with the Conditions of Service and the applicable acts, regulations, and codes.

1.6.1 Obligation to Sell Electricity

Horizon Utilities is obliged to sell electricity to every Customer connected to its distribution system in accordance with:

- i.) Section 29 of the *Electricity Act*; and
- ii.) its Electricity Distribution Licence; and
- iii.) the requirements of codes and laws in **Section 1.2**

except to a Customer who does not wish to purchase electricity from Horizon Utilities and advises Horizon Utilities in writing.

1.6.2 Access to Meter Information

The Customer has the right to interrogate the Customer's meter, and access meter information, or to assign these rights to others, in accordance with Section 11 of the Retail Settlement Code and any relevant technical specifications and codes.

1.6.3 Liability for Damage

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

- i.) Horizon Utilities in providing distribution services to the Customer; or
- ii.) the Customer in being connected to Horizon Utilities' distribution system; or
- iii.) Horizon Utilities or the Customer in meeting their respective obligations under the Conditions of Service, their licences, and any other applicable codes and laws.

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Neither Horizon Utilities nor the Customer will be liable under any circumstances whatsoever for any loss of profits or revenues, business interruption losses, loss of contract or goodwill, or for any indirect, consequential, incidental, or special damages including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

The Customer shall indemnify and hold harmless Horizon Utilities, its directors, officers, employees, and agents from any claims made by any third parties in connection with the construction, installation, and operation of the Customer's equipment.

Horizon Utilities assumes no risk and will not be liable for damages resulting from the presence of its equipment on the Customer's premises or approaches, or for any action, omission, occurrence, or negligence by any persons over whom the Corporation has no control as detailed in the Conditions of Service.

1.7 Distributor Rights

1.7.1 Assignment

The Distributor may on notice to the Customer assign all of its rights and obligations under this Agreement, in whole or in part, to any Affiliate which is a Distributor or to any other Person which is a Distributor (including by way of amalgamation) without the consent of the Customer; and upon such notice and assignment, Horizon Utilities shall have no further obligations or liabilities whatsoever under this Agreement

1.7.2 Access to Customer Property

Horizon Utilities requires access to a Customer's property in accordance with Section 40 of the Electricity Act in order to access such items as meters and metering equipment, overhead and underground plant, and/or to connect or disconnect equipment, or open or close circuits. At the request of Horizon Utilities, the Customer is required to provide keys and/or an area for mounting a key box to allow access to the above equipment.

1.7.3 Safety of Equipment

The Customer will comply with all aspects of the OESC to ensure that equipment is properly identified and connected for metering and operation purposes, and will correct any deficiencies in a timely manner. If the Customer does not take such action within a reasonable time, Horizon Utilities may disconnect the supply of electricity to the Customer.

The Customer will not build, plant or maintain any structure, tree, shrub, or landscaping that would or could obstruct any Horizon Utilities' equipment, or interfere with the proper and safe operation of Horizon Utilities' or Customer-owned equipment.

Where an obstruction is discovered, Horizon Utilities will notify the Customer and provide a reasonable time for the Customer to correct any obstructions. If the Customer does not remove such obstruction within the time specified, Horizon Utilities may, at the Customer's expense, disconnect the supply of electricity to the Customer and/or remove or relocate the obstruction or, in the case of shrubs or other vegetation, trim such obstructions, provided the shrubs or other vegetation do not pose a continuing obstruction. Horizon Utilities will make best efforts to restore the property to its original state; however, Horizon Utilities will not be liable to the Customer for any damages. Horizon Utilities' policies and procedures with respect to the disconnection process are further described in **Section 2.2 – Disconnection/Reconnection Processes and Charges**.

The Customer will ensure that all electrical and mechanical equipment used by the Customer complies with the standards as outlined in **Section 2.3.2 – Power Quality**. The Customer agrees to take and use electricity in a manner that will not damage the equipment or other works of Horizon

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Utilities, or cause any wide or abnormal fluctuation of its line voltage or otherwise interfere with the use of electricity by other customers connected to Horizon Utilities' system.

The Customer will not use or interfere with the facilities of Horizon Utilities except in accordance with any written agreement with Horizon Utilities. The Customer grants Horizon Utilities the right to seal any point where a connection may be made on the line side of the metering equipment.

1.7.4 Damaged Electrical Equipment

The Customer will be required to pay the cost of repair or replacement of equipment owned by Horizon Utilities that has been damaged through the willful misconduct or negligence of the Customer and/or his agent(s) and/or employee(s) and/or constructor(s). The Customer is required to pay for such repair and replacement costs prior to reconnection of the service.

If a third party who is not under contract to the Customer damages equipment owned by Horizon Utilities, such as an accidental dig into energized underground cable, such third party will be responsible for the damages caused. Horizon Utilities will report all electrical contacts above 750 volts to the Ministry of Labour.

1.7.5 Defective Customer Electrical Equipment

The Customer will repair or replace any equipment owned by the Customer that may affect the integrity or reliability of Horizon Utilities' distribution system. If the Customer does not take such action within a reasonable time, Horizon Utilities may disconnect the supply of electricity to the Customer. Horizon Utilities' policies and procedures with respect to the disconnection process are further described in **Section 2.2 – Disconnection/Reconnection Processes and Charges**.

1.7.6 Operating Control

The Customer will provide a convenient and safe place for the employees or agents of Horizon Utilities to install, maintain, and operate its equipment at the Customer's premises.

The Customer will allow Horizon Utilities to install and use meters and other equipment at the Customer's premises to conduct tests to determine the electrical characteristics of the customer's load.

The Customer will not allow any person to remove, replace, alter, repair, inspect, or tamper with equipment owned by Horizon Utilities except an employee or an agent of Horizon Utilities, or other person lawfully entitled to do so. The Customer will be required to pay the cost of repairs or replacement of Horizon Utilities' equipment that has been damaged, destroyed or lost by the direct or indirect act or omission of the Customer or the Customer's agent(s).

1.7.7 Customer-Owned Physical Structures

The Customer is responsible for construction and maintenance of all civil works owned by the Customer on private property including, but not limited to, such items as poles, transformer vaults, transformer rooms, transformer pads, cable chambers, cable pull rooms, and underground conduit. The Customer is also responsible for the repair or replacement of all civil works owned by the Customer on private property damaged as a result of tree roots or erecting of fence posts or other similar types of activities or occurrences. All civil work on private property must be inspected and accepted by both Horizon Utilities and the Electrical Safety Authority (ESA).

1.7.8 Allocation of Electricity During Emergencies

If the supply of electricity to Horizon Utilities is interrupted or reduced as a result of an emergency or equipment failure on the transmission or distribution system, Horizon Utilities, in its sole judgment, may allocate the available electricity among the Customer and other customers in its

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service area. An allocation of electricity under this Section shall be deemed not to be a breach of any contract.

1.7.9 Tree and Vegetation Management

To ensure public safety and the continued reliable operation of its distribution system, Horizon Utilities will maintain clearance around its distribution lines on a cyclical or as-needed basis, in close cooperation with the municipality's forestry department or other applicable authorities. These distribution lines are normally located on the public road allowance but, in some cases, may be located on easements over the Customer's property. The tree-trimming cycle may vary depending on extent of storm damage, health of trees, and vegetation type.

Where a Customer owns the pole lines on his property, it is the Customer's responsibility to conduct tree trimming, and brush and tree removal around these overhead lines. Clearances must conform to the OESC. To facilitate the safe trimming or removal of brush and trees or other vegetation from overhead lines located on private property, Horizon Utilities will once each year, at the Customer's request, disconnect and reconnect the Customer's supply without charge and only during normal business hours. The Customer is required to give Horizon Utilities ten (10) days prior notice to receive this service.

1.7.10 Force Majeure

Neither the Customer nor Horizon Utilities shall be held to have committed an event of default in respect of any obligation under these Conditions of Service or the DSC if prevented from performing that obligation because of a force majeure event pursuant to Section 2.3 of the DSC.

1.8 Disputes

Any disputes between Consumers, Customers, or Retailers and Horizon Utilities concerning the execution of Horizon Utilities' responsibilities under Section 16 of its Electricity Distribution Licence (for reasons other than termination of the Customer's Connection Agreement or disconnection of the Customer from Horizon Utilities' distribution system), will be settled according to the following dispute resolution process:

- i.) The Customer should endeavour to resolve the dispute by contacting a Horizon Utilities Customer Service Representative.
- ii.) The Customer Service Representative will attempt to resolve the dispute through investigation and follow-up. If the Customer Service Representative cannot resolve the dispute to the satisfaction of the Customer, it will be referred to the appropriate Horizon Utilities' supervisor or manager who will attempt to resolve the dispute.
- iii.) In the event that the dispute cannot be resolved between Horizon Utilities and the Customer, it may be referred to an independent third party complaints resolution agency approved by the OEB.
- iv.) Upon resolution of the dispute, the Customer may request and will receive a summary of the actions taken by Horizon Utilities in resolving the dispute. The Customer may also request and receive a copy of the code, policy or other document that affected the outcome of the dispute.

SECTION 2 DISTRIBUTION ACTIVITIES (GENERAL)

2.1 Connections – Process and Timing

Under the terms of the Electricity Act and the DSC, Horizon Utilities has the obligation to connect or to make an offer to connect any Customer that is within its service area.

The Customer or the Customer's representative is required to consult with Horizon Utilities concerning the availability of supply, the supply voltage, service location, metering, and any other details. These requirements are separate from and in addition to those of the ESA. Horizon Utilities will confirm, in writing, the characteristics of the electricity supply.

The Customer or the Customer's representative is required to apply for new or upgraded electricity services and temporary power services in writing. The Customer will provide Horizon Utilities with sufficient lead-time in order to ensure:

- i.) the timely provision of new and upgraded electricity supply to a premise; or
- ii.) the availability of adequate capacity for additional loads to be connected in existing premises.

Horizon Utilities will make every effort to respond to a Customer's written request for a customer connection within fifteen (15) calendar days of receipt of the written request. Horizon Utilities will make an offer to connect within sixty (60) calendar days of receipt of the written request, unless other necessary information is required from the Customer before the offer can be made.

Horizon Utilities will notify the Customer of any extended lead times that may be necessary if the connection process requires special equipment or if equipment delivery problems arise.

In addition to any other requirements in the Conditions of Service, the connection of the Customer and the supply of electricity is conditional upon:

- i.) Horizon Utilities being permitted and able to provide such a supply; and
- ii.) Horizon Utilities being able to obtain the necessary apparatus, material, and easements; and
- iii.) Horizon Utilities being able to construct any necessary works required to provide the service.
- iv.) The Customer has made application, provided necessary service details, has accepted an Offer to Connect and has paid any monies owing.

Should Horizon Utilities not be able to meet the conditions specified, Horizon Utilities shall have no obligation to connect or supply, and the Customer hereby releases Horizon Utilities from any such obligation or liability associated therewith.

When all conditions for a new or upgraded service have been met, Horizon Utilities will connect a new service of less than 750 volts within five (5) working days, and a high-voltage service (greater than 750 volts) within ten (10) working days (Section 5.2 of the OEB Electricity Distribution Rate Handbook).

Requirements regarding the process and timing of Embedded Generation Facility connections are set forth in **Section 3.7 – Embedded Generation**.

Requirements regarding the process and timing of Embedded Distributor connections are set forth in **Section 3.8 – Embedded Distributor**.

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Requirements regarding Connection Agreements for an Embedded Market Participant, an Embedded Generator, an Embedded Distributor, and load transfers are set forth in **Sections 3.6, 3.7, 3.8, and 3.9.4**, respectively.

2.1.1 Building That Lies Along

For the purpose of the Conditions of Service, “lies along” means directly adjacent to or abutting the public road allowance where Horizon Utilities has distribution facilities of the appropriate voltage and capacity.

Under the terms of the DSC and as provided in Section 28 of the Electricity Act, Horizon Utilities has the obligation to connect a building or facility that “lies along” its distribution line, provided:

- i.) the building can be connected to Horizon Utilities’ distribution system without an expansion or enhancement; and
- ii.) the service installation meets the conditions listed in the Conditions of Service.

The location of the Customer's service entrance equipment is subject to the approval of Horizon Utilities and the ESA.

2.1.2 Expansions / Offer to Connect

If an expansion to Horizon Utilities’ main distribution system is needed in order to connect a Customer, Horizon Utilities will make an offer in accordance with the DSC to construct the expansion and to charge the Customer, unless the Customer has been denied connection for the reasons specified in **Section 2.1.3 – Connection Denial**.

2.1.2.1 Expansions

An expansion is required when:

- i.) new facilities and/or equipment are added to the distribution system; or
- ii.) alterations are made to existing facilities and equipment; or
- iii.) there is a requirement for an increase in capacity of the distribution system in order to connect a new Customer;
- iv.) an existing service has been disconnected for greater than one (1) year.

Where an expansion is required, the entire development will be treated as an expansion and, consequently, the Customer will not be eligible for a basic connection as detailed in **Appendix I**. Expansion Fees are referenced in **Appendix D**.

Where an expansion involves a commercial or industrial development in an area not previously serviced, and where the load and/or customer requirements are unknown, the developer is required to pay 100 percent of the actual construction costs of the expansion. Each individual service resulting from the commercial or industrial development will be considered a new connection (see **Section 2.1.2.2 – Offer to Connect**).

The amount that Horizon Utilities charges a customer for the expansion, other than an Embedded Distributor or Embedded Generator, will be the calculated difference in present value between the projected capital and ongoing operating expenses and the projected revenue for distribution services due to the expansion. The methodology for conducting an economic evaluation is outlined in the DSC Appendix B. To determine the capital and ongoing maintenance costs of an expansion project, Horizon Utilities follows the process outlined in **Appendix E**.

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If after calculating the economic evaluation of the project the Net Present Value (NPV) of the costs and revenues associated with the expansion is less than zero (i.e. negative), a capital contribution by the Customer in the amount of the shortfall is required.

