



EPCOR Energy Services Inc.

RRO - Schedule B

RRO Terms and Conditions

**Applicable to the Town of Ponoka
Service Territory**

BYLAW NO. 083-00

SCHEDULE B TERMS AND CONDITIONS

ARTICLE 1 - GENERAL

1.1. Provision of Regulated Rate Service

The Town has made arrangements with EESI to perform all of The Town's obligations to provide Regulated Rate Service to Eligible Customers. EESI provides Regulated Rate Service under its Regulated Rate Tariff, which has been approved by a Town bylaw and includes these RRO Terms and the Price Schedule. The Price Schedule sets out the prices approved by the Regulator for Regulated Rate Service provided by EESI.

These RRO Terms are the terms and conditions upon which EESI offers and provides Regulated Rate Service to Eligible Customers.

The Regulated Rate Tariff is available for public inspection during normal business hours at EESI's business offices.

1.2. Effective Date

The Regulated Rate Tariff takes effect on January 1st, 2001, or such date as the Province of Alberta may determine to be the effective date for RRO Services.

1.3. Customers Bound by Regulated Rate Tariff

The Regulated Rate Tariff applies to each Customer. Without limiting the generality of the foregoing, the entering into of a Regulated Rate Service Agreement by a Customer, the receipt by the Customer of Regulated Rate Service or the payment by the Customer of a bill rendered by EESI in relation to Regulated Rate Service shall constitute acceptance by the Customer of all of the provisions of the Regulated Rate Tariff.

1.4. Modification of Regulated Rate Tariff

No agent or employee of EESI is authorized to modify any provision or price contained in the Regulated Rate Tariff or to bind EESI to perform in any manner inconsistent with the Regulated Rate Tariff. Without limiting the generality of the foregoing, no agreement can provide for the waiver or alteration of any part of the Regulated Rate Tariff unless such agreement is first filed with and approved by the Regulator.

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1.5. Regulatory Approval and Amendment

The Regulator has approved the RRO Terms. EESI may amend the RRO Terms by filing a notice of amendment with the Regulator. The amendment will take effect 60 days after such notice is filed unless the Regulator directs otherwise. Whenever the Regulator approves an amendment to the RRO Terms or an amendment otherwise takes effect, the applicable section(s) of the RRO Terms will be revised to incorporate the amendments and the effective date of the amendments will be indicated in the revised section(s).

1.6. Availability of Service under SLR Tariff

An Eligible Customer who is unable to continue to purchase Electricity Services from the Eligible Customer's Retailer for the reasons set out in Section 12(2) of the RRR Regulation or who for any reason is unable to obtain Electricity Services and who has not made arrangements to purchase Electricity Services from another Retailer, is entitled to obtain Electricity Services under EESI's SLR Tariff.

ARTICLE 2 - DEFINITIONS AND INTERPRETATION

2.1. Definitions

The following words and phrases, whenever used in the Regulated Rate Tariff, shall have the following meanings:

"Alberta Interconnected Electric System" shall mean the "interconnected electric system" as defined in the EUA.

"Business Day" shall mean a "business day" as defined in the RRR Regulation.

"Customer" shall mean:

- a. an Eligible Customer who did not select a Retailer by November 1st, 2000, or such later date as may be set by The Town under the RRR Regulation, from whom to purchase Electricity Services; or
- b. an Eligible Customer, other than an Eligible Customer referred to in paragraph (a) of this definition, who is receiving Regulated Rate Service or who has applied for Regulated Rate Service from EESI.

"Customer of Record" shall mean the Customer for whom EESI has opened an account pursuant to Section 3.2 or Section 5.8.

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“*Distribution Access Service*” shall mean “*distribution access service*” as defined in the EUA provided to Customers by means of The Town’s Distribution System under the Distribution Tariff.

“*Distribution System*” shall mean “*electric distribution system*” as defined in the EUA.

“*Distribution Tariff*” shall mean, at any point in time, The Town’s price schedule and terms and conditions for the provision of Distribution Access Service approved by the Regulator and in effect at such time.

“*Electricity Services*” shall mean “*electricity services*” as defined in the EUA.

