

CONDITIONS FOR ELECTRICAL SERVICE

As approved by decisions D-2001-60, D-2001-259, D-2002-07, D-2002-261, D-2003-23, D-2006-116, D-2007-81 and D-xxxx-xxx of the Régie de l'énergie

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PART I – GENERAL PROVISIONS

Chapter 1 – FIELD OF APPLICATION

Field of application

1.1 The provisions contained herein establish the conditions for electrical service by Hydro-Québec. However, the provisions of chapters 14, 15, 16 and 17 of these conditions for service apply only to low voltage service and medium voltage service up to a maximum of 260 A as three-phase current.

Off-grid system

1.2. The provisions of these service conditions do not apply to electrical service exceeding 1000 kilovoltamperes from an off-grid system.

Chapter 2 - INFORMATION

Information provided to customers

2.1. Hydro-Québec informs its customers in respect of these conditions for service.

Communication of information

2.2 When Hydro-Québec performs any work whose cost is billed to the applicant, except where such cost does not exceed the “*cost of establishing service*” established in the electricity rates, Hydro-Québec conveys the following information to him:

- (1) all useful information pertaining to the timetable, nature of the work and technical requirements applicable to the work to be performed by the applicant at Hydro-Québec's request;
- (2) the cost of the work and the charges related to electrical service established in the electricity rates that will be billed, as well as the terms of payment;
- (3) the work whose estimated cost will be revised on completion of the work in accordance with the actual cost incurred.

Chapter 3 – DEFINITIONS AND INTERPRETATION

Interpretation

3.1 The headings in these conditions for electrical service are inserted for the reader's convenience only and must not be used for the interpretation hereof.

Definitions

3.2 In these service conditions, the following terms and expressions have the meanings hereinafter described:

allowed amount:

amount that Hydro-Québec grants, upon the signing of the agreement, for an extension or modification to be made to the power line further to a request for supply; the allowed amount applies to the reference offer only;

annex:

any civil work attached to or incorporated into a building by means of a common wall, so that it constitutes a separate building designed for the installation of a distribution substation;

applicant:

any owner or any person authorized or mandated by such owner, whether or not holding a contract, who requests electrical service or asks for any work related to such service to be performed;

available power:

maximum power which the customer may not exceed for a given contract without Hydro-Québec's authorization;

base:

any structure designed to support electrical apparatus;

building:

any structure not in contact with any other structure or, if in contact with any other structure, separated from such structure by a complete fire-resistant wall or with openings protected by fire-resistant doors that have been approved in accordance with the *National Building Code of Canada*, reproduced in the *Regulation respecting the application of a Building Code — 1990, enacted by Order in Council 1440-93 of October 13, 1993*, in force at the time;

civil work :

all civil engineering work required to complete a project, such as the digging of trenches, laying of direct buried ducts, construction of concrete encased duct banks, compacting of backfill materials and erecting of structures;

commercial activity:

all those activities whose aim is the marketing or sale of goods and services;

connection point:

point at which the electrical installation that is to receive electricity is connected to the power line; where there is a distribution service loop, the connection point is the point where the customer's service entrance and the distribution service loop meet;

consumption period:

the period during which electricity is delivered to the customer and which is included between the two dates used by Hydro-Québec for calculating the bill;

contract:

any agreement concluded between a customer and Hydro-Québec for electrical service and delivery;

customer:

an individual, body corporate, partnership or agency holding one or more contracts;

customer's service entrance:

part of the electrical installation of the property to be supplied, from the connection point to the service box or the customer substation;

customer substation:

transforming station that does not belong to Hydro-Québec and that is used to supply electricity to the electrical equipment of the property to be supplied;

delivery of electricity:

the application and maintenance of voltage at the delivery point, whether or not electricity is used;

delivery point:

point at which Hydro-Québec delivers electricity and from which the customer may use such electricity, located immediately on the load side of Hydro-Québec's metering equipment; in cases where Hydro-Québec does not install metering equipment, or where it is on the line side of the connection point, the delivery point is the connection point ;

distribution service loop:

any portion of a power line, not located along a public highway, but located between a supply point and a connection point and meeting one of the following conditions:

- (1) supplies only one connection point;
- (2) supplies several connection points located on the same plot of land;
- (3) supplies several connection points located on contiguous plots of land belonging to a single individual or body corporate;

distribution substation:

transforming station of Hydro-Québec, of which only the civil work does not belong to Hydro-Québec, erected on the property to be supplied and which supplies electricity at low voltage to a service box with a rating of more than 600 A;

domestic rate:

a rate at which the electricity delivered for domestic use is billed under the conditions established by the electricity rates;

domestic use:

the use of electricity solely for the purpose of living in a dwelling;

dual-energy system:

any system that can be used for the heating of water, of space or for any other heating process that uses electricity and a fuel as sources of energy;

dwelling:

any private living quarters equipped with lodging and eating facilities, with a private entrance and including at least a kitchen or kitchenette and complete sanitary facilities, in which the inhabitants have free access to all rooms;

electrical installation:

any customer substation and any electrical equipment to which Hydro-Québec supplies or is to supply electricity, on the load side of the connection point; the electrical installation includes the customer service entrance;

electrical service:

the application and maintenance of voltage at the connection point at a frequency of approximately 60 hertz;

electricity rates:

“Distributor’s Rates and Conditions of Application” approved by the Régie de l’énergie;

farm:

land, buildings and equipment used for crop or animal farming, excluding any dwelling and any installations used for commercial or industrial purposes;

flat-rate sale:

the sale of electricity at a fixed rate, when the consumption of energy is not metered;

highway accessible by flatbed trailer:

any highway within the meaning of section 4 of the *Highway Safety Code* (R.S.Q., c. C-24.2);

industrial activity:

all those activities whose aim is the manufacture, assembly or processing of goods or commodities or the exploitation of natural resources;

metering equipment:

the current transformer, voltage transformer, meter, indicator, auxiliary recording device, auxiliary control unit, terminal testing box, cabling, communication links and any other device belonging and used by Hydro-Québec for metering electricity;

month:

the period between a date in one calendar month and the corresponding date of the following month;

municipal water supply or sanitary sewer system:

system owned by a municipality and supplying more than 100 properties;

nominal intensity:

the intensity of the electrical current indicated on the service box;

off-grid system:

any system for the production and distribution of electricity, independent of the main system;

outbuilding:

all premises appurtenant to a building;

payment agreement:

an agreement providing for the amounts owed to be paid in accordance with terms and conditions other than those appearing in Section 11.6. A payment agreement must make provision for payment of the indebtedness and cost of anticipated consumption for the duration of the agreement;

power:

- (1) small power: a minimum billing demand of less than 100 kilowatts;
- (2) medium power: a minimum billing demand of 100 kilowatts or more, but less than 5,000 kilowatts;
- (3) large power: a minimum billing demand of 5,000 kilowatts or more;

power line:

all the supports, conductors, civil work and electrical equipment required for the distribution of electricity at medium and low voltage, up to the connection point. The power line includes the distribution service loop, if any;

public highway:

any public highway within the meaning of section 4 of the *Highway Safety Code* (R.S.Q., c. C-24.2);

reference offer:

proposal made to the applicant for the supply of electricity to an electrical installation, whose content is determined by Hydro-Québec;

service box:

device consisting of a metallic box that can be locked or sealed containing fuses and a service switch or a circuit breaker and designed in such a way that the service switch or circuit breaker can be operated when the box is closed;

short-term contract:

any short-term contract within the meaning of the electricity rates;

steady state voltage:

effective value of the voltage evaluated over a 10-minute time integration interval;

supply point:

point on a power line at which the distribution service loop begins; where there is no distribution service loop, the supply point is the connection point;

temporary supply:

supply of electricity to an electrical installation whose operation in a given place is of limited duration, such as a building site, a dredging site and a traveling circus; dwellings and trailers not installed on permanent foundations are included;

voltage:

(1) low voltage: a nominal voltage between phases not exceeding 750 volts;

(2) medium voltage: a nominal voltage between phases of more than 750 volts but less than 44000 volts; the term 25 kV is used to refer to three-phase voltage at 14.4/24.94 kV, star grounded neutral;

(3) high voltage: a nominal voltage between phases of 44000 volts or more;

winter period:

the period from December 1 of each year up to and including March 31 of the next year.

Applicable units of measurement

3.3 For purposes of application of these service conditions:

(1) nominal intensity is expressed in amperes (A);

(2) voltage is expressed in volts (V) or kilovolts (kV);

(3) power is expressed in watts (W) or kilowatts (kW);

(4) apparent power is expressed in voltamperes (VA) or kilovoltamperes (kVA);

(5) energy is expressed in watthours (Wh) or kilowatthours (kWh).

Chapter 4 – LIABILITY

Liability of Hydro-Québec

4.1 Hydro-Québec guarantees neither the maintenance of voltage and frequency at a stable level nor the continuity of service and delivery of electricity.

In no case shall Hydro-Québec be held liable for material damage resulting from one or several voltage or frequency variations or loss, interruption of service covered by these conditions for service or failure to deliver electricity, except for intentional or gross fault.

Hydro-Québec shall not be held liable for damage resulting from a steady state supply voltage not exceeding the following limits:

(1) if the electricity is supplied at low or medium voltage: according to the standard mentioned in Section 14.1;

(2) if the electricity is supplied at high voltage: a difference of up to 10 % above or below the nominal supply voltage.

Custody of equipment

4.2 The customer acts as custodian of Hydro-Québec's equipment installed on the property supplied, with the exception of poles and overhead conductors, except where such equipment is located in a place that is under the control of a third party.

No guarantee

4.3 Any contract and any agreement concluded under these service conditions, any installation effected by Hydro-Québec and any connection between the system and the electrical installation supplying the customer, any authorization given by Hydro-Québec, any inspection or verification effected by it, and the provision of service and delivery of electricity by it do not constitute and must not be interpreted as constituting an evaluation or a guarantee by Hydro-Québec of the functional value, efficiency or safety of the installations supplying the customer, including his electrical installation and protective devices, nor of their compliance with any applicable legislative or regulatory provision.

When the customer does not use the electricity according to Section 18.8, he is liable for any damage caused to other customers or to Hydro-Québec.

