

TEXTE DE
***ELECTRICITY RATES* EFFECTIVE APRIL 1, 2016**

**SUIVANT LA DÉCISION D-2016-033 RENDUE PAR LA RÉGIE DE L'ÉNERGIE
LE 7 MARS 2016**

**Hydro-Québec's electricity rates for its electricity
distribution activities effective April 1, 2016**

Approved by the Régie de l'énergie
in Decision D-2016-XXX

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CHAPTER 1

INTERPRETATIVE PROVISIONS

Definitions

1.1

In these Electricity Rates, 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 (CQLR, chapter S-4.2).

“Act Respecting Tourist Accommodation Establishments”:

An Act Respecting Tourist Accommodation Establishments (CQLR, 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 Hydro-Québec.

“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 to be community residences, for purposes of these Rates, 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 Hydro-Québec system.

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

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

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

“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”: The point at which Hydro-Québec delivers electricity and from which the customer may use such electricity, located immediately on the load side of Hydro-Québec’s metering equipment. In cases where Hydro-Québec does not install metering equipment, or where it is on the supply 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.

“distribution service loop”: Any portion of a power line, not located along a public highway, extending the Hydro-Québec 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 these Rates.

“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 Hydro-Québec.

“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 these Rates.

“general use”: The use of electricity for all purposes other than those explicitly provided for in these Rates.

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

“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 Hydro-Québec.

“industrial activity”: All actions involved 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 these Rates, is expressed in kilowatts and corresponds to 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 types of metering equipment approved by the competent authorities. If the characteristics of the customer’s load so justify, only the metering equipment needed for billing is 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 power system operated by a municipality or by the Coopérative régionale d’électricité de Saint-Jean-Baptiste-de-Rouville, and supplied by Hydro-Québec.

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

“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 prices, their conditions of application and the calculation methods that apply to the billing of electricity and services supplied by Hydro-Québec under a contract.

“Rates”: The document that sets forth the electricity rates of Hydro-Québec in its electricity distribution activities, as approved by the Régie de l’énergie.

“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 2 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, inclusive.

“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 kilovolts (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.

“weekly contract”: A contract with a minimum term of 7 consecutive days.

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

Units of measurement

1.2

For the application of these Rates, 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.

CHAPTER 2

DOMESTIC RATES

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 both dwellings and rooms, 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.

Installation of maximum-demand meter 2.3

In the case of a contract at a domestic rate, Hydro-Québec installs a maximum-demand meter when the customer's electrical installation is such that the maximum power demand is likely to exceed 50 kilowatts.

Customer's choice 2.4

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 2.5

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	2.6
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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, long-term care facilities, or other establishments covered in the *Act Respecting Health Services and Social Services*.

Structure of Rate D	2.7
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The structure of Rate D for a weekly contract is as follows:

- 40.64¢ fixed charge for each day in the consumption period,

plus
- 5.71¢ per kilowatthour for energy consumed, up to the product of 30 kilowatthours and the number of days in the consumption period, and
- 8.68¢ per kilowatthour for the remaining consumption,

plus a monthly charge of
- \$3.78 per kilowatt of billing demand in excess of 50 kilowatts during the summer period, or
- \$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 **2.8**

The billing demand at Rate D is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 2.9.

Minimum billing demand **2.9**

The minimum billing demand for any given 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 given consumption period.

For a change to Rate D from Rate DT or a general rate, the minimum billing demand is determined as specified in this article.

Apartment building, community residence or rooming house **2.10**

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 2.14.

Bed and breakfast **2.11**

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 and where services are offered only to the persons renting rooms.

If the bed and breakfast does not meet these conditions, Rate D applies under the conditions set forth in Article 2.14.

Accommodations in a foster family or a foster home **2.12**

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 **2.13**

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 **2.14**

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 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.

Farms 2.15

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 exceeds 10 kilowatts, the appropriate general rate applies.

Metering of electricity and contract 2.16

In the sole cases where, on 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.

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SECTION 3

RATE DM

Application 2.17

Rate DM applies only to a contract which was eligible for it on May 31, 2009, and for which electricity is delivered to an apartment building or a community residence consisting of dwellings where there is bulk metering.

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, long-term care facilities, or other establishments covered in the *Act Respecting Health Services and Social Services*.

Community residence consisting of dwellings and rooms, or community residence or rooming house with 10 rooms or more **2.18**

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;
- b) a rooming house or community residence with 10 rooms or more.

When the electricity is not exclusively for habitation purposes, Rate DM applies under the conditions set forth in Article 2.24.

Structure of Rate DM **2.19**

The structure of Rate DM for a weekly contract is as follows:

- 40.64¢ fixed charge for each day in the consumption period, times the multiplier,
plus
- 5.71¢ per kilowatthour for energy consumed, up to the product of 30 kilowatthours, the number of days in the consumption period and the multiplier, and
- 8.68¢ per kilowatthour for the remaining consumption,
plus a monthly charge of
- \$3.78 per kilowatt of billing demand in excess of the base billing demand during the summer period, or
- \$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 2.20

The billing demand at Rate DM is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 2.21.

Minimum billing demand 2.21

The minimum billing demand for any given 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 given consumption period.

For a change to Rate DM from Rate DT or a general rate, the minimum billing demand is determined as specified in this article.