“*Eligible Customer*” shall mean a Rate Classification Customer in The Town’s service area and includes, until December 31st, 2003, a Small Commercial Customer.

“*Energy*” shall mean “*electric energy*” as defined in the EUA, expressed in kilowatt hours.

“*EUA*” shall mean the *Electric Utilities Act*, S.A. 1995, c.E-5.5, including the regulations enacted thereunder, as re-enacted, amended or replaced from time to time.

“*Exchange*” shall mean “*exchange*” as defined in the EUA.

“*Facilities*” shall mean physical facilities including, without limitation, transmission and distribution lines, wires, transformers, meters, meter reading devices and other electrical apparatus.

“*Non-Regulated Rate Services*” shall mean the various services, other than Regulated Rate Service, provided to a Customer by EESI and other Persons from time to time.

“*Person*” shall mean a person, firm, partnership, corporation, organization or REA or other association, and includes an individual member thereof.

“*Price Schedule*” shall mean, the Price Schedule, approved by Bylaw No. 083-00 - *Schedule A*.

“*Rate Classification Customer*” shall mean a Residential Rate Classification Customer.

“*RRR Regulation*” shall mean the *Roles, Relationships and Responsibilities Regulation*, AR 86/2000.

“*RRO Terms*” shall mean these terms and conditions, approved by Bylaw No. 083-00 - *Schedule B*, as they may be amended from time to time.

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“*Regulated Rate Service*” shall mean:

- a. arranging for the Exchange or purchase of Energy on behalf of a Customer;
- b. arranging for Distribution Access Service on behalf of a Customer

in accordance with the RRO Tariff and to the exclusion of any other service provided by any Retailer.

“*Regulated Rate Service Agreement*” shall mean an agreement between EESI and a Customer in a form acceptable to EESI.

“*Regulated Rate Tariff*” shall mean the RRO Tariff approved by Bylaw No. 083-00, including these RRO Terms approved by Bylaw No. 083-00 - Schedule B, the Price Schedule.

“*Regulator*” shall mean the Municipal Council of the Town of Ponoka.

“*Residential Rate Classification Customer*” shall mean residential customers receiving or eligible to receive Residential Service as specified in the Price Schedule.

“*Retailer*” shall mean a “*retailer*” as defined in the EUA.

“*Service Connection*” shall mean the Facilities required to physically connect a Customer’s Facilities to The Town’s Distribution System.

“*Site*” shall mean, in relation to a Service Connection for a Customer, The Town’s meter or another point designated by The Town located on the Customer’s premises.

“*SLR Tariff*” shall mean, at any point in time, the Supplier of Last Resort Tariff of EESI in effect at such time.

“*Small Commercial Customer*” shall mean a Person in The Town’s service area other than a Rate Classification Customer if:

- a. with respect to each separate property on which such Person used electricity in 1999, such Person’s total annual consumption of Energy was less than 250 MWh; or
- b. EESI reasonably forecasts that with respect to each separate property on which such Person will use electricity during the period ending on December 31st, 2003, such Person’s total annual consumption of Energy will be less than 250 Mwh.

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2.2. Conflicts

If there is any conflict between a provision expressly set out in an application or agreement for the provision of Rate Service Agreement and an order of the Regulator or these RRO Terms, the order of the Regulator or these RRO Terms, as the case may be, shall govern.

2.3. Headings

The division of these RRO Terms 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 RRO Terms.

2.4. Rates and Fees

All rates, charges and fees referred to in these RRO Terms are as set out in the Price Schedule.

ARTICLE 3 - REGULATED RATE SERVICE

3.1. Availability

Regulated Rate Service is available to Eligible Customers strictly in accordance with the Regulated Rate Tariff.

3.2. Application For Service

A residential Eligible Customer, who is not receiving Regulated Rate Service from EESI, can apply for Regulated Rate Service at a Site by contacting EESI by telephone or by any other means acceptable to EESI. At its sole discretion, EESI may require any residential Eligible Customer to provide a photo proof of identification. A commercial Eligible Customer, who is not receiving Regulated Rate Service from EESI, must complete an application in writing for Regulated Rate Service at a Site.

