

TEXTE DE
DISTRIBUTION TARIFF ON APRIL 1, 2012
(VERSION ANGLAISE)

SUITE À LA DÉCISION D-2012-024
RENDUE PAR LA RÉGIE DE L'ÉNERGIE
LE 8 MARS 2012

Chapter		page
----------------	--	-------------

1	Interpretative Provisions	5
2	Domestic Rates	11
3	General Rates for Small Power	29
4	General Rates for Medium Power	33
5	General Rates for Large Power	57
6	Large-Power Options	79
7	Off-Grid Systems	99
8	Flat Rates for General Use	105
9	Public and Sentinel Lighting Rates	107
10	Supplementary Provisions	113
11	Rates for Services	119
12	Charges Related to Electricity Service	125

Chapter	page
1 Interpretative Provisions	5
2 Domestic Rates	11
Section 1 – General	11
Section 2 – Rate D	12
Section 3 – Rate DM	15
Section 4 – Rate DT	18
Section 5 – Net Metering Option for a Customer-Generator	24
3 General Rates for Small Power	29
Section 1 – Rate G	29
Section 2 – Net Metering Option for a Customer-Generator	32
4 General Rates for Medium Power	33
Section 1 – Rate M	33
Section 2 – Rate G-9	36
Section 3 – Rate GD	38
Section 4 – Transitional Rate – Snowmaking	40
Section 5 – Transitional Rate – Photosynthesis	41
Section 6 – Running-in of New Equipment	44
Section 7 – Running-in within the Experimental Program for New Heating Technologies	47
Section 8 – Interruptible Electricity Option for Medium-Power Customers	49
<i>Subsection 8.1 – General</i>	49
<i>Subsection 8.2 – Credits and Conditions of Application</i>	51
Section 9 – Backup Generator Option	53
<i>Subsection 9.1 – General</i>	53
<i>Subsection 9.2 – Credits and Conditions of Application</i>	54

Chapter		page
5	General Rates for Large Power	57
	Section 1 – Rate L	57
	Section 2 – Rate H	62
	Section 3 – Rate LD	64
	Section 4 – Running-in of New Equipment	71
	Section 5 – Equipment Tests	74
	Section 6 – Rate LP	75
6	Large-Power Options	79
	Section 1 – Load Retention Rate	79
	<i>Subsection 1.1 – Distributor's Large-Power Industrial Customers</i>	79
	<i>Subsection 1.2 – Large-Power Industrial Customers of a Municipal System</i>	84
	Section 2 – Interruptible Electricity Option for Large-Power Customers	85
	<i>Subsection 2.1 – General</i>	85
	<i>Subsection 2.2 – Credits and Conditions of Application</i>	88
	Section 3 – Additional Electricity Option	92
	<i>Subsection 3.1 – General</i>	92
	<i>Subsection 3.2 – Conditions of Application</i>	93
	Section 4 – Backup Generator Option	98
7	Off-Grid Systems	99
	Section 1 – Conditions of Application of Domestic Rates for Customers of Off-Grid Systems	99
	Section 2 – Conditions of Application of Small- and Medium-Power Rates for Customers of Off-Grid Systems	100
	Section 3 – Transitional Rate – Schefferville System	103
8	Flat Rates for General Use	105

Chapter		page
9	Public and Sentinel Lighting Rates	107
	Section 1 – Public Lighting Rates	107
	<i>Subsection 1.1 – General</i>	107
	<i>Subsection 1.2 – Rate for General Public Lighting Service</i>	107
	<i>Subsection 1.3 – Rate for Complete Public Lighting Service</i>	109
	Section 2 – Sentinel Lighting Rates	110
10	Supplementary Provisions	113
	Section 1 – General	113
	Section 2 – Restrictions	116
	Section 3 – Billing Conditions	117
	Section 4 – Provisions Regarding <i>Distribution Tariff</i>	117
11	Rates for Services	119
	Section 1 – Visilec Service	119
	Section 2 – VigieLigne Service	120
	Section 3 – Signature Service	122
12	Charges Related to Electricity Service	125

CHAPTER 1

INTERPRETATIVE PROVISIONS

Definitions

1.1

In this Distributor's Rates and Conditions, the following terms and expressions have the meanings ascribed below, unless the context indicates otherwise:

"Act Respecting Health Services and Social Services":

An Act Respecting Health Services and Social Services (R.S.Q., chapter S-4.2).

"Act Respecting Tourist Accommodation Establishments":

An Act Respecting Tourist Accommodation Establishments (R.S.Q., chapter E-14.2).

"annual contract": A contract with a term of at least 12 consecutive monthly periods.

"apartment building": All or part of a building comprising more than one dwelling.

"available power": The amount of power which the customer may not exceed for a given contract without the authorization of the Distributor.

"commercial activity": All actions involved in the marketing or sale of products or services.

"common areas and collective services": Areas and services of an apartment building, community residence or rooming house that are used exclusively by the occupants of such apartment building, community residence or rooming house.

"community residence": A private building or part of a private building which is for habitation purposes, contains dwellings or rooms, or both, that are rented or allocated to different occupants, and has common areas and collective services. Also considered community residences, for purposes of this Distributor's Rates and Conditions, are intermediate resources, as defined in the *Act Respecting Health Services and Social Services*, that meet the criteria stated in this paragraph.

"connected load": That part of the installed capacity which is connected to the Distributor's system.

“connection point”: The point where the electrical installation is connected to the Distributor’s system. When there is a Distributor’s service loop, the connection point is the point where the customer’s service entrance and the Distributor’s service loop meet.

“consumption period”: A period during which electricity is delivered to the customer and which extends between the two dates used by the Distributor for calculation of the bill.

“contract”: An agreement entered into between a customer and the Distributor for the electricity service and delivery of electricity.

“contract power”: The minimum billing demand set for a contract and for which the customer must pay under the terms of this Distributor’s Rates and Conditions. The contract power can never exceed the available power.

“customer”: An individual, body corporate, partnership or agency holding one or more contracts.

“delivery of electricity”: The application and maintaining of voltage at the delivery point, whether or not electricity is consumed.

“delivery point”: Point at which the Distributor delivers electricity and from which the customer may use such electricity, located immediately on the load side of the Distributor’s metering equipment. In cases where the Distributor does not install metering equipment, or where it is on the line side of the connection point, the delivery point is the connection point.

“demand charge”: An amount to be paid, depending on the rate, per kilowatt of billing demand.

“Distributor”: Hydro-Québec in its electricity distribution activities.

“Distributor’s service loop”: Any portion of a power line, not located along a public highway, extending the Distributor’s system to the connection point.

“domestic rate”: A rate at which the electricity delivered for domestic use is billed under the conditions set forth in this Distributor’s Rates and Conditions.

“domestic use”: The use of electricity exclusively for habitation in a dwelling.

“dwelling”: Private living quarters equipped with lodging and eating facilities, including in particular a kitchen or kitchenette, along with a private entrance and a complete sanitary facility, in which the occupants have free access to all rooms. A complete sanitary facility consists of a sink, a toilet and a bath or shower.

“electricity”: The electricity supplied by the Distributor.

“electricity service”: The application and maintaining of voltage at the connection point, at a frequency of approximately 60 hertz.

“farm”: Land, buildings and equipment used to raise crops or livestock, excluding any dwelling or any facility used for commercial activity or industrial activity.

“fixed charge”: A set amount to be paid for each contract for a fixed period, regardless of the amount of electricity consumed.

“flat rate”: A rate comprising only a fixed amount to be paid for a fixed period, regardless of the amount of energy consumed.

“general rate”: A rate at which the electricity delivered for general use is billed, except in cases where another rate is explicitly provided for in this Distributor’s Rates and Conditions.

“general use”: The use of electricity for all purposes other than those explicitly provided for in this Distributor’s Rates and Conditions.

“independent producer”: A producer of electrical power who either consumes for its own needs or sells all or part of the electrical power it produces to a third party or to the Distributor.

“industrial activity”: All actions involved in the manufacture, assembly or processing of merchandise or food products, or the extraction of raw materials.

“industrial customer”: A customer who uses the electricity delivered under a contract mainly in the manufacture, assembly or processing of merchandise or food products, or the extraction of raw materials.

“installed capacity”: The total rated capacity of the customer’s electrical equipment.

“lumen”: A unit of measurement of the average luminous flux of a bulb, to within 15%, during its useful life, as specified by the manufacturer.

“luminaire”: An outside lighting fixture fitted to a pole and comprising, unless otherwise indicated, a support no more than two and a half metres in length, a reflector inside a metal housing, a bulb and a diffuser, and including in some instances a photoelectric cell.

“maximum power demand”: A value which, for application of the rates in this Distributor’s Rates and Conditions, is expressed in kilowatts and corresponds to the following:

- a) for contracts under which the real power demand is always equal to or less than 50 kilowatts, the highest real power demand;
- b) for contracts under which the real power demand has exceeded 50 kilowatts at least once during the last 12 consecutive monthly periods, the higher of the following values:
 - the highest real power demand in kilowatts; or
 - 90% of the highest apparent power demand in kilovoltamperes for domestic and small- and medium-power contracts, or 95% for large-power contracts.

These power demands are determined for integration periods of 15 minutes, by one or more meters of a type approved by the competent authorities. If the characteristics of the customer’s load so justify, only the meters needed for billing are kept in service.

“mixed use”: Use of electricity for both habitation and other purposes under a single contract.

“monthly”: Relating to a period of exactly 30 consecutive days.

“municipal system”: A municipal power system supplied by the Distributor, including the Coopérative régionale d’électricité de Saint-Jean-Baptiste-de-Rouville.

“off-grid system”: A system for the generation and distribution of electricity, independent of the bulk system.

“optimization charge”: An additional amount to be paid per kilowatt of power demand in excess of the limits set in the applicable general rate; this amount is added to the demand charge.

“power”:

- a) small power: a demand that is billed only if it exceeds 50 kilowatts;
- b) medium power: a minimum billing demand of less than 5,000 kilowatts;
- c) large power: a minimum billing demand of 5,000 kilowatts or more.

“public lighting”: Lighting of streets, lanes, highways, expressways, bridges, wharves, bicycle paths, pedestrian walkways, and other public thoroughfares, but excluding parking lots, playgrounds and similar places.

“rate”: The set of specifications establishing the elements taken into account and the calculation methods used in determining the amounts the customer owes the Distributor for the delivery of electricity and the supply of services under a contract.

“regular meter reading”: Meter reading taken for billing purposes at fairly regular intervals and on approximately fixed dates, according to a schedule determined by the Distributor.

“residential outbuilding”: Any building or installations appurtenant to premises used for habitation purposes; farms are excluded from this definition.

“rooming house”: A building or part of a building devoted exclusively to habitation purposes in which lodgings, each of no more than two rooms and not constituting a dwelling, are let to different occupants.

“short-term contract”: A contract with a term of less than 12 consecutive monthly periods.

“summer period”: The period from April 1 through November 30.

“voltage”:

- a) low voltage: nominal phase-to-phase voltage not exceeding 750 volts;
- b) medium voltage: nominal phase-to-phase voltage of more than 750 volts, but less than 44,000 volts. The term 25 kV means three-phase voltage at 14.4/24.94 kV, grounded wye;
- c) high voltage: nominal phase-to-phase voltage of 44,000 volts or more.

“winter period”: The period from December 1 through March 31 of the next year.

Units of measurement 1.2

For the application of this Distributor’s Rates and Conditions, power and real power are expressed in kilowatts (kW); apparent power in kilovoltamperes (kVA) and energy (consumption) in kilowatthours (kWh).

When the unit of power is not given, power expressed in kilowatts is understood.

SECTION 1

GENERAL

Application of domestic rates 2.1

The domestic rates apply only to contracts under which electricity is delivered for domestic use, apart from the exceptions provided for in this chapter.

Metering of electricity in apartment buildings, community residences and rooming houses 2.2

In apartment buildings, and in community residences containing dwellings or rooms, or both, electricity may be metered separately or in bulk, at the discretion of the owner or all the co-owners, as the case may be.

In community residences containing rooms only and in rooming houses, electricity for all the rooms is metered by a single meter.

Electricity for common areas and collective services may be metered separately.

Customer’s choice 2.3

Customers to whom this chapter applies may choose among the domestic rates they are entitled to, subject to the conditions of application, and the applicable general rate.

Definition 2.4

In this chapter, the following definition applies:

“multiplier”: The factor used to multiply the fixed charge and the number of kilowatts used to determine the base billing demand for rates DM and DT, and to multiply the number of kilowatthours for the first tier of Rate DM.

SECTION 2

RATE D

Application 2.5

Rate D applies to a contract for domestic use in a dwelling whose electricity is metered separately.

Barring provisions to the contrary, it does not apply:

- a) to hotels, motels, inns or other establishments covered in the *Act Respecting Tourist Accommodation Establishments*;
 - b) to hospitals, clinics, pavillons d'accueil, long-term care facilities, or other establishments covered in the *Act Respecting Health Services and Social Services*.
-

Structure of Rate D 2.6

The structure of Rate D is as follows:

- 40.64¢ fixed charge for each day in the consumption period, plus
- 5.32¢ per kilowatthour for energy consumed, up to the product of 30 kilowatthours and the number of days in the consumption period;
- 7.51¢ per kilowatthour for the remaining consumption, plus a monthly charge of
- \$1.26 per kilowatt of billing demand in excess of 50 kilowatts during the summer period; and
- \$6.21 per kilowatt of billing demand in excess of 50 kilowatts during the winter period.

When a consumption period overlaps the beginning or end of the winter period, the demand charge is prorated according to the number of days in the consumption period that fall within the summer period and the winter period, respectively.

If applicable, the credit for supply, as described in Article 10.3, applies.

Billing demand 2.7

The billing demand at Rate D is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 2.8.

Minimum billing demand 2.8

The minimum billing demand for each consumption period is equal to 65% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

Apartment building, community residence or rooming house 2.9

On condition that the electricity is exclusively for habitation purposes, including in the common areas and for collective services, Rate D also applies when the electricity is delivered to:

- a) a dwelling of an apartment building or a community residence consisting of dwellings, where there is separate metering;
- b) the common areas and collective services, if they are metered separately;
- c) a rooming house or community residence with rooms only. If it includes 10 rooms or more, its construction must have begun on or after April 1, 2008;
- d) an apartment building where there is bulk metering and whose construction began on or after April 1, 2008;
- e) a community residence consisting of dwellings, or both dwellings and rooms, where there is bulk metering and whose construction began on or after April 1, 2008.

When the electricity is not exclusively for habitation purposes, Rate D applies under the conditions set forth in Article 2.13.

Bed and breakfast 2.10

Rate D applies to a contract for electricity delivered to a bed and breakfast with up to 9 rooms for rent, located in the dwelling occupied by the lessor.

If the bed and breakfast does not meet these conditions, the appropriate general rate applies.

Accommodations in a foster family or a foster home 2.11

Rate D applies to a contract for electricity delivered to a dwelling where 9 or fewer persons are accommodated in a “foster family” or a “foster home” as defined in the *Act Respecting Health Services and Social Services*.

Residential outbuildings 2.12

Rate D applies to a contract for electricity delivered to one or more residential outbuildings provided that each meets the following two conditions:

- a) The outbuilding is used exclusively by the persons occupying the dwelling or apartment building;
- b) It is used exclusively for purposes related to those of the dwelling or apartment building.

In all other cases, the electricity delivered to a residential outbuilding is subject to the appropriate general rate.

Mixed use 2.13

When the electricity is not exclusively for habitation purposes, Rate D applies on condition that the installed capacity for purposes other than habitation does not exceed 10 kilowatts. If the installed capacity for purposes other than habitation is greater than 10 kilowatts, the appropriate general rate applies.

In determining the installed capacity for purposes other than habitation, any central water heating, space heating or air conditioning equipment for both habitation and other purposes is not considered.

Farms 2.14

Electricity supplied to a farm is subject to the domestic rate.

Electricity not directly used for the dwelling, the residential outbuildings or the farm is measured by an additional meter and billed at the appropriate general rate.

If there is no additional meter, Rate D applies only when the installed capacity of the premises, other than the dwelling, the residential outbuildings and the farm, does not exceed 10 kilowatts. If the installed capacity of the premises is greater than 10 kilowatts, the appropriate general rate applies.

Metering of electricity and contract 2.15

In the sole cases where, as at February 1, 1984, the electricity delivered to a dwelling was measured by more than one meter and has continued to be so measured since then, all the electricity thus delivered is considered to come under a single contract.

SECTION 3

RATE DM

Application 2.16

Rate DM applies only to a contract which was subject to it on March 31, 2008, or to a contract for an apartment building or a community residence consisting of dwellings where there is bulk metering and whose construction began prior to April 1, 2008.

Barring provisions to the contrary, it does not apply:

- a) to hotels, motels, inns or other establishments covered in the *Act Respecting Tourist Accommodation Establishments*;
- b) to hospitals, clinics, pavillons d'accueil, long-term care facilities, or other establishments covered in the *Act Respecting Health Services and Social Services*.

