

APPENDIX I

Gaz Métro Limited Partnership Natural Gas Service Conditions

Appendix I (33 pages)

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**GAZ MÉTRO LIMITED PARTNERSHIP
NATURAL GAS SERVICE CONDITIONS**

**As approved by the Régie de l'énergie
by Decision D-2008-155**

INTRODUCTORY NOTE

These Service Conditions have been fixed by the Régie de l'énergie pursuant to the *Act Respecting the Régie de l'énergie* (R.S.Q., c. R-6.01). Any customer who disagrees with the application of any of these conditions by the distributor may submit a complaint to the Régie in accordance with the complaint review procedure established by the distributor and approved by the Régie de l'énergie pursuant to Decision D-98-25, Case R-3392-97, May 13, 1998, Appendix M. If the customer does not agree with the distributor's decision concerning his complaint, he may then ask the Régie to review it in accordance with the provisions of Section 7 of the aforementioned Act (Sections 86 to 101).

In the event of a discrepancy between the English and French versions, the French version shall be authoritative.

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CHAPTER 1 – APPLICATION

1.1 APPLICATION

The provisions hereof establish the natural gas service conditions of Gaz Métro Limited Partnership (the distributor) in its exclusive distribution territory.

1.2 INFORMATION

The distributor shall inform its customers of these service conditions.

1.3 DEFINITIONS

In this Appendix, the following terms shall have the meaning ascribed to them:

BILLING ADDRESS

The address where the bill is sent to the customer.

CONNECTION

The fact of connecting a new service address to the distribution network.

CONTRACT

The agreement between a customer and the distributor for one or more natural gas services supplied by the distributor to a service address.

CUSTOMER

Any individual or legal person, partnership or body that has entered into a contract with the distributor.

CUSTOMER DELIVERY POINT

The location immediately after the distributor's measuring device where it makes the natural gas available to the customer.

DOMESTIC USE

Utilization of the natural gas service for applications related exclusively to occupying a personal residence, apartments in a housing cooperative or a non-profit housing organization, or the use of common areas in a condominium.

INSTITUTION

Governmental, paragonmental, religious or non-profit organization operating in the public or para-public education, health or welfare field.

MEASURING DEVICE

Any device or set of device used to measure the natural gas withdrawn by the customer, including in particular a meter with or without a remote reading device.

MINIMUM ANNUAL OBLIGATION

Minimum annual volume of natural gas, for each contract year, that the customer agrees to pay, in accordance with the Tariffs, whether or not he withdraws the natural gas.

MULTIPLIER FACTOR

The coefficient applied to the measurement of the volume of natural gas withdrawn by the customer in order to take account of the characteristics of the measuring device.

NATURAL GAS SERVICE

One or more of the distributor's following services: natural gas supply service, natural gas compressor fuel service, transportation and load-balancing service, distribution service.

PAYMENT AGREEMENT

The agreement between the customer and the distributor to spread the payment of the unpaid amounts owing on the due date over a period of time and to provide for full payment of the bills issued during the period covered by the agreement.

PRESSURE FACTOR

The coefficient applied to the measurement of the natural gas volume withdrawn by the customer in order to take account of the atmospheric pressure and the delivery pressure.

SERVICE ADDRESS

The address that is or will be connected to the distribution network.

TARIFFS

All of the rates and tariffs conditions applicable to the customer and the distributor, as fixed by the Régie de l'énergie.

CHAPTER 2 – DISTRIBUTION NETWORK

2.1 DISTRIBUTION NETWORK

The distributor shall determine the location of its distribution network.

The distributor shall own the distribution network and shall supply, install, operate and maintain the network up to the customer delivery point.

At any time, only the distributor or its authorized representative may modify or alter its distribution network in any manner.

2.1.1 Accessibility

The customer shall make the distribution network accessible to the distributor at any time and shall maintain the premises in a manner that permits the distributor to operate the network in accordance with the applicable legislation.

