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**TERMS AND CONDITIONS FOR ELECTRIC SERVICE –  
DISTRIBUTION CONNECTED GENERATORS (DG)**

**CENTRAL ALBERTA RURAL ELECTRIFICATION LIMITED**

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## **ARTICLE 1 – PREAMBLE**

In accordance with the provisions of the *Electric Utilities Act* (“EUA”) and the Regulations made thereto (“Regulations”), Central Alberta Rural Electrification Association Limited (“CAREA”) in its role as a wire owner will carry out the functions necessary to furnish electric facilities to its DG’s in its service area to enable the DG to sell or purchase electricity for that DG’s own use.

These Terms and Conditions are intended to govern the relationship between and DG’s that require a Service Connection to CAREA’s electric distribution system. These Terms and Conditions will also govern the relationship between CAREA and Retailer(s) or any other person whom the DG has assigned to act on its behalf in its dealings with CAREA, regarding the interconnection to its electric distribution system.

The Board of Directors of CAREA regulates the service provided by CAREA hereunder, and parties having any inquiries or complaints regarding these Terms and Conditions may direct such inquiries or complaints regarding these Terms and Conditions directly to CAREA. The Board of Directors of CAREA has approved these Terms and Conditions.

## ARTICLE 2 – DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

The following words and phrases, whenever used in these Terms and Conditions, the Electric Service Tariff or an application, contract or agreement for service, shall have the meanings set forth below:

**“Act”** means the *Electric Utilities Act*, S.A. 1995, c. E-5.5, as amended from time to time.

**“AEUB”** means the *Alberta Energy and Utilities Board* established under the *Alberta Energy and Utilities Board Act*, S.A., 1994, C.A-19.5, as amended from time to time.

**“Association”** means the *Rural Electrification Association* or its successor.

**“Billing Demand”** means the demand (expressed in kilovolt Amp (kVA), kilowatt (kW), or other suitable unit), upon which billing to a DG is based.

**“Board”** means the Board of Directors of CAREA.

**“Business Day”** means a business day is any day other than Saturday, Sunday or a holiday as defined in the *Interpretation Act*.

**“Demand”** means the maximum rate at which electric energy is delivered (expressed in kilovolt Amp (kVA), kilowatt (kW), or other suitable unit).

**“Distribution Access Service”** means the Distribution Extension Costs less any available CAREA investment.

**“Distribution Connected Generator” or “DG”** means an independent power producer that has a generating facility connected to CAREA’s distribution system.

**“Distribution Extension Costs”** means the costs to extend service to a DG and include the costs of materials, labor, expenses, allocated overhead, and any other costs incurred by CAREA in extending service to a DG, related to distribution voltages of 25kV and lower;

**“Distribution Tariff”** means a distribution tariff prepared by CAREA in accordance with the *Distribution Tariff Regulation*, A.R. 84/2000, as amended from time to time.

**“Electric Service Agreement”** means an agreement for the provision of a Service Connection pursuant to these Terms and Conditions, between CAREA and a DG.

**“Electricity Services”** means the services associated with the provision of electricity to DGs, including the exchange of electricity through the power pool, making financial arrangements to manage financial risk associated with the pool price, distribution access service, system access service, system support services, billing, metering, maintaining information systems, and any other services specified in the regulations.

**“Electric Service Tariff”** means a Distribution Tariff and Regulated Rate Tariff prepared by CAREA.

**“Energy”** means electric energy (expressed in kilowatt hours (kWh) or other suitable units).

**“Facilities”** means a physical plant (including, without limitation, distribution lines, transformers, meters, equipment and machinery).

**“Force Majeure”** means circumstances not reasonably within the control of CAREA, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, mechanical breakdowns, the intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court, and any other cause, whether of the kind herein enumerated or otherwise.

**“Generating Member”** means a DG with on-site generating equipment that is interconnected with CAREA’s distribution facilities.

**“In-service Date”** means the date on which the DG specifies service is to be available or the date the service is actually available, whichever is later.

**“Interconnected System”** means those portions of CAREA’s facilities which are connected with the electrical systems of other electric utilities in the Province of Alberta commonly known as the Alberta Interconnected Electric System (AIES).

**“Load”** means the demand and energy delivered to or required at any Point of Service.

**“Point of Delivery”** or **“POD”** means the point at which electrical energy is transferred to CAREA’s distribution system.

**“Point of Service”** means the point at which CAREA’s service conductors are connected to the conductors or apparatus of a DG.

**“Power Factor”** for billing purposes means the ratio of the highest metered kilowatt demand in a billing period to the highest metered kilovolt-amp demand in that same billing period.

**“Power Pool”** means the energy trading system operated by the Alberta Electric System Operator, appointed under section 9(1) (b) and (c) of the Act for the dispatch and exchange of electric energy and financial settlement for the exchange of electric energy.

**“RRR”** means the *Roles, Relationships and Responsibilities Regulation, A.R. 86/ 2000*, as amended from time to time.

**“Regulated Rate Tariff”** means a regulated rate tariff prepared by CAREA pursuant to the *Regulated Rate Option Regulation, Ministerial Order 2/2000*, as amended from time to time.

**“Service Connection”** means CAREA’s distribution system Facilities required to physically connect to the DG’s facilities.

**“Site”** means a unique end-use Point of Service, being the finest level at which settlement recognizes retailer assignments, and receives consumption data.