Community residence consisting of dwellings and rooms, community residence or rooming house with 10 rooms or more 2.17

On condition that the electricity is exclusively for habitation purposes, including the electricity for common areas and collective services, Rate DM also applies when the electricity is delivered to:

- a) a community residence consisting of dwellings and rooms, where there is bulk metering and whose construction began prior to April 1, 2008;
- b) a rooming house or community residence with 10 rooms or more whose construction began prior to April 1, 2008.

When the electricity is not exclusively for habitation purposes, Rate DM applies under the conditions set forth in Article 2.23.

Structure of Rate DM 2.18

The structure of Rate DM is as follows:

- 40.64¢ fixed charge for each day in the consumption period, times the multiplier, plus
- 5.32¢ per kilowatthour for energy consumed, up to the product of 30 kilowatthours, the number of days in the consumption period and the multiplier;
- 7.51¢ per kilowatthour for the remaining consumption, plus a monthly charge of
- \$1.26 per kilowatt of billing demand in excess of the base billing demand during the summer period; and
- \$6.21 per kilowatt of billing demand in excess of the base billing demand during the winter period.

When a consumption period overlaps the beginning or end of the winter period, the demand charge is prorated according to the number of days in the consumption period that fall within the summer period and the winter period, respectively.

If applicable, the credit for supply, as described in Article 10.3, applies.

Billing demand 2.19

The billing demand at Rate DM is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 2.20.

Minimum billing demand 2.20

The minimum billing demand for each consumption period is equal to 65% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

Base billing demand 2.21

The base billing demand is the higher of the following values:

- a) 50 kilowatts; or
- b) 4 kilowatts times the multiplier.

Multiplier 2.22

The multiplier is determined as follows:

a) Apartment building and community residence consisting of dwellings:

Number of dwellings in the apartment building or community residence.

b) Community residence consisting of dwellings and rooms:

Number of dwellings in the community residence, plus

1 for the first 9 rooms or less, plus

1 for each additional room.

c) **Rooming house and community residence with 10 rooms or more:**

1 for the first 9 rooms, plus

1 for each additional room.

Mixed use 2.23

When the electricity is not exclusively for habitation purposes, Rate DM applies on condition that the installed capacity for purposes other than habitation does not exceed 10 kilowatts. In such cases, the multiplier is incremented by one.

If the installed capacity for purposes other than habitation exceeds 10 kilowatts, the appropriate general rate applies.

In determining the installed capacity for purposes other than habitation, any central water heating, space heating or air conditioning equipment for both habitation and other purposes is not considered.

SECTION 4

RATE DT

Application 2.24

A customer whose contract is eligible for Rate D or Rate DM and who uses, principally for habitation purposes, a dual-energy system that meets the conditions stipulated in Article 2.26, may opt for Rate DT. In that case, Rate DT applies to all of the customer's consumption.

Definition 2.25

In this section, the following definition applies:

“dual-energy system”: A system used for the heating of space, or space and water, and designed in such a way that, for the heating, electricity can be used as the main source of energy and a fuel as the auxiliary source.

Characteristics of the dual-energy system 2.26

The dual-energy system must meet all of the following conditions:

- a) The capacity of the dual-energy system, in fuel mode as well as in electrical mode, must be sufficient to heat the premises in question. The energy sources for heating must not be used simultaneously;
- b) The dual-energy system must be equipped with an automatic switch permitting transfer from one source of energy to the other. For this purpose, the automatic switch must be connected to a temperature gauge in accordance with the provisions of subparagraph c) hereinafter;
- c) The temperature gauge is supplied and installed by the Distributor in a location and under conditions which the Distributor determines. The gauge indicates to the automatic switch when a change of operating mode is required in view of the outdoor temperature. The fuel mode is used when the outdoor temperature is below -12°C or -15°C, depending on the climate zones defined by the Distributor;
- d) The customer may also use a manual switch to change from one source of energy to the other.

Recovery after a power failure 2.27

The dual-energy system may be equipped with a device that, after a power failure, makes it possible for the dual-energy system to operate, for some time, on the auxiliary energy source only, regardless of the outdoor temperature. The device must meet the Distributor's requirements.

Structure of Rate DT 2.28

The structure of Rate DT is as follows:

- 40.64¢ fixed charge for each day in the consumption period, times the multiplier, plus
- 4.30¢ per kilowatthour for energy consumed when the temperature is equal to or higher than -12°C or -15°C, depending on the climate zones defined by the Distributor;

- 20.39¢ per kilowatthour for energy consumed when the temperature is below -12°C or -15°C, as applicable,
- plus a monthly charge of
- \$1.26 per kilowatt of billing demand in excess of the base billing demand during the summer period; and
- \$6.21 per kilowatt of billing demand in excess of the base billing demand during the winter period.

When a consumption period overlaps the beginning or end of the winter period, the demand charge is prorated according to the number of days in the consumption period that fall within the summer period and the winter period, respectively.

If applicable, the credit for supply, as described in Article 10.3, applies.

Multiplier **2.29**

For a contract at Rate DT, the multiplier is 1 except when there is bulk metering that includes the consumption of the dual-energy system, and when

- a) the contract was subject to Rate DT or DM as at March 31, 2008; or
- b) construction of the building began prior to April 1, 2008.

When the multiplier is not 1, it is determined as specified in Article 2.22.

Billing demand **2.30**

The billing demand at Rate DT is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 2.31.

Minimum billing demand **2.31**

The minimum billing demand for each consumption period is equal to 65% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

Base billing demand **2.32**

The base billing demand is the higher of the following values:

- a) 50 kilowatts; or
- b) 4 kilowatts times the multiplier.

Apartment building, community residence or rooming house with a dual-energy system **2.33**

For an apartment building, community residence or rooming house, a customer who uses a dual-energy system that meets the conditions in Article 2.26 may opt for Rate DT. If the electricity is exclusively for habitation purposes, Rate DT applies in accordance with the following conditions:

- a) When the electricity for a dwelling is metered separately and the meter records the consumption of a dual-energy system, the contract for such dwelling is subject to Rate DT;
- b) When the electricity for the common areas and collective services is metered separately and the meter records the consumption of the dual-energy system, the contract is subject to Rate DT;
- c) When there is bulk metering and the meter records the consumption of the dual-energy system, the contract is subject to Rate DT;
- d) When there is bulk metering but the dual-energy system is metered separately, such system is subject to a distinct contract at Rate DT.

When the electricity is not exclusively for habitation purposes, Rate DT applies under the conditions set forth in Article 2.34.

Mixed use 2.34

When the electricity is not exclusively for habitation purposes, Rate DT applies on condition that the installed capacity for purposes other than habitation does not exceed 10 kilowatts.

Where there is bulk metering, where the meter records the consumption of the dual-energy system and where either the contract was subject to Rate DT or DM on March 31, 2008, or construction of the building began before April 1, 2008, the multiplier is incremented by 1.

If the installed capacity for purposes other than habitation is greater than 10 kilowatts, the appropriate general rate applies.

In determining the installed capacity for purposes other than habitation, any central water heating, space heating or air conditioning equipment for both habitation and other purposes is not considered.

Farm 2.35

For Rate DT to apply to a farm, the following conditions must be met:

- a) The dual-energy system must be in accordance with the provisions set forth in subparagraphs b), c) and d) of Article 2.26;
- b) The capacity of the dual-energy system, in fuel mode as well as in electrical mode, must be sufficient to supply all the energy necessary for heating the dwelling. The energy sources for heating must not be used simultaneously;
- c) The installed capacity used for the farm and for any premises other than the dwelling must not exceed 10 kilowatts;
- d) Both the farm and a dwelling must be served by a single Distributor service loop.

If the farm does not meet these conditions, Rate D or DM (if the farm is eligible) or the appropriate general rate shall apply.

Duration of rate application 2.36

Rate DT applies as of the date the appropriate meter is installed. A customer who opts for Rate DT for the first time can change his mind at any time and choose another rate for which the contract is eligible. Afterwards, any rate opted for must apply for a minimum of 12 consecutive monthly periods. The new rate comes into effect either at the beginning of the consumption period during which the Distributor receives the customer's written notice or at the beginning of the consumption period following the date of the customer's request, provided the appropriate meter has been installed.

Non-compliance with conditions 2.37

If a dual-energy system covered by this section no longer meets one or another of the conditions of application of Rate DT, the customer must correct the situation within a maximum of 10 business days. Rate DT, described in Article 2.28, will continue to apply during this period. If the situation is not corrected within the prescribed period, the customer shall no longer be entitled to Rate DT. The contract then becomes subject, at the customer's discretion, to one of the rates for which it is eligible according to the Distributor's Rates and Conditions then in effect. If the customer fails to make this choice, the contract becomes subject to Rate D or Rate DM, if it is eligible for such rates, or to the appropriate general rate (G, M or L), as the case may be.

Fraud 2.38

If the customer commits fraud, manipulates or alters the dual-energy system, hinders its functioning in any way, or uses it for purposes other than those provided for under this Distributor's Rates and Conditions, the Distributor will terminate the contract at Rate DT. The contract then becomes subject to Rate D or Rate DM, if it is eligible for such rates, or to the appropriate general rate (G, M or L). Rate DT cannot apply again to the same contract for at least 365 days.

SECTION 5

NET METERING OPTION FOR A CUSTOMER-GENERATOR

Application 2.39

The net metering option applies to Rate D or Rate DM contracts for which power is not metered.

Definitions 2.40

In this section, the following definitions apply:

“customer-generator”: A customer who generates electricity at a facility owned and operated by the customer to satisfy all or part of the customer’s electricity needs.

“electricity delivered”: Electricity supplied by the Distributor during a consumption period.

“electricity injected”: Electricity fed into the Distributor’s system by the customer-generator during a consumption period.

“net consumption”: The difference between the volume of electricity delivered and the volume of electricity injected, when the volume of electricity delivered is greater than the volume of electricity injected.

“net surplus”: The difference between the volume of electricity injected and the volume of electricity delivered, when the volume of electricity injected is greater than the volume of electricity delivered.

“surplus bank”: A bank in which the net surplus accumulates and from which the net consumption is subtracted.

When net consumption (C_t) for a consumption period is zero:

$$B_t = B_{t-1} + S_t$$

When net consumption (C_t) for a consumption period is greater than zero:

$$B_t = B_{t-1} - C_t$$

where

B_t : surplus bank for consumption period

B_{t-1} : surplus bank for the preceding consumption period

C_t : net consumption for the consumption period

S_t : net surplus for the consumption period

t : consumption period

Sign-up for the net metering option 2.41

To enroll in the net metering option, the customer must submit a written application to the Distributor by completing the *Net Metering Enrollment Application* form posted on Hydro-Québec’s Web site at www.hydroquebec.com.

The customer must also sign an interconnection agreement with the Distributor.

Eligibility 2.42

To be eligible for the net metering option, the customer must meet the following conditions:

- a) The customer’s maximum generating capacity must not exceed the lesser of:
 - 50 kilowatts or
 - the estimated maximum power demand for the contract;
- b) The electricity must be generated at a facility that is located at the same delivery point as the contract;
- c) The customer must use one or more of the following types of generation only:
 - wind power;
 - photovoltaic power;
 - hydroelectric power;

- geothermal power for generation of electricity;
- bioenergy (biogas or forest biomass residue).

Sign-up date **2.43**

The net metering option takes effect at the start of the first consumption period following installation of the appropriate metering equipment.

Customer billing **2.44**

During the entire period in which the net metering option is in effect, the bill for each consumption period is established as follows:

- a) the fixed charge for the rate applicable to the customer,
plus
- b) the amount billed for the electricity delivered, minus the balance in the surplus bank, based on the prices and conditions for the applicable rate and taking into account, if applicable, the credit for supply applicable to domestic rates as described in Article 10.3. The amount billed cannot be negative.

Surplus bank restrictions **2.45**

The surplus bank returns to zero:

- a) on the March 31 following application of the conditions set out in Article 2.43 and every 24 months thereafter, or
- b) on a date selected by the customer that falls within the 24 months following application of the conditions set out in Article 2.43 and every 24 months thereafter, or
- c) upon termination of the net metering option.

Furthermore, the balance in the surplus bank may not be applied to a different contract.

End of application **2.46**

When the customer wishes to terminate the net metering option, the customer must so inform the Distributor in writing.

The option then terminates at the end of the consumption period in which the Distributor receives the written notice of termination from the customer.

The customer is not eligible to sign up for the net metering option again until at least 12 consecutive months after the effective date of such termination.

A customer who wishes to reenroll in the net metering option must submit a new application to the Distributor in accordance with the provisions of Article 2.41.

CHAPTER 3

GENERAL RATES FOR SMALL POWER

SECTION 1

RATE G

Application	3.1
--------------------	------------

General Rate G applies to a small-power contract whose minimum billing demand is less than 100 kilowatts.

Structure of Rate G	3.2
----------------------------	------------

The structure of monthly Rate G for an annual contract is as follows:

\$12.33 fixed charge, plus

\$15.54 per kilowatt of billing demand in excess of 50 kilowatts,

plus

8.73¢ per kilowatthour for the first 15,090 kilowatthours;

4.85¢ per kilowatthour for the remaining consumption.

The minimum monthly bill is \$36.99 when three-phase electricity is delivered.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply.

Billing demand	3.3
-----------------------	------------

The billing demand at Rate G is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 3.4.

Minimum billing demand 3.4

The minimum billing demand for each consumption period is equal to 65% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

When the minimum billing demand reaches 100 kilowatts or more, the contract ceases to be eligible for Rate G and becomes subject to Rate M.

Rate M applies from the start of the consumption period during which the minimum billing demand reached 100 kilowatts or more.

When a customer terminates an annual contract and signs another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered to be a single contract for calculation of the minimum billing demand.

For a change to Rate G from Rate G-9 or M, the minimum billing demand shall be determined as specified in the first paragraph of the present article.

Short-term contract 3.5

A short-term contract for general use of small power, where the electricity delivered is metered and the contract has a term of at least one monthly period, is eligible for Rate G, except that the monthly fixed charge and minimum monthly bill are increased by \$12.33.

In the winter period, the monthly demand charge is increased by \$5.55.

When a consumption period to which the increased monthly demand charge applies overlaps the beginning or the end of the winter period, this increase is prorated to the number of days in the consumption period that fall within the winter period.

Installation of maximum-demand meter 3.6

In the case of a contract at Rate G, the Distributor installs a maximum-demand meter when the customer's electrical installation, the connected apparatus and their utilization are such that the maximum power demand is likely to exceed 50 kilowatts.

Winter activities 3.7

The conditions of this section apply only to contracts that were subject to them as at April 30, 1988.

A contract under which the electricity delivered is used for an annually recurring seasonal activity (excluding cottages, restaurants, hotels, motels and similar facilities), which covers at least the winter period and under which much the greater part of the electricity is consumed during that period, is subject to the following conditions:

- a) All electricity whose consumption is noted between December 1 of one year and March 31, inclusive, of the following year is billed according to the conditions for short-term contracts set out in Article 3.5;
- b) The dates taken into account for billing purposes must be between December 1 of one year and March 31, inclusive, of the following year, and the beginning of the first consumption period is set at December 1;
- c) The delivery point is permanently energized, but the electricity consumed between May 1 and September 30, inclusive, must be used exclusively for the maintenance of mechanical or electrical equipment supplied with electricity under the contract in question;
- d) If the Distributor notes that the customer is using the electricity delivered under this contract for purposes other than those set out in subparagraph c), the provisions in subparagraphs a) and b) shall no longer apply;
- e) The customer's before-tax bill is multiplied by the reference index determined as follows:
 - The reference index is set at 1.08 on March 31, 2006.

- It is increased by 2% on April 1 of each year, starting on April 1, 2006.

These increases are cumulative.

SECTION 2

NET METERING OPTION FOR A CUSTOMER-GENERATOR

Application 3.8

The net metering option defined in Chapter 2, Section 5, applies to Rate G contracts for which power is not metered.

SECTION 1

RATE M

Application 4.1

General Rate M applies to a medium-power contract.

Rate M does not apply to a contract whose maximum power demand is always below 50 kilowatts during the 12 consecutive monthly periods ending at the end of the consumption period in question.

Structure of Rate M 4.2

The structure of monthly Rate M for an annual contract is as follows:

\$13.44 per kilowatt of billing demand,

plus

4.41¢ per kilowatthour for the first 210,000 kilowatthours;

3.19¢ per kilowatthour for the remaining consumption.

The minimum monthly bill is \$12.33 when single-phase electricity is delivered, or \$36.99 when three-phase electricity is delivered.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply.

Billing demand 4.3

The billing demand at Rate M is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand, as defined in Article 4.4.

Minimum billing demand 4.4

The minimum billing demand for each consumption period is equal to 65% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

When a customer terminates an annual contract and signs another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered to be a single contract for calculation of the minimum billing demand.

For a change to Rate M from Rate G or G-9, the minimum billing demand shall be determined as specified in this article.

Minimum billing demand of 5,000 kilowatts or more 4.5

When the minimum billing demand reaches 5,000 kilowatts or more the contract ceases to be eligible for Rate M and becomes subject to Rate L.

Rate L applies at the beginning of the consumption period during which the minimum billing demand reaches 5,000 kilowatts or more.