PART II – ELECTRICAL SERVICE CONTRACT

Chapter 5 – REQUEST FOR ELECTRICAL SERVICE

Request for service

5.1 Subject to Section 5.3, a request for electrical service must be made to Hydro-Québec in writing by the prospective contractholder or the latter's duly authorized representative.

Charges

5.2 Where the requestor has been a customer of Hydro-Québec during the five (5) years preceding the date of the request for electrical service, or where, at the time of his request, he supplies a bill attesting that he has been a customer of a municipal or cooperative electricity distribution system in Québec during the five (5) years preceding the date of the request for electrical service, the « *file administration charges* » stipulated in the electricity rates must be paid.

Where the requestor has not been a customer of Hydro-Québec during the five (5) years preceding the date of the request for electrical service, or where he has not been a customer of a municipal or cooperative electricity distribution system in Québec during the five (5) years preceding the date of the request for electrical service, the « *new file charges* » stipulated in the electricity rates must be paid.

Verbal request

5.3 The request for electrical service at single-phase voltage, 120/240 V, may be made verbally with respect to:

- (1) an electrical installation with a nominal intensity of 400 A or less used for domestic use;
- (2) an electrical installation with a nominal intensity of 200 A or less used for non-domestic use.

Required information

5.4 All requests must contain the information listed in Schedule I.

Conclusion of contract

5.5 The contract is concluded upon Hydro-Québec granting its consent to the requestor with regard to the conditions under which electrical service will be supplied and delivered, and, if need be, the limit of available power and the technical characteristics of the installations required.

The contract is concluded in writing where required by the requestor or Hydro-Québec.

Confirmation of characteristics of contract

5.6 Hydro-Québec confirms to each customer in writing the principal characteristics of the contract that he holds.

Chapter 6 – OBLIGATIONS OF THE CUSTOMER

Responsibility for contract

6.1 The holder of a contract is a customer of Hydro-Québec and must fulfill the obligations set out in these service conditions and in the electricity rates.

A customer of Hydro-Québec may hold one or more contracts.

Where several customers hold a single contract, each of them is responsible for the payment in full of the electricity bill.

Errors

6.2 The customer must notify Hydro-Québec of any error appearing in the electricity bills issued by Hydro-Québec further to the signing of a contract with the customer, the confirmation of the characteristics of the customer's contract referred to in Section 5.6 or any change made while the contract is in effect, immediately upon becoming aware of such error.

Termination

6.3 The customer remains responsible to Hydro-Québec with respect to electricity covered by the contract as long as the contract has not been terminated.

Notwithstanding Section 7.1, a contract may not be terminated where a customer owing amounts to Hydro-Québec continues to use electrical service at the same address as the one for which termination is requested.

Delivery point

6.4 Every delivery point is covered by a separate contract, except when:

(1) on February 1, 1984, the electricity delivered for a dwelling was covered by a single contract although it was metered by more than one set of metering equipment, if this situation still prevails on April 1, 2008, as long as the customer's electrical installation is not modified;

(2) the electricity delivered to the customer can also be delivered to a delivery point located on a backup line;

(3) the electricity is delivered to the customer by more than one line because of the limited capacity of Hydro-Québec's power lines;

(4) the electricity is sold at a flat rate or for purposes of public or Sentinel lighting defined in the electricity rates.

Modification of contract

6.5 The customer must make a new request should he wish to modify his contract. Where the new request complies with the service conditions, a new contract replaces the one in effect.

Use of electricity without contract

6.6 Where there is no contract, the occupant, tenant, administrator or owner of a dwelling or a building who may use or uses electricity without holding a contract is considered to have concluded a contract in accordance with Section 6.1.

This Section must not be interpreted as authorizing anyone using electricity in a given place as occupant, tenant, administrator or owner to use the electricity without concluding a contract.

Owner's responsibility

6.7 Following termination of a contract by a tenant or where it is determined that premises are vacant, Hydro-Québec sends a written notice to the owner asking him to communicate his intentions regarding the maintenance of electrical service.

An owner who agrees to become the holder of a contract for a dwelling or premises left vacant is exempted from the payment of the charges stipulated in Section 5.2.

Refusal to assume responsibility for the consumption of premises left vacant is equivalent to a request for termination of delivery of electricity, which is covered by Section 6.8, once the contract in effect has been terminated in accordance with Section 7.1.

Such refusal must be notified in writing to Hydro-Québec.

An owner who fails to communicate his intentions regarding the maintenance of electrical service within seven (7) clear days from the time the notice is sent is considered to have concluded a contract in accordance with Section 6.1, once the contract in effect has been terminated in accordance with Section 7.1.

Termination of delivery

6.8 Notwithstanding any agreement to the contrary between the landlord and the tenant and subject to Sections 12.3 and 12.9, only the owner of a building may request the delivery or the termination of delivery of electricity. When a request is made for delivery of electricity following a termination, the owner must pay the « *cost of establishing service* » established in the electricity rates.

If the owner is not a customer of Hydro-Québec for the building covered by the request, termination of delivery of electricity may be requested by the owner only after the contract is terminated by the tenant.

Chapter 7 – TERM OF THE CONTRACT

Term of contract

7.1 The contract begins on the date stipulated for the commencement of the delivery of electricity, and where delivery begins earlier, on the effective date of the commencement of delivery.

Subject to the categories of use stipulated in the third, fourth, fifth and sixth paragraphs:

(1) the contract for domestic use is concluded for an initial term of at least one week and continues until either the customer or Hydro-Québec terminates it by giving at least seven (7) clear days' notice to this effect;

(2) the contract for non-domestic use is concluded for an initial term of at least one year and continues according to the term agreed upon between the customer and Hydro-Québec, or, where no such term has been agreed upon, from one month to another until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the initial term or the term of renewal.

The short-term contract is concluded for an initial term of at least one month and continues until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect.

The contract for temporary service continues on a day-to-day basis until the customer terminates it by giving Hydro-Québec at least one clear day's notice to this effect.

The contract for complete public lighting service defined in the electricity rates is concluded for an initial term of at least one year and continues according to the term agreed upon by the customer and Hydro-Québec or, where no such term has been agreed upon, from year to year until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the initial term or the term of renewal.

The contract for general public lighting service defined in the electricity rates is concluded for an initial term of at least one month, where the contract comprises only electrical service, and for an initial term of at least one year in other cases. It continues until the customer or Hydro-Québec terminates it by giving at least 30 clear days' notice in writing to this effect prior to the end of the initial term or the term of renewal.

Chapter 8 – USE OF ELECTRICITY

Characteristics of electrical installation

8.1 The customer provides Hydro-Québec with information respecting the use to which electricity is put and the characteristics of the electrical installations of the property supplied, as required for the management or safety of the system. He then must notify Hydro-Québec immediately of any change in the information supplied.

Resale

8.2 Reselling, renting, lending, exchanging or giving away electricity supplied or delivered by Hydro-Québec is prohibited, except where the person doing so is an undertaking engaged in the distribution of electricity within the meaning of the *Act respecting municipal and private electric power systems* (R.S.Q., c. S-41).

This Section may not be interpreted as prohibiting the rental of any premises or building for a rent that includes the cost of electricity.

Chapter 9 – DEPOSITS AND GUARANTEES OF PAYMENT

Deposit – domestic use

9.1 For a contract for domestic use and subject to section 20 of the *Act respecting the mode of payment for electric and gas service in certain buildings* (R.S.Q., c. M-37), Hydro-Québec may require a cash deposit or a guarantee of payment from a customer who, in the 24 months preceding the request for deposit or guarantee, has availed himself of the provisions of the *Bankruptcy and Insolvency Act* (R.S.C. 1985, c. B-3) or received an overdue notice stipulated in Section 12.5 advising him of the possibility of an interruption of service.

Deposit – non-domestic use

9.2 For any new contract for non-domestic use, a cash deposit or a guarantee may be required, except in the following cases:

(1) a contract of a customer who does not constitute a risk following an evaluation conducted by Hydro-Québec based on generally recognized criteria, including but not limited to: number of years in business, managerial experience; payment history, business sector;

(2) a contract of a public agency covered by Schedule II;

(3) a contract of a financial institution covered by Schedule II;

(4) a large-power contract;

(5) a contract for a building covered by the *Act respecting the mode of payment for electric and gas service in certain buildings*;

(6) a contract relating to a request for a temporary connection for a construction site;

(7) a contract relating to flat-rate sale of electricity where there is low electricity consumption, such as telephone boxes and cable television equipment directly connected to Hydro-Québec's system;

(8) a contract where a request for a modification affects only the customer's address for service;

(9) the contract of a customer who, in the 24 months preceding the request, has paid by the due date the electricity bills for his other contracts for non-domestic use;

(10) the contract of a customer who is an individual and who, in the 24 months preceding the request, has paid by the due date the electricity bills for his other contracts, provided there is no billing of power for the new contract.

Hydro-Québec may also require a cash deposit or a guarantee of payment from a customer who, in the 24 months preceding the date of his last bill, did not pay at least one electricity bill by the due date for the contract he holds (or held).

Maximum amount

9.3 Any deposit or guarantee under Sections 9.1 and 9.2 may not exceed a sum equal to the highest estimated billing for power and energy, including all taxes, for two (2) consecutive months within the 12-month period following the date on which the deposit or guarantee is established.

Interest on deposit

9.4 Any cash deposit bears interest, for the 12 months following April 1 in a given year, at the « rate applicable to deposits » specified in the electricity rates.

Interest is calculated as at March 31 of every year and is payable prior to June 1 of the year; where the deposit is refunded, interest is calculated until the date of the refund and is payable on that date.

Use of deposit

9.5 Hydro-Québec applies all or part of the deposit and accrued interest or the guarantee to the balance due in the customer's overdue account in the following cases:

- (1) the contract covered by the deposit or the guarantee is terminated;
- (2) the delivery of electricity is interrupted under Subparagraph 1 of the second paragraph of Section 12.3 for the contract covered by the deposit or the guarantee.

Any balance of the deposit or guarantee not used is then returned to the customer.

Refund of deposit – domestic use

9.6 A customer whose contract is for domestic use and who has made a cash deposit or supplied a guarantee of payment is entitled to the refund of the deposit or the return of the guarantee upon the expiry of the 24 months following the payment of the deposit or the supplying of the guarantee except where, during the said period, he has paid more than one electricity bill after the due date. In such a case, the deposit or guarantee may be retained for an additional 24-month period.