2.1.2 Relocation or modification

A person who requests the relocation or modification of the distribution network shall be the owner of the property where the service address is located or declare and warrant having, in this regard, all the authorizations and permissions required from the owner of the premises. The person making the request shall provide the distributor, upon request, with any proof attesting same.

If the distributor relocates or modifies its distribution network following a request made under the preceding paragraph, it may bill the person making the request for the cost of work based on an estimate it has provided to him in advance or based on the actual cost of work. The method of billing the cost of work shall be determined when the relocation or modification request is made.

If a request to relocate or modify the network is withdrawn, the distributor may bill the person making the request if work has already been undertaken or completed. The amount shall then be fixed based on the actual cost of work.

CHAPTER 3 – SERVICES

3.1 NATURAL GAS SERVICES

The distribution service shall be offered exclusively by the distributor in its territory, as provided in the *Act Respecting the Régie de l'énergie*.

The following services may, at the option of the customer, be obtained from the distributor, or subject to the Tariffs, obtained by the customer himself from one or more suppliers:

- 1° supply service, including make-up gas service;
- 2° compressor fuel service;
- 3° transportation service;
- 4° load-balancing service.

The distributor shall provide these services by default, in accordance with the Tariffs, unless the customer notifies the distributor of its intention to provide them himself.

3.2 CHOICE OF SERVICES

The conditions relating to the distributor's services or the customer-provided services are specified in the Tariffs.

CHAPTER 4 – NATURAL GAS SERVICE REQUEST AND CONTRACT

4.1 NATURAL GAS SERVICE REQUEST

4.1.1 Methods of making a service request

4.1.1.1 Address connected to distribution network

The service request may be made to the distributor by telephone, mail, e-mail, fax or on the distributor's Internet site. The request shall be in writing if the person making the request does not intend to occupy the address in question.

4.1.1.2 Address not connected to distribution network

The service request may be made to the distributor in the manner provided in Section 4.1.1.1 or to one of its duly authorized representatives for this purpose. The list of duly authorized representatives may be obtained from the distributor.

The person making the request shall be the owner of the property where the service address is located or declare and warrant having, for this purpose, all the required authorizations and permissions from the owner of the property. The person making the request shall provide the distributor, upon request, any proof attesting same.

4.1.2 Conditions for acceptance of service request

Acceptance of a service request by the distributor may be subject to:

- 1° payment of a deposit in accordance with Section 8.1;
- 2° payment, in accordance with Chapter 7, of the amounts owing to the distributor by a customer if the customer continues to occupy the service address covered by the request after the date the natural gas is required.

4.2 INFORMATION TO BE PROVIDED FOR NATURAL GAS SERVICE REQUEST

4.2.1 Individual:

1° Mandatory information

- a) Surname and first name
- b) Service address covered by natural gas service request
- c) Billing address, if different from address covered by natural gas service request
- d) Telephone number(s)
- e) Date for which service is requested
- f) Date of birth
- g) Other active accounts with the distributor
- h) Last address occupied during the 12 months preceding the request

2° Optional information

- a) Fax number
- b) E-mail address
- c) Measuring device reading

4.2.2 Other person:

1° Mandatory information

- a) Name of person
- b) Business name
- c) Service address covered by natural gas service request
- d) Billing address, if different from address covered by natural gas service request
- e) Telephone number(s)
- f) Name of contact person
- g) Date for which service is requested
- h) Other active accounts with the distributor
- i) Last address occupied during the 12 months preceding the request

2° Optional information

- a) Fax number
- b) E-mail address
- c) Measuring device reading

4.3 SERVICE CONNECTION CHARGES

4.3.1 Cost of work and profitability of investments

If the service address is not connected to the distribution network, the distributor shall estimate the cost of work required and the revenues generated by the service address connection to the distribution network.

If a request for a service connection is withdrawn, the distributor may bill the person making the request if the work has already been undertaken or completed. The amount shall then be fixed based on the actual cost of work.