The holder of a Rate M contract, may, at any time, ask that it become subject to Rate L by submitting a written request to the Distributor. The contract power and Rate L take effect either at the beginning of the consumption period during which the Distributor receives the written request, on any date during that consumption period or at the beginning of the previous consumption period, at the customer's discretion.

In the event the customer does not specify the date at which the change of rate is to take effect, Rate L shall take effect at the beginning of the consumption period during which the Distributor receives the written request.

The contract must be subject to Rate M for a minimum of 30 days before Rate L can take effect.

Revision of minimum billing demand to 5,000 kilowatts or more early in contract 4.6

For the first 12 monthly periods of the contract, the customer may once retroactively change the minimum billing demand to 5,000 kilowatts or more, provided that the following conditions are met:

- a) The customer's current contract is an annual one;
- b) It is the customer's first annual contract at that location;
- c) The installation supplied under this contract is:
 - a new installation, or
 - an installation which, under the current contract, is used for purposes other than those of the previous contract, or whose functioning has been significantly modified.

The revised minimum billing demand and Rate L come into effect either at the beginning of the contract or at the beginning of a consumption period, at the customer's discretion.

To obtain this revision, the customer must make the request in writing to the Distributor before the end of the 14th monthly period following the date of the beginning of the contract.

Short-term contract 4.7

A short-term contract for general use of medium power, where the electricity delivered is metered and the contract has a duration of at least one monthly period, is eligible for Rate M, except that the monthly demand charge is increased by \$5.55 in the winter period.

When a consumption period to which the increased demand charge applies overlaps the beginning or the end of the winter period, this increase is prorated according to the number of days in the consumption period that fall within the winter period.

Winter activities 4.8

The application of Rate M according to the conditions specific to winter activities is reserved for contracts that were subject

to them as at April 30, 1988. These conditions are described in Article 3.7, except for the rate applied. For eligible contracts, Rate M for short-term contracts described in Article 4.7 applies.

Installation of maximum-demand meter 4.9

The maximum power demand is metered for all contracts subject to Rate M.

SECTION 2

RATE G-9

Application 4.10

General Rate G-9 applies to medium-power contracts which are characterized by limited use of billing demand.

Rate G-9 does not apply to contracts whose maximum power demand is always less than 65 kilowatts during the 12 consecutive monthly periods ending at the end of the consumption period in question.

Rate G-9 does not apply to independent producers.

Structure of Rate G-9 4.11

The structure of monthly Rate G-9 for an annual contract is as follows:

- \$ 3.99 per kilowatt of billing demand,
- plus
- 9.06¢ per kilowatthour.

The minimum monthly bill is \$12.33 when single-phase electricity is delivered, or \$36.99 when three-phase electricity is delivered.

If the maximum power demand exceeds the real power during a consumption period, the excess is subject to a monthly charge of \$9.45 per kilowatt.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply.

Billing demand 4.12

The billing demand at Rate G-9 is equal to the maximum power demand during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 4.13.

Minimum billing demand 4.13

The minimum billing demand for a contract at Rate G-9 is equal to 75% of the maximum power demand during a consumption period that falls wholly in the winter period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

When a customer terminates an annual contract and signs another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered as one contract for purposes of establishing the minimum billing demand.

For a change to Rate G-9 from Rate G or M, the minimum billing demand shall be determined as specified in the present article.

Short-term contract 4.14

A short-term contract for general use of medium power, where the electricity delivered is metered and the contract has a term of at least one monthly period, is eligible for Rate G-9, except that the minimum monthly bill is increased by \$12.33.

In the winter period, the monthly demand charge is increased by \$5.55.

When a consumption period to which the increased demand charge applies overlaps the beginning or the end of the winter period, this increase is prorated to the number of days in the consumption period that fall within the winter period.

Winter activities 4.15

The application of Rate G-9 according to the conditions specific to winter activities is reserved for contracts that were subject to them as at April 30, 1988. These conditions are described in Article 3.7.

However, Rate G-9 for short-term contracts does not apply to a contract that is subject to the conditions in Article 3.7, except if this rate already applied to such contract on April 30, 1993. In this case, the electricity consumed is billed according to the conditions applying to short-term contracts described in Article 4.14.

Installation of maximum-demand meter 4.16

The maximum power demand is metered for all contracts subject to Rate G-9.

SECTION 3

RATE GD

Application 4.17

Rate GD applies to annual medium-power contracts held by independent producers. It is offered as a backup energy source for independent producers whose usual energy source is temporarily unavailable or is under maintenance.

Rate GD does not apply if backup generators are the only equipment used by the customer to produce electricity.

Rate GD may not be used for the resale of energy to a third party.

Beginning of application of Rate GD 4.18

Rate GD applies as of the date on which the appropriate metering equipment is installed. All the electricity supplied under Rate GD must be covered by a separate contract.

Structure of Rate GD 4.19

The structure of monthly Rate GD for an annual contract is as follows:

\$4.89 per kilowatt of billing demand,

plus

5.47¢ per kilowatthour for energy consumed in the summer period;

13.95¢ per kilowatthour for energy consumed in the winter period.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply.

Billing demand 4.20

The billing demand at Rate GD is equal to the highest demand in real power (in kilowatts) during the consumption period in question, but cannot be less than the minimum billing demand as defined in Article 4.21.

Minimum billing demand 4.21

The minimum billing demand for a contract at Rate GD is the higher of the following values:

- a) the highest real power demand (in kilowatts) during the 24 consecutive monthly periods ending at the end of the consumption period in question; or
- b) 50 kilowatts.

When a customer terminates an annual contract and signs another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered as one contract for purposes of establishing the minimum billing demand.

For a change from Rate G or M to Rate GD, the minimum billing demand cannot be less than that established

according to the conditions governing the original rate, for at least 12 consecutive monthly consumption periods starting from the one during which the minimum billing demand was established.

For a change from Rate GD to Rate G or M, the minimum billing demand for the first 12 consumption periods at the new rate cannot be less than the minimum billing demand for the applicable general rate, nor can it be less than 100% of the maximum power demand for the last 12 consumption periods at Rate GD.

SECTION 4

TRANSITIONAL RATE – SNOWMAKING

Application 4.22

This section applies to medium-power customers holding a contract billed according to the off-peak price of energy at Rate BT as at April 30, 1996. The Transitional Rate applies from the date the contract expires.

Available power 4.23

The Transitional Rate cannot apply to power higher than the available power stipulated in the contract.

Restrictions regarding use of power 4.24

Power subject to the Transitional Rate cannot be used for purposes other than those stipulated in the contract.

Customer's bill 4.25

Starting the first day following the expiry date of the contract, the customer's bill for each consumption period is determined as follows:

- a) First, the bill is determined according to the price and billing conditions in effect immediately before the expiry of the contract;

b) The adjustment described in Article 4.26 is then applied;

- c) If applicable, the credit for supply described in Article 10.3 is then applied.

Adjustment of the customer's bill 4.26

To determine the applicable adjustment, the Distributor multiplies the customer's bill by the reference index in effect.

The reference index is determined as follows:

- The reference index is set at 1.0 on April 30, 1996.
- It is increased by 8% on May 1 of each year, starting on May 1, 1996, and on April 1 of each year, starting on April 1, 2005.
- It is also raised by the average increase of Rate M, each time such increase comes into effect.

These increases are cumulative.

End of application 4.27

The Transitional Rate shall cease to apply when it is more advantageous for the customer to be subject to the appropriate general rate.

SECTION 5

TRANSITIONAL RATE – PHOTOSYNTHESIS

Application 4.28

The Transitional Rate in this section applies to customers holding Rate BT contracts as at August 16, 2004, whose consumption for photosynthesis only is billed according to Rate BT prices and conditions as at this date. To be eligible for this rate, the customer must have abandoned Rate BT no later than March 31, 2005.

Customer's bill 4.29

The customer's bill for each consumption period is determined as follows:

- a) First, the bill is determined according to the price and billing conditions specified in articles 4.30 through 4.35;
- b) The adjustment described in Article 4.36 is then applied;
- c) If applicable, the credit for supply described in Article 10.3 is then applied.

Structure of Transitional Rate - Photosynthesis 4.30

The structure of the Transitional Rate is as follows:

Monthly fixed charge:

\$34.77 plus

6.48¢ per kilowatt of contractual power.

Price of energy:

3.51¢ per kilowatthour for all energy consumed in accordance with the conditions stipulated in this section.

Scope of the expression "365 days" 4.31

For the purposes of the Transitional Rate, the expression "365 days" is understood to mean "366 days" in the case of a 12-month period that includes a February 29.

Contractual power 4.32

In order to establish the monthly fixed charge, in accordance with Article 4.30, the customer must sign a written contract committing to a contractual power which may not be less than 50 kilowatts. This contractual power must be equal to at least 85% of the available power, but under no circumstances may it be higher than the available power.

Increase in contractual power 4.33

Subject to Article 4.32, the contractual power may be increased after 365 days from the date on which it became effective, or from the last change in contractual power.

To this effect, the customer must submit a written request to the Distributor at least 30 days before the end of this 365-day period.

A customer who wishes to increase the contractual power within a given 365-day period may do so, provided the fixed charge for the revised contractual power is paid retroactive to the beginning of that 365-day period. The customer's bill is then adjusted retroactively based on the revised contractual power.

Decrease in contractual power 4.34

The contractual power may be decreased after 365 days from the date on which it became effective, or from the last change in contractual power. To this effect, the customer must submit a written request to the Distributor at least 30 days before the end of this 365-day period.

Maximum power demand greater than contractual power 4.35

If the maximum power demand during a consumption period exceeds the contractual power by more than 10%, the Distributor will apply to the excess a monthly penalty of \$13.50 per kilowatt.

This penalty does not in any way relieve the customer of liability for any damage to the Distributor's equipment resulting from power demand in excess of the available power.

Adjustment of the customer's bill 4.36

To determine the applicable adjustment, the Distributor multiplies the customer's bill by the reference index in effect.

The reference index is determined as follows:

- a) The reference index is set at 1.0 on April 1, 2005;

b) For each consumption period of the running-in period, the energy consumed is billed at the average price, determined according to the preceding subparagraph, plus 4%. However, the minimum bill per consumption period is at least the average billing demand of the last 12 consumption periods preceding the running-in period, multiplied by the demand charge in effect during the consumption period in question within the running-in period. The demand charge is adjusted for any applicable credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.

Contract whose billing history consists of fewer than 12 consumption periods at Rate M during which there was no running-in under this section or Section 7 **4.42**

When all or part of the customer's power demand is used for the running-in of equipment and the billing history consists of fewer than 12 consumption periods at Rate M during which there was no running-in, the electricity bill is determined as follows:

- a) The customer gives the Distributor a written estimate of the power demand and the energy that will be consumed, on average, under the contract after the running-in period. An average price, expressed in €/kWh, is determined on the basis of this estimate, once it has been approved by the Distributor. To determine this average price, the Rate M prices and conditions in effect during the consumption period in question, within the running-in period, are applied to the estimate, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.
- b) During the running-in period, the energy consumed is billed at this average price, plus 4%.

At the end of three monthly consumption periods following the end of the running-in period, the bills applying to the running-in period are adjusted if need be. An average price, expressed in €/kWh, is determined on the basis of the maximum power demand and the energy consumed on average during these last three consumption periods and on the Rate M prices and conditions in effect during the running-in period. If this price, increased by 4%, is different

from the billing price, the bills for the running-in period will be adjusted accordingly.

Termination of the running-in conditions **4.43**

To terminate application of the running-in conditions, the customer must so notify the Distributor in writing. The running-in conditions cease to apply, at the customer's discretion, either at the beginning of the consumption period in effect when the Distributor receives the customer's written notice, at the beginning of either of the two previous consumption periods or at the beginning of either of the two subsequent consumption periods.

Reapplication of running-in conditions **4.44**

Following a new equipment addition, a customer may once again benefit from the running-in conditions. Such customer must submit a new request to the Distributor in accordance with the provisions described in Article 4.40.

SECTION 7

RUNNING-IN WITHIN THE EXPERIMENTAL PROGRAM FOR NEW HEATING TECHNOLOGIES

Application **4.45**

A customer who has a Rate M contract and who wishes to run in one or more units of new heating equipment in order to operate them later on a regular basis using electricity delivered by the Distributor, may avail itself of the conditions of application of Rate M for running-in within the Distributor's experimental program for new heating technologies, for a minimum of:

- one consumption period, and a maximum of 24 consecutive consumption periods.

The customer must have agreed to participate, at the Distributor's request, in the experimental program for new heating technologies. The Rate M conditions for running-in will apply as of the beginning of the consumption period during which the running-in takes place.

Definitions **4.51**

In this section, the following definitions apply:

“average hourly power”: The value in kilowatts of the average of the real power demands of four 15-minute integration periods.

“base power”: The maximum power that the customer commits not to exceed during an interruption period.

“effective hourly interruptible power”: For each hour of interruption, the difference between:

- a) the average of the 5 highest average hourly power values during the corresponding useable hour of the consumption period in question and
- b) the average hourly power.

Effective hourly interruptible power cannot be negative.

“interruption period”: A block of four hours of interruption that may occur on weekdays in the winter period, excluding statutory holidays, as specified in the definition of useable hours.

“overrun”: For each 15-minute integration period during an interruption period, the difference between the real power demand and 105% of the applicable base power.

“useable hours”: All hours from 07:00 to 11:00 and from 17:00 to 21:00, excluding:

- a) Saturdays and Sundays;
- b) December 24, 25, 26 and 31, January 1 and 2, as well as Good Friday and Easter Monday, when the latter fall within the winter period;
- c) days when the customer curtails its power in accordance with this section.

Sign-up date **4.52**

The customer must apply in writing to the Distributor before October 1, indicating the base power the customer wishes to commit to. The Distributor then has 30 days to send its

written decision as to whether or not it accepts the power proposed by the customer. The agreement comes into effect December 1.

Subsection 8.2 – Credits and Conditions of Application

Commitment **4.53**

The customer commits to a base power, which must not exceed 85% of the average billing demand for the preceding winter period. The difference between the maximum power demand and the base power must be at least 100 kilowatts. The contractual commitment remains in effect for the winter period.

The customer may raise or lower the base power once during the winter period. The new base power applies within 30 days. No retroactive modification is permitted.

The customer shall notify the Distributor when the unavailability of a fuel-fired boiler has an impact on base power. The Distributor will then temporarily adjust the base power. The Distributor may terminate the customer's commitment if this situation occurs more than twice during the commitment period or if the boiler unavailability exceeds seven business days. Under such circumstances, the amount of the fixed credit granted under Article 4.55 will be prorated to the number of days of availability of the fuel-fired boiler since the effective date of the commitment.

Conditions applicable to interruptions **4.54**

Interruptions made in accordance with this section must meet the following conditions:

Advance notice: 15:00 the preceding day

Maximum number of interruptions per day: 2

Maximum number of interruptions per winter period: 25

The interruption notices shall be sent to the customer by e-mail or by any other means agreed upon with the Distributor. Once a notice is sent, the Distributor may not cancel it.

Amount of credits 4.55

The following monthly credits apply:

Fixed credit:

\$ 1.50 per kilowatt, for the difference between the average hourly power during useable hours and the base power;

Variable credit:

7.00¢ per kilowatthour of effective hourly interruptible power for each hour of interruption.

Credits applicable to the contract 4.56

The sum of the variable credit, calculated for each hour of interruption, and of the fixed credit is applied to the bill for the consumption period in question.

No credit is granted for an hour to which a penalty applies in accordance with Article 4.57.

Penalties 4.57

For each overrun during an interruption period, the Distributor applies a penalty of \$0.30 per kilowatt. The total penalties applied to a given interruption period cannot exceed the amount of the fixed credit paid for the consumption period in question.

The total penalties applied during a commitment period cannot exceed the total fixed credits paid to the customer.

The Distributor reserves the right to terminate the commitment should the customer incur penalties four times during the winter period.

SECTION 9

BACKUP GENERATOR OPTION

Subsection 9.1 – General

Application 4.58

The Backup Generator Option applies to a holder of a Rate M contract who wishes to make its equipment available for the Distributor's system management purposes.

The participant must have one or more operational backup generators with a total rated capacity of at least 200 kilowatts that can be put into operation at any time at the Distributor's request during the winter period.

The participant must not offer interruptible power at the same delivery point under Article 4.50 or benefit from the conditions for running in new equipment under articles 4.40 or 4.45.

Definitions 4.59

In this section, the following definitions apply:

“average hourly power”: The value in kilowatts of the average of the real power demands of four 15-minute integration periods.

“effective interruptible power”: For each 15-minute integration period, the difference between:

- a) the average of the 5 highest average hourly power values during the corresponding useable hour on weekdays, if the interruption takes place during the week, or on weekends, if the interruption takes place on the weekend; and
- b) the real power demand.

Effective interruptible power cannot be negative.

“interruptible power”: An amount of real power the customer agrees not to use during certain periods, at the request of the Distributor, by resort to the use of its backup generator or generators.

“interruption period”: The block of interruption hours indicated in the notice given to the customer in accordance with Article 4.63.

“shortfall of interruptible power”: A shortfall of interruptible power is recorded when the effective interruptible power does not reach 75% of the interruptible power. For each 15-minute integration period, this is the difference between:

- a) 75% of the interruptible power and
- b) the effective interruptible power.