Refund of deposit – non-domestic use

9.7 A customer whose contract is for non-domestic use and who has made a cash deposit or supplied a guarantee of payment is entitled to the refund of the deposit or the return of the guarantee upon the expiry of the retention period established by Hydro-Québec not to exceed 48 months except where, during the last 24 months, he has paid at least one electricity bill after the due date. In such a case, the deposit or guarantee may be retained for an additional period established by Hydro-Québec not to exceed 48 months.

Time allowed for refund

9.8 For any contract, the refund of the deposit or the return of the guarantee is effected within the 60 days following the expiry of the time referred to in Section 9.6 or 9.7, whichever is applicable.

Hydro-Québec refunds the deposit and accrued interest, either by crediting them to the customer's account, or by sending them to him directly, at the customer's discretion.

Chapter 10 – METERING OF ELECTRICITY

Metering equipment supplied by Hydro-Québec

10.1 Electricity delivered to a customer is metered using metering equipment supplied and installed by Hydro-Québec.

Any equipment or apparatus other than Hydro-Québec's metering equipment is supplied and installed by the customer at his expense.

When electricity is metered at low voltage, the applicant must install Hydro-Québec's current transformers and connect their primary winding when they must be installed in a shielded substation.

When electricity is metered at medium voltage or at high voltage, the applicant must install Hydro-Québec's voltage and current transformers and connect their primary winding.

Separate metering

10.2 Subject to the electricity rates, electricity delivered is covered by separate metering for each delivery point on the property supplied, except where:

- (1) the electricity is sold at a flat rate;
- (2) the electrical service is provided for the purpose of public lighting and Sentinel lighting defined in the electricity rates;
- (3) as at April 15, 1987, the electricity was metered by a single set of metering equipment and that is still the case on and after April 1, 2008, although it is delivered to several delivery points on the property supplied, as long as the customer's service entrance is not modified.

Overall metering

10.3 Even where there are several sets of metering equipment in a building, Hydro-Québec must be able to effect an overall metering of electricity delivered throughout, or in a portion of, the building, for the purpose of analysing electricity consumption.

Chapter 11 – BILLING AND PAYMENT

Division 1 - Billing procedures

Meter readings

11.1 In the case of a contract under which only energy is metered, Hydro-Québec reads the meters for billing purposes at one of the following intervals:

- (1) at least once a year for distant and inaccessible installations such as a weather station, a microwave tower, a radio antenna or a pump;
- (2) at least once every 120 days in all other cases.

In the case of a contract under which power and energy are metered, Hydro-Québec reads the meters and resets the maximum demand meters for billing purposes at one of the following intervals:

- (1) about once every 60 days, with respect to contracts under which metered or calculated billing demand is usually below 50 kW;
- (2) about once every 30 days, with respect to contracts under which metered or calculated billing demand is usually equal to or higher than 50 kW.

Transmittal of bills

11.2 In the case of a contract under which only energy is metered, Hydro-Québec sends the customer a bill at least once every 90 days. Hydro-Québec must have access to the meter in order for the said period to apply in regard to the initial bill.

If no bill is sent within the stipulated period, Hydro-Québec agrees that the balance owing may be paid in two (2) consecutive instalments according to the due date stipulated in Section 11.6. Hydro-Québec may also conclude an agreement with the customer.

Notwithstanding Section 11.1, when Hydro-Québec is unable to read the meters, it establishes the bills based on an estimate of energy consumption or of power demand and energy consumption. It makes the readjustments on a subsequent bill established after a meter reading.

Hydro-Québec also establishes the initial bill and the final bill based on an estimate of energy consumption or of power demand and energy consumption. However, the customer may supply his own meter reading and Hydro-Québec establishes the bill accordingly.

Time allowed for transmittal of final bill

11.3 Where only energy is metered, Hydro-Québec sends the customer a final bill within at most 60 days from the date the contract is terminated.

Where power and energy are metered, Hydro-Québec sends the customer a final bill within at most 30 days from the date the contract is terminated.

If no bill is sent within the stipulated period, Hydro-Québec agrees that the balance owing may be paid in two (2) consecutive instalments according to the due date stipulated in Section 11.6. Hydro-Québec may also conclude an agreement with the customer.

Hydro-Québec must have access to the meter and the customer must have duly notified Hydro-Québec of the termination date of his contract in order for the periods stipulated in this Section to apply.

Estimate of consumption

11.4 In cases where electricity metered by Hydro-Québec's metering equipment or billed does not correspond to electricity actually used or, in the absence of metering equipment, Hydro-Québec establishes energy consumption and billing demand on the basis of one or more of the following elements:

- (1) data supplied by metering tests;
- (2) inventory of connected apparatus and an estimate of their average use;
- (3) values recorded during consumption periods immediately preceding or following the breakdown of metering equipment or during the same period of the preceding year;
- (4) any other means intended to establish or estimate energy consumption or power demand.

In the case of an off-grid system whose electricity delivered to customers is not usually metered, Hydro-Québec may also establish the average consumption per contract within a single category of use.

Correction of billing errors

11.5 In cases where electricity billed to the customer does not correspond to electricity actually used or where there is some error in the bill, Hydro-Québec makes the appropriate corrections in accordance with the following:

(1) For a contract for domestic use or a contract for non-domestic use under which only energy is metered:

(a) where the correction involves applying a debit to the customer's bill, Hydro-Québec claims from the customer the amount resulting from the application of the correction for all consumption periods affected, but not exceeding six (6) months;

(b) where the correction involves applying a credit to the customer's bill, Hydro-Québec refunds the customer:

(i) in the case of a failure of the metering equipment, the amount resulting from the application of the correction for all consumption periods affected;

(ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;

(iii) where the period is indeterminate, it is deemed to be six (6) months.

(2) For a contract for non-domestic use under which power and energy are metered:

(a) where the correction involves applying a debit to the customer's bill, Hydro-Québec claims from the customer:

(i) in the case of a failure of the metering equipment, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;

(ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 12 months.

Notwithstanding Sub-subparagraphs (i) and (ii) above, if it is established that the customer was aware of the failure or the error and did not notify Hydro-Québec in accordance with Sections 6.2 and 8.1, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.

(b) where the correction involves applying a credit to the customer's bill, Hydro-Québec refunds the customer:

(i) in the case of a failure of the metering equipment, the amount resulting from the application of the correction for all consumption periods affected;

(ii) in all other cases, the amount resulting from the application of the correction for all consumption periods affected, but not exceeding 36 months;

(iii) where the period is indeterminate, it is deemed to be six (6) months.

(3) Notwithstanding Subparagraphs 1(a) and 2(a) above, where a customer changes the use to which electricity is put by the customer such that the rate category applicable to the customer under the electricity rates is modified and where the customer has not

notified Hydro-Québec of such change, in accordance with Sections 8.1 and 18.19, Hydro-Québec claims the amount resulting from the application of the correction for all consumption periods affected.

(4) Notwithstanding Subparagraphs 1 and 2 above, in cases involving crossed meters:

(a) where the correction involves applying a debit to the bill of one customer and a credit to the bill of another customer, Hydro-Québec makes the appropriate corrections, claiming from or refunding the customer, as the case may be, the amount resulting from the application of the correction for all consumption periods affected;

(b) where the period is indeterminate, it is deemed to be six (6) months;

(c) where the correction involves applying a credit to a customer's bill and that customer is no longer the holder of a contract, Hydro-Québec discontinues all steps to locate the customer six (6) months after the discovery of the error that gave rise to the correction.

(5) The following are excluded from the bill correction methods:

(a) corrections to bill estimates established in accordance with Section 11.2;

(b) revision of equalized instalments plans established in accordance with Section 11.9;

(c) the consumption of electricity referred to in Section 6.6;

(d) cases involving theft of electricity;

(e) errors caused by wilful damage to Hydro-Québec's equipment;

(f) contracts billed according to a flat rate under the electricity rates.

(6) In all cases where Hydro-Québec refunds an amount to a customer, interest is calculated on the amount refunded at the prime rate of the National Bank of Canada in effect on the first business day of the month in which the amount is refunded. This provision does not apply in the case of a correction made in accordance with Subparagraph 4 above.

(7) All periods contemplated in this Section are determined starting from the date of Hydro-Québec's notice informing the customer of the discovery of the irregularity. If the irregularity was notified by the customer, the periods contemplated in this Section are determined starting from the date of the customer's notice informing Hydro-Québec of the discovery of the irregularity.

(8) Where the correction involves applying a debit to the customer's bill, Hydro-Québec agrees, at the customer's request, that the amount resulting from the application of the correction may be paid in two consecutive instalments following the due date referred to in Section 11.6.

Hydro-Québec may also come to an agreement with the customer.

Division 2 - Payment procedures

Time allowed for payment

11.6 All bills must be paid in Canadian dollars, within 21 days of the billing date. If the twenty-first day falls on a day when Hydro-Québec's customer service department is closed, the due date is deferred to the next following business day. Failure to pay by the due date results in administration charges applied to the unpaid balance at the rate applicable at the billing date, calculated in accordance with the « *administration charges applicable to billing by Hydro-Québec* » as established in the electricity rates.

Each month thereafter, Hydro-Québec applies administration charges to the unpaid balance at the rate applicable at the previous billing date, calculated in accordance with the « *administration charges applicable to billing by Hydro-Québec* » as established in the electricity rates, and compounded monthly.

If Hydro-Québec is advised by a financial institution that payment cannot be made because of insufficient funds, the « *charge relating to insufficient funds* » as established in the electricity rates is applied.

Payment of bills

11.7 The customer may pay his bill by mail or through any authorized agent of Hydro-Québec mentioned in Schedule IV.

Compensation

11.8 The customer may not deduct from his bill an amount due to him from Hydro-Québec or a direct claim or counter-claim which he has, or claims to have, against Hydro-Québec.

Equalized instalments plan

11.9 A customer whose contract is subject to a domestic rate or a general small-power or medium-power rate under the electricity rates may, upon reaching agreement with Hydro-Québec, benefit from the equalized instalments plan under which Hydro-Québec divides into 12 equal monthly instalments the anticipated cost of electricity.