When an expansion is required, the Customer may be required to enter into a Capital Cost Recovery Agreement with Horizon Utilities as outlined in **Appendix D**. The amount that Horizon Utilities charges a Customer for the expansion will not exceed the difference in the present value between the projected capital and ongoing operating expenses and the projected revenue for distribution services due to the expansion.

2.1.2.2 Offer to Connect

Horizon Utilities will provide one (1) offer to construct the expansion based on plans and load forecast submitted by the Customer. The initial estimate and the final economic evaluation will be calculated at no expense to the Customer. If the Customer subsequently submits revised plans, Horizon Utilities may provide, at the Customer's expense, a new offer based on the revised plans.

Horizon Utilities will provide the preliminary planning, design consultation and engineering specifications for the expansion and connection, and include these costs in the capital cost calculation for the work. Upon acceptance of an Offer to Connect, the Customer enters into a Capital Cost Recovery Agreement as defined in **Appendix D**.

2.1.2.3 Alternative Bid Option

A Customer requesting a connection that requires an expansion has the choice of obtaining alternative bids to construct the expansion and connection assets that are eligible for the alternative bid, if the work:

- i.) requires a capital contribution from the Customer; and
- ii.) will not involve work on Horizon Utilities' existing distribution assets.

If an expansion meets the above criterion it will be defined as "contestable work." If a Customer chooses to obtain the services of a contractor to construct the assets that are eligible for the contestable work, the Customer is required to follow the conditions and requirements as outlined in Horizon Utilities' Residential Development Engineering Guide including:

- i.) select and hire the contractor from Horizon Utilities' list of approved contractors; and
- ii.) assume full responsibility for the construction of that aspect of the expansion; and
- iii.) pay Horizon Utilities to inspect all aspects of the constructed assets as part of the system commissioning and prior to connecting the constructed facilities to the existing distribution system; and
- iv.) perform all other requirements as outlined in **Appendix D**.

2.1.2.4 Capital Contributions

Horizon Utilities will collect 100 percent of the estimated capital contributions as calculated in the economic evaluation model (see **Appendix E**) at the time the Capital Cost Recovery Agreement is signed and prior to any expansion construction starting. If the Customer has chosen Horizon Utilities to construct the expansion facilities based on an initial estimate, the actual capital costs to construct the expansion facilities will be used in the final economic evaluation calculation. Where the Customer has chosen the alternative bid option, the capital costs to be used in the final economic evaluation will be the lower of Horizon Utilities' offer to construct the contestable work or the actual

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construction costs as supplied by the Customer, plus Horizon Utilities' capital costs to construct the non-contestable work.

2.1.2.5 Expansion Deposit

For expansions that require a capital contribution, Horizon Utilities may require an expansion deposit equal to 100 percent of the present value of the projected revenues.

For expansions that do not require a capital contribution, Horizon Utilities may require an expansion deposit equal to 100 percent of the present value of the projected capital and ongoing operating expenses.

Where the Customer has chosen the alternative bid option and Horizon Utilities is required to complete, repair, or bring up to standard any part of the constructed facilities, such costs shall be covered by the expansion deposit.

Where the Customer has chosen the alternative bid option, Horizon Utilities will retain 10 percent of the expansion deposit for a warranty period of two (2) years. Such warranty period begins after the entire expanded primary distribution system is energized. Once the facilities are energized, Horizon Utilities will return annually, on or about the anniversary date of energization, the percentage of any expansion deposit in proportion to the actual connections/kW load that materialized in that year as compared to the forecasted connections/kW load (see **Appendix D** for details of the annual reduction).

Upon the completion of the two-year warranty period and subject to a final inspection by Horizon Utilities and the satisfactory correction by the Customer of any deficiencies revealed by the inspection, Horizon Utilities will refund the 10 percent security requirement, less any security amount used by Horizon Utilities in repairing any deficiencies, and provided that at least 10 percent of the customer connections/kW load have materialized.

Horizon Utilities will retain any balance of the expansion deposit as an additional capital contribution at the end of the five-year connection for any connections or kW that did not materialize.

2.1.3 Connection Denial

Horizon Utilities may deny connection by refusing to connect or by disconnecting a Customer for the following reasons:

- contravention of the laws of Canada or the Province of Ontario
- non-compliance with a court order
- non-compliance with an order or direction from the Independent Electricity System Operator (IESO)
- failure on the part of the Customer to comply with a directive that Horizon Utilities has given for the purpose of satisfying its licence obligations
- non-compliance with an order from the ESA or regulations of the OESC
- a stop work order under the Building Code Act ("Ontario")
- existence of an unsafe worker situation beyond normal risks inherent in the operation of Horizon Utilities' distribution system
- direct hazard to the public
- adverse effect on the reliability or safety of Horizon Utilities' distribution system
- a material decrease in the efficiency of Horizon Utilities' distribution system
- a materially adverse effect on the quality of distribution services received by an existing connection

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- inability of Horizon Utilities to perform meter reading, planned inspections or maintenance
- action on the part of the Customer to prevent access to distribution service by other Customers
- non-payment of a security deposit identified in the Conditions of Service
- arrears on payment for distribution services
- non-compliance with Horizon Utilities' technical requirements
- failure on the part of the Customer to enter into a Connection Agreement where required by the DSC and/or Horizon Utilities
- failure on the part of the Customer to comply with a term of any agreement made between the Customer and Horizon Utilities, including but not limited to a Connection Agreement or a Capital Cost Recovery Agreement

Horizon Utilities will inform the Customer of the reason(s) for denial and, where Horizon Utilities is able to provide a remedy, will make an offer to connect or reconnect. If Horizon Utilities is unable to provide a remedy to resolve the issue, it is the Customer's responsibility to do so before a connection or reconnection can be made.

If Horizon Utilities determines that unsafe conditions exist on a Customer's property, Horizon Utilities may make application to the ESA for an inspection of the property.

2.1.4 Inspections Before Connection

A Customer is required to apply to the ESA for inspection of an electrical installation or part thereof before Horizon Utilities will connect or reconnect the Customer to its distribution system.

Before connecting to Horizon Utilities' distribution system, Horizon Utilities will inspect all electrical connections to ensure that they satisfy the Distributor's technical requirements. This inspection is not required when a protective device acceptable to Horizon Utilities separates the connection. Horizon Utilities will not connect a Customer if the connection does not satisfy its technical requirements.

Horizon Utilities may at any time re-inspect any electrical installation.

2.1.5 Relocation of Plant

If a Customer requests the relocation of any distribution plant such as meters, wires, poles, or other equipment owned by Horizon Utilities, Horizon Utilities will attempt to accommodate the request provided it will not result in degradation to system reliability.

The Customer will pay to Horizon Utilities the costs incurred for relocation of plant unless Horizon Utilities determines that the equipment was improperly located or due to be replaced. The Customer will also be responsible for any third party transfer or rearrangement costs incurred by tenants with facilities on a relocated pole.

When a road authority requests a relocation of a Horizon Utilities' plant located on the public road allowance, the costs shall be shared, as outlined in the Ontario Public Service Works on Highways Act.

Horizon Utilities is not obligated to relocate its equipment. However, a relocation issue will be resolved with the requestor in a fair manner including an explanation of the feasibility or infeasibility of the relocation, and of a reasonable charge for relocation based on cost recovery principles.

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2.1.6 Easements

Easements are required whenever Horizon Utilities facilities must pass over or under a private property in order to service a Customer other than the owner of that property. The Customer grants to Horizon Utilities the right, privilege, and easement to use free of charge or rent as much of the Customer's land as Horizon Utilities may deem necessary, Horizon Utilities acting reasonably, to supply electricity to the Customer and another or other Customers. Where any of the Corporation's distribution equipment is on the Customer's lands at the date of any Connection Agreement, such right includes the maintenance and use of the distribution equipment in its present location.

The Customer will be responsible for acquiring, at his expense, all the necessary easements when portions of the Horizon Utilities' distribution system must be located on lands owned by another party for the benefit of the Customer.

2.1.7 Contracts

2.1.7.1 Implied Contract

The acceptance of supply of electricity or related services from Horizon Utilities constitutes acceptance of the Conditions of Service and the terms of any applicable Connection Agreement, and is deemed to be an acceptance of a binding contract with Horizon Utilities. The person so accepting the supply of electricity and related services shall be liable for payment for the distribution services.

2.1.7.2 Connection Agreement

Once a Connection Agreement has been signed between a Customer and Horizon Utilities, the Customer will be connected to the Corporation's distribution system. No Connection Agreement will be signed until all the applicable connection requirements specified in the Conditions of Service have been met.

A Connection Agreement with a Customer will remain in force for an indefinite term from the date of signing. Either party may terminate the Connection Agreement by giving at least seven (7) days' notice **in writing** to the other party. Upon termination of the Connection Agreement, the meter will be read and a final bill issued to the Customer, and Horizon Utilities may disconnect the Customer from the distribution system. The Customer is liable for all electricity and distribution charges incurred up to and including the disconnection.

2.1.7.3 Special Contracts

Special contracts and agreements that are outside the terms of a Connection Agreement for standard supply and that are specific to the service requested by the Customer normally include, but are not limited to:

- construction sites
- mobile facilities
- non-permanent structures
- special occasions
- Embedded Generation Facilities
- load transfers with neighbouring distributors

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2.1.7.4 Capital Cost Recovery Agreement (CCRA)

Where Horizon Utilities is entitled under the Conditions of Service to recover all or a portion of the costs of a connection or expansion, and/or to require that a Customer provide a revenue guarantee, Horizon Utilities requires that the Customer sign a Capital Cost Recovery Agreement as presented in **Appendix D** prior to the start of any construction activities involved with the connection or expansion. The Capital Cost Recovery Agreement describes the work Horizon Utilities will perform in respect of the connection or expansion, and any other conditions set forth in the Corporation's Offer to Connect, together with the applicable payment terms (including revenue guarantees, capital contributions, and/or expansion deposits).

2.1.7.5 Meter Communications Agreement

Horizon Utilities will, upon written request, provide a Customer with regular access to its interval meter information in accordance with Section 11.2 of the Retail Settlement Code, provided that the Customer has signed an Interval Meter Communications Agreement as presented in **Appendix F**.

2.1.7.6 Assignment and Succession

All agreements and contracts are binding upon Horizon Utilities and the Customer and their heirs, executors, administrators, successors, and assigns, respectively. The Customer cannot assign without prior written notice and written consent by Horizon Utilities. Such consent will not be unreasonably delayed or withheld.

2.2 Disconnection/Reconnection Processes and Charges

Horizon Utilities may disconnect a Customer or consumer as specified in **Section 2.1.3 Connection Denial**.

Horizon Utilities will provide a minimum of seven (7) days' notice by personal service or prepaid mail, or by posting the notice on the Customer's property in a conspicuous place, prior to disconnection for an overdue account. Where the Customer is being disconnected for non-payment, Horizon Utilities will provide a Fire Safety Notice and any other relevant public safety notices to the Customer prior to disconnection.

Horizon Utilities will suspend the supply of electricity when a fire or other casualty occurs in the Customer's premises rendering the premises unfit for occupancy. The supply of electricity will be suspended until such time as the electrical installation has been repaired and approved by the ESA.

Where a Customer has been disconnected from Horizon Utilities' distribution system for six (6) months or longer, Horizon Utilities may deem that the Customer is no longer a Horizon Utilities' Customer and require that the conditions of a "new service" be met upon receipt of a reconnection request. The Customer is required to apply to the ESA for inspection of the electrical installation before Horizon Utilities can reconnect the Customer.

Where a service has been disconnected for a period exceeding one (1) year, Horizon Utilities does not guarantee the availability of capacity. Any new service installed at the same location will be considered a new connection for purposes of calculating the amount the Customer will pay in accordance with the Conditions of Service.

Where a Customer has been disconnected from Horizon Utilities' distribution system, Horizon Utilities will require visual confirmation that the Customer's main disconnect device is safely disconnected or, alternatively, request the presence of the Customer at the location, prior to reconnecting the service. Horizon Utilities will provide at no charge one (1) disconnect and reconnect per service during normal business hours in a calendar year for the purpose of maintaining electrical equipment owned by the

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Customer. If a Customer asks for disconnection more than once in a calendar year, the Customer will pay to Horizon Utilities the actual costs for disconnecting and reconnecting its connection assets. When the Customer requests that the disconnection/reconnection occur outside of normal business hours, the Customer will be charged the premium labour overtime rate.

Horizon Utilities will not disconnect a Customer from its distribution system at the direction of a Retailer when an amount payable by a Customer to a Retailer is overdue.

2.2.1 Unauthorized Energy Usage

Horizon Utilities reserves the right to disconnect the supply of electricity without notice to a Customer for reasons of unauthorized energy use by the Customer including, but not limited to, energy diversion, fraud or abuse. Horizon Utilities will not assume any responsibility for damages caused by the disconnection.

The Customer will pay Horizon Utilities for all costs incurred by Horizon Utilities including, but not limited to, investigation and administration, repairs to damaged equipment, disconnect/reconnect, and estimated lost energy as calculated by Horizon Utilities.

The following conditions must be met before the service will be reconnected:

- i) the Customer has provided an ESA inspection for all repairs to the service and, if requested by Horizon Utilities, will provide an ESA inspection of the entire service; and
- ii) the Customer has paid in full to Horizon Utilities all costs, charges, and security deposits.

Unauthorized use of energy is a criminal offence and Horizon Utilities will notify, as appropriate, Measurement Canada, the ESA, the police, and Retailers (if applicable).

2.3 Conveyance of Electricity

2.3.1 Limitations on the Guarantee of Supply

Horizon Utilities does not guarantee a regular and uninterrupted supply of electricity. Horizon Utilities will not be liable for damages to the Customer by reason of any failure in respect to supply of electricity. A Customer who needs a higher degree of security with regard to the supply of electricity is required to provide backup or stand-by facilities or protective devices at the Customer's own expense.