**“System Controller”** means the person(s) appointed by the Alberta Electric System Operator under section 9(1) (c) of the Act to carry out the system control function of the Alberta Interconnected Electric System.

**“Terms and Conditions”** means the Terms and Conditions for Electric Service – DGs.

**“Transmission Administrator”** means the person(s) appointed by the Alberta Electric System Operator for transmission system planning and development, operations, and management, under authority of the Lieutenant Governor in Council under section 21 of the Act.

## **2.2 Conflicts**

If there is any conflict between a provision expressly set out in these Terms and Conditions, as may be amended from time to time, and an Electric Service Agreement, the express provision of these Terms and Conditions shall govern, as of their effective date.

## **2.3 Headings**

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

## **2.4 Schedules and Appendices**

The following schedules and appendices are attached to and form part of these Terms and Conditions:

- i) Appendix A – Miscellaneous Service Charges
- ii) Appendix B – Flow Through of Upstream Credits

## **ARTICLE 3 – GENERAL PROVISIONS**

### **3.1 Board Approval**

The Board of Directors of CAREA has approved these Terms and Conditions. CAREA may amend these Terms and Conditions from time to time and will subsequently file the new Terms and Conditions for information with the AEUB.

### **3.2 Electric Service Tariff**

CAREA's Electric Service Tariff is available for public inspection during normal business hours at the business offices of CAREA.

### **3.3 Effective Date**

These Terms and Conditions come into force on January 1, 2001. Whenever CAREA files amended Terms and Conditions for information with the AEUB, the effective date of the amended Terms and Conditions will be indicated thereon.

### **3.4 Terms and Conditions Prevail**

- (a) These Terms and Conditions, as amended from time to time, apply to CAREA and to every DG to which CAREA provides a Service Connection. These Terms and Conditions also govern the relationship between CAREA and any other person for whom the DG has assigned to act on its behalf in its dealings with CAREA regarding the provision of an interconnection to its electric distribution system.
- (b) The application for a Service Connection, the entering into an Electric Service Agreement, the use by the DG of a Service Connection to obtain Distribution Access Service or the payment by the DG of an account rendered by CAREA in relation to a Service Connection shall constitute acceptance by the DG of these Terms and Conditions.
- (c) No agreement can provide for the waiver or alteration of any part of these Terms and Conditions unless such agreement is first filed with and approved by the Board.

### **3.5 Ownership of Facilities**

- (a) CAREA remains the owner of all Facilities necessary to provide a Service Connection to the DG.
- (b) Payment made by a DG for costs incurred by CAREA in installing Facilities does not entitle the DG to ownership of any such facilities.

### **3.6 Fees and Other Charges**

CAREA will provide all standard services hereunder pursuant to the Distribution Tariff and the Regulated Rate Tariff. All additional, supplementary or other miscellaneous services provided by CAREA will be charged a separate rate or fee, such as those included, without limitation, in Appendix A herein. Payment for these services shall be in accordance with the provisions of these Terms and Conditions.

## **ARTICLE 4 - ESTABLISHMENT OF SERVICE**

### **4.1 Application for Service Connection**

- (a) To enable CAREA to provide the requested service, applicants for service shall supply information regarding the location of the premises to be served, the DG's requirements and preferred supply conditions and the manner in which the Service Connection will be utilized, credit information or reference and any other information that may be required by CAREA.
- (b) Upon receipt of the required information, CAREA will advise the applicant of the type and character of the Service Connection it will furnish to the DG, and any special conditions that must be satisfied.

### **4.2 Method of Application**

#### *4.2.1 Form and Acceptance of Application*

- (a) All DG's must be of legal age to contract for service with CAREA. CAREA reserves the right to verify the identity of the DG and the accuracy of the information provided and to require the DG to sign an application in writing on forms provided by CAREA.
- (b) A DG shall be required to sign CAREA's DG Interconnection Agreement, before construction of the service will proceed.

#### *4.2.2 Application by Retailer or Other Person*

Any other person acting as an agent of a DG may apply for a Service Connection on behalf of the DG. The agent must provide CAREA, in a form acceptable to CAREA, verifiable authorization from the DG to make the application.

### **4.3 Establishment and Re-establishment of Credit or Deposits**

#### *4.3.1 Establishment of Credit*

CAREA may grant credit to a DG who is able to meet any of the following requirements:

- i) Letter of Credit from a recognized financial institution.
- ii) Approved loan from a financial institution.

When credit cannot be established to the satisfaction of CAREA, the applicant will be required to pay for service in advance.

#### *4.3.2 Re-establishment of Credit*

- (a) Current DG in Arrears

CAREA may require a DG to post a security deposit if the DG becomes delinquent in the payment of 3 or more bills within a twelve (12) consecutive month period or has been disconnected from service during the last twelve (12) months.

#### *4.3.3 Amount of Security Deposits*

The amount of deposit required by CAREA to establish or re-establish credit shall be determined according to the following terms:

- i) CAREA reserves the right to request a security deposit for any amounts to be provided by the DG, including but not limited to a Distribution Contribution, under these Terms and Conditions.

#### *4.3.4 Refunds of Security Deposits*

When a DG is served under the Regulated Rate Option, a security deposit is refunded when:

- i) The DG's Service Connection is disconnected, other than for default in payment of accounts, and the DG has paid all amounts owing to CAREA; or
- ii) The DG has satisfactorily established credit by paying all bills on or before the due date of the said bill, for twelve (12) consecutive months.