The customer may subscribe to the equalized instalments plan at any time. Any equalized instalments agreement, however, ends on the date of the first meter reading occurring for the first billing after July 31 of each year.

Hydro-Québec revises the amount of the equal instalments during the agreement in the following cases:

(1) the electricity rate applicable to the contract is modified during the period;

(2) the customer moves during the period;

(3) if, upon referring to instalments already paid and electricity actually used by the customer during the months of consumption covered by such instalments, Hydro-Québec realizes that there will be a substantial discrepancy at the end of the last month of consumption between total instalments agreed upon and the anticipated cost of electricity.

The last instalment corresponds to the balance of the customer's account at the end of the last month covered by the agreement. The balance of the account is calculated by Hydro-Québec and is equal to the difference between the total cost of electricity actually used by the customer for the months of consumption covered by the agreement and the sum of instalments paid. If the balance is greater than the amount of the previous instalment, the customer may ask Hydro-Québec, within the time limit stipulated in Section 11.6, to break this additional amount down over the next six (6) instalments.

At the end of the final month of consumption, Hydro-Québec reviews the amount of instalments anticipated for the following 12 months of consumption and the initial agreement concluded with the customer is renewed accordingly, subject to the conditions stipulated in the second and third paragraphs, unless the customer advises Hydro-Québec that he wishes to terminate the agreement.

Hydro-Québec sends its customers on the equalized instalments plan either monthly bills for the instalment due or periodical statements of account if the customer pays by automatic debit.

Hydro-Québec may terminate the equalized instalments plan where a customer has more than one unpaid instalment.

Chapter 12 – REFUSAL OR INTERRUPTION OF SERVICE

Division 1 - Interruption related to the system

Emergency situations

12.1 Hydro-Québec delivers and supplies electricity subject to interruptions which may arise from an emergency, an accident, equipment failure or the activating of protective equipment within the system.

System upkeep

12.2 Hydro-Québec may, at any time, interrupt service or delivery of electricity for the purpose of upkeep, repairs, modification or management of the system, or for reasons of public utility or safety.

Division 2 - Refusal or interruption of service or delivery of electricity

Interruption of service

12.3 Subject to section 20 of the *Act respecting the mode of payment for electric and gas service in certain buildings*, Hydro-Québec refuses to supply or deliver electricity or interrupts such supply or delivery in the following cases:

- (1) a federal, provincial or municipal agency with jurisdiction in this realm orders it to do so;
- (2) public safety requires that it do so;
- (3) metering equipment or any other Hydro-Québec equipment is manipulated or tampered with, the supply or delivery of electricity is impeded or the provisions of Section 13.2 are contravened;
- (4) the modifications or adjustments necessary to ensure that the electrical installation of the property supplied complies with requirements stipulated in these service conditions are not made or, despite Hydro-Québec's request, the causes of disturbances on the system are not eliminated;
- (5) the customer does not use electricity in accordance with Sections 8.1, 8.2, 18.8, 18.16 and 18.19;
- (6) Hydro-Québec is not authorized to install its equipment on the property supplied, including metering and control equipment, or the rights and installations required for sealing, metering and control have not been granted to Hydro-Québec;
- (7) the electrical installation has been connected to Hydro-Québec's system without the latter's authorization;
- (8) the electrical installation of the property supplied has not been approved or authorized by an authority having jurisdiction in this realm pursuant to any applicable legislative or regulatory provision;
- (9) the occupant, tenant, administrator or owner covered by Section 6.6 uses or may use electricity without having concluded a contract.

Hydro-Québec may also refuse to supply or deliver electricity or may interrupt such supply or delivery in the following cases:

- (1) the customer fails to pay his bill on time or fails to comply with the conditions of a payment agreement;
- (2) the customer refuses to provide Hydro-Québec with information required under these service conditions or supplies erroneous information;

(3) the customer refuses to make the deposit or supply any other guarantee required under these service conditions;

(4) Hydro-Québec's representatives do not have the access referred to in Section 13.1.

Interruption of service – winter period

12.4 Between December 1 and March 31 inclusive, Hydro-Québec, in the cases contemplated in Subparagraphs 1 to 4 of the second paragraph of Section 12.3, does not interrupt supply or delivery of electricity and does not refuse to supply or deliver electricity to a principal residence occupied by a residential customer whose heating system requires electricity.

Overdue notice

12.5 Where Hydro-Québec intends to interrupt the supply or delivery of electricity of a customer who does not pay his bill on time, it gives the customer an overdue notice advising him of the possibility of an interruption of service, at least 15 clear days before the notice of interruption is sent.

This overdue notice must be sent by any means making it possible to prove the notice was sent.

Before interrupting service pursuant to Subparagraph 1 of the second paragraph of Section 12.3, Hydro-Québec proposes, at the request of a customer with a contract for domestic use, a payment agreement.

Interruption of service

12.6 Where Hydro-Québec interrupts the supply or delivery of electricity under Section 12.3, except in cases stipulated in Subparagraphs 1 to 3 and 7 of the first paragraph of the said section, it gives the customer at least eight (8) clear days' notice of its intention to proceed with the interruption.

This notice must be sent by any means making it possible to prove the notice was sent.

Term of notice

12.7 The notice referred to in Section 12.6 is valid for a period of 45 days from the date it is sent.

Access controlled by owner

12.8 Where Hydro-Québec is unable to access its installations, in violation of Section 13.1, and where such access is controlled by an owner or his agent or an

administrator other than the customer, Hydro-Québec informs such owner, agent or administrator in writing that it intends to interrupt the customer's service if the conditions of access to Hydro-Québec's installations are not complied with.

In such a case, the information is conveyed 30 days before the notice of interruption referred to in Section 12.7 is sent, with a true copy to the customer.

Costs

12.9 When the supply or delivery of electricity has been interrupted under Section 12.3, except in the cases provided for in Subparagraphs (1) and (2) of the first paragraph, the customer must remedy the situation which justified the interruption and pay Hydro-Québec the "*cost of interrupting service*" established in the electricity rates. The customer does not pay the "*cost of establishing service*" when service is re-established during Hydro-Québec's regular working hours. In the event that the customer asks for service to be re-established outside regular hours, Hydro-Québec bills the customer for the cost of such request calculated in accordance with Section 17.1, from which the billed cost of interrupting service is deducted.

Guarantee of payment following interruption

12.10 For purposes of Section 12.9, the customer, in addition to paying the costs referred to in Section 12.9, must make a deposit or supply a guarantee according to Sections 9.1 and 9.2 if the supply or delivery of electricity is interrupted pursuant to Subparagraph 1 of the second paragraph of Section 12.3 and if he is asked to do so.

Re-establishment of supply during winter period

12.11 Where the supply or delivery of electricity is interrupted pursuant to Subparagraphs 1 to 4 of the second paragraph of Section 12.3, Hydro-Québec, with the customer's consent, re-establishes the supply or delivery of electricity to a residential customer whose heating system requires electricity at a principal residence occupied by the customer on or about December 1, in which case the costs referred to in Section 12.9 are added to the customer's bill.

Termination of contract following service interruption

12.12 When Hydro-Québec has interrupted the supply or delivery of electricity under Section 12.3 for at least 30 consecutive clear days, it may immediately terminate the contract by sending the customer written notice to this effect, except in the cases contemplated in Subparagraphs 1 and 2 of the first paragraph of Section 12.3.

The other costs stipulated in the electricity rates and any other sum due from the customer in relation to the supply or delivery of electricity are payable before service is established.

Chapter 13 – ACCESS TO HYDRO-QUÉBEC’S INSTALLATIONS

Access to customer's property

13.1 Access to metering equipment is a condition precedent to the delivery of electricity to a customer.

Hydro-Québec and its representatives must be able to enter upon the property supplied in the following cases:

- (1) to establish or interrupt the supply or delivery of electricity;
- (2) to install, operate, inspect, keep up, repair, modify or remove Hydro-Québec's equipment;
- (3) to verify whether the customer's use of electricity complies with Sections 8.1, 8.2, 18.8, 18.16 and 18.19;
- (4) to effect meter reading.

Hydro-Québec may enter upon the property supplied at any time, when the continuity of the supply and delivery of electricity or safety so require, and between 8:00 a.m. and 9:00 p.m. every day, except Sundays and holidays, for any other reason.

Hydro-Québec's prior authorization must be obtained before proceeding with any work on the property supplied or on the installations which may prevent or hinder exercise of the said right of access as stipulated under this Section.

Intervention on Hydro-Québec's equipment

13.2 The customer may not hinder the smooth operation of Hydro-Québec's installations, apparatus and equipment and he is prohibited from using same and from effecting any manoeuvre or intervention whatsoever thereon, unless he obtains Hydro-Québec's express authorization to do so.

PART III – SUPPLY

Chapter 14 – MODES OF SUPPLY

Frequency and voltage

14.1 Hydro-Québec supplies electricity at the connection point at a frequency of approximately 60 hertz in accordance with the provisions of this Chapter.

Steady state voltage up to 50 000 volts is supplied in accordance with standard No. CAN3-C235-83 (C 2000) in force at the time of application.

Limitations and technical characteristics of supply

14.2 Electricity is supplied subject to the limitations and upon the conditions described in these service conditions and in accordance with the applicable technical characteristics, including the characteristics of the distribution substations, civil work and equipment required for such supply.

Division 1 - Supply at low voltage

Supply voltage and limitations

14.3 Electricity at low voltage is supplied as single-phase current at 120/240 V or as three-phase current at 347/600 V, star, grounded neutral if the sum of the nominal intensities of the service boxes of the electrical installation receiving electricity does not exceed the following limits:

- (1) 1200 A at 120/240 V;
- (2) 6000 A at 347/600 V.

Supply directly from power line or from distribution substation

14.4 Electricity at low voltage is supplied directly from the power line where the sum of the nominal intensities of the service boxes is 600 A or less, or where the sum of the nominal intensities of the service boxes exceeds 600 A and the maximum current demand on the distribution service loop does not exceed 500 A, or 600 A for a dual energy system during the winter period.

Where the sum of the nominal intensities of the service boxes on the distribution service loop exceeds 600 A, electricity at low voltage is supplied from a distribution substation located on the property to be supplied and installed either on a pole, a base or a platform or in an annex.

Where the applicant and Hydro-Québec agree on another mode of supply at low voltage, the applicant assumes all the additional costs.