On occasion Horizon Utilities may be required to interrupt a Customer's supply of electricity to expand, remove, maintain, or operate its distribution system in a reasonable and safe manner. In such circumstances, Horizon Utilities will endeavour to provide one (1) day's written notice to Customers in advance of, or to arrange a time for, the interruption whenever it is reasonable and practical to do so, except in the event of an emergency, critical risk to the reliability of its distribution system, or impending equipment damage.

Customers requiring a three-phase supply should install protective apparatus at the Customer's own expense, to avoid damage to equipment that may be caused by the interruption of one phase or non-simultaneous switching of phases of Horizon Utilities' supply.

2.3.2 Power Quality

Horizon Utilities will endeavour to deliver a reliable supply of electrical energy to its Customers, but cannot guarantee unvaried voltage or frequency.

During periods of high load on the bulk transmission system or on the distribution system, it may be necessary for the IESO and/or Horizon Utilities to impose rotating load cuts to maintain system

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stability. Under these conditions, supply will be interrupted to specific feeders within Horizon Utilities' service territory on a scheduled basis.

When a Customer identifies a power quality concern, Horizon Utilities will perform investigative analysis to determine the underlying cause. Upon determination of the cause, Horizon Utilities will recommend and/or take appropriate mitigation measures. If Horizon Utilities determines that the problem lies within the Customer's system, the Corporation may, at its discretion, require reimbursement from the Customer for the costs of investigating the complaint. These costs will be considered costs of providing distribution services to the Customer and will adhere to Horizon's collection policies up to and including disconnection for non-payment.

Customers requiring an uninterrupted source of power for life-support equipment must provide their own equipment for these purposes. Customers with life-support systems are encouraged to inform Horizon Utilities' Customer Services Department of their needs and their available backup power. Customers are responsible for ensuring that the information they provide to Horizon Utilities is accurate and up to date. For planned interruptions, Horizon Utilities will notify Customers requiring life-support systems in the same manner as other Customers. For unplanned interruptions anticipated to extend beyond two (2) hours, Horizon Utilities will endeavour to contact Customers requiring life-support systems but will not be liable in any manner to them for failure to do so.

The Customer's equipment will comply with the limitations for permissible distortion caused by harmonic currents and voltages as described in Tables 10.3 to 10.5 inclusive and Table 11.1 of the Institute of Electrical and Electronic Engineers Standard 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, and will not cause the voltage distortion factor to exceed five percent of the fundamental frequency voltage at the point of supply.

Where use of the Customer's equipment interferes with the supply of electricity to other Customers or requires the installation of other than normal connection assets, Horizon Utilities may, at its discretion, require the Customer to cease use of, or make alterations to, the offending equipment. The Customer may also be required to pay the cost of any additional connection assets that may be required as a condition of continuing the connection to that Customer, failing which Horizon Utilities may disconnect the Customer from its distribution system.

Horizon Utilities will maintain a voltage supply at the ownership demarcation point within the normal operating conditions and limits as specified in the Canadian Standards Association (CSA) Standard CAN3-235, Preferred Voltage Levels for AC Systems 0 V to 50,000 V, and voltage unbalance will be limited to two percent (as specified in CAN/CSA E1000-2-2-97, rev. 2001, Compatibility Levels for Low-frequency Conducted Disturbances and Signaling in Public Low-voltage Power Supply Systems).

2.3.2.1 Emergency Service

In the event of a power interruption, the Customer should first ensure that failure is not within the Customer's own electrical system. Where the Customer has determined that the power interruption is a result of loss of supply from Horizon Utilities, the Customer should report these conditions at once to Horizon Utilities' Control Room.

Horizon Utilities operates a Control Room 24-hours a day to provide emergency service to Customers. Horizon Utilities will initiate restoration efforts as quickly as practical.

2.3.3 Electrical Disturbances

In the event of a force majeure, Horizon Utilities will not be held liable for the failure to deliver a reliable supply of electricity and unvaried voltage and frequency to its Customers.

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A Customer that owns equipment connected to Horizon Utilities' distribution system must ensure that the operation or failure of that equipment does not cause an outage, disturbance, or voltage fluctuation on the distribution system or on the systems of any third party.

If Horizon Utilities determines that the Customer's equipment is causing an undesirable system disturbance, the Customer will be required to cease operation of the equipment and to initiate remedial action. Horizon Utilities may require the Customer to install, at the Customer's expense, additional facilities to nullify the undesirable effects. The Customer is required to eliminate the cause of any outages, disturbances, fluctuations, or interferences, or reduce them to a level deemed tolerable by Horizon Utilities. If the Customer does not take action within a reasonable time, Horizon Utilities may disconnect the supply of electricity to the Customer in accordance with **Section 2.2 – Disconnection/Reconnection Processes and Charges**.

2.3.4 Standard Voltage Offerings

Horizon Utilities distributes electricity at the following voltages and phases, as available:

- i.) High Voltage
16,000/27,600-volt, three-phase, four-wire; or
8,000/13,860-volt, three-phase, four-wire; or
2,400/4,160-volt, three-phase, four-wire (300 kVA maximum)

- ii.) Low Voltage
347/600-volt, three-phase, four-wire; or
120/208-volt, three-phase, four-wire; or
120/240-volt, single-phase, three-wire

Although Horizon Utilities can provide the above voltages, they are not always available from the portion of the distribution system that the building lies along. The Customer is required to consult with Horizon Utilities to determine what voltage is available at any particular site. It may be necessary to expand or enhance the distribution system in order to provide the requested voltage. If an expansion or enhancement is required, Horizon Utilities may require that the Customer provide a capital contribution in accordance with **Section 2.1.2.4 Capital Contribution**. Customers requiring voltages different from those available in their area will be required to provide their own step-down or step-up transformation equipment.

2.3.5 Backup Generators

Customers who are planning to acquire backup generation equipment are required to consult with Horizon Utilities during planning and prior to the installation of the backup generation.

Customers with permanently connected emergency generation equipment are required to notify Horizon Utilities regarding the presence of such equipment.

Customers with portable or permanently connected emergency generation capability are required to comply with all applicable criteria of the OESC and, in particular, will ensure that the emergency generation does not back feed on Horizon Utilities' distribution system.

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2.3.6 Metering

2.3.6.1 General

Horizon Utilities will provide, install, own, and maintain, a meter installation for all Customers except where the Customer or Embedded Distributor is an Embedded Market Participant. All metering equipment will remain the property of Horizon Utilities, and maintenance of this equipment will be the sole responsibility of Horizon Utilities.

The type of metering will be based on the Customer's rate class, energy consumption, and peak load. The security and accuracy of the metering will be maintained under regulations and standards established by Measurement Canada and Horizon Utilities. The Customer will make provision for the meter installation in a form and in such location as provided in **Section 3 – Customer Class Specific**.

Where practical, the meter installation will be located at the operational demarcation point or point of supply.

Where access to the meter is restricted or where Horizon Utilities deems a self-contained meter to be in a hazardous location, the Customer is required to relocate the meter or agree to the installation of a remotely-read interval meter.

Every person who prevents or refuses lawful access to any meter in his possession or control is in contravention of the Electricity and Gas Inspection Act., and is liable on summary conviction or indictment to a fine as prescribed by the Act.

2.3.6.2 Instrument Transformer Enclosures

A Customer who requires a transformer-type meter installation will provide an acceptable instrument transformer enclosure as specified in the Meter Installation Standards in **Appendix G**.

2.3.6.3 Interval Metering

An existing or new Customer who has, or is forecast to have, an average monthly peak demand during a calendar year of 50 kW or greater is required to have an interval meter. Peak demand levels for interval metering are subject to change based on current government regulations.

Horizon Utilities will provide an interval meter within a reasonable period of time to any Customer who submits a written request, either directly or through the Customer's Retailer in accordance with the Retail Settlement Code, subject to the conditions applicable to interval metered Customers.

For those Customers who require or request an interval meter, Horizon Utilities will supply an interval meter provided that the Customer:

- i.) compensates Horizon Utilities for all incremental costs associated with the interval meter installation, including the capital cost of the meter, installation costs, ongoing maintenance (including allowance for meter failure), verification and re-verification on the meter, and the cost of metering made redundant by the Customer requiring or requesting interval metering; and
- ii.) installs, maintains, and pays the cost of a communication system that satisfies the requirements of Horizon Utilities and provides an ongoing communication line or communication link with the Customer's meter; and
- iii.) enters into an Interval Meter Communications Agreement as presented in **Appendix F**.

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2.3.6.4 Net Metering for an Embedded Generation Facility

This section pertains to Embedded Generation Facilities that employ renewable energy sources as approved by the Ministry of Energy. Horizon Utilities will offer a net metering option to load customers who install an Embedded Generation Facility in accordance with Ontario Ministry of Energy Regulation 541/05, and who meet the following criteria:

- i.) the Generator generates the electricity primarily for the Generator's own use; and
- ii.) the Generator generates the electricity solely from a renewable energy source as approved by the Ministry of Energy; and
- iii.) the maximum accumulative output capacity of the Generator does not exceed 500 kW; and
- iv.) the Generator conveys the electricity from the point of generation to the point of consumption within the same service location without utilizing Horizon Utilities' distribution system.

Revenue metering standards consist of the following, based on the total on-site nameplate ratings of the generating facilities installed:

- i.) a two-register energy meter, measuring KWh delivered and KWh received; or
- ii.) a two-register interval meter connected to the Customer's telephone or Horizon Utilities' approved communication system; or
- iii.) a four-quadrant interval meter connected to the Customer's telephone line or Horizon Utilities' approved communication system.

2.3.6.5 Metering of Common Areas (Multi-Unit Residential Buildings)

In multiple occupancy building structures, the supply of electricity to the common areas will be separately metered and independent of any other occupant's meter installation.

2.3.6.6 Meter Reading

The Customer is required to provide or arrange for free, safe, and unobstructed access during normal business hours to any authorized representative of Horizon Utilities for the purpose of meter reading. If the Customer's premises are closed during Horizon Utilities' normal business hours, the Customer must, on reasonable notice, arrange for access at a mutually convenient time.

If the Customer fails to provide access and Horizon Utilities is unable to obtain a reading of the meter on the Customer's premises, the Customer may be required to provide a meter reading or pay a sum based on an estimate of energy use by the Customer and/or demand for electricity since the last meter reading by Horizon Utilities.

Horizon Utilities requires access to its meters at least once each year to read and visually inspect the meter. Failure to provide access will result in the relocation of the meter at the Customer's expense. Where the Customer does not comply with the request for access or relocation, Horizon Utilities may disconnect the Customer in accordance with **Section 2.2 – Disconnection/Reconnection Processes & Charges**.

2.3.6.7 Final Meter Reading

When a final meter reading is required for billing purposes, the Customer will provide Horizon Utilities with at least seven (7) business days' notice of the date the service is to be discontinued, so that Horizon Utilities can obtain a final meter reading as close as possible to the required date. The Customer will provide Horizon Utilities with access for this purpose. If access is not obtained and a final meter reading is not possible, the

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Customer may be required to provide a meter reading or pay a sum based on an estimate of energy use by the Customer and/or demand for electricity since the last meter reading by Horizon Utilities. The Customer will be sent a reconciliation of the billed amount when the actual meter reading is obtained.

2.3.6.8 Faulty Registration of Meters

The security and accuracy of metering is governed by the federal Electricity and Gas Inspection Act and associated regulations under the jurisdiction of Measurement Canada. All revenue meters owned and/or installed by Horizon Utilities comply with these regulations. In the case of a measurement dispute between Horizon Utilities and the Customer, Horizon Utilities and/or the Customer may request intervention by Measurement Canada.

In the event of incorrect electricity usage registration, Horizon Utilities will correct billing errors as follows:

- Where a billing error, from any cause, has resulted in a Customer or Retailer being over-billed, and where Measurement Canada has not become involved in the dispute, Horizon Utilities will credit the Customer or Retailer with the amount erroneously billed. The credit that the Corporation remits to the appropriate parties will be the amount erroneously billed for a maximum period of six (6) years. Where the billing error is not the result of Horizon Utilities standard documented billing practices i.e. estimated meter reads, Horizon Utilities will pay interest on the amount credited to the relevant party equal to the prime rate charged by Horizon Utilities' bank.
- Where a billing error, from any cause, has resulted in a Customer or Retailer being under-billed, and where Measurement Canada has not become involved in the dispute, Horizon Utilities will charge the Customer or Retailer the amount that was not previously billed. In the case of an individual Residential Customer who is not responsible for the error, the allowable period of time for which the Customer may be charged is two (2) years. For a non-Residential Customer or for instances of wilful damage, the relevant time period is the duration of the defect.

Horizon Utilities will be responsible for advising the Customer of any meter error and its magnitude and of the Customer's rights and obligations under the Electricity and Gas Inspection Act.

Where Measurement Canada has become involved in a dispute between Horizon Utilities and the Customer, Measurement Canada will act as an arbitrator and will determine the appropriate time period for adjustments.

2.3.6.9 Meter Dispute Testing

Should the accuracy of Horizon Utilities' meter be in dispute, either Horizon Utilities or the Customer may request the services of Measurement Canada to test the accuracy of the meter. Where the Customer initiates the dispute, Horizon Utilities will charge the Customer a meter dispute fee if the meter is found to be accurate by Measurement Canada.

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2.4 Tariffs and Charges

2.4.1 Service Connection Rates and Charges

Horizon Utilities' Distribution Rates and Specific Service Charges are approved by the OEB as they pertain to services applicable to the recognized Customer classes as defined in **Section 3 – Customer Class Specific**. The Customer will pay for all services at the approved rates as listed in **Appendix A**, and will pay all invoices delivered in accordance with the terms outlined in **Appendix A**. The Customer commences paying from the date of connection to Horizon Utilities' distribution system. Horizon Utilities determines electricity usage for which its approved rates apply either by meter reading or by an estimate in cases where a meter reading has not been taken.