EESI requires no less than 3 full Business Days prior notice to ensure a timely connection of Regulated Rate Service at a Site. Expedited connection of Regulated Rate Service is available at an additional charge. EESI may declare at any time, that 90 days notice is required to obtain Regulated Rate Service. During any such period, an additional fee will apply in lieu of notice.

If EESI accepts a Customer's application, EESI will open an account for the Customer for Regulated Rate Service at the applied for Site and the Customer shall be the "*Customer of Record*" for the Site, and will pay EESI a processing charge for opening the account. The Customer will be responsible to pay to EESI all amounts charged to the account from the time the account is opened until it is closed as provided in Sections 3.7 and 3.8.

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EESI may, in its sole discretion, require an applicant for Regulated Rate Service or a Customer receiving Regulated Rate Service to enter into a Regulated Rate Service Agreement with EESI.

3.3. Credit Information

EESI may at any time request information required to determine a prospective Customer's or existing Customer's credit history and to determine the credit risk of the Customer, including without limiting, identification, contact and credit information. If a prospective Customer or existing Customer refuses to provide the requested information, then EESI may refuse or discontinue, as the case may be, Regulated Rate Service to the Customer.

3.4. Refusal of Regulated Rate Service

EESI reserves the right to refuse Regulated Rate Service to a Customer at a Site where:

- a. a previous Customer at the Site had a history of non-payment and EESI believes, on reasonable grounds, that the defaulting Customer would continue to occupy the premises located at the Site;
- b. the Customer has not complied with the applicable provisions of the Regulated Rate Tariff to EESI's satisfaction;
- c. the Customer has not provided the deposit required by EPCOR;
- d. EESI is not satisfied with the Customer's credit rating or credit history;
- e. the Customer has an outstanding balance with EESI for Regulated Rate Service.

3.5. Customer Change of Name or Information

If a Customer has a change of name or contact information, including mailing address and telephone number, for continuation of Regulated Rate Service the Customer must immediately notify EESI of such change. EESI reserves the right to require that such notification be made in writing.

3.6. Deposits

3.6.1. Requirement for Deposit

EESI, in its sole discretion, may require a deposit or an increase in an existing deposit by a Customer including, without limitation, in the following circumstances:

- a. the Customer has paid a bill late;

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- b. the Customer has issued more than one cheque that has been returned for non-sufficient funds in any 6 month period;
- c. there has been a significant increase in the Customer's monthly consumption of Energy;
- d. the Customer's service was disconnected for non-payment;
- e. upon application by the Customer for re-connection after a cut-off for non-payment; or
- f. the Customer making the application for service has a credit rating which is not satisfactory to EESI.

3.6.2. Waiver of Deposit Requirement

EESI, in its sole discretion, may waive the requirement for a deposit by Customer under Section 3.6.1. including, without limitation, in the following circumstances:

- a. where the Customer has a previous good payment history with EESI;
- b. where a result satisfactory to EESI is obtained from an external credit check;
- c. where the Customer provides a co-signor who agrees to be personally responsible for payment for Energy supplied and services rendered to the Customer and who has a credit rating acceptable to EESI; or
- d. where the Customer provides to EESI an indemnity bond or irrevocable letter of credit from a financial institution satisfactory to EESI.

3.6.3. Maximum Deposit

The maximum deposit EESI will require from a Customer under this Regulated Rate Tariff is equal to three times the monthly total charge payable by the Customer, as estimated by EESI.

3.6.4. Return of Deposit

A deposit made by a Customer may be returned to the Customer after a satisfactory payment history over a period of 12 consecutive months or when the Customer's Regulated Rate Service is terminated and the Customer's account is closed. Where a Customer's Regulated Rate Service is terminated and the Customer's account is closed for non-payment, prior to any refund, the deposit will be applied to the balance owing by the Customer to EESI.

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3.6.5. Interest Payable on Deposits

EESI will pay to a Customer at the end of each calendar year or when the Customer's account is closed, simple interest on the daily balance of any cash deposit held by EESI in respect of the Customer. The interest rate applicable for each year is the "Bank Rate" announced by the Bank of Canada and in effect on January 1st of that year.