Base billing demand 2.22

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

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

Multiplier 2.23

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, 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 **2.24**

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, as defined in Article 2.23, is incremented by 1.

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 **2.25**

A customer whose contract is eligible for Rate D or Rate DM and who uses a dual-energy system that meets the conditions stipulated in Article 2.27 may opt for Rate DT. In that case, Rate DT applies to all of the customer's consumption.

Definition **2.26**

In this section, the following definition applies:

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

Characteristics of the dual-energy system **2.27**

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

- a) The capacity of the dual-energy system in fuel mode must be sufficient to heat the premises in question. The energy sources of the dual-energy system 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 Hydro-Québec in a location and under conditions which Hydro-Québec 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 Hydro-Québec;
- d) The customer may also use a manual switch to change from one source of energy to the other.

Recovery after a power failure **2.28**

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 Hydro-Québec's requirements.

Structure of Rate DT **2.29**

The structure of Rate DT for a weekly contract is as follows:

- 40.64¢ fixed charge for each day in the consumption period, times the multiplier,
- plus
- 4.60¢ 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 Hydro-Québec, and
- 26.91¢ per kilowatthour for energy consumed when the temperature is below -12°C or -15°C , as applicable,

plus a monthly charge of

\$3.78 per kilowatt of billing demand in excess of the base billing demand during the summer period, or

\$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 **2.30**

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 the contract was subject to Rate DT or eligible for Rate DM on May 31, 2009.

When the multiplier is not 1, it is determined as specified in Article 2.23.

Billing demand **2.31**

The billing demand at Rate DT is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 2.32.

Minimum billing demand **2.32**

The minimum billing demand for any given 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 given consumption period.

For a change to Rate DT from Rate D, Rate DM or a general rate, the minimum billing demand is determined as specified in this article.

Base billing demand **2.33**

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 **2.34**

For an apartment building, community residence or rooming house, a customer who uses a dual-energy system that meets the conditions in Article 2.27 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 2.35.

Mixed use **2.35**

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 the contract was subject to Rate DT or eligible for Rate DM on May 31, 2009, the multiplier, as defined in Article 2.30, is incremented by 1.

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.

Farm**2.36**

When a distribution service loop serves a farm or both a farm and a dwelling, Rate DT applies if the following conditions are met:

- a) This distribution service loop must supply at least one dual-energy system;
- b) Each dual-energy system must meet all of the conditions specified in Article 2.27;
- c) The installed capacity of each dual-energy system must be no less than 50% of the installed capacity of the premises it serves;
- d) The installed capacity of all premises supplied by this distribution service loop that are not served by a dual-energy system must not exceed 10 kilowatts.

If the farm does not meet these conditions, Rate D or Rate DM, if it is eligible for such rates, or the appropriate general rate shall apply.

Duration of rate application**2.37**

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 its 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 Hydro-Québec receives the customer's written request or at the beginning of the consumption period following the customer's request, provided the appropriate meter has been installed.

Non-compliance with conditions**2.38**

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 2.29, 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 in effect for which it is eligible. 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, as the case may be.

Fraud **2.39**

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 these Rates, Hydro-Québec 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. Rate DT cannot apply again to the same contract for at least 365 days.

SECTION 5

NET METERING OPTION FOR A CUSTOMER-GENERATOR

Application **2.40**

The Net Metering Option applies to Rate D or Rate DM contracts whose maximum power demand never exceeds 50 kilowatts during the 12 consecutive monthly periods ending at the end of the consumption period in question.

Definitions **2.41**

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”: The electricity supplied by Hydro-Québec during a consumption period.

“electricity injected”: The electricity fed into the Hydro-Québec 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 = the surplus bank for the consumption period;

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

C_t = the net consumption for the consumption period;

S_t = the net surplus for the consumption period;

t = the consumption period.

Sign-up for the Net Metering Option

2.42

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

Hydro-Québec advises the customer in writing of its decision as to whether or not it accepts that the customer connect its power generating facility to the grid and enroll in the Net Metering Option.

Eligibility**2.43**

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**2.44**

The Net Metering Option takes effect at the start of the first consumption period following installation of the appropriate metering equipment.

Customer billing**2.45**

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 **2.46**

The surplus bank returns to zero:

- a) on the March 31 following application of the conditions set out in Article 2.44 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 2.44 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 **2.47**

When the customer wishes to terminate the Net Metering Option, the customer must so inform Hydro-Québec in writing.

The option then terminates at the end of the consumption period in which Hydro-Québec 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 Hydro-Québec in accordance with the provisions of Article 2.42.

SECTION 6

**ADDITIONAL ELECTRICITY OPTION
FOR PHOTOSYNTHETIC LIGHTING**

Application **2.48**

The Additional Electricity Option, described in Section 3 of Chapter 6, applies to a Rate D contract under which electricity

is used for photosynthetic lighting and whose maximum power demand has been at least 400 kilowatts during a consumption period included in the 12 consecutive monthly periods preceding the date of the sign-up request, subject to the conditions specified in articles 2.49, 2.50 and 2.51.

Sign-up procedure **2.49**

A customer wishing to enroll in the Additional Electricity Option must submit a written request to Hydro-Québec at least 15 business days before the start of the consumption period for which the option is being requested.

Subject to installation of the appropriate metering equipment, agreement on the reference power and Hydro-Québec's written approval, the option takes effect at the beginning of the consumption period following the period during which Hydro-Québec receives the written request.