#### *4.3.6 Use of Security Deposits*

If a DG fails to pay an amount billed, and collection action has been initiated by CAREA, CAREA may apply all or any portion of a DG's security deposit toward payment of the outstanding amounts. When CAREA has taken this step, the DG may be required to pay to CAREA the amount deducted from the DG's security deposit. Upon termination of a Service Connection, CAREA may apply all or any portion of a DG's security deposit, toward payment of any amount due and owing by that DG.

### **4.4 Rejection of Application**

CAREA may, without limitation, reject any applicant's request for a Service Connection when:

- i) The DG does not have currently in force all permits or other authorization that may be required for the installation of the Service Connection as defined in Section 4.6;
- ii) CAREA determines, in its sole discretion, that the DG is not creditworthy or a previous account held by the DG with CAREA is in arrears; or
- iii) The DG fails to provide a security deposit or letter of credit from a suitable financial institution in form acceptable to CAREA; or
- iv) CAREA determines that the form of the DG Interconnection Agreement is not appropriate for the Service Connection due to its unique nature and the DG refuses to enter into an alternate form of agreement acceptable to CAREA; or
- v) Any representation made by the applicant or the DG is to CAREA's opinion, fraudulent, untruthful or misleading; or

- vi) The DG has not, when requested by CAREA to do so, provided a signed written application for a Service Connection, or a DG Interconnection Agreement, or;
- vii) The proposed loads, in CAREA's opinion, have unusual characteristics that might adversely affect the quality of service supplied to other DG's, the public safety, or the safety of CAREA's personnel or CAREA's Facilities or equipment.

#### **4.5 DG Interconnection Agreement**

- (a) A DG Shall be required by CAREA to sign a DG Interconnection Agreement in respect of a Service Connection. The DG Interconnection Agreement shall be signed by the DG and not by its Agents.
- (b) In the absence of a signed DG Interconnection Agreement, the supplying of a Service Connection by CAREA and the acceptance thereof by the DG shall be deemed to constitute an DG Interconnection Agreement by and between CAREA and the DG for delivery, acceptance and payment for electric service under CAREA's applicable Rate Schedules and Terms and Conditions.
- (c) If any provision of the DG Interconnection Agreement, or the application thereof, is to any extent held invalid or unenforceable, the remainder of its DG Interconnection Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

#### **4.6 Approvals**

The DG shall be responsible for obtaining all permits, certificates, licenses, inspections, reports, and other authorizations necessary for the installation and operation of the Service Connection. CAREA shall not be required to commence or continue installation or operation of a Service Connection unless and until the DG has complied with the requirements of all permits, certificates, licenses, inspections, reports and other authorizations, and all right-of-way agreements, and CAREA requirements applicable to the installation and operation of the Service Connection.

#### **4.7 Temporary Service**

- (a) Where CAREA reasonably believes that a requested service will be temporary, it may require the DG requesting the service to pay CAREA in advance of a Service Connection, the estimated cost of facilities plus the estimated cost of installation and removal of facilities necessary for the desired service, less the value of the salvaged material.
- (b) Where duration of service is to be less than one month, the DG may be required to advance a sum of money equal to the estimated bill for service.

#### **4.8 Information and Requirements for Service**

##### *4.8.1 Distribution Service Connections*

Upon request, CAREA shall provide to the DG information on the method and manner of making Service Connections. Such information may include a description of the Service Connection available, location of entrance facilities and metering equipment, and DG and CAREA responsibilities for installation of facilities.

#### *4.8.2 Distribution Access Service*

For DG's requesting information on Distribution Access Service, CAREA will make available the following information:

- i) Notification and informational materials to consumers about competition and consumer choices;
- ii) CAREA's Terms and Conditions for Distribution Access Service;
- iii) Direct DG's, on request, to a source where they may obtain the current list of licensed Retailers maintained in accordance with the Fair Trading Act, S.A. 1998, c. F-1.05 ("Fair Trading Act"). CAREA is under no obligation to assure the accuracy of this list.

#### **4.9 Application of Rate Schedules**

- (a) CAREA will make DG's aware of the various Rate Schedules it can potentially receive under which CAREA provides service. CAREA will endeavor to apply the Rate Schedule appropriate for the service requested by the DG, and on the basis that application of the requested Rate Schedule does not have an adverse impact on the public interest. CAREA shall not be required to refund the difference in charges under different Rate Schedules for any past period during which the DG did not request service under an alternate Rate Schedule that may have been available to such DG.
- (b) Where the DG's service requirements change so that some other Rate Schedule(s) apply to the service, subject to the above conditions; CAREA will advise the DG of its eligibility for service under the alternate Rate Schedule, and at the request of the DG, CAREA will change the DG's billing accordingly.
- (c) A DG may elect to have service billed on any other Rate Schedule applicable to that DG's service requirements subject to the above conditions. Any change shall not be effective until the next complete billing period. An election under this section may not be made more than once in any 12-month period, unless the DG's service requirements change, and will apply to all arrangements the DG has with CAREA if the Service Connection is billed on more than one Rate Schedule.
- (d) In addition to payments for electric service, the DG is required to pay CAREA the amount of any tax or assessment levied by any tax authority on electric service delivered to the DG.

## **ARTICLE 5 - SERVICE REQUIREMENTS AND FACILITIES**

After the DG has complied with CAREA's application and deposit requirements and has been accepted for service by CAREA and obtained all required permits and/or inspections indicating that the DG's facilities comply with local construction, safety standards or regulations, CAREA shall schedule that DG for Service Connection.