4.3.2 Financial contribution of customer

If the revenues generated from connecting the service address to the distribution network do not allow the investments to be profitable for the distributor, based on the estimated cost of work required, in accordance with the conditions approved by the Régie de l'énergie, the distributor may, at the execution of the contract, agree with the customer on a financial contribution payable by the customer. It may also agree, with the customer, on a minimum annual obligation.

If a financial contribution is required, it shall be payable in a single payment before the work is started or paid in several instalments over the contract term. The distributor shall provide the customer with the details of the financial contribution required.

If a financial contribution is required, the distributor and the customer shall agree, in particular, before the work on:

- 1° the amount of the financial contribution requested from the customer;
- 2° the payment terms of the financial contribution requested from the customer;
- 3° the conditions permitting repayment, in whole or in part, of the contribution requested from the customer, as the case may be.

The distributor may repay, in whole or in part, in accordance with certain profitability conditions set down in writing when the contract is signed, the financial contribution paid by the customer to make the investments profitable.

Notwithstanding the payment of a financial contribution by the customer, the distributor shall remain the exclusive owner of the distribution network.

4.4 TIME REQUIRED BY DISTRIBUTOR TO PROVIDE NATURAL GAS DISTRIBUTION SERVICE

4.4.1 Address connected to distribution network

The natural gas shall be made available to the customer immediately if the measuring device is not turned off or sealed.

If the measuring device is turned off or sealed, time shall be required. This may generally vary from one (1) to five (5) business days. However, it may be longer if the customer so requests or there are constraints relating to the measuring device. In the case of measuring device-related constraints, the time required shall be determined based on each situation and the customer shall be informed of it.

4.4.2 Address not connected to distribution network

If the service connection only requires a line to connect the service address to the existing distribution network, the time between the acceptance of the service request and the natural gas being made available to the customer shall be:

- 1° 30 business days for domestic use;
- 2° 40 business days for other use.

However, it may be longer if the customer so requests or there are constraints relating to construction. In the case of construction-related constraints, the distributor shall inform the person making the request of such constraints.

If, in addition to the line, the service connection requires work to the existing distribution network, the time required by the distributor shall be established based on each situation and the person making the request shall be informed of same.

4.5 FORMAT, SIGNING AND EFFECTIVE DATE OF CONTRACT

4.5.1 Format

The contract shall be in writing in the following cases:

- 1° the customer is billed Distribution Tariff D_M , D_3 , D_4 or D_5 ;
- 2° the customer is subject to a minimum annual obligation;

- 3° the customer has entered into a fixed-price gas supply agreement;
- 4° the customer has to pay a financial contribution to the distributor.

4.5.2 Acceptance date and effective date

The contract shall be agreed when the distributor informs the new customer that it accepts its natural gas service request. Service shall start on the agreed date.

If there is no natural gas service request, the occupant shall be deemed to have agreed to a contract when he starts to occupy the service address where the natural gas is made available to him. The occupant is the person who has use of the building or the premises located at the service address.

If a contract with a customer has ended and that no contract has been agreed with a new customer for the service address, the owner of the property where the service address is located shall be deemed to have signed a contract if he fails to inform the distributor of his intentions regarding the natural gas service within 12 business days following delivery by the distributor of written notice to that effect.

4.6 CONFIRMATION OF ACCEPTANCE OF NATURAL GAS SERVICE REQUEST

Following acceptance of the service request, the distributor shall provide the customer in writing the mandatory information obtained, stating that the reading provided by the customer, as the case may be, may differ from the reading used for billing and excluding the list of the customer's other active accounts.

The distributor shall also provide the following information in writing:

- 1° the applicable tariff(s);
- 2° the amount and the terms and conditions of the financial contribution, if required;
- 3° the information about the alternatives available to the customer for paying his bill;
- 4° the fact that all customers at the same address are solidarily liable for complete payment of the bills on which they are nominally identified;
- 5° the fact that a contract that is not in writing shall remain in effect until it is resiliated by the customer, or as the case may be, by the distributor;
- 6° the requirement for a deposit, as the case may be and the conditions of repayment thereof.

4.7 CONTRACT TERM

If the contract is not in writing, it shall remain in full force and effect until it is resiliated.