Establishing reference power **2.50**

Upon receiving a request for the Additional Electricity Option for photosynthetic lighting, Hydro-Québec may base the reference power on the normal consumption profile without photosynthetic lighting.

Conditions of application **2.51**

The conditions defined in Subsection 3.2 of Chapter 6 apply, with the exception of the following conditions:

- a) The price of additional electricity set according to Article 6.32 cannot be lower than the average price at Rate M, based only on the second-tier energy price for 25-kV service and a 100% load factor, that is, 5.50¢ per kilowatthour;
- b) Rate L and Rate LG mentioned in articles 6.34 and 6.35 are replaced by Rate D;
- c) The adjustment for the difference in power factor provided for in Article 6.35 is made if the power factor for the actual consumption or the reference power, or for both, is lower than 90%.

CHAPTER 3

RATES FOR SMALL POWER

SECTION 1

RATE G

Application	3.1
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General Rate G applies to a small-power contract whose minimum billing demand is less than 65 kilowatts.

Structure of Rate G	3.2
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The structure of monthly Rate G for an annual contract is as follows:

\$12.33 fixed charge,

plus

\$17.31 per kilowatt of billing demand in excess of 50 kilowatts,

plus

9.71¢ per kilowatthour for the first 15,090 kilowatthours, and

6.60¢ 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
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The billing demand at Rate G is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 3.4.

Minimum billing demand**3.4**

The minimum billing demand for any given 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 given consumption period.

When the minimum billing demand reaches 65 kilowatts or more, the contract ceases to be eligible for Rate G and becomes subject to Rate M or, if the average load factor for the last 12 consumption periods is less than 26%, to Rate G-9.

Rate M or Rate G-9 applies from the start of the consumption period during which the minimum billing demand reached 65 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, Rate M or a domestic rate, the minimum billing demand is determined as specified in the first paragraph of this 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 1 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 \$5.94.

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, Hydro-Québec installs a maximum-demand meter when the customer's electrical installation is such that the maximum power demand is likely to exceed 50 kilowatts.

Winter activities 3.7

The conditions of this article apply only to contracts that were subject to them on 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 consumption noted between December 1 of one year and March 31 of the next year, inclusive, 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 are from December 1 of one year to March 31 of the next year, inclusive, 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 this contract;
- d) If Hydro-Québec 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.

Provisions related to the elimination of energy price degressivity under Rate G 3.8

Further to the increase in the second-tier energy price that comes into effect on April 1 of each year and is designed to eliminate Rate G's energy price degressivity, the rate applied to a Rate G contract is automatically changed by Hydro-Québec as of the consumption period beginning on or after April 1, 2016, if, for the 12 consecutive monthly periods immediately preceding this period, the following conditions are met:

- a) The total consumption of the contract is 100,000 kilowatthours or more;
- b) Given the rates in effect on April 1, 2016, applying the more advantageous rate, either Rate M or Rate G-9, yields savings of at least 3% on the contract holder's electricity bill in comparison to Rate G.

A contract holder whose rate is changed by Hydro-Québec under this article may, once only, choose another rate for which the contract is eligible. The rate change request must be sent to Hydro-Québec before the end of the 3rd monthly consumption period after the rate was changed by Hydro-Québec. The change takes effect at the beginning of the period during which the rate was changed by Hydro-Québec.

SECTION 2

NET METERING OPTION FOR A CUSTOMER-GENERATOR

Application 3.9

The Net Metering Option described in Section 5 of Chapter 2, applies to Rate G contracts whose maximum power demand never exceeds 50 kilowatts during the 12 consecutive monthly periods ending at the end of the consumption period in question.

CHAPTER 4

RATES FOR MEDIUM POWER

SECTION 1

RATE M

Application 4.1

General Rate M applies to a medium-power contract whose maximum power demand has been at least 50 kilowatts during a consumption period included in 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:

\$14.37 per kilowatt of billing demand,

plus

4.93¢ per kilowatthour for the first 210,000 kilowatthours, and

3.66¢ 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 is never less than the minimum billing demand, as defined in Article 4.4.

Minimum billing demand**4.4**

The minimum billing demand for any given 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 given consumption period.

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, if it is eligible for such rate, or to Rate LG.

Rate L or Rate LG applies as of the beginning of the consumption period during which the minimum billing demand reaches 5,000 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 M from Rate G, Rate G-9, Rate LG or a domestic rate, the minimum billing demand is determined as specified in this article.

Change to Rate L during the term of the contract**4.5**

The holder of a Rate M contract may opt for Rate L at any time, if it is eligible for such rate, by submitting a written request to Hydro-Québec. The rate change takes effect either at the beginning of the consumption period during which Hydro-Québec receives the written request, at any date and time 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 and time at which the change of rate is to take effect, Rate L takes effect at the beginning of the consumption period during which Hydro-Québec receives the written request.

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

Change to Rate L 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 eligible for Rate L;
- 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 submit a written request to Hydro-Québec 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 \$5.94 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.

Installation of maximum-demand meter 4.8

Hydro-Québec installs a maximum-demand meter for all Rate M contracts in order to measure the maximum power demand.

SECTION 2

RATE G-9

Application 4.9

General Rate G-9 applies to a contract which is characterized by limited use of billing demand and whose maximum power demand has been at least 65 kilowatts during a consumption period included in the 12 consecutive monthly periods ending at the end of the consumption period in question.