Work by applicant'

14.5 Except where electricity at low voltage is supplied from a distribution substation located on a pole or platform, the applicant must proceed, at his expense, with the construction, installation, alteration, upkeep and replacement of the civil work and equipment required for such supply, other than Hydro-Québec's electrical equipment.

600 A limitation

14.6 In the case of an electrical installation the sum of the nominal intensities of whose service boxes exceeds 600 A and to which installation electricity is supplied directly from the power line or from a distribution substation installed on a pole, Hydro-Québec advises the customer in writing when it determines that the limit on maximum current demand on the distribution service loop is exceeded. The customer must then, within six (6) months following the date of receipt of the notice:

(1) install, at his expense, the civil work and equipment required for the supply of electricity from a distribution substation other than a distribution substation installed on a pole; and

(2) pay, when requested, the cost of the portion of the distribution service loop exceeding 30 metres; and

(3) reimburse Hydro-Québec the total cost incurred by Hydro-Québec for the installation and removal of equipment and material, including transformers, required for the supply of electricity directly from the power line where the limit on current demand is exceeded in the course of the five (5) years following the date on which service is first established. The depreciated value of the recovered equipment that will be reused is refunded to the customer who paid for it.

Abrupt current demand of 100 A

14.7 When electricity is supplied to the electrical installation directly from the power line at low voltage, no load likely to cause an abrupt current demand of 100 A or more may be connected without Hydro-Québec's written authorization.

Use of distribution substation

14.8 Subject to the customer's priority use of the full capacity of the distribution substation, Hydro-Québec may use such substation to supply electricity to the electrical installations of other customers.

Division 2 - Supply at medium voltage

Medium voltage supply limitation

14.9 Electricity at medium voltage is supplied to an electrical installation as three-phase current up to a maximum current of 260 A.

When the maximum current required exceeds 260 A supplied as three-phase current, electricity is supplied to the electrical installation at medium or high voltage.

Voltage other than 25 kV

14.10 When electricity at medium voltage is supplied at a voltage other than 25 kV, Hydro-Québec may change such voltage to 25 kV at any time.

Subdivision 1 – Voltage conversion

Applicable procedure for voltage conversion

14.11 Starting on April 1, 2008, when Hydro-Québec plans to change the voltage at which electricity is supplied to a customer substation in order to adopt 25 kV voltage, it informs the customer in writing, at least 24 months before the anticipated date for such voltage conversion. The customer then has the choice of modifying the customer substation or opting for supply at low voltage.

Following receipt of a conversion notice from Hydro-Québec, any additions, modifications or replacements must be carried out in such a way that the customer substation can ultimately receive electricity at 25 kV. The customer assumes the cost of the additions, modifications and replacements required to be made to his installation. Hydro-Québec informs the customer in writing of the compensation under Schedule V to which he is entitled. At the customer's request, such compensation is paid to him at the time provided in Schedule V or when the electrical installation is able to receive electricity at the new required voltage.

If, when voltage is converted, the customer opts for supply at low voltage, only the compensation provided in Sections 4 and 5 of Schedule V is paid at his request when the electrical installation is able to receive electricity at low voltage.

Step-down substation

14.12 Where, on the conversion date, electricity cannot be supplied to the customer's electrical installation at 25 kV or at low voltage, a voltage step-down substation may be installed on a temporary basis for three (3) years, following an agreement with Hydro-Québec. Upon the expiry of the said period, Hydro-Québec may stop supplying

electricity at medium voltage if electricity cannot be supplied to the customer's electrical installation at the voltage of the power line or at low voltage.

If a step-down substation is installed, the customer is not entitled to the compensation for voltage conversion provided in Schedule V, and the customer is no longer entitled to the "*credit for supply at medium or high voltage*" established in the electricity rates.

Chapter 15 – SUPPLY OF ELECTRICITY TO THE ELECTRICAL INSTALLATION

Service loop supplied by Hydro-Québec

15.1 Hydro-Québec supplies and installs the distribution service loop to the connection point, which must be located in a place that is directly accessible from the power line.

Type of service loop

15.2 The distribution service loop is:

(1) overhead if the power line is overhead at the place where the service loop is connected and electricity is supplied to the electrical installation directly from the power line or from a distribution substation installed on a pole;

(2) underground if the power line is underground at the place where the service loop is connected or electricity is supplied to the electrical installation from a distribution substation other than a distribution substation installed on a pole.

Civil work for distribution service loop

15.3 Where the distribution service loop is underground, the applicant must undertake, at his expense, the civil work required for the supply of electricity to the property to be supplied.

Costs – service loop

15.4 When the distribution service loop is first installed or is replaced further to an increase in load, the applicant must pay, before the work begins, the cost of work related to the distribution service loop for the portion exceeding 30 metres of conductor or cable measured horizontally according to the distance covered, to the applicant's advantage, according to one of the following options:

- (i) from the property line dividing the property to be supplied from a public highway, to the connection point;
- (ii) from the supply point to the connection point.

The applicant must pay the “*cost of establishing service*” established in the electricity rates.

In the case of an off-grid system located north of the 53rd parallel, if the new distribution service loop carries a space or water heating load, the applicant must pay the “*special service loop costs for off-grid systems*” established in the electricity rates instead of the

“*cost of establishing service*”. These costs also apply in the case of conversion to electricity of a space or water heating system.

Costs – interventions subsequent to connection

15.5 When interventions are carried out or work is done on Hydro-Québec’s equipment subsequent to the date on which service to the customer’s electrical installation is first established, the person who requested or caused the work to be done must pay for the cost of such work before the work begins, including the cost of modifying the distribution service loop and the cost incurred for the first 30 metres. Work required as a result of a failure on the power line is excluded.

In the case of any request for modification of a connection, disconnection, remaking of any connection splices or establishment of service, the minimum cost of the intervention corresponds to the “*cost of establishing service*” established in the electricity rates. However, where Hydro-Québec determines on the premises that the connection for which it received a request for intervention has already been made, the minimum cost of the intervention corresponds to the “*special intervention costs*” established in the electricity rates.

Summary evaluation of cost of work

15.6 Where the cost of work exceeds the “*cost of establishing service*” stipulated in the electricity rates applicable during regular working hours, Hydro-Québec provides a summary written evaluation of the cost of such work.

Customer’s service entrance underground

15.7 Where the power line is overhead and the applicant asks for the service loop to be underground, Hydro-Québec does not supply a distribution service loop.

Where the customer service entrance is underground and the power line is overhead, the customer service entrance may be installed on the pole of the power line, following an agreement with Hydro-Québec.

If Hydro-Québec replaces, moves or removes the pole on which the customer service entrance is installed and the equipment installed on it, the owner of the said equipment must perform, at his expense, the work required to be done on his electrical installation.

Costs for temporary supply

15.8 When temporary supply is requested, the applicant pays, before the work begins, the cost of the work required for such temporary supply, including the sum of the following components:

- (1) the cost of installing metering equipment, transformers, circuit breakers and lightning arresters necessary for the operation of such transformers;
- (2) when the service loop is supplied or installed by Hydro-Québec, the cost of work related to the distribution service loop including the cost for the first 30 metres of service loop, provided that:
 - (i) when the power line is overhead, Hydro-Québec does not supply a service loop, except for the medium voltage portion, where electricity is supplied from a distribution substation;
 - (ii) when the power line is underground, Hydro-Québec supplies, at the applicant's expense, the distribution service loop to the connection point;
- (3) the “*cost of establishing service*” established in the electricity rates;
- (4) the cost estimated by Hydro-Québec for dismantling the installations that will no longer be required when temporary supply ends and, if necessary, for restoring the condition of the site.

Depreciated value of dismantled equipment

15.9 The provisions contained in the Chapter entitled “Extension and Modification of Distribution Line” do not apply in the case of temporary supply. Only the depreciated value of recovered equipment that will be reused is refunded to the applicant who paid for it after Hydro-Québec's installations are dismantled.

Costs for back-up supply

15.10 Any request for backup electrical supply constitutes an option conditional upon Hydro-Québec's written acceptance, the cost of which is payable by the applicant before work begins and is not refundable. Hydro-Québec informs the customer, in writing, of the terms and conditions for using the backup line.

No guarantee

15.11 Hydro-Québec's agreement to supply backup electricity is not a guarantee that the supply or delivery of electricity will be continuous.

Chapter 16 – EXTENSION AND MODIFICATION OF DISTRIBUTION LINE

Division 1 - General provisions

Reference offer and underground supply option

16.1 When an extension or modification of the power line is necessary in order to respond to a request for supply, the applicant must pay the cost of the work required to allow such service to be provided, in accordance with the provisions contained in this chapter. Before the work begins, the applicant and Hydro-Québec sign an agreement in writing.

Any request of the applicant over and above the reference offer is conditional upon Hydro-Québec's acceptance and constitutes an option. The cost of the additional work required in connection with an option must be paid by the applicant, before the work begins, and is not refundable.

A request for an underground power line where an overhead power line is provided for in the reference offer constitutes an option.

Only payment required for work covered by the reference offer may be the subject of a refund as provided in this Chapter. In no event shall the total refund exceed the contribution paid by the applicant.

The applicant does not contribute to the cost of work to modify the power line in order to allow a load to be increased or electricity to be supplied to a new installation, excluding all work to extend an existing power line, if:

- (1) the voltage required on the power line is available from the existing power line without requiring an extension; and
- (2) the increase in available power over a period of five (5) years is less than 5 MVA including initial power where service was established less than five (5) years before.

Cost of work – overhead extension

16.2 The cost of work to extend an overhead power line is determined by multiplying the applicable price per overhead metre established in the electricity rates by the length of the power line to be constructed. The costs related to tree removal, civil work and any right of servitude determined by Hydro-Québec, as required, are added to the said cost.

Cost of work – special conditions

16.3 For any intervention on an off-grid system located north of the 53rd parallel, modification of an existing power line or when Hydro-Québec cannot travel to the worksite by a highway accessible by flatbed trailer or when the work includes crossing a lake or river, the cost of work is determined in accordance with the conditions set out in the chapter entitled “Cost of Work”.

Division 2 - Domestic use – non-developer

Overhead – with water supply system

16.4 When an overhead power line is extended in order to supply electricity to a dwelling unit serviced by a municipal water supply or sanitary sewer system, the applicant does not contribute to the cost of the work for the reference offer.