2.4.2 Energy Supply

2.4.2.1 Sale of Electricity

Horizon Utilities is required to sell Standard Supply Service (SSS) electricity to every Customer connected to its distribution system, except for those Customers who have advised Horizon Utilities in writing that they do not wish to purchase electricity from Horizon Utilities.

Horizon Utilities will continue to sell Standard Supply Service electricity to Customers until it receives the appropriate forms from a Customer and completes the transfer of the Customer to a Retailer in accordance with Section 10: Service Transaction Requests of the Retail Settlement Code, and the Service Agreement between Horizon Utilities and the competitive Retailer. The transfer will be effective as of the next scheduled meter read date.

Horizon Utilities will begin selling Standard Supply Service electricity to a Customer of a competitive Retailer who wishes to transfer back to Standard Supply Service upon receipt of the appropriate forms and completion of the transfer of the Customer to Standard Supply Service in accordance with Section 10: Service Transaction Requests of the Retail Settlement Code, and the Service Agreement between Horizon Utilities and the competitive Retailer. The transfer will be effective as of the next scheduled meter read date.

2.4.2.2 Re-Sale of Electricity

Where a multiple unit establishment is bulk metered by Horizon Utilities, the Customer may collect the amount billed by Horizon Utilities from the unit holders in one of the following ways:

- i.) include the amount billed by Horizon Utilities in the rent or monthly fees paid by the unit holders (i.e. rent or monthly fees include the cost of electricity); or
- ii.) apportion the amount billed by Horizon Utilities among the unit holders based on the number of units, or based on square footage of use by unit holders, or by means of individual unit meters, through an invoice that will show separately each of the following:
 - a) the portion of bulk bill from Horizon Utilities; and
 - b) all reasonable costs to convey electricity to unit holders; such costs will not include a profit.

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2.4.3 Deposits

2.4.3.1 Security Requirement

Horizon Utilities may require a security deposit from a new or existing Customer as a condition of supplying or continuing to supply electricity in accordance with the approved credit policies presented in **Appendix B**.

2.4.4 Billing

Horizon Utilities has the right to adjust billing cycles and frequencies as required. Horizon Utilities will bill the Customer or the Customer's Retailer, as applicable, for distribution services provided by the Corporation. If Horizon Utilities has not received a request to open an account in the name of the occupant of the property, or in the event that electricity is used by a person(s) unknown to Horizon Utilities, the cost for the electricity consumed by such person(s) is due and payable by the owner(s) of the property.

2.4.4.1 Opening and Closing of Accounts

Customers who wish to open an account for the supply of electricity by Horizon Utilities will notify the Corporation by phone, fax, mail, the Horizon Utilities' website, or other means acceptable to Horizon Utilities. Notification must be provided at a minimum of three (3) business days prior to the opening of an account.

If an account is opened in more than one person's name, all such persons are deemed to be Customers of Horizon Utilities, and all jointly and severally agree to comply with and to pay the rates and charges in accordance with the Conditions of Service.

A Customer who wishes to close an account with Horizon Utilities must notify the Corporation by phone, fax, mail, the Horizon Utilities' website, or other means acceptable to Horizon Utilities. Notification must be provided at a minimum of three (3) business days prior to the closing of the account. Until Horizon Utilities receives such notification, the Customer is responsible for payment to the Corporation for the supply of electricity. If a Customer wishes to close an account where a Retailer is involved, the closing will be governed by applicable regulatory codes including, but not limited to, the Retail Settlement Code.

2.4.4.2 Billing Options

Horizon Utilities can accommodate the following billing options:

- i.) **Retailer-Consolidated Billing:** Horizon Utilities will bill the designated Retailer for all competitive and non-competitive electricity costs incurred on behalf of the Customer.
- ii.) **Distributor-Consolidated Billing:** Horizon Utilities will issue a bill to the Customer that includes the full cost of the electricity delivered to the Customer, along with the portion of the bill attributable to competitive electricity costs based on the contract terms between the Customer and the Retailer, or fixed pricing.

2.4.4.3 Frequency

Horizon Utilities reads meters and bills its Customers on a monthly or bi-monthly cycle, depending upon the Customer's rate classification.

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2.4.4.4 Estimates

In months where no reading is obtained or provided by the Customer, Horizon Utilities will bill the Customer on energy usage and estimated demand based on the Customer's historical usage of electricity as supplied by Horizon Utilities. Upon obtaining an actual meter reading, Horizon Utilities will calculate and bill or credit any differences in charges since the date of the prior estimated meter reading and the date the meter was actually read.

2.4.4.5 Pro-Ration of Accounts

Accounts will be pro-rated where the initial bill or final bill to a Customer is for a time period that is different from the normal billing period, or where rates have been revised effective from a date that does not match the Customer's billing date.

2.4.4.6 Adjustment Factor

When electricity is delivered over a power line, a small amount of power is lost as heat and/or as a result of weather conditions. These losses are known as line losses. For billing purposes, electricity charges are based on the adjusted consumption. Adjustment Factors (also known as Loss Factors) can be found in **Appendix A**.

2.4.4.7 Power Factor

For General Service Customers, Horizon Utilities assumes that a Customer's electrical and mechanical equipment has a minimum power factor of 90 percent when operating at maximum loads. If in any billing period the Customer's power factor falls below 90 percent, the amount to be billed will be 90 percent of the kilovolt amperes (kVA) demand for that billing period.

2.4.4.8 Equal Payment Plan

An equal payment plan in conjunction with a pre-authorized payment plan is available to all Residential and General Service Customers Less than 50 kW (see **Section 3.2.1 – Application** for General Service Customer Classifications). To help stabilize electricity payments over the year, the plan bills the Customer each month for an equal portion of the previous year's annual total charges, then reconciles the balance owing in the anniversary month of the signing of the Connection Agreement. Adjustments may be made to the regular equal billing amount due to rate or usage changes. If adjustments are made, the Customer will be notified in writing and the adjusted equal billing amount will be applied to the next regular billing.

2.4.4.9 Aggregated Billing

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

2.4.4.10 Billing Disputes

A Customer who has a dispute concerning charges on the Customer's bill should contact and advise Horizon Utilities of the reason for the dispute. Horizon Utilities will investigate all disputes promptly, and advise the Customer of the result. The Horizon Utilities' dispute process is outlined in **Section 1.8 - Disputes**.

2.4.5 Bill Payment and Late Payment Interest Charges

Bills are payable in full by the due date, otherwise late payment interest charges will apply. The due date is a minimum of sixteen (16) calendar days from the date of mailing or of hand delivery

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of the bill. A Customer may pay the bill without the application of a late payment charge up to the due date. The due date will be identified clearly on the Customer's bill.

The options for payment are:

- i.) mailing a cheque or money order to Horizon Utilities at the address printed on the bill;
or
- ii.) depositing a cheque or money order in a designated drop-off box located at Horizon Utilities' office in the City of Hamilton or the City of St. Catharines, or at City of Hamilton municipal service centres; or
- iii.) in person at most Canadian financial institutions; or
- iv.) through automated banking machines, telephone banking, or Internet bill payment services as offered by the Customer's financial institution; or
- v.) pre-authorized automatic withdrawal from the Customer's bank account by Horizon Utilities on the due date.

Where payment is made by mail, payment will be deemed to be made on the date postmarked. Where payment is made at an acceptable financial institution, payment will be deemed to be made when the bill is stamped or acknowledged by the financial institution or an equivalent transaction record is made.

Payments received after the due date will be subject to a late payment charge.

Non-payment of an account may result in disconnection of the service and additional collection and reconnection charges, a requirement to post a security deposit, and/or the forfeiture of all or part of an existing security deposit.

2.4.5.1 Billing Breakdown Request

If a Customer requests a detailed breakdown of a service billing, Horizon Utilities may, at its discretion, charge the Customer for the cost of providing the breakdown.

2.5 Customer Information

2.5.1 Provision of Customer Information to Horizon Utilities

In order to provide on-going service, including the billing and collection of the Customer's account(s), Horizon Utilities will be required to collect and maintain personal information. All personal information is protected under privacy legislation and is not shared with third parties without the Customer's consent, except for the reasons mentioned in **Section 2.5.5 – Restrictions on Provision of Information**. More information on Horizon Utilities' Privacy Policy is available on the website at www.horizonutilities.com or can be obtained by contacting a Customer Service Representative at the Corporation's head office at 905-522-9200.

2.5.2 Provision of Current Usage Data to Retailers

Upon written authorization by a Customer, Horizon Utilities will provide the current meter usage data and information as specified in Section 11.1 of the Retail Settlement Code to a Retailer that sells electricity to a Customer located within Horizon Utilities' service area.

2.5.3 Provision of Current Usage Data to Customers

Horizon Utilities will provide its Customers and Retailers with current usage information in accordance with Section 11 of the Retail Settlement Code.

A Customer with a remotely read or non-remotely read interval meter will have access to current meter usage data and information under the same terms and conditions as for Retailers.

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A Customer with a manually read kilowatt-hour meter or any other type of non-interval meter will have access to current usage information either through direct access to the meter, as described below, or in printed form on the bill provided by his billing agent (e.g. either the Retailer, Horizon Utilities, or both, depending upon the billing option in use). If a Customer requires regular access to his meter or meter information, Horizon Utilities will provide access under the following conditions:

- i.) Timing: The Customer and Horizon Utilities will negotiate a time for Customer access to the meter; however, Horizon Utilities has priority when selecting access time for the purpose of reading the meter.
- ii.) Access: If the Customer prevents access to the meter for the purpose of reading it, or if the Customer's access to the meter corrupts usage information, Horizon Utilities may suspend the Customer's right to access the meter until any outstanding problems are resolved.
- iii.) Costs: The Customer will pay the costs of any software, hardware, or other services required in order for him to obtain direct access to meter information. This may include installation of a secondary meter access system. The Customer will pay any cost incurred by Horizon Utilities to correct problems caused by his direct access to the meter.
- iv.) Assignment of Right: If the Customer assigns his right to direct meter access to a Retailer or third party, the Customer remains responsible for the actions of the assigned party with respect to access to the meter.

2.5.4 Provision of Historical Information to Designated Parties

Horizon Utilities will provide its Customers with historical usage information in accordance with Section 11 of the Retail Settlement Code.

Upon written authorization by the Customer, Horizon Utilities will provide to one or more Retailers the Customer's historical information relating to usage data, meter data, and payment information, as specified in Section 11.3 of the Retail Settlement Code.

Horizon Utilities will provide historical information data for no less than one (1) calendar year, unless the Customer has been connected to Horizon Utilities' system for less than one (1) year, in which case Horizon Utilities will provide data for the period during which the Customer has been connected to Horizon Utilities' system.

2.5.5 Restrictions on Provision of Information

Horizon Utilities will not disclose specific information regarding a Customer, Retailer, wholesale buyer or supplier, or generator to any party unless the release of such information has been authorized by the Customer, Retailer, wholesale buyer or supplier, or generator in writing, except where the Customer information is required to be disclosed for:

- i.) compliance with the Market Rules of the IESO; or
- ii.) compliance with any regulatory instrument approved by the OEB; or
- iii.) billing or market operation purposes; or
- iv.) Horizon Utilities or Ontario Power Authority conservation initiatives; or
- v.) law enforcement purposes; or
- vi.) the purpose of complying with a legal requirement; or
- vii.) the processing of past due accounts of the Customer which have been passed to a debt collection agency.

Except as provided above when Horizon Utilities discloses Customer information to any other third party, Horizon Utilities will, as a condition of such release, require the third party to limit the use of the said information to the purpose for which it is being specifically disclosed.

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Horizon Utilities will not use customer information obtained for one purpose from a Customer for any other purpose without the consent of the Customer in writing.

Horizon Utilities may disclose customer information where the information has been sufficiently aggregated such that an individual Customer's information cannot reasonably be identified; such disclosure will be made available on a non-discriminatory basis.

2.6 General Information

2.6.1 Pole Attachments

Customers wishing to attach to poles owned by Horizon Utilities are required to apply in writing to the Corporation for authorization or approval.

The Customer will enter into an agreement with Horizon Utilities prior to installing any customer-owned wires or apparatus on poles or other equipment owned by Horizon Utilities.

Horizon Utilities reserves the right to refuse attachments to its poles.

2.6.2 Services Over Swimming Pools

The OESC and ESA allow electrical conductors to be located above swimming pools subject to adequate clearance to reduce the possibility of an electrical contact accident. As a further safety measure, Horizon Utilities recommends that electrical conductors not be located above swimming pools.

Where a service crosses a swimming pool, Horizon Utilities will provide up to thirty (30) metres of overhead service conductors, at no charge, to allow rerouting of the service. Any other costs, such as pole relocation (labour only) or underground servicing will be at the pool owner's expense.

2.6.3 Moving Oversized Loads

All costs incurred by Horizon Utilities in facilitating transportation of oversized loads (such as houses and boilers) will be recoverable from the person wishing to move the load. Horizon Utilities will provide an estimated cost for temporarily relocating its assets to facilitate the move of the oversized load. A deposit based on the estimate is required and must be paid to Horizon Utilities by the person wishing the move, prior to the move. Horizon Utilities reserves the right not to approve an oversized load move request. All requests for oversized load moves must be accompanied by the proper permits and licences.

SECTION 3 - CUSTOMER CLASS SPECIFIC

Where connections are referred to in this Section, it is understood that all conditions outlined in **Section 2.1 – Connections - Process and Timing** have been satisfied.

3.1 Residential Services

3.1.1 Application

This classification refers to an account where the electricity is used exclusively in a separately metered living accommodation. Customers who fall under Residential classification reside in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, or freehold townhouse with a residential zoning. Separately metered dwellings within a townhouse complex, apartment or condominium building also qualify as Residential Customers. There will be one (1) ownership demarcation point only to a dwelling. **Appendix I** lists charges for connections.

Requests for additional meters for a Residential service (e.g. a duplex) will be granted only for Residential units in compliance with municipal zoning bylaws. Requests from a Residential Customer to meter garages, sheds or other accessory structures of non-residential land use will not be permitted under **Section 3.1 – Residential Services**.