Rate G-9 is not offered to independent producers.

Structure of Rate G-9 4.10

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

\$4.20 per kilowatt of billing demand,

plus

9.90¢ 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 \$10.17 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 4.11

The billing demand at Rate G-9 is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 4.12.

Minimum billing demand 4.12

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 to be a single contract for calculation of the minimum billing demand.

For a change to Rate G-9 from Rate G, Rate M or Rate LG, or from a domestic rate, the minimum billing demand is determined as specified in this article.

Short-term contract **4.13**

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 \$5.94.

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.

Installation of maximum-demand meter **4.14**

Hydro-Québec installs a maximum-demand meter for all Rate G-9 contracts in order to measure the maximum power demand.

SECTION 3

RATE GD

Application **4.15**

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 **4.16**

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 **4.17**

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

 \$5.22 per kilowatt of billing demand,

 plus

 6.14¢ per kilowatthour for energy consumed in the summer period, or

 15.22¢ per kilowatthour for energy consumed in the winter period.

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 **4.18**

The billing demand at Rate GD is equal to the highest real power demand (in kilowatts) during the consumption period in question, but is never less than the minimum billing demand as defined in Article 4.19.

Minimum billing demand **4.19**

The minimum billing demand for a contract at Rate GD is the highest real power demand during the 24 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 purposes of establishing the minimum billing demand.

For a change to Rate GD from Rate G or Rate M, 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 to Rate G or Rate M from Rate GD, 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 – PHOTOSYNTHESIS

Application **4.20**

The Transitional Rate in this section applies to Rate BT contracts in effect on August 16, 2004, and only to photosynthetic lighting billed according to Rate BT prices and conditions as at that date. To be eligible for this rate, the customer must have opted out of Rate BT no later than March 31, 2005.

Customer's bill **4.21**

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 4.22 through 4.27;
- b) The adjustment described in Article 4.28 is then applied;

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

Structure of Transitional Rate – Photosynthesis 4.22

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” 4.23

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 4.24

In order to establish the monthly fixed charge in accordance with Article 4.22, 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 4.25

Subject to Article 4.24, 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 Hydro-Québec 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 **4.26**

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 Hydro-Québec at least 30 days before the end of this 365-day period.

Maximum power demand greater than contractual power **4.27**

If the maximum power demand during a consumption period exceeds the contractual power by more than 10%, Hydro-Québec 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 Hydro-Québec's equipment resulting from power demand in excess of the available power.

Adjustment of the customer's bill **4.28**

To determine the applicable adjustment, Hydro-Québec 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) It is increased by 5% on April 1 of 2005, 2006 and 2007;
- c) It is then increased by 8% on April 1 of each year, starting April 1, 2008;
- d) It is also raised by the average increase in Hydro-Québec's rates, each time such increase comes into effect.

These increases are cumulative.

Fraud **4.29**

If the customer commits fraud, manipulates or hinders the functioning of the meters, or uses the Transitional Rate for

purposes other than those provided for under these Rates, Hydro-Québec will terminate the Transitional Rate contract. The contract then becomes subject to Rate D, if it is eligible for such rate, or to the appropriate general rate.

Duration of commitment 4.30

The customer may terminate the Transitional Rate contract at any time. The contract then becomes subject to Rate D, if it is eligible for such rate, or to the appropriate general rate.

End of application 4.31

The Transitional Rate shall cease to apply when it is more advantageous for the customer to be subject to the rate for which such customer is eligible.

SECTION 5

**RUNNING-IN OF NEW EQUIPMENT
BY MEDIUM-POWER CUSTOMERS**

Application 4.32

The running-in conditions described in this section apply to an annual Rate M contract held by a customer 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 Hydro-Québec. The customer may benefit from these conditions for a minimum of:

- a) 1 consumption period, and a maximum of 6 consecutive consumption periods, for customers to whom Article 4.33 applies;
- b) 1 consumption period, and a maximum of 12 consecutive consumption periods, for customers to whom Article 4.34 applies.

To benefit from these conditions, the customer must notify Hydro-Québec in writing at least 30 days before the running-in period, indicating the approximate beginning of the running-in period, and must submit to Hydro-Québec 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 minimum billing demand in effect at the time of the customer's written request, and also at least 100 kilowatts.

Subject to a written agreement on the estimate of the power demand and energy consumption after the running-in period, the Rate M 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 Hydro-Québec, for written approval, of the exact date of the beginning of the running-in period.

Contract whose billing history includes 12 or more consumption periods at Rate M during which there was no running-in under this section or equipment testing under Section 6 4.33

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

- a) An average price, expressed in cents per kilowatthour, is determined on the basis of the average billing demand and the average energy consumed in the last 12 consumption periods during which there was no running-in or equipment testing. Upon written request from the customer, days during which a strike was held at the customer's premises are not taken into account in these averages. The Rate M prices and conditions in effect during the consumption period in question, within the running-in period, are applied to these averages, 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 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.

When the consumption profile for the last 12 consumption periods during which there was no running-in or equipment testing does not reflect the anticipated consumption profile following the running-in period, Hydro-Québec may apply Article 4.34.