### **5.1 DG Provided Facilities and Requirements**

#### *5.1.1 Protection of CAREA's Equipment*

The DG shall furnish and maintain, at no cost to CAREA, the necessary space, housing, fencing, barriers, and foundations for the protection of the facilities to be installed upon the DG's premises. If the DG refuses, CAREA may at its option furnish and maintain, and charge the DG for furnishing and maintaining, the necessary protection. Such space, housing, fencing, barriers and foundations shall be in conformity with applicable laws and regulations and subject to CAREA's specifications and approval.

#### *5.1.2 Power Factor*

A DG shall design, install and operate the DG's facilities in such a manner as to maintain a Power Factor of not less than 90% (leading or lagging) at the point of service. CAREA may require any DG not satisfying this Power Factor requirement to furnish, install, and maintain, at no cost to CAREA such corrective equipment as CAREA may deem necessary under the circumstances.

#### *5.1.3 Compliance with Requirements and Use of Service Connection*

The DG will ensure that its facilities comply with the applicable requirements of the Canadian Electrical Code and with any other technical guidelines that may be issued from time to time by CAREA. The DG shall not use its Service Connection or Distribution Access Service in a manner so as to cause interference with any other use of a Service Connection or Distribution Access Service such as abnormal voltage levels, frequency levels and harmonic distortion. At CAREA's request, the DG shall take whatever action is required to correct the interference or disturbance at the DG's expense.

#### *5.1.4 Extensions*

A DG shall not extend or permit the extension of facilities connected to CAREA's distribution beyond property owned or occupied by that DG for any Point of Service.

## **ARTICLE 6 - RIGHTS OF WAY AND ACCESS TO FACILITIES**

### **6.1 Easements**

At the request of CAREA, the DG shall grant, or cause to be granted, to CAREA, without cost to CAREA, such easements or rights-of-way over, upon or under the property owned or controlled by the DG as CAREA reasonably requires for the construction, installation, maintenance, repair, and operation of the facilities required for a Service Connection to the DG and the performance of all other obligations required to be performed by CAREA hereunder.

### **6.2 Right of Entry**

CAREA's employees, agents and other representatives shall have the right to enter a DG's property at all reasonable times for the purpose of installing, maintaining, replacing, testing, monitoring, reading or removing CAREA's Facilities and for any other purpose incidental to the provision of a Service Connection or Distribution Access Service and the DG shall not prevent or hinder CAREA's entry.

### **6.3 Vegetation Management**

The DG shall permit CAREA to manage vegetation on the property owned or controlled by the DG to maintain proper clearances and reduce the risk of contact with CAREA's facilities. CAREA shall make reasonable efforts to notify the DG before such work is performed.

The DG shall not plant any trees or vegetation that will interfere with the safe operation of CAREA's Facilities. Any such trees or vegetation may be removed at the DG's expense.

### **6.4 Interference with CAREA's Facilities**

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

## **ARTICLE 7 - DISTRIBUTION EXTENSION**

### **7.1 General Requirements**

Upon an applicant's request for a Service Connection, CAREA shall prepare a proposal outlining the estimated cost of the extension to be paid by the applicant.

All agreements requiring payment by the DG or investment by CAREA shall be in writing and signed by each party.

The provisions of this section apply to those DG's who, in CAREA's judgment, will have a permanent Service Connection with CAREA. DG's for temporary service shall be governed by Section 4.7 concerning temporary service applications.

### **7.2 Determination of Distribution Extension Costs and Contributions**

#### *7.2.1 Distribution Extension Costs*

The Distribution Extension Costs incurred by CAREA in the construction of a new Service Connection to a DG may consist of the following:

- i) Local Extension Costs - The cost of local facilities required to construct a Service Connection for the sole purpose of an individual DG, plus
- ii) Shared Costs - Where a new extension uses infrastructure paid for by an existing DG, plus
- iii) Upgrading Costs - If the DG's Service Connection requires an upgrade to CAREA's facilities, the upgrade costs incurred by CAREA form part of the Distribution Extension Cost, plus
- iv) Protection Costs - any costs of protection, anti-islanding circuitry, communication facilities, telemetry or modification to distribution or transmission facilities required to reliably separate the generator from the distribution system.
- v) Neighboring Distribution Utility Costs - If the Service Connection relies on a neighboring distribution utilities facilities and such utility requires payment to extend their distribution system to allow for the construction of a Service Connection, the payment required by the neighboring distribution utility forms part of the Distribution Extension Cost.

#### *7.2.2 CAREA Investment*

CAREA may, at its sole discretion, invest in Facilities when:

- i) The investment results in future savings for rebuilding Facilities, or
- ii) The investment results in an upgrade to existing Facilities for the benefit of others.

### *7.2.3 Distribution Contribution*

The Distribution Contribution shall be equal to the Distribution Extension Costs less CAREA Investment. If the total Distribution Extension Cost is less than CAREA Investment, the DG will not be required to make any Distribution Contribution.

### **7.3 Distribution Contribution Refund**

When a DG provides a Distribution Contribution under section 7.2 to obtain service, CAREA may refund a portion of the contribution if a new service interconnects to the Service Connection paid for by the original DG.

### **7.4 Conversion from Overhead to Underground Service**

A DG may request that existing CAREA facilities be converted from overhead to underground. The DG, or any other person who is acting on behalf of a DG and who provides CAREA with verifiable authorization from the DG will be charged for all costs incurred by CAREA in connection with the conversion.