If the contract is in writing, its term shall be stated therein.

The distributor may require that the contract term be the same for all the services it provides.

The minimum term of a written contract shall be the term stated in the Tariffs based on the applicable services.

4.8 MODIFICATION OF THE CONTRACT

The customer shall be responsible for notifying the distributor of any change to the information provided since the natural gas service request.

However, the customer may submit a request for a modification of the contract. If the request complies with the Tariffs and the present Service Conditions and if it is profitable and operationally possible for the distributor to accept it, the contract may be modified or replaced by a new contract.

A written contract may not be modified verbally.

In each case provided in this Section, the confirmation referred to in Section 4.6 shall not be sent to the customer.

4.9 END OF CONTRACT

4.9.1 Written contract

The contract shall end on the date stipulated therein.

Notwithstanding the foregoing, the distributor may terminate the contract if the customer has manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas service without its consent.

4.9.2 Other contract

The customer may terminate the contract by informing the distributor that he is or will be ceasing to benefit from the natural gas service. He may do it verbally and shall state the exact time the natural gas service is no longer required.

However, if the customer does not inform the distributor that he is or will be ceasing to benefit from the natural gas service, the distributor may terminate the contract at one of the following times:

- 1° when it sees the customer has ceased to benefit from the natural gas service and that no other contract has been signed for the service address; or
- 2° on the effective date of a new contract with a person requesting natural gas service for the service address in question, except in the case of a customer who owes an amount of money to the distributor and will continue to occupy the service address after the date the gas is required.

Notwithstanding the foregoing, the distributor may terminate the contract if the customer has manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas service without its consent.

4.10 FORCE MAJEURE

The obligations of the parties in the event of a force majeure are specified in the Tariffs.

CHAPTER 5 – MEASURING

5.1 MEASURING DEVICES

5.1.1 Measuring device belonging to distributor

The distributor shall determine the type of measuring equipment to be used at the customer delivery point. It shall install, operate and maintain a measuring device to measure the natural gas withdrawn by the customer.

The customer may not modify or alter the distributor's measuring device.

5.1.2 Location of and access to measuring device

The distributor shall determine the location of its measuring device.

The distributor shall hold, at no cost, all rights of entry, rights-of-way and rights of access to its measuring device. The customer shall take the necessary steps so the distributor may exercise those rights at the following times:

- 1° at any time for reasons of safety;
- 2° between 8:00 and 9:00 p.m. from Monday to Friday except for statutory holidays or any other hour agreed with the customer, for any other reason.

The customer shall not interfere with access to the distributor's measuring device.

5.1.3 Measuring device belonging to customer

The customer may, at it own expense install, operate and maintain on pipes belonging to him his own measuring device.

However, the customer's device shall be installed downstream from the distributor's measuring device.

The measuring device that belongs to the customer shall be installed, operated and maintained in a manner that does not disrupt the distributor's activities.

5.2 MEASUREMENT OF VOLUME OF NATURAL GAS WITHDRAWN

The measuring device shall indicate the volume of natural gas withdrawn by the customer, either in metric or imperial units. For billing purposes, the imperial unit measurement of the volume shall be converted to metric units.

Depending on the type of measuring device used, a multiplier factor and a pressure factor may also be applied.

5.3 READING OF MEASURING DEVICE

5.3.1 Reading by distributor

The distributor shall choose the reading method to be used. The reading of the measuring device may be done on site or by a remote device.

However, if the customer requests a reading method other than the one chosen by the distributor, the distributor may bill the customer for the actual costs incurred as a result of using such reading method.

5.3.2 Frequency of readings

The distributor shall read the measuring device with all reasonable diligence using an operating method that is compatible with the efficient operation of its business.

The distributor shall read the measuring device every two (2) months.

However, if the natural gas is used for some other purpose than space heating by customers who uses the natural gas for domestic use or by Tariff D₁ institutional customers, the distributor shall read the measuring device every 12 months.