Contract whose billing history includes fewer than 12 consumption periods at Rate M during which there was no running-in under this section or equipment testing under Section 6 4.34

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

- a) An average price, expressed in cents per kilowatthour, is determined on the basis of estimates of the power demand and energy consumption after the running-in period. 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 these estimates, 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 3 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 cents per kilowatthour, is determined on the basis of the maximum power demand and the energy consumed on average during these last 3 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 **4.35**

To terminate application of the running-in conditions, the customer must so notify Hydro-Québec 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 Hydro-Québec receives the customer's written notice, at the beginning of either of the 2 previous consumption periods or at the beginning of either of the 2 subsequent consumption periods.

Hydro-Québec may terminate the running-in conditions on 30 days' notice if the customer is unable to demonstrate that equipment is being run in.

Reapplication of running-in conditions **4.36**

Following a new equipment addition, a customer may once again benefit from the running-in conditions. Such customer must submit a new request to Hydro-Québec in accordance with the provisions of Article 4.32.

SECTION 6

EQUIPMENT TESTING BY MEDIUM-POWER CUSTOMERS

Application **4.37**

The conditions for equipment testing described in this section apply to an annual Rate M or Rate G-9 contract held by a customer who wishes to conduct one or more tests following the addition of new equipment or the modification or optimization of existing equipment. The customer may benefit from them for a minimum of 1 consumption period and a maximum of 3 consecutive consumption periods.

To benefit from these conditions, the customer must notify Hydro-Québec in writing of its intention to run the tests at least 10 business days before the start of the first consumption period during which they are planned, specifying the consumption period(s) during which tests may be conducted, the nature of the new equipment, modifications or optimization work as well as the power rating of the equipment to be tested, subject to Hydro-Québec's written approval.

Customer's bill**4.38**

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

- a) An initial amount is calculated by applying the Rate M or Rate G-9 prices in effect, as the case may be, to the highest billing demand of the last 12 consumption periods preceding the application of the conditions for equipment testing as well as to the energy consumed during the consumption period in question, 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 using the difference, if positive, between the energy consumed during the consumption period in question and the energy consumed during the chosen consumption period for establishing the billing demand under subparagraph a), adjusted in proportion to the number of days in the consumption period in question, and by multiplying the result by:

10.00¢ per kilowatthour;
- c) The results obtained in subparagraphs a) and b) are added up.

Restriction**4.39**

Hydro-Québec may prohibit the consumption of electricity for equipment testing purposes, based on system management requirements and availability.

SECTION 7

INTERRUPTIBLE ELECTRICITY OPTIONS FOR MEDIUM-POWER CUSTOMERS

Subsection 7.1 – General

Application**4.40**

The Interruptible Electricity Options described in this section apply to a general-rate medium-power contract held by

a customer who can commit to Hydro-Québec to curtail power during the winter period and whose maximum power demand has been at least 1,000 kilowatts during a consumption period included in the 12 consecutive monthly periods preceding the date of the sign-up request.

These options do not apply when the customer is benefiting from the running-in conditions described in Section 5, the equipment testing conditions described in Section 6 or the Additional Electricity Option described in Section 8.

Definitions

4.41

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 interruption hour, the difference between:

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

Effective hourly interruptible power cannot be negative.

“interruption period”: The block of interruption hours indicated in the notice given by Hydro-Québec to the customer in accordance with Article 4.44.

“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 06:00 to 10:00 and from 16:00 to 20:00, 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**4.42**

The customer must apply in writing to Hydro-Québec before October 1, indicating the base power the customer wishes to commit to and the option chosen among those offered in Article 4.44.

Hydro-Québec then has 30 days to analyze the customer's proposal as regards such factors as the risk related to its commitment, the reliability of its equipment and the anticipated system impact of the power being offered, given any potential constraints associated with its location. Hydro-Québec advises the customer in writing of its decision as to whether or not it accepts the proposal. The agreement comes into effect December 1.

Subsection 7.2 – Credits and Conditions of Application

Commitment**4.43**

The customer commits to a base power, which must not exceed 80% of the average billing demand for the preceding winter period. The contractual commitment remains in effect for the entire winter period.

The customer may increase or decrease 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 Hydro-Québec when the unavailability of a fuel-fired boiler or backup generator has an impact on base power, in which case Hydro-Québec will temporarily adjust the base power. Hydro-Québec may terminate the customer's commitment if this situation occurs more than twice during the winter period or if the equipment unavailability exceeds 7 business days. Under such circumstances, the amount of the fixed credit granted under Article 4.45 will be prorated to the number of days

of availability of the customer's equipment during the winter period.

Conditions applicable to interruptions **4.44**

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

	Options	
	I	II
Advance notice:		
Weekdays	2 hours	15:00 the preceding day
Weekends	15:30 the preceding day	–
Maximum number of interruptions per day:	2	2
Minimum interval between 2 interruptions in the same day (hours):	4	6
Maximum number of interruptions per winter period:	20	25
Duration of an interruption (hours):	4–5	4
Maximum duration of interruptions per winter period (hours):	100	100

Interruptions can occur:

Option I: at any time in the winter period;

Option II: between 06:00 and 10:00 or between 16:00 and 20:00 weekdays in the winter period, excluding statutory holidays, as specified in the definition of useable hours in Article 4.41.

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

Nominal credits **4.45**

The following credits apply for the winter period:

Option I

Fixed credit:

\$13.00 per kilowatt for the difference between the average hourly power during useable hours and the base power.