“useable hours”: All hours in the consumption period concerned, excluding:

- a) December 24, 25, 26 and 31, January 1 and 2, as well as Good Friday, Easter Saturday, Easter Sunday and Easter Monday when the latter fall within the winter period;
- b) days when the customer uses its generator at the Distributor’s request in accordance with this section.

Sign-up date **4.60**

A customer must submit its application in writing to the Distributor before October 1. The customer must indicate the interruptible power it wishes to contract for. The Distributor then has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer.

Subsection 9.2 – Credits and Conditions of Application

Commitment **4.61**

The customer’s commitment applies to interruptible power.

The interruptible power per contract must be at least 20% of the minimum billing demand for the last 12 consumption periods terminating at the end of the consumption period that precedes the sign-up date, but in no event may it exceed 85% of the average billing demand for the preceding winter period. The contractual commitment remains in effect for the entire winter period.

The customer shall notify the Distributor when the unavailability of a backup generator has an impact on its interruptible power. The Distributor will adjust the level of interruptible power once during the winter period, for a maximum period of 7 days. In the event of equipment failure during an interruption period, the customer shall immediately inform the Distributor so that a penalty is not imposed for subsequent interruption periods.

Conditions applicable to interruptions **4.62**

Interruptions under this section must meet the following conditions:

Advance notice (hours):	2
Maximum number of interruptions per day:	2
Minimum interval between two interruptions in the same day (hours):	4
Maximum number of interruptions per winter period:	20
Duration of an interruption (hours):	4 to 5
Maximum duration of interruptions per winter period (hours):	100

Notice of interruption **4.63**

The Distributor advises, by telephone, the persons responsible designated by the customers selected, indicating the starting time and the end of the interruption period. If none of a selected customer’s designated representatives can be reached, the customer is deemed to have refused the interruption for this interruption period.

Amount of credits **4.64**

The credits applicable for the winter period are as follows:

Fixed credit:

\$ 8.50 per kilowatt of interruptible power.

Optimization charge 5.5

If in a day during the winter period the maximum power demand exceeds 110% of the contract power, the overrun is subject to a daily optimization charge of \$7.11 per kilowatt. For each day during which such an overrun occurs, the charge will be applied to the number of kilowatts resulting from the highest overrun during the day.

For each consumption period, however, the amount calculated by applying the daily optimization charges is limited to the amount that would result from applying a monthly optimization charge to the portion of the billing demand exceeding 110% of the contract power. This optimization charge is \$21.33 per kilowatt.

For purposes of this section, a day is defined as a 24-hour period beginning at 00:00.

Increase in contract power 5.6

The contract power for a contract at Rate L may be increased at any time at the written request of the customer, but not more than once per consumption period. The revision of the contract power takes effect, at the customer's discretion, either at the beginning of the consumption period during which the Distributor receives the written request for revision, or at the beginning of one of the three previous consumption periods. If the customer wishes to increase the contract power at any date in a consumption period, the customer must so advise the Distributor in writing and the Distributor must receive the notice during the said consumption period or in the 20 days following it.

Decrease in contract power 5.7

The contract power for a contract at Rate L may be decreased after 12 consumption periods starting from the last increase or decrease, unless the customer is bound by contract to maintain that power for a longer period. The customer must send a written request to the Distributor to that effect.

Provided that the decrease in contract power takes effect only after the 12 consumption periods stipulated in the preceding paragraph, it takes effect on one of the following

dates, at the customer's discretion and in accordance with the customer's written request:

- a) any date during the consumption period during which the Distributor receives the written request for revision; or
- b) any date during the previous consumption period; or
- c) any date during any subsequent consumption period.

If, because of a decrease in contract power in accordance with the first paragraph of this section, the contract ceases to be eligible for Rate L, Rate M takes effect on any date in the consumption period during which the Distributor receives the request, or on any date in the previous consumption period or any subsequent consumption period, at the customer's discretion and in accordance with the customer's written request.

Division of consumption period 5.8

When a consumption period overlaps the beginning or the end of the winter period, the billing demand is set separately for the summer period portion and the winter period portion, but it shall under no circumstances be less than the contract power.

When a revision of the contract power carried out in accordance with article 5.6 or 5.7 does not take effect on a date coinciding with the beginning of a consumption period, the billing demand may be different for each part of the consumption period, provided that the revision entails a change in the contract power equal to or greater than the higher of the following two values:

- a) 10% of the contract power,
- or
- b) 1,000 kilowatts.

However, for each part of the consumption period, the billing demand must not be less than the corresponding contract power.

Revision of contract power early in contract 5.9

Notwithstanding articles 5.6 and 5.7, the customer may retroactively increase or decrease the contract power once within the first 12 monthly periods of the contract, provided that the following conditions are met:

- a) The customer's current contract is an annual one;
- b) It is the customer's first annual contract at that location;
- c) The installation supplied under this contract is:
 - a new installation; or
 - an installation which, under the current contract, is used for purposes other than those of the previous contract, or whose functioning has been significantly modified.

The revised contract power comes into effect either at the beginning of the contract or at the beginning of any consumption period, at the customer's discretion. The revised contract power must not be less than that which the customer agreed by contract to maintain, in consideration of the costs incurred by the Distributor to provide service to that customer.

If, because of a decrease in contract power, the contract ceases to be eligible for Rate L, Rate M comes into effect either at the beginning of the contract or at the beginning of any consumption period, at the customer's discretion.

To obtain this revision, the customer must make the request in writing to the Distributor before the end of the 14th monthly period following the date of the beginning of the contract.

Power demand excluded for billing 5.10

When part of the contract power is interruptible in accordance with Article 6.23, the power demand during recovery periods is not taken into account in determining the billing demand.

When the customer disconnects power factor correction equipment at the Distributor's request, the apparent power demand during those periods is also not taken into account in determining the billing demand.

Credits for reduction in or interruption of supply 5.11

The customer may obtain a credit on the amount payable for power when for a continuous period of at least one hour:

- a) electricity was not supplied to the customer because the Distributor interrupted the supply of electricity;
- b) the customer was prevented from using electricity, wholly or in part, at the request of the Distributor;
- c) the customer was prevented from using electricity, wholly or in part, as a result of war, rebellion, riot, serious epidemic, fire or any other event of force majeure, excluding strikes or lockouts on the customer's premises.

The customer may also obtain a credit on the amount payable for power if the Distributor has interrupted the supply of electricity twice or more in the same day for a combined total of at least one hour.

To obtain the credit, the customer must request it in writing from the Distributor within 60 days following the end of the incident.

In the case of an interruption of supply, the credit equals the difference between the amount that would have been payable for the complete consumption period and the amount payable for that period with the number of hours of interruption subtracted. In the case of a reduction in supply, it equals the difference between the amount that would have been payable for the complete consumption period and the amount payable for that period, adjusted according to the number of hours the supply was reduced and the quantity of power actually delivered to the customer during that number of hours.

This credit does not apply when the interruption is of a nature stipulated in Section 6 of this chapter and in Section 2 of Chapter 6 of this Distributor's Rates and Conditions, or is a suspension of service due to breach of contract.

For purposes of this section, a day is defined as a 24-hour period beginning at 00:00.

Conditions applying to municipal systems 5.12

Rate L and associated conditions of application, as set out in this Distributor's Rates and Conditions, apply to contracts held by municipal systems.

A municipal system that has one or more customers billed at Rate L is entitled to a refund of 15% of the amounts billed to each of its customers whose maximum power demand during a given consumption period is equal to or greater than 5,000 kilowatts. If the maximum power demand is between 4,300 and 5,000 kilowatts, the percentage of the refund is determined as follows:

$$\frac{(\text{Maximum power demand} - 4,300 \text{ kW}) \times 15\%}{700 \text{ kW}}$$

For a municipal system to be entitled to the 15% refund, the customer cannot be a former Distributor customer, unless it became a customer of the municipal system with the Distributor's consent.

If the maximum power demand is less than 4,300 kilowatts, the municipal system is not entitled to a refund.

To obtain a refund, the municipal system must provide the Distributor, for each consumption period, with supporting documents proving that it is entitled to a refund.

SECTION 2**RATE H**

Application 5.13

Rate H applies to annual large-power contracts characterized by utilization of power mainly outside winter weekdays.

Rate H does not apply to independent producers.

Definition 5.14

In this section, the following definition applies:

"winter weekday": The period between 06:00 and 22:00 during all business days in the winter period. The Distributor

may, on verbal notice to the customer, consider winter Saturdays and Sundays from 06:00 to 22:00 as "winter weekdays."

Business days in the winter period exclude December 24, 25, 26 and 31, January 1 and 2, as well as Good Friday, Easter Saturday, Easter Sunday and Easter Monday, when the latter fall in the winter period.

Structure of Rate H 5.15

The structure of monthly Rate H is as follows:

- \$ 4.89 per kilowatt of billing demand,
- plus
- 4.69¢ per kilowatthour for the energy consumed outside winter weekdays;
- 18.08¢ per kilowatthour for the energy consumed on winter weekdays.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply.

Billing demand 5.16

The billing demand at Rate H is equal to the higher of the two following amounts:

- a) the highest maximum power demand during the 24 monthly periods ending at the end of the consumption period in question;
- or
- b) the contract power, which cannot be less than 5,000 kilowatts.

For a change from Rate H to Rate L or M, the minimum billing demand for the first 12 consumption periods at the new rate may not be less than:

- a) 90% of the maximum power demand during the last 12 consumption periods, including the most recent period, for a change to Rate L; or

- b) 65% of the maximum power demand during the last 12 consumption periods, including the most recent period, for a change to Rate M.

SECTION 3

RATE LD

Application 5.17

Rate LD is offered for the delivery of backup power to customers whose usual source of energy has temporarily failed and whose normal independent production plus minimum billing demand under the applicable general rate totals 5,000 kilowatts or more.

The Rate LD non-firm option is offered only to independent producers of electricity from forest biomass and to customers under contract to purchase electricity from an independent producer whose facilities are located on an adjacent site and whose production is generated from forest biomass.

Rate LD may be combined with a general rate for the part of the load supplied by the Distributor at all times.

Rate LD does not apply if backup generators are the only equipment used by the customer to produce electricity.

Rate LD may not be used for the resale of energy to a third party.

Definitions 5.18

In this section, the following definitions apply:

“normal independent production”: The production that reflects the normal utilization of independent production during the consumption period in question. It must be the subject of a written agreement with the customer.

“normal power”: The maximum power demand met by the Distributor outside planned interruptions or unplanned interruptions in the consumption period in question. This value cannot be less than the billing demand under the general rate, where applicable.

“planned interruption”: A period, planned by the customer and approved by the Distributor, during which all or part of the equipment used to produce electricity is temporarily out of service.

“power demand met by the Distributor”: The power demand recorded by the equipment that meters the load supplied by the Distributor.

“power generated by independent production”: The power demand recorded by the equipment that meters the load supplied by independent production.

“unplanned interruption”: A period not planned by the customer, during which all or part of the equipment used to produce electricity is temporarily out of service.

“winter weekday”: The period between 06:00 and 22:00 during all business days in the winter period. The Distributor may, on verbal notice to the customer, consider winter Saturdays and Sundays from 06:00 to 22:00 as “winter weekdays.”

Business days in the winter period exclude December 24, 25, 26 and 31, and January 1 and 2, as well as Good Friday, Easter Saturday, Easter Sunday and Easter Monday, when the latter fall in the winter period.

Available power 5.19

The available power under a contract at Rate LD must be the subject of a written agreement between the customer and the Distributor.

Structure of Rate LD 5.20

a) Firm option

The structure of the monthly firm Rate LD is as follows:

\$ 4.89 per kilowatt of billing demand,
plus

4.69¢ per kilowatthour for energy consumed
outside winter weekdays;

18.08¢ per kilowatthour for energy consumed on winter weekdays.

b) Non-firm option

The structure of the non-firm Rate LD is as follows:

\$ 0.50 per kilowatt of billing demand per day for planned interruptions;

\$ 1.00 per kilowatt of billing demand per day for unplanned interruptions;

plus

4.69¢ per kilowatthour.

Under the non-firm option, the amount billed as demand may not be higher than the product of the monthly rate of \$4.89 and the highest daily billing demand for the consumption period in question.

If applicable, any credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4, apply to the firm and non-firm options. In the case of the non-firm option, the applicable monthly supply credits and adjustment are multiplied by the ratio of the daily rate to the monthly rate for conversion to daily amounts.

Billing demands 5.21

a) Determination of billing demands under the applicable general rate

If applicable, the billing demand under the applicable general rate is equal to the maximum power demand, but cannot be less than the minimum billing demand.

The power demand under the applicable general rate is determined according to the following formula:

$$PA_{reg} = PA_{dis} - PR$$

where

PA_{reg} = power demand under the applicable general rate;

PA_{dis} = power demand met by the Distributor;

PR = backup power, that is, the lesser of:

i) PAN – PG

ii) PA_{dis} – PN

where

PAN = normal independent production;

PG = power generated by independent production;

PN = normal power.

The backup power cannot be less than 0.

b) Determination of billing demand under firm and non-firm Rate LD

If applicable, the billing demand under firm Rate LD is defined as the maximum power demand, but cannot be less than the highest power demand under Rate LD during the last 24 monthly periods ending at the end of the consumption period in question.

If applicable, the daily billing demand under non-firm Rate LD is the maximum power demand under Rate LD for each day on which there has been an interruption.

The power demand at firm and non-firm Rate LD is determined according to the following formula:

$$PA_{LD} = PA_{dis} - PA_{reg}$$

where

PA_{LD} = power demand at Rate LD.

Metering 5.22

In the event that the load supplied by independent production cannot be separated from that supplied by the Distributor, the customer must assume the cost of the metering equipment installed by the Distributor to record independent production.

Conditions regarding the delivery of electricity – Non-firm option 5.23

In order to be able to use electricity for planned interruptions, the customer whose contract is subject to non-firm Rate LD makes the request to the Distributor in writing at least two business days in advance during the summer period and at least seven days in advance during the winter period, specifying the period when the electricity is needed and the quantity required. The Distributor accepts or denies the request, depending on system availability in the period indicated by the customer. The Distributor confirms acceptance in writing to the customer. If the customer wants to change the date, it notifies the Distributor with reasonable notice. The Distributor advises the customer as soon as possible as to whether the request is accepted or denied.

As far as possible, the Distributor agrees to advise the customer in advance of the hours during which consumption will not be allowed. However, depending on load management needs and system availability, the Distributor may, at its discretion, interrupt the delivery of backup power on 15-minutes' notice during a planned or unplanned interruption in the winter period, and during an unplanned interruption in the summer period.

If the customer consumes during any period when delivery has been refused by the Distributor, all the electricity consumed as backup power during those hours will be billed at the price of 50¢ per kilowatthour.

If, during a period when backup power is being delivered, the customer wishes to extend the period specified in the request, the customer submits a new request to the Distributor, indicating the additional duration of the delivery. The Distributor accepts or denies the request, depending on system availability during the period indicated by the customer.

Restrictions – Non-firm option 5.24

The provisions of the non-firm option shall not be interpreted as an obligation on the part of the Distributor to assume additional charges for connection, installation or reinforcement of the transmission or distribution system to serve such customers. The customer must assume all the costs associated with the delivery of electricity under the non-firm option.

The Distributor will neither build new facilities nor allocate existing facilities for non-firm backup loads in order to guarantee the availability of the energy under the non-firm option.

Changing from the firm to the non-firm option 5.25

A customer subject to firm Rate LD may submit a written request to the Distributor asking that the contract be subject to non-firm Rate LD, as long as the customer is eligible in accordance with the second paragraph of Article 5.17. The conditions of the non-firm option will apply as of the receipt of the written request from the customer.

Notwithstanding the above, for the 24 monthly consumption periods following the application of non-firm Rate LD, the billing demand for each monthly consumption period will be the highest power demand under firm Rate LD during the 24 previous monthly consumption periods.

Changing from the non-firm to the firm option 5.26

A customer subject to non-firm Rate LD may submit a written request to the Distributor asking that the contract be subject to firm Rate LD. The conditions of the firm option will apply as of the receipt of the written request from the customer.

Changing from the non-firm or firm option to Rate L 5.27

A customer subject to firm Rate LD may submit a written request to the Distributor asking that the contract be subject to Rate L. The customer's contract power may not be lower than the sum of:

- a) the maximum power generated by independent production over the last 12 consumption periods, and

- b) 90% of the customer's billing demand under the applicable general rate before the change of rate.

A customer with a contract at non-firm Rate LD may not terminate such contract during the first year. After that period, the Distributor reserves the right to require a maximum of three years' notice before the load associated with the backup power can be transferred to the applicable general rate, which would then apply to the contract for a minimum of 12 consecutive consumption periods.

Contract at Rate LD subject to rates L and H at April 30, 1993 **5.28**

For the application of Rate LD, the power taken into account is the part of the maximum power demand in excess of the billing demand under Rate L, as indicated by the customer, and the energy taken into account is the part of the energy consumed, during any such excess demand, that exceeds the energy resulting from the maximum utilization of this billing demand during the period of excess demand. The periods used to calculate the excess demand are the 15-minute integration periods recorded by the Distributor's metering equipment.