3.7. Closing an Account

Subject to Section 3.8, a Customer may close an account for Regulated Rate Service at a Site by giving EESI notice to close the account. In order to close the account on a specified date, EESI requires at least 3 full Business Days' prior notice. Expedited service is available at an additional charge. EESI will determine whether a final meter reading is required.

3.8. Account Closure on Switch of Retailer

To close an account for Regulated Rate Service at a Site for the purpose of switching to a new Retailer, a Customer must give EESI at least 30 days prior notice to close the account.

3.9. Account and Regulated Rate Service May Not Be Assigned

A Customer cannot assign his account for Regulated Rate Service or any rights in relation to Regulated Rate Service for a Site to a new occupant or owner of the premises at which the Site is located. The new occupant or owner must apply for Regulated Rate Service at the Site. The Customer is responsible for payment for all Regulated Rate Service provided to the Customer up to the time EESI has closed the account and final charges for consumption have been applied.

ARTICLE 4 - MEASUREMENT OF ENERGY CONSUMPTION

4.1. Measurement provided by The Town

The Town provides to EESI under its Distribution Tariff meter readings and estimates of consumption of Energy by Customers. Billings to Customers under these RRO Terms shall be based on those meter readings and estimates. EESI assumes no liability to the Customer for meter readings and estimates provided by The Town.

4.2. Meter Testing

If a Customer believes his meter to be in error, EESI will arrange to have the meter tested by The Town at the request of the Customer and the Customer will pay EESI a charge for meter testing.

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ARTICLE 5 - BILLINGS AND PAYMENT

5.1. Billing Practices

EESI performs RRO Services for Customers on credit and does not require payment in advance, except where a deposit is required in accordance with these RRO Terms.

Charges for RRO Services are due on the date that a Customer's meter is read, or estimated as the case may be, however, EESI will allow no less than 21 days for payment without credit charge or interest by a payment due date stated on the Customer's bill.

Once a month, EESI will send a Customer bill for Regulated Rate Service provided to the Customer during the previous month, calculated in accordance with the Price Schedule. The bill may be combined with a bill for Non-Regulated Rate Services provided to the Customer by EESI.

5.2. Responsibility to Pay

Each Customer shall pay the full amount of any bill issued to the Customer by EESI by the due date specified on the bill, without prejudice to the Customer's right to contest any rate or fee charged. A failure to pay any amount billed by EESI shall be a default of payment under these RRO Terms and the Customer shall be subject to EESI's collection policies, including discontinuance or termination of Regulated Rate Service and de-energization or disconnection of the Customer's Service Connection(s) as provided under Article 6.

If a Customer's account is closed, any outstanding charges may be transferred to any other Regulated Rate Tariff account held by the same person.

5.3. Lost Bills

If a Customer's bill is lost or not received, the Customer should contact EESI to determine the amount owed. Failure to receive a bill does not release a Customer from the obligation to pay the amount owing to EESI under the Regulated Rate Tariff. The late payment charge under Section 5.4 will apply if the bill is not paid by its due date. If a Customer requires a duplicate copy of the bill, a charge may apply.

5.4. Late Payment Charge

If a Customer does not pay a bill for a month in full by the due date specified in the bill, the Customer will be liable to pay to EESI, in addition to the amount of the bill, a late payment charge equal to 2.5% of the amount of the bill that applies to the current billing period. Should the bill remain outstanding after the due date, EESI may commence collection action. In addition, EESI may require a deposit or an increase in the amount of an existing deposit.

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5.5. Partial Payments

Partial payments on an account will be applied to the unpaid amounts (including amounts for Non-Regulated Rate Services) outstanding on the oldest bills. If a payment does not cover the total unpaid amount outstanding on a bill and the bill includes charges for both Regulated Rate Service and Unregulated Service, then the payment will be applied to the unpaid charges for Regulated Rate Service and Unregulated Service, pro rata, on the basis of the respective amounts for those charges.

5.6. Responsibility for Collection Costs

Any collection costs incurred by EESI, such as courier costs and legal fees, will be added to the Customer's bill. Recovery of any remaining outstanding balance may be referred to a collection agency.