Overhead – no water supply system

16.5 When there is no municipal water supply or sanitary sewer system in place, the applicant’s contribution for the extension of an overhead power line corresponds to the cost of the work. The applicant is entitled to an exemption for 100 metres of power line measured horizontally according to the distance covered which is taken into consideration in calculating the cost of the work.

When there is more than one dwelling, the applicant’s contribution is reduced by the allowed amount determined on the basis of the “*amount allocated for domestic use*” established in the electricity rates for each additional dwelling unit.

The applicant chooses to pay the contribution:

- (1) in a single payment on the date the agreement is signed;
- (2) in 30 two-monthly instalments, including interest, calculated on the basis of the rate of prospective cost of capital authorized by the Régie. The first instalment is payable on the date the agreement is signed. The interest rate applied is fixed for the term of the agreement.

Division 3 - Domestic use –developer

Overhead – with water supply system

16.6 When an overhead power line is extended in order to supply electricity to a dwelling unit serviced by a municipal water supply or sanitary sewer system, the

developer's contribution for the reference offer is limited to the costs related to tree removal and rights of servitude determined by Hydro-Québec, as required.

Overhead – no water supply system

16.7 When there is no municipal water supply or sanitary sewer system in place, the developer's contribution for the extension of an overhead power line corresponds to the cost of the work. The developer is entitled to an exemption for 100 metres of power line measured horizontally according to the distance covered which is taken into consideration in calculating the cost of the work for the whole housing project.

For a period of five (5) years following the signing of the agreement, the developer may benefit from a refund corresponding to the "*amount allocated for domestic use*" established in the electricity rates each time an additional dwelling unit, after the first dwelling unit, is connected. However, the costs related to tree removal and rights of servitude are not refundable.

Where the streets of the housing project are public highways, all lots and streets covered by the project have an individual cadastral number in accordance with article 3032 of the Civil Code of Québec, S.Q. 1991, c. 64 and an agreement has been signed with Hydro-Québec for the development of the site or a part of the site to be supplied, Hydro-Québec accelerates the refund of 60 % of the value of the allocated amount to which the developer is entitled. In such a case, the developer is entitled to a refund based on the "*amount allocated for domestic use*" established in the electricity rates after 60% of the planned dwellings, less one, have been connected.

The developer must pay the contribution in a single payment on the date the agreement is signed.

Underground supply – housing development

16.8 When a developer requests underground supply for a housing development, the cost of the option for each domestic-use building containing eight dwellings or less, supplied at 120/240 V, corresponds to the applicable "*price per building – underground*" established in the electricity rates, where all of the following conditions are met:

- (1) Hydro-Québec's electrical equipment is installed above ground; and
- (2) where individual single-family buildings are planned, the average length of the frontage of the lots for all the individual single-family buildings does not exceed 30 metres.

In addition, where the average length of the frontage of the lots for the individual single-family buildings exceeds the following values:

- (1) 15 metres for a building whose electrical installation has a service box with a nominal intensity not exceeding 200 A;

(2) 24 metres for a building whose electrical installation has a service box with a nominal intensity of 400 or 600 A;

the cost of the option is increased by the product obtained by multiplying the “*price per additional metre – underground*” established in the electricity rates, by the number of individual single-family buildings, by the difference between the average length of the lots of such buildings and 15 metres or 24 metres, as the case may be.

The cost of the option is also increased by the costs related to tree removal and rights of servitude, if any.

The cost of the underground supply option for the buildings of a housing development always includes a local underground power line and main underground power line where Hydro-Québec is not authorized to construct a main overhead power line. For purposes of this Section, a main overhead power line is a line installed on wood poles that does not include any low voltage transforming equipment or cable.

Division 4 - Non-domestic use

Applicant's contribution

16.9 In the case of non-domestic use, including farm use, the applicant must pay, on the date the agreement is signed, as a contribution, the excess of the cost of work over the allowed amount.

The allowed amount corresponds to the annual average billing demand estimated in kilowatts multiplied by the “*amount allocated for non-domestic use*” established in the electricity rates.

Adjustment charge

16.10 For each of the five (5) years following the date on which service to the electrical installation is first established, Hydro-Québec may require the applicant to pay the “*non-domestic use allocation adjustment charge*” as established in the electricity rates, for the difference between the estimated annual average billing demand and the average kilowatts actually billed for electricity supplied to the installation covered by the application. The allocation adjustment charge is fixed for the period of five^o(5) years.

Supply to industrial park

16.11 In the case of an extension of a power line within the limits of an industrial park, Hydro-Québec may opt not to require a contribution for the reference offer where the municipality previously transmitted a development plan to Hydro-Québec and agreed on

a plan for installation of the power line based on completion of the public infrastructure work.

Division 5 - Refund of contribution in case of additions or shared use

Conditions for refund

16.12 For the five (5) years following the date on which the agreement is signed, connection of a new permanent electrical installation to the portion of the power line for which an applicant has paid a contribution gives rise to a refund determined on the basis of the amount allocated in respect of the use that is to be made of the new installation in accordance with the electricity rates. Such amount is paid to the applicant during the period of five (5) years or at the end of the period of five (5) years.

The amount allocated for non-domestic use is determined on the basis of an estimate of the annual average billing demand estimated in kilowatts of the new installation.

Refund for additions requiring power line extension

16.13 Refunds are reduced by the cost of any extension required to be made to the power line in order to supply electricity to the electrical installation that is added.

Refunds are applied first to the applicant who paid for the extension or modification of the portion of the power line where the new installation is connected. If the contribution paid by such applicant has been refunded in full, the balance refundable is applied to the applicant who paid for the portion immediately prior to that section. This rule applies until any balance refundable has been exhausted.

Shared use credit

16.14 An applicant is entitled to an adjustment of the amount of his contribution if, at the time of the initial installation or during the term of his agreement, the Hydro-Québec poles that were included in the cost of the work are used by an enterprise with which Hydro-Québec shares the cost and ownership of the poles. Such adjustment is determined based on the “*shared use credit*” established in the electricity rates where the cost of work is established based on per-metre prices, or based on the amount estimated by Hydro-Québec in other cases. The total amount of the credit shall not exceed the balance of the refundable contribution paid by the applicant.

Division 6 - Abandonment of project

Costs for abandonment

16.15 When a project for the supply of electricity is abandoned after Hydro-Québec and the applicant have signed a written agreement for completion of the project, all expenses incurred and the cost of work done and work made necessary as a result of the project being abandoned are determined by Hydro-Québec and billed to the applicant, including actual applications management and engineering costs. In such case the applicant is not entitled to the allocated amounts established in the electricity rates or the contribution exemptions that might be applicable. Any amount paid by the applicant in excess of the amount billed is refunded.

A project is abandoned where:

- (1) the applicant advises Hydro-Québec that he is abandoning the project; or
- (2) service has not been established within a 12-month period following the scheduled connection date, unless an agreement is concluded between the applicant and Hydro-Québec.

Chapter 17– COST OF WORK

Calculation of cost of work

17.1 For purposes of these conditions for electrical service, the cost of work is calculated by Hydro-Québec based on the prices for overhead and underground work established in the electricity rates where such prices are applicable. All such prices are available for information purposes at Hydro-Québec's customer service department and on Hydro-Québec's website. The "*prices for overhead work*" apply when Hydro-Québec can travel by flatbed trailer to and use the equipment provided for in the reference offer on the worksite. The "*prices for underground work*" apply when the reference offer is for underground work.

In other cases, or where the cost of work cannot be fully calculated in the manner provided for above, the cost of work corresponds to Hydro-Québec's estimate calculated as the sum of the following components, the whole in accordance with the Grid for Calculating the Cost of Work set out in Schedule VI to these conditions for electrical service:

- (1) cost of materials needed to carry out the work, to which are added the "*purchasing fee*", "*materials management fee*" and "*minor materials fee*" established in the electricity rates;
- (2) cost of labour and equipment needed to carry out the work, obtained by multiplying hourly rates by hours required to do the work, including time allotted for transportation of labour;
- (3) cost of purchasing goods and services supplied by third parties and needed to carry out the work, to which are added the "*purchasing fee*" and the "*contract management fee*" established in the electricity rates;
- (4) cost of acquiring any right of servitude determined by Hydro-Québec;
- (5) when the power line is underground, the "*provision for reinvestment at end of useful life*" established in the electricity rates, applicable on the amounts covered by Subparagraphs (1) to (3), excluding civil work;
- (6) "*applications management and engineering fee*", established in the electricity rates, applicable on the amounts covered by Subparagraphs (1) to (5); and
- (7) "*provision for future operation and upkeep*" established in the electricity rates, applicable on the amounts covered by Subparagraphs (1) to (3), excluding civil work.

Cost of transformers and metering equipment

17.2 The cost of purchasing and installing transformers, circuit breakers and lightning arresters necessary for the operation of transformers and the cost of purchasing and installing metering equipment are excluded from the cost of work when the work is carried out in accordance with the reference offer.

If the work relates to an option, all additional costs of purchasing and installing transformers, circuit breakers and lightning arresters necessary for the operation of transformers and the additional costs of purchasing and installing metering equipment required for underground supply are added to the cost of the option.

Cost of metering for small power installation

17.3 Where, at the applicant's request, electricity is supplied as single-phase current at medium voltage for an electrical installation whose output voltage is low voltage and where the maximum current at low voltage does not exceed 500 A per building, the applicant must pay the difference between the cost for a medium voltage metering installation and the cost for a low voltage metering installation. The said amount is payable before work begins and is not refundable.

Cost of civil work

17.4 Where the work includes civil work, once such work has been completed, Hydro-Québec determines the actual cost thereof and adjusts the balance of the contribution previously billed for such work.

Cost of work – power less than 2 kW

17.5 For an installation whose estimated maximum power is less than 2 kW and which is intended for non-domestic use or use other than public lighting and signage, the cost of materials and installation, transformers, circuit breakers and lightning arresters necessary for the operation of transformers is borne by the applicant.

Ownership of equipment and materials

17.6 Hydro-Québec remains the owner of the equipment and materials used for the supply of electricity to an electrical installation even if the applicant or the customer contributes to the cost of work carried out by Hydro-Québec.