For consumption periods during which the contract power under Rate L is exceeded, the customer must advise the Distributor of the billing demand to be billed at Rate L. This billing demand cannot be less than the contract power under Rate L. The notice must reach the Distributor before the beginning of the third consumption period following the consumption period in question. If no notice is given, the billing demand at Rate L will be the contract power. If the customer increases its contract power under Rate L, the minimum billing demand billed at Rate LD may be reduced by an equivalent amount.

The provisions of this section apply only to a contract that was subject to rates L and H on April 30, 1993.

SECTION 4

RUNNING-IN OF NEW EQUIPMENT

Application **5.29**

A customer who has a Rate L contract, and who wishes to run in one or more units of new equipment in order to operate them later on a regular basis using electricity delivered by the Distributor, may avail itself of the conditions of application of Rate L for running-in use for a minimum of:

- a) one consumption period, and a maximum of 12 consecutive consumption periods, for customers to whom Article 5.30 applies;
- b) one consumption period, and a maximum of 24 consecutive consumption periods, for customers to whom Article 5.31 applies.

To avail itself of these conditions, the customer must provide the Distributor with a written notice, at least 30 days before the running-in period, indicating the approximate beginning of the running-in period, and must submit to the Distributor the nature of the equipment to be run in and a written estimate of the power demand and the energy that will be consumed, on average, under the contract after the running-in period. The power of the running-in equipment must be at least 10% of the maximum contract power over the last 12 consumption periods and also at least 500 kilowatts.

Subject to a written agreement on the estimate of the power demand and energy consumption after the running-in period, the Rate L conditions for running-in will apply as of the beginning of the consumption period during which the running-in takes place. At least 5 business days before the beginning of the running-in, the customer must advise the Distributor, for written approval, of the exact date of the beginning of the running-in period.

Contract whose billing history includes at Rate L 12 or more consumption periods during which there was no running-in **5.30**

When part of the customer's power demand is used for the running-in of equipment and the billing history includes

at Rate L 12 or more consumption periods during which there was no running-in, the electricity bill is determined as follows:

- a) An average price, expressed in €/kWh, is determined on the basis of the average billing demand and energy consumed during the last 12 consumption periods during which there was no running-in. Upon written request from the customer, days during which a strike is held at the customer's premises are not taken into account when this average is determined. To determine this average price, the Rate L prices and conditions in effect during the consumption period in question, within the running-in period, are applied to this average, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.
- b) For each consumption period of the running-in period, the energy consumed is billed at the average price, determined according to the preceding subparagraph, plus a percentage calculated by using the following formula:

$$4\% \times P_r / (PMA_n + P_r)$$

where

PMA_n = is the average maximum power demand in effect during the last 12 consumption periods preceding the running-in period

P_r = is the power of the running-in equipment

The increase cannot be less than 1%.

However, the minimum bill per consumption period is determined on the basis of the average billing demand and energy consumed in the last 12 consumption periods preceding the running-in period. To determine this minimum bill, the Rate L prices and conditions in effect during the consumption period in question, within the running-in period, are applied to this average, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4

Contract whose billing history consists of fewer than 12 consumption periods at Rate L during which there was no running-in

5.31

When all or part of the customer's power demand is used for the running-in of equipment and the billing history consists of fewer than 12 consumption periods at Rate L during which there was no running-in, the electricity bill is determined as follows:

- a) An average price, expressed in €/kWh, is determined on the basis of the estimate of the power demand and energy consumption after the running-in period. To determine this average price, the Rate L prices and conditions in effect during the consumption period in question, within the running-in period, are applied to the estimate, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.
- b) During the running-in period, the energy consumed is billed at this average price, plus 4%.

After 12 consecutive consumption periods of the running-in, the minimum bill per consumption period is determined on the basis of the average billing demand, but at least 5 000 kilowatts, and energy consumed during the last 3 consumption periods of the first year of running-in. To determine this minimum bill, the Rate L prices and conditions in effect during the consumption period in question, within the running-in period, are applied to this average, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.

At the end of three consumption periods following the end of the running-in period, the bills applying to the running-in period are adjusted if need be. An average price, expressed in €/kWh, is determined on the basis of the maximum power demand and the energy consumed on average during these last three consumption periods and on the Rate L prices and conditions in effect during the running-in period. If this price, increased by 4%, is different from the billing price, the bills for the running-in period will be adjusted accordingly.

Termination of the running-in conditions 5.32

To terminate application of the running-in conditions, the customer must so notify the Distributor in writing. The running-in conditions cease to apply, at the customer's discretion, either at the beginning of the consumption period in effect when the Distributor receives the customer's written notice, at the beginning of either of the two previous consumption periods or at the beginning of either of the two subsequent consumption periods.

The Distributor reserves the right to terminate a customer's running-in conditions, on a 30 day notice, if the customer is unable to demonstrate that equipment is being run in.

Reapplication of the running-in conditions 5.33

Following a new equipment addition, a customer may once again benefit from the running-in conditions. Such customer must submit a new request to the Distributor in accordance with the provisions described in Article 5.29.

Restrictions 5.34

On the basis of load management requirements and system availability, the Distributor reserves the right to limit power demand to the level stipulated in the written agreement specified in Article 5.29. All consumption beyond this power level will be billed at \$0.50 per kilowatthour.

This article shall not be interpreted as granting the customer permission to exceed the customer's available power.

SECTION 5

EQUIPMENT TESTS

Application 5.35

A customer who has a Rate L contract and who wishes to conduct equipment tests may avail itself of the conditions of application relative to this section for a minimum of one hour and a maximum of one consumption period.

To avail itself of these conditions, the customer must provide the Distributor with a written notice before the test period, indicating its beginning and duration, subject to the Distributor's written approval.

Customer's bill 5.36

The customer's bill, for each consumption period, is established as follows:

- a) An initial amount is calculated as follows:
 - the billing demand noted outside of the test period(s) and the energy consumed during the consumption period are billed in accordance with Rate L in effect, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.
- b) A second amount is calculated as follows:
 - the billing demand for the consumption period minus the billing demand noted outside of the test period(s);
 - multiplied by
 - 10.00¢ per kilowatt of demand in the summer period,
 - 30.00¢ per kilowatt of demand in the winter period;
 - multiplied by the number of hours of the test period(s);
- c) The customer's bill is the sum of the results obtained in subparagraphs a) and b).

SECTION 6

RATE LP

Application 5.37

Rate LP applies to an annual contract for large power under which electricity is delivered as an auxiliary source of energy for a fuel-fired boiler.

Under a contract at Rate LP, the available power required by the customer must be at least 5,000 kilowatts, and the electricity must be metered separately from that which is delivered under any contract subject to any other rate. Rate LP applies only to contracts that were subject to Rate LP on April 1, 2006.

Available power 5.38

The available power for a contract at Rate LP must be the subject of a written agreement between the customer and the Distributor. It may be revised once a year, on the contract renewal date, subject to the availability of the Distributor's system.

The Distributor may, depending on its system-management needs and the availability of the system, refuse to deliver electricity at this rate.

Structure of Rate LP 5.39

The structure of Rate LP is as follows:

Annual fixed charge: \$1,000.

Subject to Article 5.46, all energy consumed is billed at the price for additional electricity determined according to Article 6.32 for the month in question.

Payment of the annual fixed charge 5.40

The annual fixed charge is included in the bill issued for the first consumption period ending after April 1. It will not be reimbursed if the customer terminates the Rate LP contract.

Contract renewal 5.41

The Rate LP contract is automatically renewed on April 1 of each year, unless the customer advises the Distributor in writing, prior to March 1, of the customer's intention to terminate the contract.

Termination of contract during the year 5.42

The customer may terminate the Rate LP contract at any time. The Distributor must receive written notice of such decision, indicating the date at which it takes effect. Such customer then ceases to be eligible for Rate LP.

The Distributor may terminate Rate LP at any time, upon three months' written notice.

Change from Rate LP to another rate 5.43

Should a customer wish to have the power under a Rate LP contract transferred to a contract it holds at Rate L, or at any other applicable rate, the Distributor shall be notified in writing at least six months prior to the planned date of the change. Such change shall take effect at the end of this six-month period, or earlier, provided that the appropriate metering equipment has been installed.

Conditions regarding the delivery of electricity 5.44

To use electricity, a customer under contract at Rate LP applies for it to the Distributor at least 72 hours before the desired delivery period begins, specifying the period during which the electricity is needed. The Distributor may accept or deny the request based on management needs and system availability during the period indicated by the customer. If the Distributor accepts, it shall confirm its acceptance in writing, indicating the agreed-upon delivery period and terms.

If, during a period when electricity is being delivered under a contract at Rate LP, the customer wishes to extend the period specified in the request, the customer must forward a further request to the Distributor specifying the additional delivery period at least 72 hours before it begins. The Distributor shall process the request according to the procedure described in the first paragraph of this article.

Commitment 5.45

If the Distributor accepts a customer request under Article 5.44 during the summer period, it shall guarantee delivery of the electricity during the agreed-upon period and under the agreed-upon conditions.

If the Distributor accepts a customer request under Article 5.44 during the winter period, it shall guarantee delivery of the electricity for a 48-hour period or for the requested period, whichever is shorter. Should the customer wish to extend the use of electricity under the customer's Rate LP contract, such customer must again contact the Distributor to request new authorization.

Unauthorized consumption of electricity 5.46

Should the customer consume electricity during periods for which delivery was denied or without having made a prior request, all electricity consumed during such periods shall be billed at \$0.50 per kilowatthour.

This section shall not be interpreted as permission to consume electricity without authorization.

Credits for supply 5.47

No credits for supply are applicable to the rate in this section.

Restriction 5.48

The provisions of this section shall not be interpreted as an obligation on the part of the Distributor to assume connection or installation charges to allow a customer to contract for Rate LP.

SECTION 1

LOAD RETENTION RATE

Subsection 1.1 – Distributor's Large-Power Industrial Customers

Application 6.1

The Load Retention Rate applies to a contract held by an industrial customer who, in accordance with the Distributor's Rates and Conditions in effect, is subject to Rate L as of the date when said customer signs up for the Load Retention Rate, or who was subject to Rate L in the course of the three years preceding the effective date of this Distributor's Rates and Conditions.

Definitions 6.2

In this section, the following definitions apply:

“collaborator”: Any person or corporate entity, including financial institutions, which is not a supplier and which supplies items defined as being among the variable costs of an industrial customer having a Rate L contract.

“reference period”: A period of 12 months for which data are available and which precedes the month when the Distributor receives the customer's written application.

“supplier”: Any person or corporate entity supplying goods or services defined as being among the variable costs of an industrial customer having a Rate L contract, excluding a corporation or partnership which controls the customer, is controlled by the customer, or is controlled along with the customer by another entity.

“variable costs”: Production costs which vary proportionally with quantities produced. These costs include but are not limited to the cost of raw materials, labor and energy. They exclude all other costs which do not vary proportionally

with quantities produced, such as investment in fixed assets, depreciation and amortization, financing costs and administrative overhead.

In applying the Load Retention Rate, electricity costs are not included in variable costs.

Sign-up procedure 6.3

A customer wishing to sign up for the Load Retention Rate must make a request to the Distributor in writing. The customer's request must contain the following information:

- a) Financial statements covering the three years preceding the customer's request, prepared and audited according to generally accepted accounting principles and auditing standards. These financial statements must include the statement of operations, balance sheet and statement of cash flows, with all the related notes;
- b) Interim financial reports for the period falling between the end of the last audited fiscal year and the customer's written request;
- c) Detailed variable costs for the product or products produced by means of the load for which the application is being made, the change in these costs over the reference period and a projection of these costs for the next 12 months;
- d) The price at which the product or products in question were sold over the reference period and a projection of said price for the next 12 months.

Eligibility 6.4

A customer, to be eligible for the Load Retention Rate, must meet the conditions stipulated in Article 6.3 as well as the following:

- a) The customer must demonstrate that it is experiencing financial difficulties entailing cessation of all or part of its operations;
- b) The customer must demonstrate, by invoices or other documents, that it has obtained nonrefundable

reductions from its other suppliers or collaborators during the commitment period;

- c) The customer must demonstrate that steps will be taken to improve the firm's profitability.

The Distributor reserves the right to audit all information provided by the customer.

Subject to the Distributor's written approval, the contract becomes subject to this Rate either at the beginning of the consumption period during which the Distributor receives the request or at the beginning of one of the three subsequent consumption periods, at the customer's discretion and according to the customer's written request.

Property of information 6.5

Subject to all applicable legislation, the Distributor undertakes to keep confidential all information provided by the customer related to the present Rate and identified as confidential by said customer.

Duration of commitment 6.6

The Load Retention Rate applies to a contract for a maximum of 24 consumption periods, according to the following conditions:

a) First sign-up

- The Load Retention Rate applies to a contract for 12 consumption periods.

b) Second and last sign-up

- The Load Retention Rate may be applied again to the same contract for another 12 consumption periods, consecutive or not to the first 12, but beginning no later than 12 months after the end of the first sign-up.

The customer must submit a new written request to the Distributor as provided for in Article 6.3 and show that it is still eligible for the Load Retention Rate, in accordance with Article 6.4. The conditions under which the Rate is applied will then be established again in accordance with articles 6.8 and 6.9.

Determination of the billing coefficient for first sign-up 6.7

The billing coefficient is determined as follows for the first sign-up:

- a) The relative weight of each category of variable costs, based on the information obtained under subparagraph c) of Article 6.3, is determined for the reference period and expressed as a ratio;
- b) Each ratio calculated according to subparagraph a) is multiplied by the percentage of reduction granted by each supplier or collaborator, in accordance with Article 6.4, weighted in accordance with subparagraphs c) and d) below;
- c) Each ratio obtained in subparagraph b) is multiplied by the number of days, not exceeding 360 days, during which each reduction applies and the result is divided by 360 days;
- d) Each ratio obtained in subparagraph c) is multiplied by the number of units to which each reduction applies relative to the total number of units projected for the duration of the commitment;
- e) The ratios obtained for each cost category are added up;
- f) The result obtained in subparagraph e) is subtracted from the number 1, and the result is the billing coefficient.

Determination of the billing coefficient for a second and last sign-up 6.8

The billing coefficient is determined as follows for the second and last sign-up:

- a) The relative weight of each category of variable costs, based on the information obtained under subparagraph c) of Article 6.3, is determined for the reference period and expressed as a ratio;
- b) Each ratio calculated according to subparagraph a) is multiplied by the percentage of reduction granted by each supplier or collaborator, in accordance with

Article 6.4, weighted in accordance with subparagraphs c) and d) below;

- c) Each ratio obtained in subparagraph b) is multiplied by the number of days, not exceeding 360 days during which each reduction applies and the result is divided by 360 days;
- d) Each ratio obtained in subparagraph c) is multiplied by the number of units to which each reduction applies relative to the total number of units projected for the duration of the commitment;
- e) The ratios obtained for each cost category are added up. The total of the percentages must not exceed the total for the first sign-up;
- f) For each consumption period, the result obtained in subparagraph e) is multiplied by the number of consumption periods since the beginning of the second sign-up, minus one consumption period. This result is divided by 12;
- g) The result obtained in subparagraph f) is subtracted from the result obtained in subparagraph e);
- h) The result obtained in subparagraph g) is subtracted from the number 1, and the result is the billing coefficient.

Billing at the Load Retention Rate 6.9

For each consumption period, the Load Retention Rate, which is applied to all or to any eligible portion of a customer's load, as the case may be, is applied according to the following calculations:

- a) A bill is drawn up according to the customer's actual consumption data and Rate L in effect, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4. The amount of the bill is then multiplied by the billing coefficient determined in subparagraph f) of Article 6.7 in the case of a first sign-up and in subparagraph h) of Article 6.8 in the case of a second and last sign-up;

- b) Another bill is drawn up, based only on the price of energy at Rate L in effect, increased by 10%;
- c) The customer is billed the higher of a) or b) above.

The Load Retention Rate applies to all or to a portion of the customer’s load, as the case may be. Such Rate is applied only to the eligible portion of the load. If the Load Retention Rate is applied only to a portion of the load, such portion shall be established by written agreement between the customer and the Distributor.

Subsection 1.2 – Large-Power Industrial Customers of a Municipal System

Application 6.10

This subsection applies to municipal systems that apply the Load Retention Rate set forth in Subsection 1.1 to their large-power industrial customers.

Object 6.11

The Distributor reimburses the municipal system the difference between the customer’s normal Rate L bill and the bill resulting from the application of the Load Retention Rate set forth in Subsection 1.1, for eligible contracts.

Terms and conditions of application 6.12

The reimbursement mentioned in Article 6.11 is subject to the following conditions:

- a) The customer of the municipal system shall send a written request to the latter as stipulated in Article 6.3 and provide all relevant supporting documents, as well as all the information required under Article 6.4;
- b) The municipal system shall submit to the Distributor the customer’s request and all relevant supporting documents as well as all the information required under Article 6.4. The Distributor determines whether the contract is eligible for the Load Retention Rate and advises the municipal system in writing of its acceptance or rejection;

- c) The Distributor reimburses the municipal system the difference between the normal Rate L bill and the Load Retention Rate bill throughout the period during which the contract remains eligible for the Load Retention Rate; the Distributor adjusts the first electricity bill which it issues to the municipal system after the expiry of the 30-day period following the end of the consumption period during which it has transmitted to the municipal system the acceptance mentioned in subparagraph b) above.