### **7.5 Service Modifications**

A DG may request that existing CAREA facilities be moved or modified. The DG, or any other person who is acting on behalf of a DG and who provides CAREA with verifiable authorization from the DG will be charged for all cost incurred by CAREA in connection with the modifications.

## **ARTICLE 8 – SERVICE CONNECTION**

### **8.1 CAREA Responsibilities and Liability**

#### *8.1.1 Continuous Supply*

CAREA shall make all reasonable efforts to maintain continuity of service to its DGs, but CAREA cannot guarantee uninterrupted service.

#### *8.1.2 Interruption*

Without liability of any kind to CAREA, CAREA shall have the right to disconnect or otherwise curtail, interrupt or reduce service to DGs whenever CAREA reasonably determines, or when CAREA is directed by the System Controller, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of CAREA's Facilities; to maintain the safety and reliability of CAREA's distribution system; or due to any other reason, including emergencies, forced outages, potential overloading of CAREA's distribution system of Force Majeure.

#### *8.1.3 Reasonable Efforts*

CAREA shall use reasonable efforts to minimize any scheduled curtailment, interruption or reduction to the extent reasonably practicable under the circumstances, to provide the DG with prior notification of any such curtailment, interruption or reduction to the extent reasonably practicable, and to resume the DG's Service Connection as promptly as reasonably practicable.

#### *8.1.4 CAREA Liability*

Notwithstanding anything to the contrary contained in these Terms and Conditions, CAREA shall not be liable for any loss, injury, damage, expense, charge, cost or liability of any kind, whether of direct, indirect, special or consequential nature, (excepting only direct physical loss, injury or damage to a DG or a DG's property, resulting from the negligent acts or omissions of CAREA, its employees or agents or interconnected Companies) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by CAREA to its DGs. For the purpose of the foregoing and without otherwise restricting the generality thereof, indirect, special or consequential loss, injury or damage includes loss of revenue, loss of profits, loss of earnings, loss of production, loss of contract, cost of purchased or replacement capacity and energy, cost of capital, and loss of use of any facilities or property, or any other similar damage or loss whatsoever, arising out of or in any way connected with the failure, defect, fluctuation, reduction or interruption in the provision of service to a DG.

Should CAREA be unable, because of an event of Force Majeure, to provide a continuous supply of energy to a DG, CAREA's responsibilities, so far as they are affected by the Force Majeure, shall be relieved and suspended during the duration of such circumstances and CAREA shall not be liable for any failure to perform any term of these Terms and Conditions to the extent that and when such failure is due to, or is a consequence of, an event of Force Majeure. Where practical, CAREA shall give notice to the affected DGs of such Force Majeure.

## **8.2 DG Responsibility and Liability**

### *8.2.1 DG Responsibility for Facilities*

- (a) The DG assumes full responsibility for the installation and condition of all facilities on the DG's side of the Point of Service, except Facilities owned by CAREA. The DG shall be responsible for any destruction of or damage to CAREA's Facilities located on the DG's premises where the destruction or damage is caused by a negligent act or omission or willful misconduct of the DG or anyone permitted by the DG to be on the premises.

### *8.2.2 DG Liability*

- (a) The DG assumes full responsibility for the proper use of the Service Connection provided by CAREA and for the condition, suitability and safety of any and all wires, cables, devices or equipment energized on the DG's premises or on premises owned or controlled by the DG that are not the DG's property.
- (b) The DG shall indemnify and save harmless CAREA from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with the use of the service so long as such injury or damage is not caused by the negligent acts or omissions or willful misconduct of CAREA, its employees and agents.

### *8.2.3 Protective Devices*

The DG shall be responsible for determining whether the DG needs any devices to protect the DG's facilities from damage that may result from the use of a Service Connection. The DG shall provide and install any such devices.

### *8.2.4 Insurance*

The DG shall be responsible for determining whether the DG needs any insurance in the event of an outage or reduction in electrical service.

### *8.2.5 Service Calls*

CAREA may require a DG to pay the actual costs of a DG requested service call if the source of the problem is the DG's facilities.

### **8.3 Interference with CAREA's Property**

No one other than an employee or authorized agent of CAREA shall be permitted to remove, or operate, electric equipment and other facilities owned by CAREA. The DG shall not interfere with or alter seals, or other facilities or permit the same to be done by any person other than the authorized agents or employees of CAREA.

### **8.4 Unauthorized Use**

Where CAREA determines that there has been unauthorized use of electric service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional use whereby CAREA is denied full compensation for services provide, CAREA will bill the DG for CAREA's estimate of such unauthorized use. Nothing in this section shall limit any other rights or remedies that CAREA may have in connection with such unauthorized use.

### **8.7 Standard of Service**

The standard frequency of the Alberta Interconnected Electric System is 60 Hertz.

CAREA's voltage limits are in accordance with Canadian Standards CAREA standard CAN\_C235-83.

Upon request by the DG, CAREA may provide other than Standard Supply Voltages or supply arrangements. If this option is chosen, the DG will be responsible for all additional costs associated with provision of service using non-standard supply arrangement or voltages as determined by CAREA.

## **ARTICLE 9 – DISTRIBUTED GENERATION**

### **9.1 Service**

The DG is responsible for the installation and ownership of all facilities on the DG's side of the Point of Service. The Point of Service shall be the switch located on the high voltage side of the transformer, which is owned by CAREA.