Furthermore, if the natural gas is billed at Tariffs D₄, D₅ or D₃ and D₅ in combination, the distributor shall read the measuring device every day. If the natural gas is billed at Tariff D_M, the distributor shall read the measuring device every month.

5.3.3 Reading by customer

If the distributor has not obtained a reading in accordance with Section 5.3.2, it may ask the customer to take and communicate the reading to the distributor.

However, at the moment the customer arrives at the service address and when his contract ends, he shall send the distributor, at the distributor's request, a reading of the measuring device. Otherwise, the distributor shall estimate the volume withdrawn and the distributor may revise that estimate when it obtains a reading of the measuring device.

5.4 VOLUME OF NATURAL GAS WITHDRAWN BY CUSTOMER

The volume of natural gas withdrawn shall be calculated by determining the difference between two (2) consecutive readings of the measuring device. If the distributor does not obtain a reading of the measuring device before the bill is issued, the distributor shall estimate the volume of natural gas withdrawn by the customer.

5.5 DEFECTIVE MEASURING DEVICE

If the customer doubts the accuracy of the distributor's measuring device, he must notify him of this fact as soon as possible.

If the distributor determines there is a defect in the measuring device that may have an impact on the billing, he shall inform the customer as soon as possible.

The customer and the distributor may, at any time, request verification of the measuring device in accordance with the *Electricity and Gas Inspection Act*, R.S.C. 1985, c. E-4.

If the customer initiates a request for verification of the measuring device, which in the distributor's view is not inaccurate, the distributor shall inform the customer of its view and is authorized to bill him the fees in the Tariffs if the measuring device proved to be accurate within the permitted limits.

CHAPTER 6 – BILLING

6.1 BILLING METHODS

6.1.1 Volume of natural gas billed

Every month, the distributor shall bill the customer for the actual or estimated volume of natural gas withdrawn at the service address.

However, the distributor may bill every two (2) months, the residential or Tariff D₁ institutional customer who withdraws less than 1,000 m³ of natural gas per year.

The billing shall be based on the actual or estimated volume of each measuring device. However, if the distributor uses more than one measuring device at a single customer delivery point, the billing shall be based on the sum of the volumes withdrawn at those various measuring devices as though there were only one.

If a non-Tariff D₁ customer is billed based on an estimated volume, his bill shall be revised and sent to him when the actual volume is known.

6.1.2 Contractual obligations

The distributor shall bill the customer, as the case may be, a minimum annual obligation and/or a financial contribution covered in Section 4.3.2.

If the customer asks the distributor to turn off and seal the measuring device, the base fees in the Tariffs shall no longer be billed from the turn-off date agreed by the customer and the distributor.

6.1.3 Correction of error

If the customer notes an error on his bill, he shall inform the distributor.

If the distributor notes or is informed of an error on the customer's bill, it shall analyze the bill and notify the customer of the results. If a correction is required, it shall issue a corrected bill. The corrected bill shall replace any other bill issued for the billing period in question.

If the correction results in an amount owing to the distributor by the customer, the customer may spread the payments over a period equivalent to the re-billing period without any collection charge or interest as long as he respects the agreed payment dates.

6.1.4 Billing period covered by correction

If the correction results in an amount owing to the distributor by the customer, the period covered by the retroactive correction may not exceed three (3) years from the issue date of the corrected bill arising from the analysis referred to in Section 6.1.3.

However, the retroactive correction shall apply to any period affected by the error in the following cases:

- 1° the distributor was unable to read the measuring device because it was unable to exercise its rights of access to the measuring device and it was also unable to obtain the reading from the customer in accordance with Section 5.3.3;
- 2° the customer manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas without its consent;
- 3° the error is the result of intentional damage to the distributor's measuring device;
- 4° the customer was aware of the billing error or the defect in the measuring device and failed to inform the distributor thereof.

If the retroactive correction results in an amount owing to the customer by the distributor, it covers the entire period affected.

6.2 BILL

6.2.1 Issuance

Except when a contract ends, the distributor shall issue the bill within a maximum of six (6) business days following:

- 1° the last day of the month; or
- 2° the reading date of the measuring device.