Common areas (e.g. laundry facilities, recreation areas, site lighting) in apartment buildings, multiple-unit, townhouse or condominium complexes do not fall under the Residential rate class. These areas are considered General Service rate class and will be metered by house service meters, as described in **Section 3.2 – General (Non-Residential) Service**.

3.1.2 Connection

Conditions for service:

- i) Electricity is supplied single-phase, three-wire, 60-hertz, having a nominal voltage of 120/240 volts.
- ii) Only one (1) secondary voltage supply service (i.e. only one [1] ownership demarcation point) will be supplied to any one (1) property, within the limitations as outlined in **Section 2.3.4 – Standard Voltage Offerings**.
- iii) The Customer portion of the service (from the ownership demarcation point) must meet all requirements of the OESC.
- iv) Connections to new, rebuilt or increased capacity services will be made only when the Customer has made arrangements with Horizon Utilities and the ESA, and connection authorization has been received by Horizon Utilities.
- v) The Customer must obtain a Service Layout from Horizon Utilities detailing meter location and ownership demarcation point before proceeding with the installation of any service or with a reconnection of a service that has been disconnected more than six (6) months. Failure to do so may result in the ownership demarcation point having to be relocated at the Customer's expense and may cause time delays. Service Layouts are guaranteed effective for a period not exceeding six (6) months from issue date.
- vi) Horizon Utilities is responsible for the installation and maintenance of its overhead or underground service wires. The decision whether services will be installed overhead or underground is at the discretion of Horizon Utilities.

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- vii) Where the Customer is upgrading a Residential service, only one (1) point of supply will be permitted.

3.1.3 Demarcation Points

Appendix I contains details about ownership demarcation points.

The operational demarcation point will be the main disconnecting device at the Customer's premises that separates the connection of the Customer's facility or building from Horizon Utilities' distribution system.

3.1.4 Supply

The minimum permissible service entrance capacity is 100 amperes.

For single-phase, 120/240-volt services, the maximum basic connection entrance capacity is 200 amperes. Any voltage other than 120/240 volts and any capacity over 200 amperes must be approved by Horizon Utilities.

3.1.5 Metering

As of August 2007, Horizon Utilities will install smart (Time-of-Use [TOU]) meters on all new Residential accounts. Conventional meters will be changed to smart meters as required by provincial regulations.

3.1.5.1 Metering for Residential Customers (excluding those covered in 3.1.5.2 and 3.1.5.3, below)

Horizon Utilities will provide one (1) meter per Residential service at no cost to the Customer. The Customer is required to supply a meter ring as specified by Horizon Utilities for installation of the meter.

Meters will be installed in locations that are accessible during normal business hours. If for safety or security reasons the location must be locked, the owner is required to provide a key and/or lockbox to permit Horizon Utilities or its designated agent access to the meter. The Customer will supply and install an outdoor meter socket for both new and upgraded services. The centre of the meter socket must be installed within one (1) metre of the front of the building, and between 160 centimetres and 180 centimetres above finished grade.

Where service is provided from a distribution system that is located in the rear of the lot and there are no plans to move it to the front, Horizon Utilities may approve a meter location on the side of the building near the rear.

Overhead services of 100 amperes require a minimum 100-ampere meter socket; 200-ampere services require a 200-ampere meter socket. Underground services of 200 amperes or less require a 200-ampere jumbo meter socket capable of accepting 250 MCM aluminum conductors.

Any service in excess of 200 amperes requires special approval by Horizon Utilities and, if approved, the meter installation must be accessible to Horizon Utilities' installation technicians or authorized agents.

Meters will not be connected, disconnected or moved other than by authorized Horizon Utilities' employees or agents unless special authorization is given by Horizon Utilities.

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When planned alterations, including repairs, are made to existing services that require a change of the service stack, conduit or wire and the meter is indoors, the terms as outlined in **Section 2.3.6 - Metering** will apply, and indoor meters will be changed to outdoor meters at the Customer's expense.

Horizon Utilities will repair or replace at no cost to the Customer any electrical overhead or underground plant owned by Horizon Utilities that has exceeded its life expectancy. In such circumstances, Horizon Utilities may require that the meter be relocated to the standard location of one (1) metre from the front face or roadside of the building. The Customer will be required to pay if the repair or replacement requires an upgrade in the size of the meter socket.

3.1.5.2 Metering for Condominium Townhouses

Condominium townhouse blocks with multiple units on one property will be serviced to the end wall of the building to supply a maximum of six (6) sub-services, which under most circumstances will be attached to the same end wall of the building and be supplied by the same transformer. Horizon Utilities reserves the right to determine the number of services to be supplied.

Horizon Utilities must approve ganged (grouped) meter bases prior to installation. Residential unit numbers must be permanently marked on all meter bases prior to energization. Any cost incurred by Horizon Utilities due to incorrect or incomplete marking will be borne by the property owner and/or developer.

3.1.5.3 Metering for Tenant and Condominium Apartment Buildings

Units in tenant and condominium apartment buildings will be individually metered. Horizon Utilities requires that the apartment building owner provide a house meter for all common areas or loads, such as hallways or outside lighting. Horizon Utilities will install the house meter at the Customer's expense.

All metering will be installed in a dedicated electrical room or rooms, to Horizon Utilities' requirements. The Customer will provide unrestricted access to Horizon Utilities for entry to the electrical room(s) and lock boxes.

Apartment building owners who are Customers of Horizon Utilities and who wish to upgrade their building(s) to individual metering are required to make a request in writing to Horizon Utilities. Horizon Utilities will supply and install individual meters free of charge.

3.1.6 Overhead Secondary Service

Where Horizon Utilities determines that the building is in an overhead distribution area, an overhead service will be installed under the following conditions.

Horizon Utilities will install, own, and maintain one (1) 200-ampere overhead secondary service at no charge to the Customer provided that the distance from the point of entry to the ownership demarcation point is no more than thirty (30) metres. The basic connection is based on a 120/240-volt, 200-ampere service. Service capacity exceeding 200 amperes will be subject to an incremental cost that will be charged to the Customer.

Horizon Utilities will supply and install the transformation components, including upstream devices and connections to overhead primary service, at no cost to the Customer.

The Customer is responsible for the supply and installation of the portion of the service from the ownership demarcation point to the Customer-owned equipment.

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The Customer is responsible for the cost of any other materials and labour required to extend the service beyond thirty (30) metres. If the extension requires the installation of poles on private property to maintain adequate clearance, the poles will be supplied and installed by the Customer in accordance with the OESC, and subject to an ESA inspection prior to connection. The Customer will be advised on the Service Application Form of the requirement to install Customer-owned poles. The Customer is responsible for the future maintenance or replacement of poles located on private property.

The Customer is also responsible for ensuring that all private poles are capable of providing adequate support for the attached lines. Horizon Utilities reserves the right to disconnect a service if private poles are leaning badly or are in poor condition, making them incapable of providing adequate support for the service wire.

The point of the first attachment and meter will not be more than one (1) metre from the front of the building. For an existing service, "front" is defined as the side of the building nearest to Horizon Utilities' point of entry. For any new service, "front" is defined as the address side of the building.

Where the Customer requests an upgrade to the main service capacity, Horizon Utilities will upgrade the service wire at no cost to the Customer. If the replacement service wire exceeds thirty (30) metres, the Customer is required to pay for the portion beyond thirty (30) metres, and the charge will be noted on the Service Application Form.

3.1.7 Underground Secondary Service

An underground service may be provided at the discretion of Horizon Utilities. New underground services will have a minimum 200-ampere capacity and a maximum of 400-ampere capacity. All underground civil work is installed at the Customer's own expense. The cable will be supplied and installed by Horizon Utilities.

Horizon Utilities will supply and install the transformation components, including upstream devices and connections to overhead primary service, at no cost to the Customer.

The Customer is required to supply, install, and maintain:

- i.) a rigidly-mounted, ESA-approved service entrance conduit extending below grade and complete with conduit bushing; and
- ii.) a trench and appropriately-sized conduit that meets Horizon Utilities' standards; and
- iii.) the Customer's internal service equipment beyond the ownership demarcation point.

The service entrance conduit must be located as specified by Horizon Utilities on the Service Layout. The Customer will maintain the underground civil component located on the Customer's property.

Where the nearest distribution pole is across the street from the Customer, Horizon Utilities may install, at no expense to the Customer, a road-crossing pole and overhead wire.

If a Customer requests an underground road crossing, the Customer will pay the actual costs of the underground road crossing. In circumstances where underground service under the road is impractical due to abnormal soil conditions or conflicts with other utility plant, Horizon Utilities will deny the underground road crossing request, and will install a road-crossing pole and overhead wire.

The Customer must use the services of a pre-approved contractor to supply and install duct from the point of entry to the ownership demarcation point. Horizon Utilities must inspect this work prior

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to connection. Horizon Utilities will complete all work relating to underground service outside the property line. The Customer will be charged for the actual costs arising from the installation of underground cable that is more than the basic thirty (30) metres.

A Customer wishing to upgrade existing underground service is required to contact Horizon Utilities to obtain a Service Layout. The Customer is responsible for all costs incurred by Horizon Utilities associated with the installation of the upgraded service beyond the basic connection (see **Appendix I**). Relocation of the existing meter to within one (1) metre from the front face or road side of the building is required for all service upgrades, except where no distribution system exists on the street and where there are no immediate plans for constructing a distribution system in the front yard.

Customer-requested relocation of underground service will be done at the Customer's expense.

Horizon Utilities will install and connect the underground cable for residential infill (subdivision) lots, once the developer has completed the installation of service conduit from the property line to the line side connection at the meter socket location.

3.2 General (Non-Residential) Service

3.2.1 Application

General Service rate classification refers to all Non-Residential Customers and includes single commercial and industrial buildings (e.g. churches, schools, shopping malls, plazas, institutional sites). This section refers to the supply of electricity to buildings housing General Service Customers. **Appendix I** lists charges for connections.

Horizon Utilities supplies electricity under the terms of the Corporation's General Service Rate Schedule for all services other than those eligible for the Residential Rate Structure.

General Service Less Than 50 kW: This classification refers to a Non-Residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW.

General Service Greater Than 50 kW: This classification refers to a Non-Residential account whose monthly average peak demand is greater than, or is forecast to be greater than, 50 kW but less than 5,000 kW.

General Service Large Use: This classification refers to an account whose monthly average peak demand is greater than, or is forecast to be greater than, 4,999 kW. Such Customers will have to complete a Connection Agreement (see **Appendix C**) and none of the terms of **Section 3.2 – General (Non-Residential) Service** will apply.

The Customer is required to obtain a Service Layout from Horizon Utilities that details both the ownership demarcation point and point of entry locations before Horizon Utilities can proceed with the installation of any service. Failure to request and obtain a Service Layout may result in the ownership demarcation point and/or the point of entry being relocated at the Customer's expense.

Customers in the General Service Less Than 50 kW classification may be billed bi-monthly at the discretion of Horizon Utilities. All other General Service Customers will be billed monthly. Customers with a demand meter will automatically be billed monthly regardless of connected load.

The Customer must consult with Horizon Utilities in the early planning stages to ascertain what facilities and voltages are available at the specific location.

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3.2.2 Connection

At least six (6) months prior to a proposed in-service date, the Customer is required to submit the following information:

- i.) an electrical site plan, to scale, showing the preferred location of the electrical room, preferred meter location(s), and service entrance equipment from the point of entry to the ownership demarcation point; and
- ii.) a drawing of the main secondary distribution system.

The Customer will be supplied at one (1) service voltage at one (1) ownership demarcation point to any building. There will be one (1) point of entry for each land parcel. Horizon Utilities reserves the right to require that a loop feed be completed for system reliability.

In circumstances where multiple services are provided to a General Service Customer and one (1) service is to be upgraded, the upgraded service will conform to one (1) single-phase or one (1) three-phase service per lot.

The Customer is responsible for the construction or installation of all civil infrastructure including, but not limited to, poles, conduits, cable chambers, cable pull rooms, transformer rooms, vaults, equipment bases and pads on private property, as required by Horizon Utilities as part of the connection assets. All civil infrastructure must meet Horizon Utilities' current standards, practices, specifications, and Conditions of Service, and are subject to Horizon Utilities' inspection and acceptance, in addition to inspection and approval by the ESA. The Customer will ensure that Horizon Utilities has access to its equipment. The Customer is responsible for any costs associated with providing necessary access to the Corporation's equipment by employees or authorized agents of the Corporation for the purpose of maintenance or replacement.

Economic evaluation projects conducted for expansions related to Large User Class customers shall include the following Capital Costs:

- i.) Connection costs, including primary distribution facilities and metering that become the property of Horizon Utilities.
- ii.) Cost of dedicated feeder(s) required by the Customer where other customers are not expected to share in the use of such facilities. The Customer requests such dedicated facilities or Horizon Utilities Corporation determines that the nature of the connection is such that the Customer must be isolated from the rest of customers. This is determined by Horizon Utilities based on its engineering design standards and good utility practices.
- iii.) Cost of dedicated transformer station facilities required by the Customer. This includes either (1) upgrades to existing transformer station facilities solely for the benefit of the Customer, or (2) new transformer station facilities solely for the benefit of the Customer.

Upstream capital costs based on the pooled cost per kW, where new non-dedicated feeders or transformer station capital investments are required or the Customer is connecting to existing plant.

Horizon Utilities designs its distribution system for customers so that alternate feeder and transformer stations can be used to service customers in the event of a system outage. When a system outage occurs, Horizon Utilities controls the transfer of loads between feeders and transformer stations to restore power to customers as soon as necessary switching is completed. Where a Customer requests control of the switching devices, or requests automatic switching to transfer its own load between alternate feeders and transformer stations, Horizon Utilities must

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reserve capacity for the Customer on two feeders and transformer stations. Where the Customer requests this reserved capacity, Horizon Utilities will charge the Customer a Back-up Standby Charge.