### **9.2 Approvals**

The DG must obtain written approval from CAREA before any modification is made to the DG's facilities, such approval not to be unreasonably withheld.

To sell power, the DG must become a power pool/energy-trading participant and must comply with all Alberta Electric System Operator requirements.

The DG must provide any technical information to CAREA as required. CAREA shall treat this information as confidential and will not release such information to any other parties. Meter data related to use of the distribution system might be used by CAREA for the purpose of planning and operating the distribution system.

### **9.3 Charges and Credits**

The DG shall pay all charges pursuant to the Distribution Tariff. There shall be no additional charges or credits with the exception of those credits identified in Appendix B unless expressly identified and included in the DG Interconnection Agreement.

### **9.4 Commissioning of New Generation**

CAREA will follow the procedures in the *MicroPower Connect Interconnection Guideline* for commissioning of new generators.

## **ARTICLE 10 - METERS**

### **10.1 Provision and Ownership of Meters**

Unless otherwise agreed, the DG shall provide, install, operate, maintain and seal one or more meters for the purpose of measuring the Energy produced by a DG. Time of use or interval meters and associated communication equipment shall be installed for a DG who has a connected generation capacity exceeding the threshold defined under the System Settlement Code.

### **10.2 Meter Test, Meter Data and Adjustments**

- (a) CAREA may inspect a meter at any reasonable time. At the request of CAREA, the DG shall arrange for on-site meter verification and if necessary, shall arrange for a meter to be tested by an official designated for that purpose by Measurement Canada or accredited agency as may, from time to time, be designated for this purpose.
- (b) If a test determines that the meter is not accurate within the limits set by Measurement Canada, the DG's bill will be adjusted accordingly. Where it is impossible to determine when the error commenced, it shall be deemed to have commenced three (3) months before the test or the date of the meter installation, whichever occurred later.
- (c) The DG shall provide meter data to CAREA and any other entity as required under the System Settlement Code.

### **10.3 Energy or Demand Diversion**

- (a) If under any circumstance, a person prevents a meter from accurately recording the total demand or energy supplied, CAREA may disconnect the service, or take other appropriate actions.
- (b) CAREA may then estimate the demand and amount of energy supplied but not registered at the Point of Service. The DG shall pay the cost of the estimated demand and energy consumption plus all costs related to the investigation and resolution of the diversion.

### **10.4 Totalized Metering**

CAREA will consider each Site a Point of Service and will apply the applicable Rate Schedule to each Site.

## **ARTICLE 11 - RENDERING AND PAYMENT OF BILLS**

### **11.1 Reading and Estimates**

Meter reads will be based on meter readings made by the DG or CAREA, or the designated Meter Data Manager, from time to time; or based on estimates for those billing periods when the meter is not read.

### **11.2 Proration of Bills**

- (a) The amount of any initial and final charges, other than energy, may be prorated, based upon the ratio of the number of days that service was provided to a DG in the billing period to the total number of days in the billing period.
- (b) The meter reading schedule shall be based on a calendar month unless otherwise specified in the System Settlement Code.
- (c) Where a meter reading schedule is changed, any charges other than energy, during the transition period between the old and new meter reading schedule, may be prorated based upon the ratio of the number of days that service was provided to a DG in the transition period to the total number of days in a normal billing period (30) days.

### **11.3 Payment**

The DG shall pay all amounts required to be paid under these Terms and Conditions upon receipt of a bill for the amounts. Bills shall be deemed rendered, and other notices duly given when delivered to the DG. Failure to receive such bill from CAREA will not entitle the DG to any delay in the settlement of each account or to any extension of the date after which a late payment charge becomes applicable. Any bill rendered to a DG for which valid payment has not been received by the date indicated on the bill shall be considered past due. CAREA reserves the right to assess a late payment charge as set forth in Appendix A.

### **11.4 Summary and Consolidated billing**

CAREA will issue a separate bill for each Point of Service. However, the DG and CAREA may agree that CAREA will issue one bill totaling charges for service billed and delivered at more than one Point of Service.

### **11.5 Returned Cheque Fee**

CAREA reserves the right to assess a service charge in respect of any cheque returned by the DG's bank for any reason as defined in Appendix A.

## **11.6 Adjustment of Bills**

### *11.6.1 Billing Error*

Should the DG dispute any amount owing, the DG shall nonetheless pay such disputed amount and subject the dispute for resolution in accordance with these Terms and Conditions. Following resolution of any such dispute, CAREA will return any amount found owing to the DG forthwith. The right or ability of either party to dispute a bill for service provided hereunder shall only apply to bills rendered during a period of two (2) years prior to the date of a written notice of such dispute. CAREA may assess a charge to the DG for reviewing billing disputes, in circumstances where CAREA has not been responsible for any billing error as established in Appendix A hereof.

### *11.6.2 Unauthorized Use*

Where CAREA determines that there has been unauthorized use of electric service including, but not limited to, meter tampering, unauthorized connection or reconnection, theft, fraud, intentional or unintentional transfers of energy whereby CAREA is denied full compensation for service provided, CAREA will bill the DG for CAREA's estimate of such unauthorized use. Nothing in this section shall limit any other rights or remedies that CAREA may have in connection with such unauthorized use.