SECTION 2

INTERRUPTIBLE ELECTRICITY OPTION FOR LARGE-POWER CUSTOMERS

Subsection 2.1 – General

Application 6.13

The Interruptible Electricity Option applies to a holder of a Rate L contract who is able to curtail power during the winter period and who is not already providing interruptible power under a special contract at the same delivery point or does not benefit from the conditions for running in new equipment under Article 5.34.

Definitions 6.14

In this section, the following definitions apply:

“average hourly power”: The value in kilowatts of the average of the real power demands of four 15-minute integration periods.

“base power”: The difference between:

- a) the contract power or the highest real power demand in the consumption period in question, whichever is higher, and
- b) the interruptible power.

Base power cannot be negative.

“contribution coefficient”: Estimated percentage of interruptible power that is actually curtailed, on average, by the customer when the Distributor so requests.

“effective hourly interruptible power”: For each interruption hour, the difference between:

- a) the product of the maximum power and the contribution coefficient for the consumption period in question; and
- b) the average hourly power.

The effective hourly interruptible power cannot be negative or greater than the interruptible power.

“effective interruptible power”: An estimate, expressed in kilowatts, of the interruptible power that is on average curtailed by the customer at the Distributor’s request. This estimate is the product of the interruptible power and the contribution coefficient of the consumption period in question.

“interruptible power”: An amount of real power the customer agrees not to use during certain periods, at the request of the Distributor.

“interruption hour”: Hour during which the customer is required to curtail power in accordance with this section.

“interruption period”: The block of interruption hours indicated in the notice given by the Distributor to the customer in accordance with Article 6.19.

“load factor during useable hours”: The ratio, expressed as a percentage, of consumption during the useable hours to the product of maximum power during useable hours and the number of useable hours in the consumption period in question.

“maximum power”: The highest real power demand during the useable hours of the consumption period in question.

“overrun”: The difference, for each 15-minute integration period, between:

- a) the real power demand; and

- b) 105% of the base power or the sum of the base power and 5% of the interruptible power, whichever is higher.

“useable hours”: All hours in the consumption period in question, excluding the following:

- a) December 24, 25, 26 and 31, January 1 and 2, as well as Good Friday, Easter Saturday, Easter Sunday and Easter Monday, when the latter fall within the winter period;
- b) days when the customer curtails power in accordance with this section;
- c) recovery periods in accordance with Article 6.23;
- d) days when there is an interruption or reduction in supply in accordance with Article 5.11;
- e) at the customer’s request, days when there is a strike at the customer’s premises, unless there has been at least one interruption period during the strike days;
- f) days that are not representative of the customer’s normal consumption profile, up to a maximum of two days per consumption period.

Sign-up date**6.15**

The customer must apply in writing to the Distributor before October 1, indicating the quantity of interruptible power the customer wishes to commit to. The Distributor then has 30 days to transmit its written decision as to whether or not it accepts the power offered by the customer.

Limitation**6.16**

The Distributor sets limits on the total amount of interruptible power it plans to avail itself of, based on system management requirements. If the amount offered by the customers exceeds its requirements for a given period, the Distributor may reduce the quantity made available by each one in proportion to its requirements.

**Subsection 2.2 – Credits and Conditions
of Application**

Commitment 6.17

The interruptible power per contract must not be less than the greater of 3,000 kilowatts or 20% of the highest contract power in the last 12 consumption periods terminating at the end of the consumption period that precedes October 1, but in no event may it exceed that highest contract power. The contractual commitment remains in effect for the winter period.

A customer may reduce the interruptible power once during the winter period, after modification of the customer's contract power. The new interruptible power must not be less than the greater of 3,000 kilowatts or 20% of maximum contract power for the last 12 consumption periods terminating at the end of the consumption period that precedes the date on which the request for modification is received, but in no event may exceed that maximum contract power. The new interruptible power shall be applied within 30 days. No retroactive modification is permitted.

Conditions applicable to interruptions 6.18

Interruptions under this section must meet the following conditions:

Advance notice (hours):	2
Maximum number of interruptions per day:	2
Minimum interval between two interruptions in the same day (hours):	4
Maximum number of interruptions per winter period:	20
Duration of an interruption (hours):	4 to 5
Maximum duration of interruptions per winter period (hours):	100

Notice of interruption 6.19

The Distributor advises verbally, by telephone, the persons responsible designated by the customers selected, indicating the starting time and the end of the interruption period. If none of a customer's designated representatives can be reached, the customer is deemed to have refused the interruption for that interruption period.

Nominal credits 6.20

The following credits apply for the winter period:

Fixed credit:

\$ 8.50 per kilowatt of effective interruptible power;

Variable credit:

12.00¢ per kilowatthour of effective hourly interruptible power for each interruption hour.

Effective credits applicable to the contract 6.21

The effective credits are applied to the bill for the consumption period in question according to the following conditions:

a) Effective fixed credit:

The effective fixed credit to which the customer is entitled for a given consumption period equals the product of the fixed credit for the winter period and the effective interruptible power for the consumption period in question, prorated to the number of hours in the consumption period in relation to the number of hours in the winter period.

b) Effective variable credit:

The effective variable credit to which the customer is entitled for a given consumption period equals the product of the variable credit, the number of interruption hours and the effective interruptible power for the consumption period in question.

Calculation of contribution coefficient 6.22

The contribution coefficient for a consumption period is calculated as follows:

$$C = [(P_{\max} - P_{\text{base}}) \times \text{LF}_{\text{uh}}] / I$$

where

C = contribution coefficient;

P_{max} = maximum power;

P_{base} = base power;

LF_{uh} = load factor during useable hours;

I = interruptible power.

The contribution coefficient cannot be negative.

Recovery periods 6.23

The customer is entitled to recovery periods. These periods may be:

- a) between 22:00 and 06:00, the second night following one or more interruptions;
- b) between 22:00 Friday and 06:00 Monday, if one or more interruptions have occurred in the seven-day period immediately preceding the weekend in question.

The customer shall notify the Distributor of the recovery by 13:00 on the first business day following the recovery period. If no notice is received, the Distributor will consider that the customer has not taken advantage of this opportunity.

The consumption during the recovery period is that which exceeds, for the consumption period in question, the contract power in effect or the maximum power demand recorded outside recovery periods during the consumption period in question, whichever is higher.

Consumption during recovery periods is billed at the price of additional electricity in effect for the consumption period in question, as set in Article 6.32.

The Distributor reserves the right to prohibit consumption during a recovery period, based on system availability and management requirements.

The customer's right to recovery periods must in no case be interpreted as a limitation of the Distributor's right to invoke the interruptible power option at any time under the conditions of this section.

Overrun penalty 6.24

For each interruption period, any overrun observed after notice of interruption has been given will be subject to the following penalties:

- a) Fixed credit:

A penalty of \$0.70 per kilowatt for each kilowatt contained in the sum of overruns during an interruption period;

The maximum penalty for a given interruption period cannot exceed \$2.80 per kilowatt multiplied by the interruptible power and the contribution coefficient for the consumption period in question.

- b) Variable credit:

No variable credit will be granted for an hour to which a penalty applies.

The total penalties applied over a winter period cannot exceed the total fixed credits paid to the customer for the winter period. The Distributor reserves the right to terminate the commitment of a customer who has drawn an overrun during three or more interruption periods in the course of the winter period.

Billing conditions for customers enrolled in both the Interruptible Electricity Option and the Additional Electricity Option 6.25

For customers enrolled in both the Additional Electricity Option and the Interruptible Electricity Option, the conditions described in Article 6.37 apply.

SECTION 3

ADDITIONAL ELECTRICITY OPTION

Subsection 3.1 – General

Application 6.26

The Additional Electricity Option applies to a Rate L contract whose holder is not taking advantage of the running-in conditions for new equipment described in Article 5.34.

Definitions 6.27

In this section, the following definitions apply:

“additional electricity”: The amount of energy corresponding to the difference between the real power demand and the reference power, for each 15-minute integration period. This quantity may not be negative.

“reference period”: The three consecutive consumption periods preceding the customer’s sign-up in the Additional Electricity Option.

“reference power”: The average, of the billing demands during the reference period, weighted according to the number of hours. Reference power may be adjusted to reflect the customer’s normal consumption profile at Rate L, if necessary.

“unauthorized period”: A period during which the customer’s reference power may not be exceeded.

Sign-up procedure 6.28

A customer wishing to enroll in the Additional Electricity Option must submit a written request to the Distributor at least five business days before the start of the consumption period.

Subject to agreement on the reference power and the Distributor’s written approval, the option takes effect as of the beginning of the consumption period following

the period during which the Distributor receives the written request.

Duration of commitment 6.29

A customer must make a commitment to the Additional Electricity Option for one consumption period.

Renewal of commitment 6.30

A customer may renew a commitment regarding the Additional Electricity Option by sending the Distributor a written request no later than five business days before the end of the commitment. The option will then continue to apply to the same contract, subject to the Distributor’s approval.

Subsection 3.2 – Conditions of Application

Establishing reference power 6.31

Upon receiving a request for the Additional Electricity Option, the Distributor establishes the reference power that will be in effect for the duration of the commitment. If the three periods preceding the request do not reflect that customer’s normal consumption profile at Rate L, the Distributor will use any other method deemed adequate.

Determining the price of additional electricity 6.32

The price applied to additional electricity is set using one of the following formulas, depending on whether the Distributor is buying or selling:

a) Buying

$(a \times \text{NYISO Zone A Peak} + (1 - a) \times \text{NYISO Zone A Off-Peak} + \text{MoyMo} + \text{FS Zone M}) \times \text{TX}$

where

a = the quotient of peak hours divided by total hours in the month in question specified in the North American Electric Reliability Corporation (NERC) calendar;

NYISO Zone A Peak = the price of the month's futures for the Zone A peak period posted on NYMEX the business day preceding the posting of the month's additional electricity price;

NYISO Zone A Off-Peak = the price of the month's futures for the Zone A off-peak period posted on NYMEX the business day preceding the posting of the month's additional electricity price;

MoyMo = the moving average for the past 12 months of the difference between NYISO Zone A and Zone M prices;

FS Zone M = the export fee from NYISO Zone M to the Québec border, set at US 0.60¢/kWh;

TX = the foreign exchange conversion rate issued by the Bank of Canada at 12:00 on the day the price of additional electricity is determined.

b) Selling:

$$\{ [a \times \text{NYISO Zone A Peak} + (1 - a) \times \text{NYISO Zone A Off-Peak} + \text{MoyMo}] / (1 + \text{Pertes}) - \text{FE Zone M} \} \times \text{TX} - \text{FRNR}$$

where

a = the quotient of peak hours divided by total hours in the month in question specified in the North American Electric Reliability Corporation (NERC) calendar;

NYISO Zone A Peak = the price of the month's futures for the Zone A peak period posted on NYMEX the business day preceding the posting of the month's additional electricity price;

NYISO Zone A Off-Peak = the price of the month's futures for the Zone A off-peak period posted on NYMEX the business day preceding the posting of the month's additional electricity price;

MoyMo = the moving average for the past 12 months of the difference between NYISO Zone A and Zone M prices;

Pertes = the transmission losses as defined in Article 15.7 of Hydro-Québec's Open Access Transmission Tariff;

FE Zone M = the import fee of the NYISO Zone M, set at US 0.10 ¢/kWh;

TX = the foreign exchange conversion rate issued by the Bank of Canada at 12:00 on the day the price of additional electricity is determined.

FRNR = the reservation fees for Hydro-Québec TransÉnergie's point-to-point service not recovered by the Distributor through billing for the native load. The reservation fees are for the non-firm hourly service and the frequency control service, in accordance with Hydro-Québec's Open Access Transmission Tariff in effect for the month in question.

The price of additional electricity cannot be lower than the average price at Rate L in cents per kilowatt-hour (¢/kWh) for 120-kV service and a 100% load factor, 4.27 ¢/kWh.

Notification of the price of additional electricity **6.33**

The Distributor notifies the customer of the price of additional electricity seven business days before the beginning of each calendar month. This price shall remain fixed for the entire monthly period.

Billing **6.34**

For the duration of the commitment to the Additional Electricity Option, the customer's electricity bill, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, is the total of the amounts obtained in subparagraphs a), b), c) and d):

a) the reference power billed at the Rate L prices and conditions in effect;

- b) the difference between actual consumption and the additional electricity of the consumption period, multiplied by the price of energy at Rate L;
- c) the additional electricity for the consumption period, multiplied by the applicable price of additional electricity;
- d) any adjustment, calculated as specified in Article 6.35.

If the customer's consumption period overlaps two monthly periods, the amount billed for additional electricity will be prorated to the number of hours of the consumption period falling in each monthly period.

Adjustment for power-factor variation 6.35

An adjustment is applied to the customer's bill to account for any difference in power factor between the consumption period and the reference period. The adjustment is determined using the following formula:

$$\text{Adjustment} = [(PMAre - PMRre) - (PMArf - PMRrf)] \times PEP$$

where

PMAre = the maximum power demand associated with actual consumption;

PMRre = the maximum real power associated with actual consumption;

PMArf = the maximum power demand associated with the reference period;

PMRrf = the maximum real power associated with the reference period;

PEP = the effective demand charge at Rate L in effect, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.

The adjustment may be positive or negative. If the power factor is equal to or greater than 95% for both the consumption period in question and the reference period, no adjustment is made.

Restrictions 6.36

On the basis of load management requirements and system availability, the Distributor reserves the right to prohibit, on two hours' notice, consumption of additional electricity.

Should the customer consume additional electricity during an unauthorized period, all consumption beyond reference power during that period will be billed at \$0.50 per kilowatthour.

The provisions of the Additional Electricity Option shall not be interpreted as an obligation on the part of the Distributor to assume any additional charges for connection, installation, or reinforcement of the transmission or distribution system to serve customers wishing to take advantage of the option. The customer shall assume any and all costs associated with electricity delivered under the Additional Electricity Option.

The Distributor will neither build new facilities to provide the Additional Electricity Option nor allocate existing facilities to additional electricity loads in order to guarantee the availability of the energy.

This article shall not be interpreted as granting the customer permission to exceed the customer's available power.

Conditions for customers enrolled in both the Additional Electricity Option and the Interruptible Electricity Option 6.37

For customers participating simultaneously in the Additional Electricity Option and the Interruptible Electricity Option, the conditions described in this section and in Section 2 of Chapter 6 shall apply, with the exception of the following adjustments:

- a) The recovery periods specified in Article 6.23 shall not apply.
- b) The customer's base power is the difference between:
 - i) the contract power or the reference power for the consumption period in question, whichever is higher, and

- ii) the interruptible power;

Base power cannot be negative.

- c) The customer's maximum power is the reference power for the consumption period in question;
- d) The load factor during useable hours is the ratio, expressed as a percentage of the energy billed at Rate L, as calculated in subparagraph b) of Article 6.34, to the reference power for the consumption period in question.

SECTION 4

BACKUP GENERATOR OPTION

Application 6.38

The Backup Generator Option, defined in Section 9 of Chapter 4, applies to a holder of a Rate L contract who wishes to make its equipment available for the Distributor's system management purposes.

The participant must have one or more operational backup generators with a total rated capacity of at least 1,000 kilowatts that can be put into operation at any time at the Distributor's request during the winter period.

The participant may not offer interruptible power under a special contract or under Article 6.13 at the same delivery point, or benefit from the conditions for running in new equipment under Article 5.34.

SECTION 1

CONDITIONS OF APPLICATION OF DOMESTIC RATES FOR CUSTOMERS OF OFF-GRID SYSTEMS

Rate D 7.1

When electricity is delivered from off-grid systems located north of the 53rd parallel, except the Schefferville system, for domestic use in an individual dwelling or an apartment building or community residence with separate metering, the contract is subject to Rate D for up to 30 kilowatthours per day. Any additional consumption is billed at 31.50¢ per kilowatthour.

Rate DM 7.2

When electricity is delivered from off-grid systems located north of the 53rd parallel, except the Schefferville system, for domestic use in an apartment building, community residence or rooming house with 10 rooms or more with bulk metering, the contract is subject to Rate DM for up to 30 kilowatthours per day times the applicable multiplier, defined in Article 2.22.

Any additional consumption is billed at 31.50¢ per kilowatthour.

Rate DT 7.3

Rate DT does not apply to a contract for electricity supplied by off-grid systems.

SECTION 2

CONDITIONS OF APPLICATION OF SMALL- AND MEDIUM-POWER RATES FOR CUSTOMERS OF OFF-GRID SYSTEMS

Rates G, G-9, M or MA 7.4

Electricity delivered from off-grid systems located north of the 53rd parallel, except the Schefferville system, under a contract at Rate G, G-9, M or MA must not be used for space heating, water heating or any other thermal application, with the exception of household appliances, appliances used solely for air conditioning for the comfort of occupants, industrial or commercial appliances used to cook and conserve food, and appliances used by light industry for manufacturing processes.