Chapter 18 – RIGHTS AND OBLIGATIONS

Division 1 - Rights and access

Installation of equipment

18.1 Hydro-Québec must be able to install, free of charge, on the property to be supplied, in locations that are readily accessible and safe and agreed upon with the applicant, all equipment required for service, delivery, control and metering of electricity, including equipment forming part of the power line if any part of the power line is to be used to supply electricity to the said property.

Hydro-Québec must also have the right, free of charge, to use the subsoil for the installation, maintenance, connection, operation, modification and extension, use and upkeep of the equipment comprising Hydro-Québec's power line and the right to seal any point where a connection may be made on the line side of the metering equipment.

Clearances

18.2 Every building and installation including a swimming pool, outbuilding, platform or rostrum that is put up in proximity to Hydro-Québec's power line and metering equipment must conform to the clearances prescribed in the following standards in force at the time of installation:

- (1) Standard No. CAN3-C22.3 No. 1;
- (2) Standard No. CAN3-C22.3 No. 7-94 (C2000).

For the purposes of this Section, an outbuilding of less than 13 m² is excluded provided it can be moved at any time by its owner, at the request of Hydro-Québec.

The cost of modifications required to be made to the power line in order to correct non-compliance with the standards referred to in the first paragraph applicable at the time of installation of the swimming pool, outbuilding, platform or rostrum are borne by the owner of the installation.

Use of customer's telecommunication systems

18.3 Subject to the customer's priority use of his telecommunication systems, the customer must allow Hydro-Québec to use the said systems free of charge for purposes of metering and controlling electricity.

Supply by several power lines

18.4 When electricity is supplied at medium or high voltage by several power lines, such power lines must be used according to Hydro-Québec's instructions.

Where one of the designated lines fails or requires an outage, the applicant or the customer must, with Hydro-Québec's authorization or at its request, use the electricity through another line indicated by Hydro-Québec solely for the duration of work, unless Hydro-Québec indicates a longer period of use to him.

Protection for emergency generator

18.5 When an emergency generator set is installed, it must be equipped with a switching device authorized by Hydro-Québec.

Division 2 - Electrical installation to receive electricity

Customer's property

18.6 An electrical installation located on the customer's side from the connection point does not belong to Hydro-Québec, with the exception of Hydro-Québec's equipment.

Information regarding electrical installation

18.7 An electrical installation that is to receive electricity must correspond to the information supplied to Hydro-Québec pursuant to Section 8.1 and be able to receive electricity according to the agreed mode of supply.

The installation must be approved or authorized by an authority having jurisdiction in such matters pursuant to any applicable legislative or regulatory provision.

Characteristics of electrical installation

18.8 An electrical installation that is to receive electricity must be designed, built, connected, protected, used and maintained in such a way that it:

- (1) allows Hydro-Québec to manage, operate and protect its system including metering equipment;
- (2) does not disturb the system;
- (3) does not compromise supply of electrical service to other customers;
- (4) does not put Hydro-Québec's representatives at risk.

Information in case of defect

18.9 Hydro-Québec must be informed immediately of any electrical or mechanical defect in an electrical installation, known to the customer or of which the customer cannot be unaware, that could disturb the system, compromise supply to electrical installations of other customers or put persons or property, including Hydro-Québec's representatives, at risk.

Communications

18.10 When electricity is supplied at medium or high voltage, Hydro-Québec, in order to manage, operate and ensure the safety of the system, must be able to communicate at all times with the person or persons designated by the person responsible for the electrical installation receiving electricity.

The person responsible for the electrical installation must ensure that the designated persons are authorized pursuant to the *Master Electricians Act* (R.S.Q., c. M-3).

Coordination of protective equipment

18.11 The type, characteristics and adjustment of the protective equipment of an electrical installation that is to receive electricity must allow for coordination with Hydro-Québec's protective equipment.

Protection of property and safety of persons

18.12 The customer must ensure the protection of property and the safety of persons wherever Hydro-Québec supplies or delivers electricity. The electrical installation and equipment must be protected from voltage variations and losses, frequency variations and accidental groundings. The customer is responsible for ensuring that an electrical installation receiving electricity is protected from the consequences of voltage variations and losses and frequency variations.

Requirements for civil work

18.13 When the applicant is to undertake any civil work required to ensure the supply of electricity to the property to be supplied, such work must be carried out in such a way that Hydro-Québec can install, connect, operate and maintain its electrical equipment thereon in complete safety.

Underground supply at medium voltage

18.14 When Hydro-Québec supplies electricity at medium voltage and the power line is underground, the electrical installation receiving electricity must be designed and

installed in such a way that it can receive electricity through more than one source of supply.

Power factor

18.15 When the power factor, measured at the delivery point, is usually less than 90 % for a small and medium power contract, or less than 95 % for a large power contract, the customer must install, at his expense, corrective equipment, when Hydro-Québec asks him to do so in writing; however, the corrected power factor must not become capacitive.

The corrective equipment must be designed and installed in such a way that it does not disturb Hydro-Québec's system and that it can be disconnected, entirely or partly, at Hydro-Québec's request or on the basis of the variation of the power used by the customer.

The power factor corresponds to the ratio of real power demand, expressed in kilowatts, to apparent power, expressed in kilovoltamperes.

Available power

18.16 The customer must use electricity without exceeding the available power limit authorized by Hydro-Québec. Any increase in available power must be authorized in writing.

Reduction of available power

18.17 Available power may be revised downward by Hydro-Québec when maximum power demand is less than the available power authorized.

Connection of electrical generating equipment

18.18 Hydro-Québec's authorization must be obtained in writing prior to connecting any electrical generating equipment in parallel to Hydro-Québec's system.

Moreover, in the case of electrical generating equipment that feeds electricity into Hydro-Québec's system, the following additional conditions apply:

- (1) the applicant must hold a contract for electricity service that includes the net metering option for a customer-generator established in the electricity rates, and
- (2) the applicant must pay the inspection fee established in the electricity rates.

Connection of equipment on line side

18.19 Hydro-Québec's authorization must be obtained prior to any modification of the customer's service entrance, the use to which electricity is put or the installation of load control equipment on the line side of the metering equipment. In the latter case, only one phase transformer may be installed and must already have been installed by the manufacturer and be used to supply the protective relays of the installation of the property to be supplied.

Any load management equipment not belonging to Hydro-Québec must be installed on the load side of Hydro-Québec's metering equipment.

Only metering transformers not belonging to Hydro-Québec which are used solely for electrical protection or indication of the voltage of the electrical installation may be installed on the line side of Hydro-Québec's metering equipment.

PART IV – TRANSITIONAL AND FINAL PROVISIONS

Chapter 19 – TRANSITIONAL PROVISIONS

Coming into force

19.1 Unless specifically mentioned in this Chapter, these service conditions apply to any contract in effect on, or concluded on or after, April 1, 2008.

They also apply to :

1° any intervention or work to modify Hydro-Québec's installations performed on or after April 1, 2008 ; and

2° any request for supply of electricity subject to section 16.1 or to Division 3 of Chapter 16, when the connection date agreed between Hydro-Québec and the customer is subsequent to March 31, 2008.

3° any request for supply of electricity received by Hydro-Québec on or after April 1, 2008.

The amount of the applicant's contribution is determined on the basis of the prices in effect at the date the request is received by Hydro-Québec.

However, if the request is subject to the second paragraph of section 16.1 or to Division 3 of Chapter 16, the prices in effect at the connection date agreed between Hydro-Québec and the customer apply. Moreover, when the connection date is subsequent to the agreed date, and when Hydro-Québec is not responsible for such delay, the amount of the applicant's contribution may be revised by Hydro-Québec on the basis of the prices in effect at the effective connection date.

Supply voltage

19.2 Where the customer's electrical installation is supplied at three-phase voltage, 600 V, 3-wire, Hydro-Québec may, at any time, at its expense, change this voltage to adopt three-phase voltage, 347/600 V, star, grounded neutral. In such a case, it informs the customer, by giving at least 30 clear days' notice in writing before the date of the system voltage conversion and of the termination of service at the existing voltage.

Electrical service at three-phase voltage, 600 V, 3-wire remains subject to Sections 23 and 24 of Bylaw No. 411 establishing the conditions governing the supply of electricity approved by Order in Council 477-87 of March 25, 1987, and amended by Bylaws No. 439, 475, 500 and 526 respectively approved by Orders in Council 354-89 of March 8, 1989, 1693-89 of November 1, 1989, 1354-90 of September 19, 1990 and 429-92 of March 25, 1992.

Supply credit for installation subject to voltage conversion

19.3 Where Hydro-Québec supplies electricity at a medium three-phase voltage that is less than 25 kV and the customer converts such voltage himself at no cost to Hydro-Québec, if the transformers in the customer substation connected to Hydro-Québec's system are double primary voltage transformers that were installed pursuant to Sections 36 and 38 of Bylaw 634 respecting the Conditions Governing the Supply of Electricity before April 1, 2008, the "*credit for supply at medium or high voltage*" established in the electricity rates corresponding to 25 kV voltage is applicable as of the first billing period commencing after Hydro-Québec receives a written notice of modification from the customer issued on or after April 1, 2008. The installed capacity or replaced capacity of the double primary winding transformers must allow all the available power agreed upon between Hydro-Québec and the customer to be used.

Repeal of second subdivision of paragraph 2 of Section 53

19.4. The second subdivision of paragraph 2 of Section 53 of the Conditions for Electrical Service stipulated in Bylaw 634 respecting the Conditions Governing the Supply of Electricity, approved by Order in Council 907-96 of May 22, 1996, is repealed effective December 1, 2007. Section 19.1 applies with the appropriate adjustments.

Exemption for 100 metres of power line

19.5. The exemption for 100 metres of power line established in Sections 16.5 and 16.7 is applicable effective December 1, 2007. Section 19.1 applies with the appropriate adjustments.

Contribution agreement

19.6 Any contribution agreement concluded before April 1, 2008 remains subject to the service conditions in effect on the date such agreement was signed until it expires, except as regards the allocation amounts applicable when a new installation is added, as established in Section 19.7 of this Chapter.

Hydro-Québec may terminate a contribution agreement concluded before April 1, 2008 by refunding to the customer or the applicant the balance of the amount paid as a contribution to the cost of work established in the contribution agreement.