Variable credit:

20.00¢ per kilowatthour of effective hourly interruptible power for each of the first 20 interruption hours;

25.00¢ per kilowatthour of effective hourly interruptible power for each hour between the 21st and the 40th interruption hours inclusive; and

30.00¢ per kilowatthour of effective hourly interruptible power for each of the 60 subsequent interruption hours.

Option II

Fixed credit:

\$9.10 per kilowatt for the difference between the average hourly power during useable hours and the base power.

Variable credit:

20.00¢ per kilowatthour of effective hourly interruptible power for each interruption hour.

Effective credits applicable to the contract **4.46**

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 difference between the average hourly power during useable hours and the base power for the consumption period

in question, prorated to the number of days in the consumption period in relation to the number of days 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 and the number of kilowatthours of effective hourly interruptible power for each interruption hour.

Penalties **4.47**

For each overrun during an interruption period, Hydro-Québec applies a penalty that depends on the option:

Option I: \$1.25 per kilowatt;

Option II: \$0.50 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 the winter period cannot exceed the total fixed credits paid to the customer.

Hydro-Québec may terminate the customer's commitment should the customer incur penalties 4 times during the winter period.

No variable credit is granted for an hour to which a penalty applies in accordance with this article.

SECTION 8

ADDITIONAL ELECTRICITY OPTION FOR MEDIUM-POWER CUSTOMERS

Application **4.48**

The Additional Electricity Option, described in Section 3 of Chapter 6, applies to a Rate M or Rate G-9 contract whose maximum power demand has been at least 1,000 kilowatts during a consumption period included in the 12 consecutive monthly periods preceding the date of the sign-up request,

subject to the conditions specified in articles 4.49, 4.50 and 4.51.

This option does not apply when the customer is benefiting from the Interruptible Electricity Option described in Section 7 of this chapter.

Sign-up procedure **4.49**

A customer wishing to enroll in the Additional Electricity Option must submit a written request to Hydro-Québec at least 15 business days before the start of the consumption period for which the option is being requested.

Subject to installation of the appropriate metering equipment, agreement on the reference power and Hydro-Québec's written approval, the option takes effect at the beginning of the consumption period following the period during which Hydro-Québec receives the written request.

Conditions of application **4.50**

The conditions defined in Subsection 3.2 of Chapter 6 apply, with the exception of the following conditions:

- a) The price of additional electricity set according to Article 6.32 cannot be lower than the average price at Rate M, based only on the second-tier energy price for 25-kV service and a 100% load factor, that is, 5.50¢ per kilowatthour;
- b) Rate L and Rate LG mentioned in articles 6.34 and 6.35 are replaced by Rate M or Rate G-9, as the case may be;
- c) The adjustment for the difference in power factor provided for in Article 6.35 is made if the power factor for the actual consumption or the reference power, or for both, is lower than 90%.

Conditions related to photosynthetic lighting **4.51**

When electricity supplied under a Rate M or Rate G-9 contract is used for photosynthetic lighting, the maximum power demand must have been at least 400 kilowatts during a consumption period included in the 12 consecutive monthly periods preceding the date of the sign-up request.

Upon receiving a request for the Additional Electricity Option for photosynthetic lighting, Hydro-Québec may base the reference power on the normal consumption profile without photosynthetic lighting.

SECTION 9

ECONOMIC DEVELOPMENT RATE FOR MEDIUM-POWER CUSTOMERS

Application	4.52
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The Economic Development Rate, described in Section 6 of Chapter 6, applies to a medium-power contract whose holder undertakes, thanks to the present rate, to build and commission a new facility or expand an existing facility operating in a promising sector of activity.

It does not apply to a contract whose holder benefits from the rate conditions or options described in Sections 5 to 8 of Chapter 4.

CHAPTER 5

RATES FOR LARGE POWER

SECTION 1

RATE L

Application 5.1

Rate L applies to an annual contract whose minimum billing demand is 5,000 kilowatts or more and which is principally related to an industrial activity.

Structure of Rate L 5.2

The structure of monthly Rate L is as follows:

\$12.87 per kilowatt of billing demand,

plus

3.26¢ per kilowatthour.

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.

Contract power 5.3

The contract power is equal to the minimum billing demand set for a contract under Rate L. It must not be less than 5,000 kilowatts, nor exceed the available power.

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 in regard to the contract power.

Billing demand 5.4

The billing demand at Rate L is equal to the maximum power demand during the consumption period in question, but is never less than the contract power defined in Article 5.3.

Condition related to the power factor for power demand less than 5,000 kilowatts 5.5

If, during a consumption period, the maximum power demand exceeds the highest real power demand, which is less than 5,000 kilowatts, Hydro-Québec applies the demand charge to the difference between:

- a) the maximum power demand up to 5,000 kilowatts; and
- b) the highest real power demand.

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.

Optimization charge 5.6

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 \$7.53 per kilowatt. For each day during which such an overrun occurs, the charge will be applied to the number of kilowatts making up 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 \$22.59 per kilowatt.

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

Increase in contract power 5.7

The customer may increase the contract power at any time by submitting a written request to Hydro-Québec, 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 Hydro-Québec receives the written request for revision or at the beginning of one of the 3 previous consumption periods. If the customer wishes to increase the contract power at any date and time in a consumption period, the customer must so advise Hydro-Québec in writing and Hydro-Québec must receive the

notice during the said consumption period or within 20 days following it.