If the customer contravenes the provisions of the preceding paragraph, the Distributor will apply Rate G, G-9, M or MA, as the case may be, to the fixed charge and billing demand, and all the energy consumed will be billed at 69.46¢ per kilowatthour.

Electricity delivered from off-grid systems located north of the 53rd parallel, except the Schefferville system, under a contract at Rate G, G-9, M or MA may be used for heating cables in water treatment plant intake pipes, as well as to produce and maintain ice in arenas. For peak demand management purposes, however, such loads must be interrupted at the Distributor's request.

Rate MA 7.5

When electricity is delivered from an off-grid system, Rate MA applies to any contract under which maximum power demand has ever exceeded 900 kilowatts.

The Distributor may require that a single contract cover all electricity delivered when used for similar purposes in the same location.

Structure of Rate MA 7.6

The Distributor applies Rate M to the billing demand and energy up to 900 kilowatts and 390,000 kilowatthours per monthly period. Any excess is billed at:

\$27.84 per kilowatt and 23.11¢ per kilowatthour when the electricity is produced by a heavy diesel power plant;

or

\$54.72 per kilowatt and 41.17¢ per kilowatthour in all other cases.

The energy prices are in effect until September 30, 2012. Thereafter, they will be revised by the Distributor as specified in Article 7.7.

In the sole cases of customers whose contract power on April 1, 2006, exceeded 900 kilowatts, Rate M applies up to the available power determined in the contract and to the corresponding quantity of energy.

Energy price revisions for Rate MA 7.7

The energy prices for Rate MA are revised by the Distributor on October 1 of each year, using the following formulas:

$$PLD = A + \frac{B \times C}{D}$$

where

PLD = the price of energy applicable when electricity is generated by a heavy diesel power plant;

A = operating and maintenance cost, 2.46¢/kWh;

B = the energy cost set for the reference year 2006, 11.57¢/kWh;

C = the average price of No. 6 diesel (2% S) for the Montréal area, expressed in Canadian dollars per barrel. This price is determined from data published in the *Bloomberg Oil Buyer's Guide*

under "Bloomberg Canadian Terminal Prices Rack Contract" for the months of June, July and August, or failing which, from any other information the Distributor deems pertinent;

D = the average reference price of No. 6 diesel (2% S) for the Montréal area, expressed in Canadian dollars per barrel. This price has been determined from data published in the *Bloomberg Oil Buyer's Guide* under "Bloomberg Canadian Terminal Prices Rack Contract" for the months of June, July and August 2005, and is \$58.20 per barrel.

$$PLR = E + \frac{F \times G}{H}$$

where

PLR = the price of energy applicable when electricity is generated by any other power plant;

E = operating and maintenance cost, 2.46¢/kWh;

F = the energy cost set for the reference year 2006, 26.44¢/kWh;

G = the average price of No. 1 diesel for the Montréal area, expressed in Canadian cents per litre. This price is determined from data published in the *Bloomberg Oil Buyer's Guide* under "Bloomberg Canadian Terminal Prices Rack Contract" for the months of June, July and August, or failing which, from any other information the Distributor deems pertinent;

H = the average reference price of No. 1 diesel for the Montréal area, expressed in Canadian cents per litre. This price has been determined from data published in the *Bloomberg Oil Buyer's Guide* under "Bloomberg Canadian Terminal Prices Rack Contract" for the months of June, July and August 2005, and is 61.51¢ per litre.

SECTION 3

TRANSITIONAL RATE – SCHEFFERVILLE SYSTEM

Application

7.8

This section applies to customers served by the Schefferville system. A customer who signs up for the Transitional Rate in this section will become the holder of a contract subject to one of the rates in effect for which it is eligible, at the customer's discretion. If the customer fails to select a rate, the contract becomes subject to Rate D or DM, if it is eligible for it, to the appropriate general rate (G, G-9, M or a flat rate for general use or a public lighting rate), as the case may be.

Billing

7.9

For each consumption period, the customer's bill is equal to the result obtained in subparagraph a), from which the result obtained in subparagraph b) is subtracted.

a) An initial amount is calculated from the customer's actual consumption data at the applicable rate, taking into account, as applicable, credits for supply at medium or high voltage and the adjustment for transformation losses, as described in articles 10.2 and 10.4.

b) If the customer holds a contract at Rate D, DM or at a public lighting rate, the result obtained in subparagraph a) is multiplied by:

60% as of April 1, 2008,

60.48% as of April 1, 2009,

60.62% as of April 1, 2010,

60.46% as of April 1, 2011,

45% as of April 1, 2012,

30% as of April 1, 2013,

15% as of April 1, 2014,

0% as of April 1, 2015.

CHAPTER 8

FLAT RATES FOR GENERAL USE

If the customer holds a contract at Rate G, G-9, M or a flat rate for general use, the result obtained in subparagraph a) is multiplied by:

40% as of April 1, 2008,

40.72% as of April 1, 2009,

40.93% as of April 1, 2010,

40.69% as of April 1, 2011,

30% as of April 1, 2012,

20% as of April 1, 2013,

10% as of April 1, 2014,

0% as of April 1, 2015.

Application 8.1

The flat rates established by this chapter apply to contracts for general use when the Distributor decides not to meter consumption.

Structure of Rates T-1, T-2 and T-3 8.2

The structure of the flat rates for general use is as follows:

a) Rate T-1, daily contract:

\$ 4.19 per kilowatt of billing demand per day or portion of a day, with a minimum of one day, up to \$12.60 per kilowatt of billing demand per week;

b) Rate T-2, weekly contract:

\$ 12.60 per kilowatt of billing demand per week, with a minimum of one week, up to \$37.74 per kilowatt of billing demand per monthly period;

c) Rate T-3, contract for 30 days or more:

\$ 37.74 per kilowatt of billing demand per monthly period, with a minimum of 30 consecutive days.

Minimum monthly bill 8.3

The minimum monthly bill per delivery point, for an annual contract or an annually recurring short-term contract, is \$7.59 when single-phase electricity is delivered or \$22.77 when three-phase electricity is delivered.

Billing demand 8.4

For the application of Rates T-1, T-2 and T-3, the billing demand per delivery point is, at the discretion of the Distributor, either based on the installed capacity in kilowatts, or determined by metering tests or by an approved model of maximum-demand meter installed by the Distributor.

When the billing demand is based on the installed capacity, it is determined as follows:

- a) If the electricity delivered supplies power to emergency equipment such as fire pumps, surface-water pumps, national defence sirens or other similar apparatus used only in case of disaster or fortuitous event, the billing demand is equal to 25% of the installed capacity in kilowatts, but cannot be less than one kilowatt;
- b) If the electricity delivered supplies power to any other load, the billing demand is equal to the installed capacity in kilowatts, subject to subparagraph c) below; however, in the case of short-term contracts that are not annually recurring, it cannot be less than one kilowatt for single-phase delivery or four kilowatts for three-phase delivery;
- c) If the electricity delivered supplies power to a system with a device for recharging batteries that are used only in case of outages on the Distributor's system, the power used for the battery recharger is not taken into account in determining the billing demand.

If there is a maximum-demand meter, the billing demand is equal to the highest maximum power demand since the date of connection, but it cannot be less than the contract power.

SECTION 1

PUBLIC LIGHTING RATES

Subsection 1.1 – General

Application 9.1

This section covers the rates and conditions for the supply by the Distributor to the federal and provincial governments and municipalities, or to any person duly authorized by them, of electricity for public lighting and, where applicable, other related services.

Customer charged for unusual expenditures 9.2

When the Distributor must incur the unusual expenditures mentioned in articles 9.11 and 9.12, it requires full reimbursement of these expenditures from the customer and may impose any other condition it deems necessary before undertaking the work.

The additional operating and maintenance expenditures are determined in current dollars for a period of 15 years; the present value is calculated at the prospective capital cost rate in effect as approved by the Régie de l'énergie.

Reimbursement by the customer of these unusual expenditures gives the customer no right of ownership over the installations for which the unusual expenditures were incurred.

Subsection 1.2 – Rate for General Public Lighting Service

Description of service 9.3

The general public lighting service comprises the supply of electricity for public lighting installations as well as, in some

cases, the rental of space on poles in the Distributor's system for the attachment of the customer's luminaires.

For municipalities with luminaires not equipped with individual on/off controls, this service also comprises the supply and operation of power-supply and control circuits used solely for the operation of the luminaires.

The rate for general public lighting service does not apply to signal lights unless they are connected to public lighting circuits whose energy consumption is metered. In cases where it is not metered, the electricity used for the signal lights is subject to the provisions of this Distributor's Rates and Conditions regarding flat rates for general use.

General public lighting service is available only to municipalities and to the federal and provincial governments.

Rate 9.4

The rate for general public lighting service is 9.00¢ per kilowatthour for the supply of electricity.

Determination of consumption 9.5

As a rule, the energy consumption is not metered. However, the Distributor may meter the consumption if it deems appropriate.

When it is not metered, the energy consumption is the product of the connected load and 345 hours of monthly utilization.

In the case of tunnels or other facilities that remain lighted 24 hours a day, the energy consumption is the product of the connected load and 720 hours of monthly utilization.

To establish the connected load, the Distributor takes into account the rated power of the bulb and accessories.

Expenditures for related services 9.6

When the Distributor incurs expenditures for installation, replacement or removal of a luminaire on a pole in its distribution system, or for any other service related to general public lighting service, it requires full reimbursement of those expenditures from the customer.

Minimum term of contract 9.7

In cases where the general public lighting service covers only the supply of electricity, the minimum term of a contract is one month. In other cases, the minimum term of a contract is one year.

Subsection 1.3 – Rate for Complete Public Lighting Service

Description of service 9.8

The complete public lighting service comprises the supply, operation and maintenance of luminaires that conform to the Distributor's models and standards, and the supply of electricity to them. These luminaires are mounted on the Distributor's distribution poles or, in the case of distribution lines not along roadways, on poles used exclusively for public lighting.

Only municipalities may obtain installation of new luminaires used for complete public lighting service; the Distributor then installs standard luminaires. However, this section shall not be interpreted as an obligation of the Distributor to supply this service.

Minimum term of contract 9.9

Complete public lighting service is available only under annual contracts. Moreover, a new luminaire must remain in service for at least five years. A customer who asks the Distributor to remove or replace a luminaire before the end of this period must pay the cost of this modification, unless it is occasioned by the malfunctioning of the luminaire.

Rates for standard luminaires 9.10

The following monthly rates apply to standard high-pressure sodium-vapor luminaires used for complete public lighting service:

Rating of luminaire	Rate per luminaire
5,000 lumens (or 70 W)	\$19.86
8,500 lumens (or 100 W)	\$21.66
14,400 lumens (or 150 W)	\$23.31
22,000 lumens (or 250 W)	\$27.39

Poles **9.11**

The rates for complete public lighting service apply to installations that are supplied by overhead circuits and mounted on wood poles. Any other kind of installation is subject to the provisions of Article 9.2.

However, a customer holding a contract for complete service who was entitled, on March 31, 2012, to the formula stipulating an additional monthly charge for concrete or metal poles, may retain that formula. The additional monthly charge in effect on March 31, 2012 continues to apply.

Expenditures for installations and related services **9.12**

When the Distributor supplies, at the customer's request, special installations or services that are not included in the complete public lighting service, the customer must fully reimburse the expenditures so incurred by the Distributor. These expenditures, determined in accordance with Article 9.2, are payable within 21 days of the billing date.

SECTION 2

SENTINEL LIGHTING RATES

Application **9.13**

Sentinel lighting service comprises the supply, operation and powering of photoelectric-cell luminaires of the Sentinel type. These luminaires are the property of the Distributor and are used for outdoor lighting, but not for public lighting.

This service is provided only for annual contracts dated prior to April 1, 2007.

Sentinel lighting with poles supplied **9.14**

When the Distributor installs a pole used exclusively for Sentinel lighting, or when it rents such a pole from a third party, the monthly rates are as follows:

Rating of luminaire	Rate per luminaire
---------------------	--------------------

7,000 lumens (or 175 W)	\$36.69
20,000 lumens (or 400 W)	\$48.36

Sentinel lighting with no poles supplied **9.15**

When the Distributor does not supply or rent the poles to be used exclusively for Sentinel lighting, the monthly rates are as follows:

Rating of luminaire	Rate per luminaire
---------------------	--------------------

7,000 lumens (or 175 W)	\$28.83
20,000 lumens (or 400 W)	\$41.58

SECTION 1

GENERAL

Choice of rate

10.1

Unless otherwise provided for in this Distributor's Rates and Conditions:

- a) Any customer eligible for more than one rate may, at the beginning of its contract, choose the rate it prefers. In the case of an annual contract, the customer may make a written request for a change during the term of the contract;
- b) A change of rate as provided for in subparagraph a) above may not be made before expiration of a 12-month period after a previous change made in accordance with this article. The change of rate becomes applicable, at the customer's discretion, either at the beginning of the consumption period during which the Distributor receives the customer's written request, at the beginning of the previous consumption period or at the beginning of any subsequent consumption period;
- c) In the case of a new contract and only during the first 12 monthly periods, the customer may opt once for another rate for which it is eligible. The change of rate becomes applicable, at the customer's discretion, either at the beginning of the contract, at the beginning of any one of the consumption periods, or at the beginning of any subsequent consumption period.

To obtain this revision, the customer must make the request in writing to the Distributor before the end of the 14th monthly period following the date of the beginning of the contract.

This provision applies only if the customer's current contract is an annual one.

The provisions of this article do not apply to the Rate M to Rate L changes or vice versa.

Credit for supply at medium or high voltage 10.2

When the Distributor supplies electricity at medium or high voltage and the customer utilizes it at this voltage or transforms it at no cost to the Distributor, this customer, and this customer alone, is entitled to a monthly credit in dollars per kilowatt on the monthly demand charge applicable to the contract. The credits, determined according to the supply voltage, are as follows:

Nominal voltage between phases equal to or greater than	Monthly credit \$/kW
5 kV, but less than 15 kV	0.573
15 kV, but less than 50 kV	0.915
50 kV, but less than 80 kV	2.037
80 kV, but less than 170 kV	2.499
170 kV	3.318

No credit is granted for short-term contracts with a duration of less than 30 days or on the minimum monthly amount billed under Rates G and G-9.

Credit for supply applicable to domestic rates 10.3

When the Distributor supplies electricity at a nominal voltage between phases equal to or greater than 5 kV for a contract at Rate D, DM or DT and the customer uses it at this voltage or transforms it at no cost to the Distributor, this customer is entitled, for this contract, to a credit of 0.226¢ per kilowatthour on the price of all energy billed.

Adjustment for transformation losses 10.4

To take account of transformation losses, a monthly discount of 16.11¢ is granted on the demand charge when:

- a) the metering point of the electricity is at the supply voltage, and the latter is 5 kV or more;
- b) the metering point is located on the line side of the Distributor equipment that transforms electricity from a voltage of 5 kV or more to the supply voltage furnished by contract to the customer.

Power-factor improvement 10.5

If the customer installs capacitors, synchronous motors or synchronous condensers that reduce the maximum apparent power demand, the Distributor may, at the customer's request and in regard to the annual contract thereby affected, adjust the minimum billing demand or the contract power accordingly.

This adjustment takes effect as of the first consumption period in which the meter reading indicates a permanent and significant improvement in the ratio of the maximum real power demand to the maximum apparent power demand, or as of any subsequent consumption period, at the customer's discretion.

The adjustment is made by reducing the minimum billing demand by the number of kilowatts of maximum power demand corresponding to the effective improvement of the said ratio. However, such reduction must not result in a decrease in the minimum billing demand based on a real power demand recorded within the last 12 monthly periods.

This adjustment does not alter the period of 12 monthly periods available to the customer for reducing the minimum billing demand or the contract power of a medium-power or large-power contract.

Conditions of electricity service 10.6

In cases where the Distributor supplies electricity and the conditions of service have not been specified in the *Conditions of Electricity Service* or in another Hydro-Québec bylaw, such conditions of service shall be stipulated in a written agreement between the Distributor and the customer.

This Distributor's Rates and Conditions does not oblige the Distributor to enter into a contract for any new load involving more than 50 megawatts, to supply any additional load of more than 50 megawatts or to accede to any request from a special contract holder.

SECTION 2

RESTRICTIONS

Restrictions concerning short-term contracts 10.7

This Distributor's Rates and Conditions does not oblige the Distributor to enter into short-term contracts for a power demand of more than 100 kilowatts.

Adaptation of rates to term of contract 10.8

- a) A customer who holds an annual small-power or medium-power contract and who vacates the premises covered by this contract before having taken delivery of electricity for at least 12 consecutive monthly periods must pay for all the electricity delivered in accordance with the rate provisions for short-term contracts, unless the said customer meets the financial obligations of the annual contract or another customer enters into a contract for the same premises from the time the previous contract was terminated.
- b) A customer who holds a short-term small-power or medium-power contract, who has been subject to the rate provisions for short-term contracts since the beginning of the contract, and whose contract is extended beyond 12 consecutive monthly periods, may obtain from the Distributor the application of the annual rate retroactive to the beginning of the contract, notwithstanding Article 10.1.

Available power 10.9

The provisions of this Distributor's Rates and Conditions may in no case be interpreted as allowing the customer to exceed the available power stipulated in the contract.