Addition made pursuant to existing contribution agreement

19.7 For every additional installation made on or after April 1, 2008 on a power line for which a contribution agreement concluded before April 1, 2008 is in effect, the amounts corresponding to the "*amount allocated for domestic use*" and the "*amount allocated for non-domestic use*" established in the electricity rates in force on the date the additional installation is connected apply to the extent of any remaining refundable contribution. However, the amount corresponding to the "*amount allocated for domestic use*" established in the electricity rates in force on April 1, 2007 continues to apply until the expiry of any contribution agreement for underground supply concluded before April 1, 2008 between Hydro-Québec and a residential developer under section 53 of the

Conditions for Electrical Service stipulated in Bylaw 634 respecting the Conditions Governing the Supply of Electricity, approved by Order in Council 907-96 of May 22, 1996.

Interest rate applicable to ongoing contribution agreements

19.8. Where a contribution agreement is in effect on April 1, 2008, the “*interest rate applicable to instalment payments*” is replaced by the “*rate of prospective cost of capital*” in effect as of the date of each annual revision subsequent to April 1, 2008.

Repeal of Bylaw 634

19.9 These service conditions repeal and replace the Conditions for Electrical Service stipulated in Bylaw 634 respecting the Conditions Governing the Supply of Electricity Conditions for Electrical Service stipulated in Bylaw 634 respecting the Conditions Governing the Supply of Electricity, approved by Order in Council 907-96 of May 22, 1996, amended by Bylaw 670 approved by Order in Council 556-98 of April 22, 1998, and as amended by Decisions D-2001-60, D-2001-259, D-2002-07, D-2002-261 and D-2003-23 of the Régie de l'énergie (R.S.Q., c. R-6.01, s. 31).

SCHEDULE I (S. 5.4) – DOMESTIC USE

INFORMATION REQUIRED IN THE REQUEST FOR A CONTRACT FOR DOMESTIC USE

Premises or place to be served:

- (1) Name, corporate name;
- (2) Use of facility;
- (3) Street address;
- (4) Billing address.

Contractholder:

- (1) Name;
- (2) Address;
- (3) Previous address;
- (4) Home telephone number;
- (5) Social insurance number.

Use of electricity.

Connected loads (where nominal intensity is greater than 200 amperes):

- (1) Lighting;
- (2) Heating;
- (3) Ventilation;
- (4) Motive power;
- (5) Processes;
- (6) Other.

Power requested.

Date for which service is requested.

SCHEDULE I (S. 5.4) – NON-DOMESTIC USE

INFORMATION REQUIRED IN THE REQUEST FOR A CONTRACT FOR NON-DOMESTIC USE

Premises or place to be served:

- (1) Name, corporate name;
- (2) Use of facility;
- (3) Street address;
- (4) Billing address.

Contractholder:

- (1) Name;
- (2) Address;
- (3) Previous address;
- (4) Telephone number;
- (5) Enterprise number (N.E.Q.).

Use of electricity.

Connected loads:

- (1) Lighting;
- (2) Heating;
- (3) Ventilation;
- (4) Motive power;
- (5) Processes;
- (6) Other.

Power requested.

Date for which service is requested.

SCHEDULE II (S. 9.2)

PUBLIC AGENCIES AND FINANCIAL INSTITUTIONS

1. Public agencies:

(1) the governments of Canada and of Québec and their departments;

(2) government agencies:

agencies a majority of whose members are appointed by the government or a minister, whose officials or employees are by law appointed or remunerated in accordance with the *Public Service Act* (R.S.Q., c. F-3.1.1) or the *Public Service Employment Act* (R.S.C., 1985, c. P-33), or more than half of whose share capital is provided by the Consolidated Revenue Fund;

(3) health services and social services institutions:

(a) public institutions within the meaning of the *Act respecting health services and social services* (R.S.Q., c. S-4.2) or within the meaning of the *Act respecting health services and social services for Cree native persons* (R.S.Q., c. S-5), amended by section 20 of chapter 23 of the Statutes of 1994;

(b) regional health and social services boards established under the *Act respecting health services and social services* and Regional Health and Social Services Councils established under the *Act respecting health services and social services for Cree native persons*;

(c) the Corporation d'hébergement du Québec governed by the *Act respecting health services and social services*;

(4) municipal agencies:

(a) the Communauté métropolitaine de Montréal, the Communauté métropolitaine de Québec, their transit corporations, the Réseau de Transport de Longueuil, municipal transit corporations and the Municipalité régionale de comté du Fjord-du-Saguenay;

(b) municipalities, county municipalities and regional county municipalities and the agencies constituted as agent of any of such municipalities or otherwise subject to their authority;

(5) school agencies:

(a) school boards and public schools, the Conseil scolaire de l'île de Montréal;

(b) general and vocational colleges governed by the *General and Vocational Colleges Act* (R.S.Q., c. C-29);

(c) bodies established under the *Act respecting the Université du Québec* (R.S.Q., c. U-1).

2. Financial institutions:

(1) banks governed by the *Bank Act* (R.S.C., 1985, c. B-1.01);

(2) savings and credit unions governed by the *Savings and Credit Unions Act* (R.S.Q., c. C-4);

(3) insurance companies within the meaning of the *Act respecting insurance* (R.S.Q., c. A-32);

(4) trust companies within the meaning of the *Act respecting trust companies and savings companies* (R.S.Q., c. S-29.01).

SCHEDULE III (S. 14.11 and 14.12)

METHOD FOR ESTABLISHING THE REPLACEMENT VALUE OF THE CUSTOMER'S ELECTRICAL EQUIPMENT

The value resulting from an annual depreciation of 4% for each component installed in the customer substation and which will no longer be used because of a voltage conversion, calculated according to the following formula:

$$c = a (100-4b) / 100$$

where

a = the cost of the equivalent new equipment installed, including material, labour and general administrative costs.

b = the age of the component.

c = the depreciated replacement value.

In the case where a component is subject to a modification rather than replacement, e.g., a rewind transformer, the cost of the modification takes the place of the depreciated replacement value for this component; the cost must not exceed the component's depreciated replacement value.

The depreciated replacement value (c) may not be less than 20% of (a).

SCHEDULE IV (S. 11.7, PART II)

LIST OF AUTHORIZED AGENTS

Canadian Imperial Bank of Commerce;

Bank of Montreal;

Laurentian Bank of Canada;

National Bank of Canada;

Royal Bank of Canada;

Scotiabank;

Toronto-Dominion Bank;

Caisse centrale Desjardins.

SCHEDULE V

COMPENSATION FOR VOLTAGE CONVERSION

1. Compensation for the addition, modification or replacement of a transformer by a double primary voltage transformer installed after the date of the conversion notice, applying one time only and corresponding to the difference between:

(i) the cost of the transformer designed to receive electricity at a voltage of 25 kV and at the existing voltage; and

(ii) the cost of a transformer designed to receive electricity solely at a voltage of 25 kV;

This compensation is paid once the double primary voltage transformer is energized.

2. The “*credit for supply at medium or high voltage*” established in the electricity rates corresponding to a voltage of 25 kV.

This credit is applied to the first complete billing period when the capacity of the installed transformers that are able to receive electricity at a voltage of 25 kV allows all of the available power agreed with the customer to be used.

3. The reasonable cost of materials and labour paid by the applicant to enable supply to his electrical installation to commence at the time of conversion to 25 kV voltage.

4. The reasonable cost paid by the applicant to dismantle the electrical installations and civil work required to be dismantled for conversion purposes, excluding costs of decontaminating and restoring the condition of the land.

5. The depreciated value of the electrical equipment replaced, calculated according to the method established in Schedule III, on condition that the transformers:

(i) were installed before April 15, 1987 or after April 1, 2008, unless Hydro-Québec has sent a written notice to the customer specifying that the installations were to be designed to receive a voltage of 25 kV and another voltage; and,

- (ii) cannot be used to receive electricity at 25 kV; and
- (iii) will no longer be used after the voltage conversion.

SCHEDULE VI (S.17.1)

GRID FOR CALCULATING THE COST OF WORK

# Line		Overhead	Underground	
			Electrical work	Civil work
Labour and equipment				
1	Labour needed to carry out the work and sportation of labour	Costs in effect	Costs in effect	-
Goods and services				
2	Purchase of goods and services supplied by third parties needed to carry out the work	Costs in effect	-	Estimated costs
3	Purchasing fee	Rate established in electricity rates multiplied by line 2	-	Rate established in electricity rates multiplied by line 2
4	Contract management fee	Rate established in electricity rates multiplied by line 2	-	Rate established in electricity rates multiplied by line 2
5	Total labour, equipment, goods and services	Sum of lines 1 to 4	Sum of lines 1 to 4	Sum of lines 1 to 4
Materials				
6	Materials needed for power line construction	Costs in effect	Costs in effect	Costs in effect
7	Purchasing fee	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6
8	Materials management fee	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6
9	Minor materials fee	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6	Rate established in electricity rates multiplied by line 6
10	Total materials	Sum of lines 6 to 9	Sum of lines 6 to 9	Sum of lines 6 to 9
11	Total labour, equipment, goods, services and materials	Sum of lines 5 and 10	Sum of lines 5 and 10	Sum of lines 5 and 10
12	Provision for reinvestment at end of useful life	-	Rate established in electricity rates multiplied by line 11	-
13	Applications management and engineering fee	Rate established in electricity rates multiplied by line 11	Rate established in electricity rates multiplied by the sum of lines 11 and 12	Rate established in electricity rates multiplied by line 11
14	Provision for future operation and upkeep	Rate established in electricity rates multiplied by line 11	Rate established in electricity rates multiplied by line 11	-
15	Sub-total of cost of work	Sum of lines 11 to 14	Sum of lines 11 to 14	Sum of lines 11 to 14
Servitudes				
16	Acquisition of rights of way or other servitudes	Estimated costs	Estimated costs	Estimated costs
17	Applications management and engineering fee	Rate established in electricity rates multiplied by line 16	Rate established in electricity rates multiplied by line 16	Rate established in electricity rates multiplied by line 16
18	Total servitudes	Sum of lines 16 to 17	Sum of lines 16 to 17	Sum of lines 16 to 17
19	Total cost of work	Sum of lines 15 and 18	Sum of lines 15 and 18	Sum of lines 15 and 18