5.7. Dishonored Cheque Charge

A Customer will be charged a fee for each cheque dishonored for non-sufficient funds. A dishonored cheque may trigger immediate collection action which could lead to de-energization or disconnection of the Customer's Service Connection(s) as provided under Article 6.

5.8. Other Occupants' Liability for Payment

Where the Customer of Record for a Site has vacated the premises where the Site is located or defaulted on payment of a bill for Regulated Rate Service, other occupants of the premises who continue to receive Regulated Rate Service shall be deemed to be the Customer of Record and shall be liable for payment for Regulated Rate Services provided in accordance with the Regulated Rate Tariff.

ARTICLE 6 - TERMINATION OF REGULATED RATE SERVICE FOR DEFAULT

6.1. Termination of Regulated Rate Service

In the event of a default by the Customer under the Regulated Rate Tariff or any Regulated Service Agreement, EESI may, in its sole discretion, discontinue or terminate Regulated Rate Service to the Customer and require The Town to de-energize or disconnect the Customer's Service Connection(s) and discontinue Distribution Access Service to the Customer or otherwise exercise and enforce any other right or remedy EESI may have.

6.2. Restoration of Regulated Rate Service

In the event of discontinuance or termination of Regulated Rate Service and de-energization or

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disconnection of a Service Connection of a Customer for non-payment, to have Regulated Rate Service restored, the Customer must pay all outstanding bills in full, provide a deposit to EESI in accordance with Section 3.6 and pay a reconnection fee.

ARTICLE 7 - RESPONSIBILITY AND LIABILITY

7.1. Continuity of Regulated Rate Service

EESI will endeavor at all times to provide regular and uninterrupted Regulated Rate Service to Customers as provided in the Regulated Rate Tariff.

However, if Regulated Rate Service is interrupted, defective, irregular, or fails from causes or circumstances beyond EESI's control or through ordinary negligence of its employees, servants or agents, EESI shall not be liable to the Customer or any other Person for the interruption, defect, irregularity or failure.

Without limiting the generality of the foregoing, EESI does not own or operate the Distribution System or any other part of the Alberta Interconnected Electric System and does not guarantee continuous Regulated Rate Service. From time to time, Regulated Rate Service may be interrupted, defective, irregular or fail by reason of actions by The Town, transmission system owners, the Transmission Administrator or the System Controller or conditions on The Town's Distribution System or otherwise on the Alberta Interconnected Electric System. Such actions or conditions shall constitute circumstances beyond the control of EESI for which EESI shall not be liable.

7.2. Limitation on EESI Liability to Customer

Except for direct losses, damages, expenses, charges, costs or other liabilities resulting from the gross negligence or wilful misconduct of EESI or its employees or agents acting within the scope of their employment, EESI shall not be liable to a Customer, whether in tort, contract, strict liability or otherwise, for any loss, damage, expense, charge, cost or other liability of any kind suffered or incurred by the Customer arising out of or in any way connected with any interruption, defect, irregularity, failure, de-energization, curtailment or reduction in Regulated Rate Service. For the purpose of this Section 7.2, "direct losses, damages, expenses, charges, costs or other liabilities" shall not include any loss, damage, expense, charge, cost or liability of an indirect, special, exemplary, punitive or consequential nature including, without limitation, loss of revenues, loss of profits, loss of earnings, loss of contract, loss of opportunity, cost of capital, business interruption, cost of replacement Energy, claims of a Customer's customers, contractors and other third parties or any other similar loss, damage, expense, cost or liability whatsoever, whether or not any such loss, damage, expense, cost or liability was foreseeable.

Any claim by a Customer for losses, damages, expenses, charges, costs or other liabilities must

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be filed with EESI within 180 days from the date of occurrence of the incident that is the subject of the claim, failing which EESI shall have no liability to the Customer for any such losses, damages, expenses, charges, costs or other liabilities.

7.3. Distribution Tariff

Each Customer shall be obligated for the Service Connection to a Site to permit the Customer to receive Regulated Rate Service. Each Customer is bound by, and shall comply with, all provisions of the Distribution Tariff applicable to the Customer. At the request of EESI, a Customer will enter into an agreement with The Town confirming that the Customer is bound by the applicable provisions of the Distribution Tariff.