In addition, an Expansion Deposit as outlined in the Capital Cost Recovery Agreement will be required.

Horizon Utilities is responsible for the maintenance and repair of its connection assets but not for the transformer room(s) or any other civil structure that forms part of the Customer's building.

A Customer who wants a disconnection for the purpose of repair, panel change or meter relocation must make a request for disconnect from Horizon Utilities. Horizon Utilities will prepare a Service Layout to determine if the service should be upgraded, the meter moved, or the conduit or meter base replaced. If any changes are required, the Service Layout will state the necessary changes and the reason for the service disconnection. All disconnected services require a connection authorization by the ESA before reconnection.

3.2.3 Service Removals and New Installations – General Service Customers

If a service has been removed and a new service is to be installed, the Customer will pay for the upgrade or new connection, an amount not to exceed the difference in the present value between the projected capital and ongoing operating expenses and the projected revenue for the distribution services provided by those facilities. The methodology used to calculate this amount is presented in Appendix B of the Distribution System Code (DSC).

The customer load to be used in calculating the amount to be paid under Appendix B of the DSC will be determined as follows:

- If the service is removed and a new service is installed within a period not exceeding one (1) year from the date of removal of service, the customer load to be used for upstream cost calculations will be the incremental increase in load from the previous service to the new service.
- If the service is removed and the new service is installed more than one (1) year after the removal date, the customer load to be used for upstream cost calculations will be the Customer's forecasted load for the new service.

Horizon Utilities does not guarantee the availability of capacity when a service has been removed for a period exceeding one (1) year.

If the service has been removed and the Customer has provided Horizon Utilities, in writing, with a request for connection for a long-term project where the construction phase will exceed the one-year time period noted above, the customer load to be used for upstream cost calculations will be the incremental increase in load from the previous service to the new service. If the Customer requires a guarantee of availability of capacity for such a long-term project, the Customer must request and Horizon Utilities must reasonably consider whether such guarantee can be provided. If such guarantee can be provided, no such guarantee of capacity shall be binding on Horizon Utilities until such guarantee is documented by a written agreement entered into between the Customer and Horizon Utilities.

3.2.4 Demarcation Points

For General Service applications other than unmetered connections (see **Section 3.9 – Unmetered Connections**), the ownership demarcation point will be located:

- i.) on overhead low voltage connection assets, at the Customer's conductors emerging from the service head or mast; or

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- ii.) on underground low voltage connection assets operating at 300 volts or less, at the line side of the Customer's meter base; or
- iii.) on underground low voltage connection assets operating in excess of 300 volts, at the supply terminals of the Customer's main disconnecting device; or
- iv.) on high voltage connection assets where the transformer is owned by Horizon Utilities, at the load terminals of the transformer; or
- v.) on underground high voltage connection assets where the transformer is owned by the Customer, at the supply terminals of the Customer's main disconnecting device; or
- vi.) on overhead high voltage connection assets where the transformer is owned by the Customer, at the dead end strain insulators or Horizon Utilities' disconnecting device on the Customer's pole within thirty (30) metres of Horizon Utilities' point of entry; or
- viii.) no greater than thirty (30) metres from the point of entry onto the property where a private distribution system has been installed.

The operational demarcation point will be the main disconnecting device at the customer's premises that separates the connection of the customer's facility or building from Horizon Utilities' distribution system.

Appendix I contains additional details about ownership demarcation points.

3.2.5 Supply

Horizon Utilities' standard voltage offerings are detailed in **Section 2.3.4 –Standard Voltage Offerings**.

The Customer is required to supply, install, and maintain internal transformers where voltages other than the supply voltage are required. The Customer will maintain a balanced, three-phase load.

Where three-phase service is required, supply is given at:

- 120/208-volts, three-phase, four-wire, or
- 347/600-volts, three-phase, four-wire.

Not all standard voltage offerings are available at every location. The Customer must consult with Horizon Utilities to determine what voltage is available at a particular site, and the Customer is required to obtain prior approval from Horizon Utilities for the use of a specific voltage at a specific location.

The Customer must ensure that the service entrance equipment has adequate short-circuit interruption capability. Upon request, Horizon Utilities will advise the Customer of the maximum available short-circuit symmetrical in-rush amperes at any specific location.

It is the responsibility of Customers with large non-linear loads to install proper corrective measures such as filtering and/or grounding techniques that comply with the industry standard, IEEE Standard 519-1992. The harmonic voltage distortion limits are three percent on any individual frequency, and five percent on the total. A higher distortion may be acceptable for infrequent starts where no existing or potential third party will be adversely affected.

The Customer's equipment is limited in the permissible switching surges to 10 percent for line switching and four percent for capacitor switching.

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Horizon Utilities installs equipment for the automatic re-closing of circuit breakers and, from time to time, changes their re-closing time. The Customer is responsible for providing at the Customer's own expense:

- i.) adequate protective equipment for any electrical apparatus or equipment that might be adversely affected by Horizon Utilities' re-closing facilities; and
- ii.) such equipment as may be required for the prompt disconnection of any of the Customer's apparatus or equipment that might affect the proper functioning of Horizon Utilities' re-closing facilities
- iii.) a coordination study for protection review.

3.2.6 Metering

As of August 2007, Horizon Utilities will install smart (time-of-use [TOU]) meters on all new General Service Less than 50 kW accounts. Conventional meters will be changed to smart meters as required by provincial regulations.

General Service Greater than 50 kW Customers (see **Section 3.2.1 – Application**) should refer to **Section 2.3.6.3 – Interval Metering**. All meters are supplied by Horizon Utilities at the Customer's expense.

The Customer must meet all requirements necessary for metering for all installations, in accordance with the metering specification of Horizon Utilities.

3.2.6.1 Metering in Malls or Plazas

Each business or unit separated by a firewall is required to have a separately metered service. An additional metered service will be provided for common areas (with a house meter).

The following will apply to all meter rooms:

- i.) Meter room will be located at or above grade level
- ii.) Meters will be installed in locations that are accessible twenty-four (24) hours a day; if for safety or security reasons the location must be locked, the Customer is required to provide a key and/or lockbox to permit access to Horizon Utilities' employees or its designated agent
- iii.) An above-grade meter room must be accessible by a standard stairway with handrail; vertical ladders are not permitted
- iv.) Where meter sockets are used, sufficient wall space must be allocated for the possible installation of meter cabinets in the event that up to one-third of the units require enlarged service entrances in the future
- v.) Adequate electrical illumination must be provided at the working level, plus a 120-volt convenience outlet
- vi.) Storage of other equipment in the meter room is not permitted

3.2.7 Overhead Secondary Service

Horizon Utilities will install, at the Customer's expense, an overhead secondary service from its circuits to the ownership demarcation point provided that the ownership demarcation point is located no more than thirty (30) metres from the point of entry.

For distances in excess of thirty (30) metres, additional facilities will be supplied, installed, and maintained by the Customer. All pole lines constructed or erected by the Customer are required to meet the requirements of the OESC.

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Horizon Utilities will supply and install the transformation components, including upstream devices and connections to overhead primary service, at no cost to the Customer.

The maximum service entrance capacity for which Horizon Utilities will install overhead secondary service wires is 200-amperes (at 120/240 or 347/600 volts).

The capital contribution, which is required for all general service connections, is outlined in **Appendix D**.

3.2.8 Underground Secondary Service

In areas where distribution and transformation are supplied by overhead service and are located within thirty (30) metres of the ownership demarcation point, the Customer has the option of an underground secondary service. Horizon Utilities will supply and install underground cable inside the Customer-installed conduit, at the Customer's expense, for underground services up to 200 amperes. Future maintenance and replacement of the underground cable is the responsibility of Horizon Utilities. The Customer is responsible for maintaining the civil component located on the Customer's property.

Where the nearest distribution pole is across the street from the Customer, Horizon Utilities may install, at no expense to the Customer, a road crossing pole and overhead wire. If the Customer requests an underground road crossing, the Customer will pay the actual costs for the underground road crossing. In circumstances where underground service under the road is impractical due to abnormal soil conditions or conflicts with other utility plant, Horizon Utilities will deny the request, and install a road-crossing pole and overhead wire.

Horizon Utilities will supply and install the transformation components, including upstream devices and connections to overhead primary service, at no cost to the Customer.

If the Customer requests a relocation of an underground service installed by Horizon Utilities, Horizon Utilities will perform the relocation at the Customer's expense.

The maximum service entrance capacity for which Horizon Utilities will install underground secondary service wires is 200 amperes (at 120/240 or 347/600 volts).

At its discretion, Horizon Utilities may provide a 400-ampere, 120/240-volt service at the Customer's expense.

The capital contribution, which is required for all general service connections, is outlined in **Appendix D**.

3.3 Commercial and Industrial Developments

3.3.1 Application

This section refers to the supply of electricity to a development of two (2) or more industrial and/or commercial buildings on the same property.

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3.3.2 Connection

The Customer is required to consult with Horizon Utilities in the early stages of the project development to ascertain Horizon Utilities' requirements.

At least six (6) months prior to the proposed in-service date, the Customer must submit to Horizon Utilities all of the following information:

- i.) required in-service date
- ii.) voltage requirements
- iii.) estimated initial maximum demand
- iv.) estimated seasonal and future maximum demand
- v.) specific listing of the type of loads for lighting, motor, welding, heating, air conditioning, or other load requirements
- vi.) number and size of proposed individual services
- vii.) grading plan and site plan, to scale, showing the development in relation to existing and proposed property lines and other buildings and structures (such as parking garages, loading ramps)
- viii.) if requested by Horizon Utilities the customer shall provide a coordination study for protection review

The plans, which must include views of the proposed incoming duct bank from the point of entry to the ownership demarcation point, will show:

- i.) the area in which the transformer pad or indoor vault is to be located, showing all details of the vault (if applicable); and
- ii.) the electrical room and provision for the metering equipment and the rating of the main switch; and
- iii.) the number of units and the area of each.

3.3.3 Underground Supply

All developments are required to have an underground supply through a single point of entry for each land parcel, at a location specified by Horizon Utilities. Horizon Utilities reserves the right to require a loop feed to be completed for system reliability.

3.3.4 Supply of Equipment

Horizon Utilities will supply, install, own, and maintain the following:

- i.) primary transformation per **Section 3.4.1 – Transformers Owned by Horizon Utilities**; and
- ii.) meters and associated instrument transformer(s); and
- iii.) primary cable from the point of supply to the ownership demarcation point.

The Customer will supply, install, own, and maintain all of the following:

- i.) primary switchgear, as required
- ii.) transformer pad/vault and associated equipment, as specified by Horizon Utilities
- iii.) concrete encased duct bank extending from the point of supply to Horizon Utilities' system to the transformer, designed by the Customer to Horizon Utilities' specifications; where Horizon Utilities has determined that the cables may not be readily pulled through the duct bank, the Customer must also supply, install, and maintain on the property a pulling manhole or pit, to Horizon Utilities' specifications
- iv.) one (1) main secondary disconnect per transformer will be installed at the discretion of Horizon Utilities for all service entrance capacities
- v.) dry-type transformers for special utilization voltages

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Should the cable fail due to abnormal circumstances such as a dig-in, the cost of the damage will be charged to the party responsible for the damages.

3.3.5 Location of Transformers

The pad-mounted equipment will be located on the Customer's property.

The Customer is responsible for providing unobstructed access to the transformer for Horizon Utilities' vehicles by providing a paved or gravelled surface of sufficient strength, as specified by Horizon Utilities. If an adequate roadway is not provided, resulting in damages to Horizon Utilities' vehicles, the Customer will take full responsibility for the necessary repairs to vehicles.

The Customer will provide, to Horizon Utilities' specifications, mechanical protection such as bollards for the protection of the pad-mounted equipment, where required.

Indoor transformer vaults constructed by the Customer must be constructed in accordance with the requirements, as outlined by both the OESC and Horizon Utilities.

3.4 Transformation

3.4.1 Transformers Owned by Horizon Utilities

For a transformer where the primary voltage is 27 kV or 13 kV, the maximum rating of a Customer's main disconnecting device supplied by transformers owned by Horizon Utilities will not exceed:

- i.) 1600 amperes at 347/600 volts three-phase; or
- ii.) 2000 amperes at 120/208 volts three-phase; or
- iii.) 400 amperes at 120/240 volts single phase.

Transformation at the Customer's premises for services in excess of the ratings specified above will be owned by and under the responsibility of the Customer, and must be constructed, maintained, and operated by the Customer in accordance with the requirements of the OESC.

For a transformer where the primary voltage is 4 kV, the maximum rating of a Customer's main disconnecting device supplied by transformers owned by Horizon Utilities will not exceed:

- i.) 600 amperes at 347/600 volts three-phase; or
- ii.) 800 amperes at 120/208 volts three-phase; or
- iii.) 400 amperes at 120/240 volts single phase.

3.4.1.1 Underground Primary Construction to Pad-Mounted Transformers

The Customer will pay for the cost of supplying, installing, and maintaining a concrete-encased duct bank located on the Customer's property (including the costs of trenching, ducts, pulling manholes or pits, and transformer pad). The duct bank will be to Horizon Utilities' specifications, and will extend from Horizon Utilities' existing distribution system to the ownership demarcation point.

Horizon Utilities will supply and install primary cable from the point of supply to the ownership demarcation point at the Customer's expense.

Horizon Utilities will be responsible for maintaining primary cable; if a cable is damaged through abnormal circumstances such as a dig-in, the party responsible for the damages will be charged the cost of repair or replacement.

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Pad-Mounted transformers will be located within three (3) metres of an accessible roadway capable of carrying heavy trucks; the Customer is responsible for providing unobstructed access to the transformer by Horizon Utilities' vehicles; if an adequate roadway is not provided, resulting in damage to Horizon Utilities' vehicles, the Customer will take full responsibility for the necessary repairs to the vehicles.