Decrease in contract power**5.8**

The customer may decrease the contract power after 12 complete 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 submit a written request to Hydro-Québec to that effect.

Provided that the decrease in contract power takes effect only after the 12 complete 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 and time during the consumption period during which Hydro-Québec receives the written request for revision; or
- b) any date and time during the previous consumption period; or
- c) any date and time during any subsequent consumption period.

If, because of a decrease in contract power in accordance with the first paragraph of this article, the contract ceases to be eligible for Rate L, Rate M takes effect on any date and time in the consumption period during which Hydro-Québec receives the request, or on any date and time 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**5.9**

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 5.7 or 5.8 takes effect on a date not

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 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 **5.10**

Notwithstanding articles 5.7 and 5.8, 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. It applies retroactively:

- until the end of the consumption period during which the customer requests the revision, or
- until the effective date of any previous increase in contract power.

A revision of contract power done at the beginning of a consumption period under this article will cancel any other

contract power revision applied at any date during this consumption period.

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 Hydro-Québec 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 submit a written request to Hydro-Québec before the end of the 14th monthly period following the date of the beginning of the contract.

Power demand excluded for billing **5.11**

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

When the customer disconnects power factor correction equipment at Hydro-Québec'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 **5.12**

The customer may obtain a credit on the amount payable for power when, for a continuous period of at least 1 hour:

- a) electricity was not supplied to the customer because Hydro-Québec interrupted the supply of electricity; or
- b) the customer was prevented from using electricity, wholly or in part, at the request of Hydro-Québec; or
- 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 Hydro-Québec has interrupted the supply of electricity twice or more in the same day for a combined total of at least 1 hour.

To obtain the credit, the customer must submit a written request to Hydro-Québec 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 average energy consumed during those hours, expressed in kilowatts.

This credit does not apply when Hydro-Québec refuses to deliver electricity to the customer as provided for in Sections 5 and 8 of this chapter or prohibits consumption as provided for in Section 3 of Chapter 6, or when service has been suspended due to breach of contract.

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

SECTION 2

RATE LG

Subsection 2.1 – General Provisions

Application 5.13

Rate LG applies to an annual contract whose minimum billing demand is 5,000 kilowatts or more, unless the contract is principally related to an industrial activity.

Structure of Rate LG 5.14

The structure of monthly Rate LG is as follows:

\$13.05 per kilowatt of billing demand,

plus

3.39¢ per kilowatthour.

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 **5.15**

The billing demand at Rate LG is equal to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as described in Article 5.17 or, for a customer benefiting from the transitional measures, in Subsection 2.2 of this chapter.

Condition related to the power factor for power demand less than 5,000 kilowatts **5.16**

If, during a consumption period, the maximum power demand exceeds the highest real power demand, which is less than 5,000 kilowatts, Hydro-Québec applies the demand charge to the difference between:

- a) the maximum power demand up to 5,000 kilowatts; and
- b) the highest real power demand.

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.

Minimum billing demand **5.17**

The minimum billing demand for any given consumption period 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 given consumption period. This value cannot be less than 5,000 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 to be a single contract for calculation of the minimum billing demand.

For a change to Rate LG from Rate G, Rate G-9, Rate M or a domestic rate, the minimum billing demand is determined as specified in this article.

Minimum billing demand of less than 5,000 kilowatts 5.18

The holder of a Rate LG contract may opt for Rate M at any time by submitting a written request to Hydro-Québec. The rate change takes effect either at the beginning of the consumption period during which Hydro-Québec receives the written request, at any date and time during that consumption period or at the beginning of the previous consumption period, at the customer's discretion.

Power demand excluded for billing 5.19

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

When the customer disconnects power factor correction equipment at Hydro-Québec'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 5.20

The customer may obtain a credit on the amount payable for power when, for a continuous period of at least 1 hour:

- a) electricity was not supplied to the customer because Hydro-Québec interrupted the supply of electricity; or
- b) the customer was prevented from using electricity, wholly or in part, at the request of Hydro-Québec; or
- 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 Hydro-Québec has interrupted the supply of electricity twice or more in the same day for a combined total of at least 1 hour.

To obtain the credit, the customer must submit a written request to Hydro-Québec 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 average energy consumed during those hours, expressed in kilowatts.

This credit does not apply when Hydro-Québec refuses to deliver electricity to the customer as provided for in Sections 5 and 8 of this chapter or prohibits consumption as provided for in Section 3 of Chapter 6, or when service has been suspended due to breach of contract.

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

Conditions applying to municipal systems **5.21**

A refund is provided to a municipal system at Rate LG as compensation for the distribution activities it must engage in to serve one or more Rate LG or Rate L customers whose installations are supplied at medium voltage.

If the customers concerned are billed at Rate LG, the municipal system 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 and equal to or less than 12,000 kilowatts.

If the maximum power demand is between 4,300 and 5,000 kilowatts, the percentage of the refund is determined as follows:

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

If the maximum power demand is greater than 12,000 kilowatts, the percentage of the refund is determined as follows:

$$\frac{12,000 \text{ kW} \times 15 \%}{\text{Maximum power demand}}$$

If the customers concerned are billed at Rate L, the municipal system is entitled to a refund which is equal to the sum of the following two elements:

- a) an amount resulting from the application of the percentage of the refund as set in this article to the amounts the municipal system would have obtained if the customers had been billed at Rate LG prices;
- b) an amount corresponding to the difference between the amounts the municipal system would have obtained if the customers had been billed at Rate LG prices and the amounts effectively billed at Rate L.