Pursuant to these RRO Terms EESI is the Authorized Customer Representative of a Customer as defined in the Distribution Tariff, and in that capacity EESI is obligated to make payments on behalf of the Customer in respect of the Customer's Distribution Access Service. Accordingly, each Customer shall pay to EESI all Distribution Access Charges that EESI, as the Customer's Authorized Customer Representative, is obligated to pay to The Town under the Distribution Tariff.

In addition to all other remedies available to EESI upon default by the Customer of its obligations provided under these RRO Terms, EESI shall be entitled to request The Town for de-enrollment of service for the Customer in accordance with the Distribution Terms, so that EESI's financial obligation for the Customer is terminated, effective in accordance with the Distribution Terms.

7.4. Indemnification by Customer

Each Customer shall indemnify and hold EESI and its employees and agents harmless from and against any claim for any loss, damage, expense, charge, cost (including legal fees on a solicitor-and-his-own-client basis), fine, penalty or other liability of any kind suffered or incurred by EESI arising out of or in any way connected with any failure by the Customer or the Customer's Facilities to comply with The Town's Distribution Tariff or any legal or regulatory requirement related to Distribution Services.

ARTICLE 8 - DISPUTE RESOLUTION

- 8.1. If any dispute between EESI and a Customer shall arise at any time in connection with the Regulated Rate Tariff, EESI and the Customer, acting reasonably and in good faith, shall use their reasonable efforts to resolve the dispute in an amicable manner. If the dispute cannot be otherwise resolved pursuant to this Section 8, a senior representative of EESI and the Customer shall meet to attempt to resolve the dispute. If EESI and a Customer are not able to resolve their dispute in the manner provided in this Section within a reasonable time, EESI and the Customer may enforce in Alberta any rights and remedies they may have in respect of such dispute under

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any applicable Alberta laws.

ARTICLE 9 - MISCELLANEOUS

9.1. Compliance with Applicable Legal Authorities

EESI and the Customer are subject to, and shall comply with, all existing or future applicable federal, provincial and local laws, all existing or future orders or other actions of the System Controller or of governmental authorities having applicable jurisdiction. EESI will not be required to violate, directly or indirectly, or become a party to a violation of any requirement of the System Controller or any applicable federal, provincial or local statute, regulation, bylaw, rule or order in order to provide Regulated Rate Service to any Customer. EESI's obligation to provide any Regulated Rate Service is subject to the condition that all requisite governmental and regulatory approvals for the provision of the Regulated Rate Service will have been obtained and will be in force during the period of Regulated Rate Service.

9.2. Assignment

The rights of a Customer under the Regulated Rate Tariff or any Regulated Rate Service Agreement are not assignable.

Any assignment in violation of this Section shall be void.

9.3. No Waiver

The failure of EESI to insist on any one or more instances upon strict performance of any provisions of the Regulated Rate Tariff or any Regulated Rate Service Agreement, or to enforce any of its rights hereunder or thereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder or thereunder, which shall remain in full force and effect. No term or condition or breach of a term or condition of the Regulated Rate Tariff or any Regulated Rate Service Agreement shall be waived unless the waiver is in writing and duly executed by an authorized officer of EESI.

ARTICLE 10 - END OF REGULATED RATE SERVICE

10.1. Small Commercial Customers

After December 31st, 2003 EESI will no longer be providing Electricity Services under the Regulated Rate Tariff to those Customers who are Small Commercial Customers ("*Non-Eligible Customers*"). Commencing on January 1st, 2004 EESI will provide to each Non-Eligible Customer who has not made arrangements to purchase Electricity Services from EESI or another Retailer, and that Non-Eligible Customer will receive, Electricity Services under

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EESI's SLR Tariff.

10.2. All Customers

After December 31, 2005, EESI will no longer be providing Electricity Services under the Regulated Rate Tariff to Customers. Commencing on January 1, 2006, EESI will provide to each Customer who has not made arrangements to purchase Electricity Services from EESI or another Retailer, and that Customer will receive, Electricity Services under EESI's SLR Tariff.