## **11.7 Peak Metered Demand Waiver**

CAREA may forgive new peak demand incurred by the DG if such demand is as a result of acts or omissions of CAREA, its servants or agents arising out of or in any way connected with failure, defect, fluctuation or interruption in the supply of electric energy or Distribution Access Service to the DG (or Retailer) or which resulted from catastrophic failure, which consequently required the simultaneous start of the DG's equipment. In this situation, the DG's normal demand will replace the new peak demand for billing purposes.

## **ARTICLE 12 - CHANGE IN SERVICE CONNECTION**

### **12.1 Prior Notice by DG**

- (a) A DG shall give to CAREA reasonable prior written notice of any change in service requirements, including any change in load to enable CAREA to determine whether or not it can supply such revised service without changes to its facilities. A Retailer or any other person acting as agent for a DG and who provides CAREA with verifiable authorization from the DG may give such notice to CAREA on the DG's behalf. If CAREA receives such notice from a Retailer or other person, CAREA may at its option require such notice directly from the DG.
- (b) The DG shall not change its requirements for a Service Connection without CAREA's written permission. The DG shall be responsible for all damage caused to CAREA's distribution system as the result of the DG changing its requirements for a Service Connection without CAREA's permission.

### **12.2 Relocation of CAREA Facilities**

CAREA may require a DG to pay all reasonable costs incurred by CAREA in relocating any CAREA facility at the DG's request.

## **ARTICLE 14 - SERVICE DISCONNECTS AND RECONNECT**

### **14.1 Disconnection and Idle Service**

Upon the request of the DG, CAREA shall temporarily disconnect any service being provided by CAREA.

- (a) The DG agrees to pay the idle service charge as determined by the DG's applicable Rate Schedule.
- (b) Upon the request to restore service the DG will be responsible for and pay any applicable charges outlined under section 14.4.
- (c) If the DG requests the Service Connection to be permanently disconnected, the DG billing for that service will be finalized. The facilities provided by CAREA may be removed at the discretion of CAREA.

### **14.2 Disconnection at Request of Retailer**

In accordance with sub-section 7(2) of the RRR, the Retailer shall have the right to request that CAREA disconnect service to a particular DG, and CAREA shall comply with that request, unless such action is inconsistent with CAREA's approved policies contained as specified in the Terms and Conditions for Distribution Access Service - Retailer.

### **14.3 Disconnection by CAREA**

- (a) CAREA has the right to disconnect electric service to the DG in a number of circumstances, including but not limited to non-payment of CAREA bills or any past due charges by the DG; or evidence of safety violations, energy theft, or fraud, by the DG; or the DG fails to meet its obligations under these Terms and Conditions or the DG's DG Interconnection Agreement. If a DG notifies CAREA to disconnect service and is enrolled with a Retailer, CAREA will complete the request and subsequently notify the Retailer.
- (b) If the disconnect is a result of a safety violation, CAREA will reconnect the service when the safety problem is resolved and when the DG has provided, or paid CAREA's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance.

### **14.4 Reconnect Service**

This section applies when CAREA is asked to reconnect or restore service to a DG whose service was previously restricted by a current-limiting device or discontinued (whether at the request of the DG or not). Before reconnecting or restoring service, the DG shall pay:

- i) Any amount owing to CAREA including written off accounts,
- ii) A reconnection charge as defined in Appendix A
- iii) The security deposit, if any, required under Section 4 herein, and
- iv) The minimum monthly charge for each month of disconnection, if service is reconnected within 12 months of disconnection.

#### **14.5 Removal of Facilities**

Upon termination of service, CAREA shall be entitled to remove any of its facilities located upon the property of the DG and to enter upon the DG's property for that purpose.

## **ARTICLE 15 - CONTRACT EXIT PROVISIONS**

Except where otherwise provided in a written agreement between CAREA and a DG, a DG may notify CAREA to terminate its Service Connection.

Upon receipt of such notice, CAREA shall read the DG's meter within a reasonable time, and, shall use its best efforts to read the DG's meter at the time requested by the DG. A DG shall pay for all service provided to the time of such reading.

### **15.1 Regulated Rate Option Exit Costs**

When a DG takes service under the Regulated Rate Option, and the DG switches to another Retailer prior to expiration of the 5-year term of the Regulated Rate Option, the DG shall pay CAREA for costs incurred on behalf of the DG.

### **15.2 System Access Service Related Exist Costs**

When a DG no longer requires service from CAREA, the DG shall pay any applicable transmission related exit costs defined as follows:

- i) Any costs charged to CAREA for System Access Service, as a direct result of the DG's termination of service, and
- ii) Any ongoing costs that CAREA incurs for System Access Service that will not be recovered as a direct result of the DG's termination of service.

**Appendix A - MISCELLANEOUS SERVICE CHARGES**

1.0 APPLICABILITY

Applicable to every DG within CAREA's service area.

2.0 SCHEDULE OF CHARGES

All charges and provisions of the DG's applicable Rate Schedule shall apply in addition to the following charges for the service being provided:

- (a) RECONNECTION AND DISCONNECTION OF SERVICE  
    \$ CAREA's actual costs (\$50.00 minimum)
- (b) LATE PAYMENT CHARGE  
    2% per month (26.8% per annum)
- (c) RETURNED CHEQUE FEE  
    \$20.00
- (d) COST ESTIMATE FOR A NEW SERVICE  
    \$650.00 - Initial Cost Estimate with functional specifications  
    \$650.00 - Final Cost Estimate with inspection.
- (e) OTHER MISCELLANEOUS FEES  
    \$ CAREA's actual costs
- (f) RECONNECTION AND DISCONNECTION OF SERVICE  
    \$ CAREA's actual costs  
    (\$50.00 minimum)

## **APPENDIX B - FLOW THROUGH OF UPSTREAM CREDITS**

### **1.0 APPLICABILITY**

Applicable to every DG within CAREA's service area.