SECTION 3

BILLING CONDITIONS

Adjustment of rates to consumption periods 10.10

The monthly rates described in this Distributor's Rates and Conditions are applied without adjustment when the consumption period is 30 consecutive days.

For consumption periods of a different duration, the monthly rates are adjusted in proportion to the number of days in the consumption period as follows:

- a) by dividing each of the following components of the monthly rate by 30: the fixed charge, the demand charge, the number of kilowatthours or hours of use included, if applicable, in each rate tier, the minimum monthly bill, the optimization charge, the credits provided for in Article 10.2 and the adjustment provided for in Article 10.4, as well as any increase in charges provided for under this Distributor's Rates and Conditions;
- and
- b) by multiplying the resulting quantities by the number of days in the consumption period.

SECTION 4

PROVISIONS REGARDING *DISTRIBUTION TARIFF*

Amendment 10.11

The provisions of this Distributor's Rates and Conditions may be amended at any time with the approval of the Régie de l'énergie.

Replacement 10.12

The *Distribution Tariff* effective April 1, 2011 is replaced as of the effective date of this *Distribution Tariff*.

Effective date **10.13**

This Distributor's Rates and Conditions becomes effective on April 1, 2012. The rates and conditions herein shall apply as of that date to electricity consumed and services provided, until they are amended or replaced.

For consumption periods that overlap April 1, 2012, consumption and services are billed exclusively according to the previous rates and the rates of this Distributor's Rates and Conditions prorated according to the number of days in the consumption period prior to April 1, 2012 and the number of days in the period beginning as of that date.

Contracts entered into before the effective date of this Distributor's Rates and Conditions **10.14**

Contracts entered into by the Distributor or by one of its subsidiaries before the effective date of this Distributor's Rates and Conditions remain in effect until the contracts expire, but no automatic renewal clause may be invoked unless the parties otherwise agree.

This Distributor's Rates and Conditions, as of its effective date, applies to all contracts which give the Distributor termination or modification rights or which provide for amendment of the *Distribution Tariff*.

When notice must be given before the Distributor can terminate a contract or amend the rate and conditions therein, this Distributor's Rates and Conditions shall apply as soon as the notice period has expired.

SECTION 1

VISILEC SERVICE

Application **11.1**

This section describes the rate and conditions that apply to the Visilec service, which the Distributor offers to small- and medium-power General Rates contracts.

Description of service **11.2**

The service offers the customer Internet access to the load profiles of one or more of the customer's delivery points, presented in the form of graphs and reports. The load profiles are based on consumption data recorded every 15 minutes. The graphs and reports based on daily consumption data are available from 08:00 the following day.

The service also offers an estimate of the cost of consumption in progress, access to historical data and consumption costs for a maximum period of 24 months, and the possibility of downloading the data to a spreadsheet.

Rate **11.3**

An amount of \$89 per month per delivery point.

Eligibility **11.4**

In order to be eligible, a customer must satisfy the following conditions:

- a) the metering at each delivery point must be done by a networked meter installed by the Distributor. However, this provision may not be interpreted as an obligation on the part of the Distributor to install a networked meter for a customer who does not have one;
- b) the customer must have the appropriate computer equipment and an Internet connection.

Sign-up 11.5

To subscribe to the Visilec service, the customer must make a written request to the Distributor, specifying each delivery point.

The customer must also sign a written agreement with the Distributor in which the customer commits to subscribing to the service on a monthly basis for a minimum term of six consecutive months. If the customer terminates this commitment before the end of the minimum term of six months, the customer will be obliged to pay the rate for the duration of this initial term.

The service is provided until the customer or the Distributor ends it by written notice at least one consumption period in advance.

Sign-up procedure 11.6

Provision of the service is subject to the signing of a written agreement between the customer and the Distributor, as set forth in Article 11.5. The service charges apply as of the first complete consumption period following the date on which the service is made available to the customer.

Responsibility 11.7

The Distributor shall not be held responsible for the accuracy of information, data and reports provided under this service, for their availability, or for the decisions a customer may make based thereon.

SECTION 2

VIGIELIGNE SERVICE

Application 11.8

This section describes the rate and conditions that apply to the VigieLigne service, which the Distributor offers to customers with large-power General Rate contracts.

Description of service 11.9

The service provides the customer with Internet access to the load profiles of one or more of the customer's delivery points, presented in the form of graphs and reports. The load profiles are based on consumption data recorded every 15 minutes. The graphs and reports based on the most recent daily consumption data are available at all times.

The service also provides an estimate of the cost of consumption in progress, consumption data, a complete consumption history, a rate history as well as the possibility of downloading the data to a spreadsheet.

Rate 11.10

An annual charge of \$2,400 applies to the first licence. Charges of \$600 per year apply to each of the second and third licences, and charges of \$120 per year apply to each additional licence.

Eligibility 11.11

In order to be eligible, a customer must satisfy the following conditions:

- a) The metering at each delivery point must be done by a networked meter installed by the Distributor. However, this provision may not be interpreted as an obligation on the part of the Distributor to install a networked meter for a customer who does not have one.
- b) The customer must have the appropriate computer equipment and an Internet connection.

Sign-up 11.12

To subscribe to the VigieLigne service, the customer must submit a request to the Distributor.

The customer must also sign a written agreement with the Distributor in which the customer commits to subscribing to the service on an annual basis for an initial term of 12 consecutive months. If the customer terminates his commitment before the end of the initial 12-month term, the customer will be obliged to pay the rate for the duration of this initial term.

The service is provided until the customer or the Distributor terminates it by written notice at least one consumption period in advance.

Sign-up procedure 11.13

Provision of the service is subject to the signing of a written agreement between the customer and the Distributor, as set forth in Article 11.12. The service charges apply as of the first complete consumption period following the date on which the service is made available to the customer.

Responsibility 11.14

The Distributor shall not be held responsible for the accuracy of the information, data and reports provided under this service, for their availability, or for the decisions a customer may make based thereon.

SECTION 3

SIGNATURE SERVICE

Application 11.15

This section describes the rate and conditions that apply to the Signature service, which the Distributor offers to customers with large-power General Rate contracts.

Description of service 11.16

The Signature service consists of a basic service and two complementary options.

Basic service consists of the following offerings:

- a) automatic notification of every electrical event that results in loss of customer load. Notices are sent by e-mail or cellular phone to the person designated by the customer, regardless of time of day or day of the week;
- b) a weekly power quality report as well as a log and analysis of voltage dips;

- c) an annual review of power quality indicators and a load behavior analysis;
- d) continuous measurement of power quality using equipment supplied by the Distributor;
- e) access to the Distributor's experts and to those of Hydro-Québec TransÉnergie;
- f) a half-day training session.

The following options are also available:

- a) continuous tracking of harmonics;
- b) local display of the main parameters measured.

Basis service rate 11.17

An annual charge of \$15,000 applies to the first delivery point. An additional charge of \$10,000 per year applies to each additional delivery point.

Rates for options 11.18

An annual charge of \$5,000 applies to the harmonics tracking option, and an annual charge of \$500 applies to the local display option.

Eligibility 11.19

To be eligible, the customer must:

- a) provide access to his site for the installation and maintenance of the metering equipment;
- b) have the appropriate computer equipment and an Internet connection.

Sign-up 11.20

To subscribe to the Signature service, the customer must make a request to the Distributor.

The customer must also sign a written agreement with the Distributor in which the customer commits to subscribing

CHAPTER 12

CHARGES RELATED TO ELECTRICITY SERVICE

to the service for an initial term of 12 consecutive months. If the customer terminates his commitment before the end of the initial 12-month term, the customer will be obliged to pay the rate for the duration of this initial term.

At the end of the initial 12-month term, the agreement continues to apply for at least one consumption period. The agreement is renewed each consumption period, unless it is terminated by the customer or the Distributor.

The customer or the Distributor may terminate the agreement by written notice at least one consumption period in advance. Upon termination of the agreement, the Distributor will remove the related metering and communications equipment installed in the metering cabinet.

Sign-up procedure 11.21

Provision of the service is subject to the signing of a written agreement between the customer and the Distributor, as set forth in Article 11.20. The service charges apply as of the first complete consumption period following the date on which the service is made available to the customer.

Responsibility 11.22

The Distributor shall not be held responsible for the accuracy of the information, data and reports provided under this service, for their availability, or for the decisions a customer may make based thereon.

Application 12.1

The charges established in this chapter are applied in accordance with the provisions of the *Conditions of Electricity Service*.

Definitions 12.2

For the application of this chapter:

- a) rated current is expressed in amperes (A);
- b) voltage is expressed in volts (V);
- c) the symbol Al means aluminum;
- d) the term ACSR means aluminum conductor steel-reinforced;
- e) conductor gauge is expressed in thousands of circular mils (kcmil);
- f) Hydro-Québec's regular working hours mean hours included between 08:00 and 17:00, Monday through Friday, excluding statutory holidays.

Administrative charges 12.3

a) File administration charge

An amount of \$20.

b) New file charge

An amount of \$50.

c) Rate applicable to deposits

The rate applied is the rate set on April 1 of each year for 1-year guaranteed deposit certificates of the National Bank of Canada.

d) Charge for insufficient funds

An amount of \$10.

e) Administration charges applicable to billing by Hydro-Québec

Administration charges will be applied at the rate indicated in the following table, according to the range in which the National Bank of Canada prime lending rate falls on that date.

Reference ranges: National Bank of Canada prime lending rate	Administration charges
% per annum	% per month
7.99 or less	1.2 (14.4%/year)
8 to 9.99	1.4 (16.8%/year)
10 to 11.99	1.6 (19.2%/year)
12 to 13.99	1.7 (20.4%/year)
14 to 15.99	1.9 (22.8%/year)
16 to 17.99	2.1 (25.2%/year)
18 or more	2.2 (26.4%/year)

This rate is revised whenever, for a period of 60 consecutive days, the National Bank of Canada prime lending rate falls above or below the reference range used to establish the applicable administration charges presently applied. The new rate is applied as of the 61st day.

Charge related to net metering option **12.4**

a) Inspection fee for customer-generator facilities

An amount of \$400.

Charges related to the supply of electricity **12.5**

a) Prospective capital cost rate

A rate of 5.740%.

b) Charge for establishing service

An amount of \$300 per job for establishing service on a distribution service loop or a line when work is done during Hydro-Québec's regular working hours; otherwise, an amount equal to the cost of work is billed.

c) Charge for travel without establishing service

An amount of \$156.

d) Special connection charge for off-grid systems

An amount of \$5,000 for the first 20 kilowatts; the excess, if applicable, is billed at \$250 per kilowatt.

e) Charge for interrupting service

At the delivery point: an amount of \$50.

Other: an amount of \$300.

f) Inspection fee

An amount of \$554.

Allocated amounts **12.6**

a) Amount allocated for domestic use

An amount of \$2,752 for each dwelling unit.

b) Amount allocated for non-domestic use

An amount of \$344 per kilowatt.

c) Non-domestic use allocation adjustment charge

An annual amount of \$69 per kilowatt.

Components of the table for calculating the cost of work in Schedule VI of the Conditions of Electricity Service **12.7**

a) Acquisition fee

A rate of 2.0%.

b) Contract management fee

Overhead work, a rate of 2.4%.

Underground work, a rate of 10.4%.

c) Materials management fee

Overhead work, a rate of 17.0%.

Underground work, a rate of 12.0%.

d) Minor materials fee

Overhead work, a rate of 8.0%.

Underground work, a rate of 6.0%.

e) Engineering and applications management fee

Overhead work, a rate of 23.9%.

Underground work, a rate of 30.5%.

f) Provision for future operation and maintenance

Overhead work, a rate of 20.3%.

Underground work, a rate of 12.1%.

g) Provision for reinvestment at end of useful life

A rate of 22.4%.

Unit prices **12.8**

a) Price per metre – Overhead

\$57 per metre for a single-phase line,
nonjoint-use pole.

\$69 per metre for a three-phase line,
nonjoint-use pole.

b) Joint-use credit

\$13 per metre.

c) Price per building – Underground

*If the option for a local underground power line
and main overhead power line is selected:*

\$9,570 per individual house with a 600-A service box.

\$3,040 per individual house with a 400-A service box.

\$2,120 per individual house with a 200-A service box.

\$1,900 per semi-detached house.

\$1,120 per townhouse.

\$3,910 per duplex.

\$3,670 per triplex.

\$4,450 per fourplex.

\$7,610 per fiveplex.

\$7,690 per sixplex.

\$10,180 per sevenplex.

\$10,260 per eightplex.

*If the option for local and main underground
power lines is selected:*

\$16,490 per individual house with a 600-A service box.

\$8,020 per individual house with a 400-A service box.

\$6,270 per individual house with a 200-A service box.

\$5,230 per semi-detached house.

\$3,890 per townhouse.

\$8,340	per duplex.
\$9,490	per triplex.
\$11,100	per fourplex.
\$15,920	per fiveplex.
\$16,000	per sixplex.
\$19,870	per sevenplex.
\$21,330	per eightplex.

d) Price per additional metre – Underground

\$38	per metre.
------	------------

e) Price for overhead work

Low- and medium-voltage line:

\$1,174	per nonjoint-use pole, low voltage.
\$716	per joint-use pole, low voltage.
\$1,413	per nonjoint-use pole, medium voltage.
\$862	per joint-use pole, medium voltage.
\$1,174	per nonjoint-use anchor pole and brace.
\$716	per joint-use anchor pole and brace.
\$453	per nonjoint-use anchor.
\$276	per joint-use anchor.
\$341	per guy.
\$635	per line protection, medium voltage, single-phase.
\$1,803	per line protection, medium voltage, three-phase.

Additional service cable, low voltage:

\$14	per metre for a 200-A service box, 120/240 V.
\$28	per metre for a 400-A service box, 120/240 V.
\$83	per metre for a 600-A service box, 120/240 V.
\$15	per metre for a 200-A service box, 347/600 V.
\$32	per metre for a 400-A service box, 347/600 V.
\$90	per metre for a 600-A service box, 347/600 V.

Additional service conductor, medium voltage:

\$22	per metre for a single-phase line, 2 ACSR.
\$33	per metre for a three-phase line, 2 ACSR.
\$36	per metre for a three-phase line, 2/0 ACSR.

f) Price for underground work

Additional service cable, low voltage:

\$15	per metre for a 200-A service box, 120/240 V.
\$32	per metre for a 400-A service box, 120/240 V.
\$48	per metre for a 600-A service box, 120/240 V.
\$17	per metre for a 200-A service box, 347/600 V.
\$30	per metre for a 400-A service box, 347/600 V.
\$64	per metre for a 600-A service box, 347/600 V.

Additional service cable, medium voltage:

\$42	per metre for the 1st section, 2 X 3/0 Al, single-phase.
------	--

\$94	per metre for the 1st section, 2 X 3/0 Al, three-phase.
\$84	per metre for the 1st section, 4 X 3/0 Al, single-phase.
\$195	per metre for each additional section, 2 X 3/0 Al, single-phase.
\$247	per metre for each additional section, 2 X 3/0 Al, three-phase.
\$206	per metre for each additional section, 4 X 3/0 Al, single-phase.
\$3,552	per splice assembly, 2 X 3/0 Al, single-phase in a cable vault.
\$8,820	per splice assembly, 2 X 3/0 Al, three-phase in a cable vault.
\$6,187	per splice assembly, 4 X 3/0 Al, single-phase in a cable vault.
Low-voltage line:	
\$15	per metre of triplex cable, 3/0 Al (120/240 V).
\$27	per metre of triplex cable, 350 kcmil (120/240 V).
\$32	per metre of triplex cable, 500 kcmil (120/240 V).
\$48	per metre of triplex cable, 750 kcmil (120/240 V).
\$17	per metre of quadruplex cable, 3/0 Al (347/600 V).
\$30	per metre of quadruplex cable, 350 kcmil (347/600 V).
\$43	per metre of quadruplex cable, 500 kcmil (347/600 V).
\$64	per metre of quadruplex cable, 750 kcmil (347/600 V).

\$433	per single-phase connection (120/240 V).
\$640	per three-phase connection (347/600 V).
\$1,530	for installation of a section of cable of 30 metres or less, 500 kcmil or less.
\$2,449	for installation of a section of cable of over 30 metres, 500 kcmil or less.
\$2,449	for installation of a section of cable over 500 kcmil.
Medium-voltage line:	
\$21	per metre of cable, 3/0 Al, single-phase.
\$47	per metre of cable, 3/0 Al, three-phase.
\$110	per metre of cable, 750 kcmil, three-phase.
\$888	per connection with single cold shrink splice, 3/0-3/0, Al single-phase.
\$2,206	per connection with single cold shrink splice, 3/0-3/0, Al three-phase.
\$2,240	per connection with single cold shrink splice, 750-750 kcmil, three-phase.
\$3,262	per connection with separable straight splice (2-way), 750 kcmil, three-phase.
\$3,012	per connection with separable Wye splice (3-way), 750 kcmil, three-phase.
\$2,987	per connection with separable H splice (4-way), 750 kcmil, three-phase.
\$3,063	for installation of a section of cable.
\$1,225	per voltage generator test.