6.2.2 Transmittal

The bill shall be sent to the customer the business day after it is issued.

6.2.3 Delivery

The distributor shall send the bill to the customer every month or every two (2) months in accordance with Section 6.1.1.

The bill shall be sent by any means selected by the distributor, in particular by mail, unless the customer asks the distributor to send it electronically.

The customer may ask the distributor to group his bills for delivery. The distributor may bill the customer the actual costs of that service. If applicable, the distributor shall notify the customer of the costs relating to that service before it groups the bills.

6.2.4 Information appearing on bill

The bill shall include at least the following items:

- 1° Telephone number of distributor;
- 2° Telephone number in case of emergency;
- 3° Billing date;
- 4° Name of customer;
- 5° Account number;
- 6° Meter number;
- 7° Service address;
- 8° Applicable tariff;
- 9° Period billed;
- 10° Consumption, specifying if it is actual or estimated;
- 11° Total amount;
- 12° Amount in arrears and collection charge;
- 13° Due date;
- 14° Consumption history available, if applicable;
- 15° Minimum annual obligation, if applicable;

16° Amount and date of last payment;

17° Amount of financial contribution requested from customer to make investments profitable, if applicable;

18° Amount of deposit and interest paid, if applicable.

CHAPTER 7 – PAYMENT

7.1 DUE DATE

There shall be at least 12 business days between the date the bill is sent and the due date shown thereon. However, if bills are grouped as provided in Section 6.2.3, the time may be less than 12 business days because each bill retains its own due date shown thereon.

The customer shall pay the total amount payable that appears on the bill no later than the due date shown thereon.

The customer may contact the distributor at any time to propose a payment agreement as provided in Section 9.1.

7.2 MODALITIES

7.2.1 Methods of payment

The customer shall pay his bill in Canadian dollars in one of the following ways:

- 1° through his financial institution, in particular by automatic withdrawal or by Internet;
- 2° by mail (for cheques and money orders);
- 3° in person at the distributor's head office.

Regardless of the method of payment selected, payment shall have been made the date the distributor receives the payment from the customer.

The distributor shall bill the customer the fees provided in the Tariffs for each cheque returned by a financial institution, except in the case of an error for which the distributor is responsible.

7.2.2 Compensation prohibition

The customer may not, without the distributor's written consent, deduct from his payment an amount owing to him by the distributor or a claim he claims to have against the distributor.

7.2.3 Equal payments plan

The customer whose natural gas service is billed cyclically every month or two (2) months, at the reading dates determined by the distributor, and who, when he submits a request, does not have an unpaid balance at the due date, may benefit, at any time and at no additional cost, from the equal payments plan.

The distributor shall determine the amount of the monthly instalments when the customer subscribes to the equal payments plan. The amount shall be based on the consumption history at the service address, the average temperature for the last five years, the natural gas service price and the number of monthly instalments between the time the customer subscribes and the June or July renewal date.

The monthly instalment shall be revised at least once a year, on the June or July renewal date.

When the equal payments plan is renewed in June or July, any debit balance in excess of the monthly instalment shall be spread over the next 12 months and any credit balance that is equal to or less than the new monthly instalment shall be applied to your next bill. A credit balance that exceeds the new monthly instalment shall be reimbursed by cheque.

The distributor shall inform the customer in writing of the amount of the monthly instalment when it is established or revised, as applicable. It shall also inform him of the conditions of the equal payments plan.

The customer who no longer wants to take advantage of the equal payments plan shall inform the distributor of that fact and may do so at any time without notice. The end of the equal payments plan shall take effect on the customer's next bill.

The distributor may terminate the equal payments plan starting in the second consecutive month it receives the payment of the monthly instalment after the due date. The customer shall be informed of the termination of the equal payments plan by means of the bill.

7.3 LIABILITY

7.3.1 Written contract

All customers who have signed the same contract shall be solidarily liable for full payment of the natural gas bills.