The Customer, at his own expense, will supply and install two-hole compression style secondary lug connectors compatible with Canadian Standards Association (CSA) dies and National Electrical Manufacturers' Association (NEMA) spade two-hole spacing of the pad-mounted transformer secondary bushings; coiling of the secondary cable in the transformer foundation must make provision for expansion and contraction of the cable, and connection to a transformer with higher secondary bushings.

Where the ownership demarcation point is inside the building, the Customer will provide and maintain a vault to the specifications of both Horizon Utilities and the OESC; the Customer is not permitted to store other equipment in the vault.

3.4.2 Customer-owned Transformer or Substation

3.4.2.1 General

Customers are required to supply their own transformers under the following circumstances:

- i.) electrical demand exceeds the ratings listed in **Section 3.4.1 – Transformers Owned by Horizon Utilities**; or
- ii.) requirement is for a secondary voltage not offered by Horizon Utilities (see **Section 2.3.4 – Standard Voltage Offerings**).

Customers will supply, install, and maintain substations on their properties consisting of transformers and associated facilities for receiving power.

Customers will pay for the cost of supplying and installing primary cable from the point of supply to the ownership demarcation point. Horizon Utilities is responsible for installing and maintaining primary cable.

3.4.2.2. Plans and Specifications for Transformers or Substations

Horizon Utilities will provide existing information related to fuse characteristics, relay settings and lightning arrestors to allow the Customer to perform a protection coordination study. Horizon Utilities may specify that the Customer's transformer be supplied with multiple high-voltage windings, suitable for connection to two system voltages in order to facilitate voltage conversions. Horizon Utilities may also specify special tap settings to accommodate system voltage variations.

Customer-owned transformers located on the line side of the meter installation must be built in accordance with CAN/CSA Standard C802, *Maximum Losses or Distribution, Power and Dry Type Transformers*. Transformers whose losses exceed the values specified in this standard are not acceptable. For transformers larger than 3000 kVA, total losses that exceed 0.8 percent of the kVA rating of the transformer will be subject to a penalty charge as determined by Horizon Utilities.

In addition to obtaining the approval of the ESA for substation equipment, the Customer must also obtain the approval of Horizon Utilities for any components that may affect Horizon Utilities' distribution system (e.g. cables, surge arrestors, terminators, and protective and switching devices). This approval must be obtained six (6) months prior to the tender documents being issued for construction of the substation.

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Horizon Utilities will review and approve the original proposal and one (1) corrected proposal for each new substation, free of charge. Costs of any additional review will be charged to the Customer. When modifications not involving substantial load increases are being made to an existing substation, Horizon Utilities will charge the Customer all costs for the review and approval.

To obtain approval, the Customer is required to submit to Horizon Utilities two (2) copies of the detailed plans and the specifications that have been certified by a registered Professional Engineer, containing the following details.

Single line schematic diagram including:

- i.) all voltages of the proposed installation
- ii.) transformer bank apparent rating (kVA), reactance and cooling
- iii.) protective and switching devices with short circuit ratings

Work drawings and specifications for the substation installation including:

- i.) fencing drawing complete with proposed placards
- ii.) detailed dimensions in plan and elevation
- iii.) working and live parts clearance
- iv.) structure and guying for dead-ending incoming lines
- v.) grounding details
- vi.) material list
- vii.) interlocking schemes
- viii.) a survey plan and site plan indicating the location of the substation with respect to the public road allowance
- ix.) a list of the lighting, motor, welding, heating and other loads
- x.) ampere and voltage ratings of the main, secondary service switch
- xi.) location and details of the metering equipment
- xii.) a coordination study for protection review
- xiii.) switchgear line-up
- xiv.) metering IT locations and grounding points

3.4.2.3 Pre-Service Inspection, Commissioning, and Energization of Substations

The Customer is responsible for obtaining a pre-service inspection and commissioning report by a third-party engineering firm, confirming that the substation and all its equipment have been tested. The pre-service inspection report must be certified, and copies must be provided to the Customer Connections Department at Horizon Utilities for approval before the substation can be energized. Horizon Utilities shall be contacted to witness and verify the commissioning tests performed by the Customer.

When the Customer has completed and submitted the certified pre-service inspection and commissioning report and has received approval from both Horizon Utilities and the ESA, Horizon Utilities will energize the substation in accordance with the Corporation's normal operating procedures. There is no charge for this service if it is scheduled in advance during Horizon Utilities' normal business hours and is the first energization of a new or enlarged substation.

3.4.2.4 Operation of Primary Disconnect Devices on Substations

Customers must permit access to their substations by Horizon Utilities' employees or authorized agents at all times in order to operate primary disconnect devices on the substations.

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Customers may require the operation of primary disconnect devices for purposes of routine maintenance or other reasons. Horizon Utilities requires a minimum of two (2) weeks' notice for planned operation of such devices.

One (1) primary disconnect will be performed free of charge during normal business hours in each calendar year. The Customer will be charged for any subsequent disconnection requests during that same calendar year.

The Customer will ensure that the substation is maintained in a good state of repair and that the primary disconnect devices are accessible and operable.

3.4.2.5 Maintenance of Substations

Customers are responsible for performing regular maintenance on their substations so that inconvenience to themselves and to other Customers is not caused through equipment failure. To facilitate the maintenance of the substation and its equipment, Horizon Utilities will provide one (1) isolation on request, at the Customer's substation each calendar year, at no charge. The one-time isolation must occur during normal working hours, Monday to Friday, excluding statutory holidays. The Customer is required to pay a charge to offset the overtime cost for Horizon Utilities' crews for isolations arranged at times other than normal working hours.

Customers are also responsible for emergency maintenance on their substations, and should be aware at all times of the availability of materials and labour to perform emergency repairs in the event of a sudden substation failure.

At the request of Horizon Utilities, the Customer may be required to provide a report detailing regular and/or emergency maintenance performed on the Customer's substation.

3.5 Temporary Service

3.5.1 Application

Temporary services are typically installed for the purpose of providing construction power, power to special events, or for situations requiring power for up to but not exceeding one (1) year. Services that are anticipated to be in place longer than one (1) year, will be considered permanent, and are covered under the appropriate servicing conditions.

Appendix I contains details about ownership demarcation points and charges for connections.

3.5.2 Connection

Where adequate capacity and facilities are available, Horizon Utilities will provide up to thirty (30) metres of overhead secondary service for a maximum of 200-ampere service at 120/240 volts, at a standard approved cost as detailed in **Appendix I**.

If no transformation or secondary service exists on the public road allowance, Horizon Utilities will supply and install and, later, remove these facilities at the Customer's expense.

When installation and removal charges for temporary service exceed those for basic temporary service, Horizon Utilities will provide an estimate of the variable costs to the Customer. The Customer is required to pay a deposit in the amount of the estimated variable costs prior to the installation of the service by Horizon Utilities. The variable costs will include installation and removal of primary or secondary wire, transformations, and metering. The Customer is responsible for supplying and installing all poles required for the installation of temporary service on private property.

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3.5.3 Metering

For three-phase services, a main disconnect must be installed either immediately adjacent to, or in the same room as, or integral with the meter socket on the line side.

All conditions that apply to meter cabinet installations for general metering, as outlined in **Section 2.3.6.1 – Metering, General**, will apply to temporary service metering.

The Customer must provide unobstructed access to the metering for the purpose of routine meter reading, and may be required to provide keys.

Metering for portable locations at schools will be at one (1) central location, whenever possible.

3.6 Embedded Market Participant

An Embedded Market Participant is a Customer who is registered as a Wholesale Market Participant with the IESO and whose facility is connected to Horizon Utilities' distribution system instead of the IESO-controlled grid.

Embedded Market Participants are subject to the terms and conditions of the IESO. The IESO's *Market Rules for the Ontario Electricity Market*, Chapter 2, Section 1.2.1 states: "No persons shall participate in the IESO-administered markets or cause or permit electricity to be conveyed into, through or out of IESO-controlled grid unless that person has been authorized by the IESO to do so."

Once approved by the IESO, an Embedded Market Participant within Horizon Utilities' service area is required to inform Horizon Utilities in writing of its authorized status thirty (30) days prior to participation in the Ontario electricity market.

Embedded Market Participants are responsible for all applicable Horizon Utilities charges as approved by the OEB.

In the event that a Customer wishes to de-register with the IESO as a Wholesale Market Participant, the Customer is required to notify Horizon Utilities in writing at least sixty (60) days in advance of said registration to allow Horizon Utilities sufficient time to make the necessary changes to its billing systems. Concurrently, the Customer is responsible for providing sufficient time for IESO de-registration.

3.7 Embedded Generation

An Embedded Generation Facility is a generation facility that is not directly connected to the IESO-controlled grid but is instead connected to Horizon Utilities' distribution system. A person who owns or operates an Embedded Generation Facility is known as an Embedded Generator.

This section applies to Embedded Generators and not to the connection or operation of an emergency backup generation facility, which is described in **Section 2.3.5 – Backup Generators**.

Each Embedded Generator will complete and sign a Connection Agreement, as outlined in **Appendix C1** or **C2**, as applicable, which specifies the terms and conditions applicable to the connection with Horizon Utilities. The Embedded Generator may be required to provide a Capital Contribution to Horizon Utilities depending on the specific connection details. The technical requirements for an Embedded Generation Facility are specified **Appendix C0**.

3.8 Embedded Distributor

An Embedded Distributor is a licensed distributor who is not a Wholesale Market Participant and who is provided with electricity by Horizon Utilities.

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Horizon Utilities will make every reasonable effort to respond promptly to an Embedded Distributor's written request for a connection to the Corporation's distribution system and will comply with all the requirements of the DSC, Appendix G – Process for Connecting Another Distributor. Horizon Utilities will provide an initial consultation regarding the connection process within thirty (30) days of receiving a written request for connection. A final offer to connect the distributor to Horizon Utilities' distribution system will be made within ninety (90) days of receiving the written request for connection, unless other necessary information outside the distributor's control to obtain is required before the offer can be made. Each Embedded Distributor will have a signed Connection Agreement with Horizon Utilities, as presented in **Appendix C1** or **C2**, as applicable, which specifies the terms and conditions applicable to connection with Horizon Utilities. The Embedded Distributor may be required to provide a Capital Contribution to Horizon Utilities depending on the specific connection details.

3.9 Unmetered Connections

3.9.1 Application

A facility owned by the Customer that is located on a public road allowance for the benefit of public services may be connected without being metered provided that Horizon Utilities has determined that the load is uneconomical to meter and consistent in magnitude. Unmetered connections will be billed on usage as estimated by Horizon Utilities.

For the purpose of an unmetered connection, the ownership demarcation point will be the point of supply. **Appendix I** contains additional details about ownership demarcation points.

The Customer is responsible for the cost of connection and service conductors from the point of supply to the load.

3.9.2 Street Lighting

Unmetered street lighting equipment owned by or operated for a municipality serviced by Horizon Utilities, the Province of Ontario, or the Government of Canada, may be connected to Horizon Utilities' distribution system at the sole discretion of Horizon Utilities.

Street or roadway lighting will be installed in accordance with the requirements of the OESC and must meet the connection requirements and specifications of Horizon Utilities.

The energy usage for street lighting will be based on installed load estimated according to Horizon Utilities' load profile for street lighting, which takes into consideration the amount of time during each month that the streetlights are operating.

3.9.3 Small Scattered Loads – Fixed or Variable

Unmetered connections to small scattered variable loads such as traffic signals, railway crossing signals, cable television amplifiers, and telephone switching devices may be allowed, at the sole discretion of Horizon Utilities, on public rights-of-way for the benefit of public services.

Where unmetered connections to small scattered fixed loads such as telephone booths and bus shelters are allowed, electrical usage will be charged on the basis of the connected load being used on a continuous basis.

3.9.4 Load Transfers

Load transfers occur when one distribution company (i.e. the physical distributor) provides a supply of electricity to another distribution company (i.e. the geographic distributor) in either an emergency or contingency situation, or as standard supply to the other distributor's customers (i.e. load transfer customer).

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3.9.4.1 Short-Term Load Transfers

Short-term load transfers occur in an emergency or contingency situation and require the physical distributor to measure the load in some alternative manner, as metering is generally not available.

The physical distributor will bill the geographical distributor for the electricity and demand supplied at the physical distributor's approved rates and charges and the spot price for electricity, excluding the fixed distribution rate. There is no pro-rating of charges.

3.9.4.2 Long-Term Load Transfers

Long-term load transfers occur when the physical distributor makes available the supply of electricity to a geographic distributor in order to connect a load transfer customer.

The geographic distributor is required to provide the customer consumption and demand to the physical distributor, in order to settle for the supply. The physical distributor will bill the geographic distributor for the electricity and demand supplied at the physical distributor's approved rates and the applicable rate for electricity, as determined by the Customer class.

SECTION 4 - GLOSSARY OF TERMS

Apparent Power: the total power, measured in kilovolt amperes (kVA).

Back Feed: electrical energy that flows from a Customer into a distribution system.

Billing Demand: the metered demand or connected load after necessary adjustments have been made for power factor, intermittent rating, transformer losses, and minimum billing; a measurement in kilowatts (kW) of the maximum rate at which electricity is consumed during a billing period.

Civil Component (of a project): any work involving boring, trenching, roadwork, masonry, concrete foundations, road crossing ducts.

Conditions of Service: the document developed by a distributor in accordance with Section 2.4 of the Distribution System Code that describes the operating practices and connection rules of the distributor.

Connection: the process of installing and activating connection assets in order to distribute electricity.

Connection Assets: that portion of Horizon Utilities' distribution system used to connect a Customer to the existing main distribution system and consists of the assets between the point of supply and the ownership demarcation point.

Connection Agreement: an agreement entered into between Horizon Utilities and a Customer connected to its distribution system that delineates the conditions of the connection and delivery of electricity to or from that connection.

Consumer: a person who uses for the person's own consumption, electricity that the person did not generate.