### **2.0 RATE**

All credits received from the Transmission Administrator, and others, will be passed on to the DG that was responsible for the incurrence of the credits.

**Information Required At Time of Application**

| <b>Independent Power Producer Information Required</b>           |   |                             |
|--|---|-----------------------------|
|  | <b>Information Required</b>   | <b>Notes &amp; Comments</b> |
| <b>Application Date</b>  | Application Date  |                             |
| <b>Company Name</b>  |   |                             |
| <b>Producer's Commercial Contract Names and Addresses</b>        | Name/Title<br>Address<br>Telephone #<br>Fax #   |                             |
| <b>Producer's Engineering Design Contact Names and Addresses</b> | Name/Title<br>Address<br>Telephone #<br>Fax #   |                             |
| <b>Producer's Operating Contact Names and Numbers</b>            | Name/Title<br>Address<br>Telephone #<br>Fax #   |                             |
| <b>Site Information</b>  | Land Location   |                             |
|  | Detailed map showing proposed plan location (attached _____)  |                             |
|  | Site Plan showing the arrangement of major equipment (attached _____)   |                             |
|  | Diagram showing the voltage and current rating of each component (attached _____)                                       |                             |
| <b>Commercial Information</b>                                    | Date of Application   |                             |
|  | Desired In Service Date   |                             |
|  | Self Retailer - yes or no: (If no, Name of Retailer)  |                             |
| <b>Operating Characteristics</b>                                 | Is it intended for the facility to sell electric energy to the power pool?  |                             |
|  | Will the facility consume electric energy services from the electrical system? If yes state operating load in kw & kwhr |                             |
|  | Maximum generation  |                             |
|  | Operating power factor at the site  |                             |
| <b>Generator</b>   | Type (Synchronous, Induction, Inverter)   |                             |
|  | Prime Mover Type (Wind, Gas,...)  |                             |
|  | Nominal Rating (kW, kVA, volts)   |                             |
|  | Single or Three Phase   |                             |
|  | Generator Connection Configuration (Delta, Wye)   |                             |
|  | Generator Grounding   |                             |

**Information Required During Design**

| <b>Independent Power Producer Information Required</b> |   |                             |
|--|---|-----------------------------|
|  | <b>Information Required</b>                             | <b>Notes &amp; Comments</b> |
| <b>Application Date</b>                                | Application Date  |                             |
| <b>Company Name</b>                                    | Company Name  |                             |
| <b>Site Information</b>                                | Land Location   |                             |
| <b>Generator</b>                                       | Make  |                             |
|  | Model #   |                             |
|  | Speed   |                             |
|  | Inertia Constant  |                             |
|  | Governor Droop %  |                             |
|  | Steady State Reactance (Xd)                             |                             |
|  | Transient Reactance (Xd)                                |                             |
|  | Positive Sequence Reactance                             |                             |
|  | Negative Sequence Reactance                             |                             |
|  | Zero Sequence Reactance                                 |                             |
| <b>Prime Mover</b>                                     | Type  |                             |
|  | Make  |                             |
|  | Model   |                             |
|  | Rating  |                             |
|  | Inertia Constant  |                             |
| <b>Power Factor</b>                                    | Limits of range of reactive power<br>Lagging (out) Var  |                             |
|  | Limits of range of reactive power<br>Leading (in) Var   |                             |
|  | Accuracy tolerance of setting                           |                             |
|  |   |                             |
| <b>Regulator</b>                                       | Voltage regulator setting range _____<br>to _____ Volts |                             |
|  | Voltage regulator setting tolerance<br>%                |                             |

**Information Required During Design**

| <b>Independent Power Producer Information Required</b>         |  |                             |
|--|--|-----------------------------|
|  | <b>Information Required</b>                                  | <b>Notes &amp; Comments</b> |
| <b>Producer Supplied Transformer</b>                           | Related KVA (base)   |                             |
|  | High voltage winding (normal voltage) V                      |                             |
|  | High voltage winding Connection (delta or wye)               |                             |
|  | High voltage winding (grounded, ungrounded, N/A)             |                             |
|  | Low voltage winding (nominal voltage) V                      |                             |
|  | Low voltage winding Connection (delta or wye)                |                             |
|  | Low voltage winding (grounded, ungrounded, N/A)              |                             |
|  | Tertiary voltage winding (if applicable) (nominal voltage) V |                             |
|  | Tertiary voltage winding (grounded, ungrounded, N/A)         |                             |
|  | Tertiary Winding Impedances                                  |                             |
| <b>Interconnection Protection</b>                              | Complete and accurate protection diagrams                    |                             |
|  | Description of the proposed protection schemes               |                             |
|  | Single Line Diagram  |                             |
|  | Schematic Diagram  |                             |
|  | Wiring Diagram   |                             |
|  | Verification of interconnection functionality                |                             |
|  | Site test and settings verification                          |                             |
|  | Maintenance plans for the interconnection protection devices |                             |
| Maintenance plans for the interconnection interrupting devices |  |                             |
| <b>Compliance With Safety Codes Act</b>                        | Permit or Equivalant   |                             |