7.3.2 Other contract

All customers at the same service address shall be solidarily liable for full payment of the natural gas bills on which they are nominally identified.

CHAPTER 8 – DEPOSIT

8.1 REQUIREMENT

If the distributor requires a deposit for the natural gas service at a service address, it shall inform the customer of the reasons for it.

The customer may pay the deposit in cash or by providing equivalent guarantee for the payment of the natural gas services.

If the deposit is paid in cash and the customer is an individual, the individual shall provide his social insurance number. The distributor may only use the social insurance number for tax purposes.

8.1.1 Domestic use

8.1.1.1 Natural gas service request

When service is requested, the distributor may require a deposit in the following cases:

- 1° the customer does not provide the following mandatory information provided for in Section 4.2.1: surname and first name, date of birth and last address occupied during the 12 months preceding the request;
- 2° the customer has already manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas without its consent.

8.1.1.2 During contract

The distributor may require a deposit in the following cases:

- 1° the customer whose natural gas service has been interrupted by the distributor for non-payment of the bill on the due date;

However, the distributor shall not require a deposit from a customer using natural gas for space heating if the service interruption for non-payment and the reconnection both occur between December 1 and March 1 of the following year;

- 2° the customer has already manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas without its consent.

8.1.2 Other uses

8.1.2.1 Natural gas service request

When service is requested, the distributor may require a deposit in the following cases:

- 1° based on a credit check of the person making the request, if the distributor feels it is necessary;
- 2° the customer has already manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas without its consent.

8.1.2.2 During contract

The distributor may require a deposit in the following cases:

- 1° the customer has not paid a natural gas bill on the due date during the last 12 months;
- 2° the customer has already manipulated the pipes, pipelines, measuring devices or other equipment of the distributor, or used the distributor's natural gas without its consent.
- 3° at a particular time during the last 24 months, the customer has used or was under the protection of the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, ch. B-3, the *Companies' Creditors Arrangement Act*, R.S.C. 1985, ch. C-36, or the *Farm Debt Mediation Act*, S.C. 1997, ch. 21.

8.2 AMOUNT

The amount of the deposit required by the distributor shall be determined based on estimated or historical volumes withdrawn at the service address during a 12-month period.

8.2.1 Domestic use

If the customer's service is interrupted for non-payment, in accordance with Section 9.4.3, for the first time during the last 12 months, the amount of the deposit shall not exceed the amount of the highest bill during a 12-month period.

In any other situation, the amount of the deposit shall not exceed the sum of the amounts of the two (2) highest consecutive bills during a 12-month period.

8.2.2 Other uses

The amount of the deposit shall not exceed the sum of the two (2) highest consecutive bills during a 12-month period.

8.3 PAYMENT

The cash deposit shall be paid to the distributor in accordance with the payment methods provided in Section 7.2.1. The payment of any other guarantee shall be made in accordance with the terms and conditions thereof. The distributor shall confirm in writing the payment of the deposit.

If the measuring device is turned off and sealed, the deposit shall be paid before the measuring device is unsealed and turned on by the distributor.

If the measuring device is not turned off or sealed, the deposit shall be paid within the time indicated by the distributor, pursuant to Section 7.1.

The distributor shall transfer any cash deposit to a trust account.

8.4 RETENTION PERIOD

A deposit may be initially retained for:

- 1° 12 consecutive months if it involves a customer who uses natural gas for domestic use;
- 2° 36 consecutive months if it involves a customer who uses natural gas for another use.

If the customer does not pay at least one natural gas bill on the due date during the deposit retention period, the distributor shall renew the deposit retention period for a period equal to the initial retention period.

8.5 INTEREST ON CASH DEPOSIT

8.5.1 Interest rate

The deposit shall produce interest that belongs to the customer.

The annual interest rate on the deposit shall be established on January 1 of each year as follows: 97% multiplied by the average prime rate of the distributor's main bankers at that date minus 2.5%.

The distributor shall submit to the Régie de l'énergie, no later than January 30 of each year, a report showing the rate and the source of the information used to establish it.