Contestable Work: the part of the work that the Customer may perform in the building of any expansion to Horizon Utilities' distribution system as defined in the Distribution System Code and further specified by Horizon Utilities.

Customer: a person who has contracted for, or intends to contract for, connection of a building or embedded generation facility, and includes owners and developers of residential or commercial subdivisions.

Customer's Facility: any and all equipment, elements, and facilities of any kind whatsoever owned by the Customer including, but not limited to, the equipment and facilities depicted in any schedule to the Customer's Connection Agreement.

Demand: the average value of power measured over a specified interval of time, usually expressed in kilowatts (kW). Typical demand intervals are 15, 30, and 60 minutes.

Demand Meter: a meter that measures a consumer's peak usage during a specified period of time.
Typical Demand Meters:

- Kilowatt (kW) Demand Meter measures the peak real power used by the Customer, generally measured in base units of Watts.
- Kilovolt Ampere Reactive (kVAr) Demand Meter measures the peak reactive power used by the Customer, and is generally measured in base units of volts-amperes reactive (VAr). It is the power required to keep the customer's equipment (transformers, motors) "excited"; it performs no actual work.
- Kilovolt Ampere (kVA) Demand Meter measures the peak apparent power used by the Customer, and is generally measured in base units of volt amperes.

Note: Horizon Utilities Corporation employs only kW and kVA Demand Meters within its electromechanical demand meter assets.

Developer: a customer, customers or entity owning property for which new or modified electrical services are to be installed.

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Disconnection: a deactivation of connection assets that results in cessation of distribution services to a Customer.

Distribute: with respect to electricity, means to convey electricity at voltages of 50 kV or less.

Distribution Services: services related to the distribution of electricity and the services that the Ontario Energy Board requires Horizon Utilities to provide/offer.

Distribution Standards: Horizon Utilities' distribution standards as defined in the Standard Drawings Manual, latest edition, and in other standard specifications.

Distribution System: Horizon Utilities' system for distributing electricity, and includes any structures, equipment, or other items used for that purpose. The distribution system is composed of the main distribution system capable of distributing electricity to many Customers and the connection assets used to connect Customers to the main distribution system.

Distribution System Code (DSC): the Distribution System Code approved by the Ontario Energy Board that, among other things, establishes the obligations of the distributor with respect to the services and terms of service to be offered to Customers and Retailers, and provides minimum technical operating standards for distribution systems.

Distributor: a person who owns or operates an electricity distribution system.

Duct Bank: two (2) or more ducts that may be encased in concrete and used for the purpose of containing and protecting underground electric cables.

Easement: a right awarded to a person to make limited use of another person's property.

Electrical Safety Authority (ESA): the person or body designed under the regulations of the Electricity Act as the Electrical Safety Authority.

Electricity Act: the Electricity Act, S.O. c.15, Schedule A, as amended.

Electricity and Gas Inspection Act: the Electricity and Gas Inspection Act, R.S., 1985, c.E-4 as amended.

Embedded Distributor: a licensed distributor who is not a Wholesale Market Participant and who is supplied with electricity by Horizon Utilities.

Embedded Generation Facility: a generation facility that is not directly connected to the IESO-controlled grid but is instead connected to Horizon Utilities' distribution system.

Embedded Generator: the person who owns or operates an Embedded Generation Facility.

Embedded Market Participant: a Customer who is registered as a Wholesale Market Participant with the Independent Electricity System Operator (IESO) and whose facility is not directly connected to IESO-controlled grid but is connected to Horizon Utilities' distribution system.

Emergency: any abnormal system condition that requires remedial action to prevent or limit loss of Horizon Utilities' distribution system or supply of electricity that could adversely affect the reliability of the electricity system.

Emergency Backup: refers to a generation facility that has a transfer switch that isolates it from the distribution system.

Energized: provided with electric voltage or potential.

Enhancement: a modification to an existing distribution system that is made for purposes of improving system-operating characteristics such as safety, reliability, or power quality or for relieving system capacity constraints.

Energy: the product of power and time, usually expressed in kilowatt-hours (kWh).

Equipment: any structures, lines, transformers, breakers, disconnect switches, buses, voltage/current transformers, protection systems, telecommunications systems, cables or any other auxiliary equipment

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used for the purpose of conveying electricity, whether owned by Horizon Utilities, the Customer, or another distributor.

Expansion: an addition to Horizon Utilities' distribution system in response to a request for additional Customer connections that otherwise could not be made, such as increasing the length of the distribution system.

Expansion Fees: Enhancement Costs, New Expansion Costs, and Basic Connection Costs are collectively referred to as Expansion Fees. If an expansion of Horizon Utilities' distribution system is required, Horizon Utilities will perform an economic evaluation of the expansion project to determine if future revenue from the Customer(s) will pay for the costs pertaining to the expansion including, but not limited to: a) on-going operating, maintenance and administration costs (OM&A Costs) whether actually incurred or apportioned; b) the historical average distribution system enhancement capital cost per kW (Enhancement Costs); c) the distribution system expansion capital cost (New Expansion Costs); d) the basic cost of connection (Basic Connection Costs).

Final reading date: the date that the meter is last read prior to discontinuing or disconnecting service, and represents the date that the account is closed.

Force Majeure: any cause which is beyond the reasonable control of, and not the result of negligence or the lack of diligence of, the Party claiming force majeure or its contractors or suppliers.

General Service: any service supplied to premises other than those designated as Residential.

Generator: a person who owns or operates a generation facility.

Geographic Distributor: with respect to a load transfer, means the distributor that is licensed to service a load transfer Customer and is responsible for connecting and billing the load transfer Customer, but does not provide physical delivery of electricity to the Customer.

Host Distributor: the distributor who provides electricity to an embedded distributor.

House Service: that portion of the electrical service in a multiple occupancy facility that is common to all occupants (e.g. parking lot lighting, sign service, corridors).

House Service Meter: a meter that measures and records energy use in the common areas of a multiple occupancy facility.

Independent Electricity System Operator (IESO): the body established under the Electricity Act as the Independent Electricity System Operator.

Interval Meter: a meter that measures and records energy use and demand on an hourly or sub-hourly basis.

kVA Meter: see Demand Meter above.

Kilowatt-hour Meter: a meter that measures a customer's energy consumption.

Late Payment Charge: a charge applied to the outstanding balance of a Customer's bill when the total amount of the bill has not been paid by the due date.

Lies Along: means directly adjacent to or abutting the public road allowance where Horizon Utilities has distribution facilities of the appropriate voltage and capacity.

Line Side: the input side of a component of electrical equipment, as opposed to the load or output side.

Load Transfer: a network supply point of one distributor that is supplied through the distribution network of another distributor, where this supply is not considered a wholesale supply point.

Load Transfer Customer: a Customer that is provided distribution services through a load transfer.

MCM: refers to "millicircular mils" and it is a measure of the size of an electrical conductor.

Main Disconnecting Device: a device that disconnects the electrical supply to a Customer's building or embedded generation facility from Horizon Utilities' distribution system.

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Main Distribution System: a distribution system less the connection assets.

Maintenance: any inspection, testing, cleaning, torquing, adjusting, and calibrating of electrical equipment, or replacement of support structures associated with the electrical system, but does not include electrical betterments.

Market Rules: the rules made under Section 32 of the Electricity Act.

Measurement Canada: the Special Operating Agency established in August 1996 by the Electricity and Gas Inspection Act, 1980-81-82-83, c. 87, and Electricity and Gas Inspection Regulations (SOR/86-131).

Meter Installation: the meter and, if so equipped, the instrument transformers, wiring, test links, fuses, lamps, loss of potential alarms, meters, data recorders, telecommunication equipment, and spin-off data facilities installed to measure power past a meter point, provide remote access to the metered data, and monitor the condition of the installed equipment.

Metering Services: installation, testing, reading, and maintenance of meters.

Meter Socket: the mounting device for accommodating a socket-type revenue meter.

Nameplate Rating: the maximum power, voltage and current carrying capacity of a piece of equipment, as displayed on the equipment nameplate.

Net Metering: metering used in an electricity generation application. The meter records energy that is delivered from the utility in one register and records the energy the utility receives from the generator in another register. Both registers are netted to determine overall billable or credit amounts.

Normal Operating Conditions: the operating conditions that comply with the standards set by the Canadian Standards Association Standard CAN3-C235- 87 (latest edition).

Ontario Energy Board Act: the Ontario Energy Board Act, 1998, S.O. 1998, c. 15, Schedule B, as amended.

Ownership Demarcation Point: the physical location on a distribution system at which a distributor's ownership of equipment, including connection assets, ends and the Customer's ownership begins.

Operational Demarcation Point: the physical location on a distribution system at which Horizon Utilities responsibility for operational control of equipment, including connection assets, ends.

Person: includes an individual, a corporation, sole proprietorship, partnership, unincorporated organization, unincorporated association, body corporate, and any other legal entity.

Physical Distributor: with respect to load transfer, means the distributor that provides physical delivery of electricity to a load transfer Customer, but is not responsible for connecting and billing the load transfer Customer directly.

Point of Entry: the point at which Horizon Utilities' conductors cross over from the public road allowance or an easement, to the Customer's premises.

Point of Supply: the customer connection point, for both primary and secondary services, to Horizon Utilities' distribution system. This might be located at a manhole, hand hole, vault, pole, or pad-mounted device. The electrical supply location might be located on an adjacent property from which Horizon Utilities has land access rights. With respect to an Embedded Generator, point of supply means the connection point where electricity produced by the Generator is injected into a distribution system. In all cases, Horizon Utilities shall designate the final point of supply.

Power Factor: the ratio between Real Power and Apparent Power, and will be a value between 0 and 1 (i.e. kW/kVA).

Premises: a building or embedded generation facility and its land.

Primary Service: any service that is supplied with a nominal voltage greater than 750 volts.

Qualified Contractor: a contractor qualified to deal with electrical hazards in accordance with the requirements of the Occupational Health & Safety Act, (Ontario) as amended and all applicable

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regulations thereto including, Construction Projects – O.Reg.213/91, and who is approved by Horizon Utilities.

Rate: any rate, charge, or other consideration, and includes a penalty or charge for late payment.

Reactive Power: the power component which does not produce work but is necessary to allow some equipment to operate, and is measured in kilovolt amperes reactive (kVAr).

Real Power: the power component required to perform real work, and is measured in kilowatts (kW).

Regulation: the regulations made under the Ontario Energy Board Act or the Electricity Act.

Residential Service: a service of less than 50 kW demand supplied to single-family dwelling units for domestic or household purposes.

Retailer: a person who retails electricity to consumers who do not take Standard Supply Service (SSS) and is licensed by the OEB

Retail Settlement Code (RSC): the Code issued by the Ontario Energy Board and in effect at the relevant time, which, among other things, establishes a distributor's obligations and responsibilities associated with financial settlement among retailers and Customers, and provides for tracking and facilitating Customer transfer among competitive Retailers.

Revenue Meter: any meter used for the purpose of establishing the basis of a charge for a supply of electricity is a revenue meter and includes any sub-metering device or any apportionment metering device used to determine the electricity charges to individual tenants in a multiple-client realty complex.

Secondary Service: any service that is supplied with a nominal voltage less than 750 volts.

Service Agreement: the agreement that sets out the relationship between a licensed retailer and a distributor, in accordance with the provisions of Section 12 of the Retail Settlement Code.

Service Application Form (SAF): a form used by Horizon Utilities to illustrate electric servicing details, meter location, service routing, and costs. This form is required to be completed by the Customer or Customer's contractor prior to any connection being made.

Service Area: the area in which Horizon Utilities is authorized by its licence to distribute electricity.

Service Entrance Capacity: the amperage rating of the main disconnect switch at the Customer's location.

Service Entrance Equipment: all Customer-owned equipment downstream from the ownership demarcation point.

Service Layout: refers to all the field activities required to complete the Service Application Form (SAF).

Smart Meter: an electronic meter that records hourly electricity usage. Smart meters allow for time-of-use (TOU) pricing and are read remotely.

Standard Supply Service Code: the Code, issued by the Ontario Energy Board, and in effect at the relevant time, which, among other things, establishes the minimum conditions that a distributor must meet in carrying out its obligations to sell electricity under Section 29 of the Electricity Act unless otherwise stated in its licence.

Standard Supply Service Customer or SSS Customer: a Customer who is sold electricity under Section 29 of the Electricity Act.

Step-up (step-down) Transformation Equipment: equipment that increases or decreases the voltage level.

Supply Side: has the same meaning as "line side".

Supply Voltage: the voltage at the ownership demarcation point.

Three-Phase Load: an electrical load that requires three equal voltages that are 120 degrees out of phase with one another.

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Time-of-Use Meter or TOU Meter (smart meter): records energy consumption in prescribed registers for pre-defined time periods.

Total Losses: the sum of distribution losses and unaccounted for energy.

Transmission System Code (TSC): the Code, approved by the Ontario Energy Board, which regulates the financial and information obligations of the Transmitter with respect to its relationship with customers, as well as establishing the standards for connection of customers to, and expansion of, a transmission system.

Uncontestable Work: the part of the work that only Horizon Utilities may perform in the building of any expansion to Horizon Utilities' distribution system as defined in the Distribution System Code and further specified by Horizon Utilities.

Un-forecasted Customer: A Customer whose connection within the five-year recommended connection Horizon was not anticipated at the time of constructing an expansion.

Unmetered Loads: electricity consumption that is not separately metered and that is billed based on estimated usage.

Wholesale Market Participant: a person that sells or purchases electricity or ancillary services through the IESO-administered markets.



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EFFECTIVE: MAY 1, 2009

APPENDICES

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- Schedule of Rates and Charges
- Credit Policy
- Connection Agreement for Load Customers
- Technical Requirements for Generator Connection
- Connection Agreement for a Micro-Embedded Generation Facility
- Connection Agreement for a Small- or a Mid-Sized Embedded Generation Facility
- Capital Cost Recovery Agreement
- The Economic Evaluation of an Expansion
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