8.5.2 Payment of interest

During the deposit retention period, the distributor shall credit the interest produced by the deposit on the first bill issued at the beginning of each calendar year.

8.6 UTILIZATION OR RETURN TO CUSTOMER

8.6.1 Utilization of deposit

8.6.1.1 During contract term

During a contract term and notwithstanding a customer's request to that effect, the distributor may not apply the deposit on a natural gas bill.

However, in the case of a service interruption for non-payment, as provided in Section 9.4.3, if the bill issued following the interruption for non-payment is unpaid on the due date, the distributor may, without prejudice to its other rights and recourses, set up compensation against the cash deposit or the proceeds from the disposition of any other guarantee provided by the customer.

8.6.1.2 At end of contract term

If a contract term ends in accordance with Section 4.9, the distributor may, without prejudice to its other rights and recourses, set up compensation against the cash deposit or the proceeds from the disposition of any other guarantee provided for a bill the customer has not paid.

After the compensation against on the unpaid bill, any balance of the cash deposit or of the liquidation of the guarantee if that is the case shall be returned to the customer.

8.6.2 Return of deposit

Within 30 days of the expiration of the deposit retention period, the distributor shall reimburse the customer by cheque his total cash deposit with uncredited interest earned or return the guarantee it holds to the customer.

CHAPTER 9 – COLLECTION

9.1 PAYMENT AGREEMENT

The customer may contact the distributor at any time to propose a payment agreement. The agreement allows the spreading of the unpaid amounts owing on the due date over a period of time and provide for full payment of the bills issued during the period covered by the agreement.

The distributor shall inform the customer of this possibility on any collection notice sent to him.

9.2 PAYMENT DEFAULT

The customer shall immediately pay in full any unpaid amount on the due date.

9.3 LATE PAYMENT CHARGE

A late payment charge shall be added to the unpaid balance in accordance with the terms and conditions of the Tariffs.

9.4 COLLECTION PROCEDURES

With the exception of the cases specifically covered by the *Act respecting the mode of payment for electric and gas service in certain buildings*, , R.S.Q., c. M-37, the collection procedures for non-payment on the due date shall be as follows.

9.4.1 Collection notice

1° Reminder

If a bill is still not paid after the due date, the distributor shall send a written reminder to the billing address or remind him by telephone.

2° Final notice

If a bill is not paid following the reminder, the distributor shall send final written notice, under separate cover, to the billing address in a manner it can prove.

The notice shall inform the customer that unless payment is made, the natural gas service may be interrupted.

Before interrupting service for non-payment between December 1 and March 1 of the following year, the distributor shall contact the customer who uses the natural gas for domestic use and space heating in order to propose a payment agreement.

9.4.2 Collection visit

If the bill is not fully paid following the final notice and there is no payment agreement or the agreement is not respected, the distributor may visit the service address to collect the amounts payable on the date of that visit.

The distributor may make a collection visit from 8:00 a.m. to 8:00 p.m., from Monday to Saturday.

Between December 1 and March 1 of the following year, the distributor may make a collection visit to the service address of a customer who uses natural gas for domestic use, for space heating, in order to propose a payment arrangement.

Following a collection visit, the collection charges of the Tariffs shall be billed to the customer who pays his bill before service is interrupted.

9.4.3 Interruption for non-payment

At the time of the collection visit, if the amount payable in the final notice or agreed on in a payment agreement is unpaid, the distributor may interrupt the natural gas service. In that case, the distributor shall ask the customer to notify the owner of the building covered by the interruption, if applicable.

However, between December 1 and March 1 of the following year, the distributor may only interrupt the natural gas service of the customer who uses it for domestic use and for space heating in the following cases:

- 1° the customer and the distributor have not entered into a payment agreement;
or
- 2° the customer is not respecting the payment agreement reached with the distributor.

9.5 RECONNECTION

Following a service interruption for non-payment, the distributor shall reconnect the service when the customer pays the amounts owing and the reconnection charges of the Tariffs and any deposit required, as the case may be.