For a municipal system to be entitled to the refund, the customer cannot be a former Hydro-Québec customer, unless it became a customer of the municipal system with Hydro-Québec'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 Hydro-Québec, for each consumption period, with supporting documents proving that it is entitled to a refund.

Subsection 2.2 – Transitional Measures

Application

5.22

The transitional measures set forth in this subsection apply only to a Rate LG contract characterized by a seasonal utilization of power which was subject to them on March 31, 2016 and whose holder wishes to continue benefiting from a transition period in the application of the minimum billing demand defined in Article 5.17.

Period of application

5.23

The transitional measures apply from December 1, 2014 until the consumption period ending immediately after March 31, 2019.

When the customer wishes to cease the application of the transitional measures, it must notify Hydro-Québec in writing. The transitional measures cease to apply at the beginning of the consumption period following the reception date of

the customer's written notice. The customer will then be ineligible to apply for the transitional measures again.

For the consumption periods beginning between December 1, 2014 and November 30, 2018, inclusive, the minimum billing demand corresponds to the contract power, the terms and conditions of which are set forth in articles 5.24 through 5.28.

For the consumption periods beginning between December 1, 2018 and March 31, 2019, inclusive, the minimum billing demand is defined in Article 5.29.

Contract power **5.24**

The contract power under Rate LG must not be less than 5,000 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 to be a single contract in regard to the contract power.

Optimization charge **5.25**

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 \$7.62 per kilowatt. For each day during which such an overrun occurs, the charge will be applied to the number of kilowatts making up 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 \$22.86 per kilowatt.

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

Increase in contract power **5.26**

The customer may increase the contract power for a contract at Rate LG at any time by submitting a written request to

Hydro-Québec, 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 Hydro-Québec receives the written request for revision or at the beginning of one of the 3 previous consumption periods. If the customer wishes to increase the contract power at any date and time in a consumption period, the customer must so advise Hydro-Québec in writing and Hydro-Québec must receive the notice during the said consumption period or within 20 days following it.

Decrease in contract power**5.27**

The customer may decrease the contract power for a contract at Rate LG after 12 complete consumption periods starting from the last increase or decrease by submitting a written request to Hydro-Québec.

The contract power chosen by the customer must not be less than the following values:

- a) 30% of the maximum power demand during a consumption period that falls wholly in the winter period beginning December 1, 2014 and ending March 31, 2015, when the consumption period in question begins between December 1, 2014 and November 30, 2015, inclusive;
- b) 40% of the maximum power demand during a consumption period that falls wholly in the winter period beginning December 1, 2015 and ending March 31, 2016, when the consumption period in question begins between December 1, 2015 and November 30, 2016, inclusive;
- c) 50% of the maximum power demand during a consumption period that falls wholly in the winter period beginning December 1, 2016 and ending March 31, 2017, when the consumption period in question begins between December 1, 2016 and November 30, 2017, inclusive;
- d) 60% of the maximum power demand during a consumption period that falls wholly in the winter period beginning December 1, 2017 and ending March 31, 2018, when the consumption period in question begins between December 1, 2017 and November 30, 2018, inclusive.

Provided that the decrease in contract power takes effect only after the 12 complete consumption periods stipulated in the first paragraph of this article, 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 and time during the consumption period during which Hydro-Québec receives the written request for revision; or
- b) any date and time during the previous consumption period; or
- c) any date and time during any subsequent consumption period.

If, because of a decrease in contract power in accordance with the first paragraph of this article, the contract ceases to be eligible for Rate LG, Rate M takes effect on any date and time in the consumption period during which Hydro-Québec receives the request, or on any date and time 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**5.28**

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 5.26 or 5.27 takes effect on a date not 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 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.

Minimum billing demand from December 1, 2018 to March 31, 2019 5.29

For consumption periods beginning between December 1, 2018 and March 31, 2019, inclusive, the minimum billing demand 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 beginning December 1, 2018 and ending at the end of the consumption period in question. This value cannot be less than 5,000 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 to be a single contract for calculation of the minimum billing demand.

For a change to Rate LG from Rate G, Rate G-9, Rate M or a domestic rate, the minimum billing demand is determined as specified in this article.

SECTION 3

RATE G-9

Application 5.30

General Rate G-9, described in Section 2 of Chapter 4, applies to an annual large-power contract.

SECTION 4

RATE H

Application 5.31

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

Rate H is not offered to independent producers.

Definition 5.32

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. Hydro-Québec may, on verbal notice to the customer, consider winter Saturdays and Sundays from 06:00 to 22:00 to be “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**5.33**

The structure of monthly Rate H is as follows:

\$5.22 per kilowatt of billing demand,

plus

5.26¢ per kilowatthour for the energy consumed outside winter weekdays, and

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**5.34**

The billing demand under Rate H is equal to the higher of the following two 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, Rate LG, Rate M or Rate G-9, the minimum billing demand for the first 12 consumption periods at the new rate cannot 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) 75% of the maximum power demand during the last 12 consumption periods, including the most recent period, for a change to Rate LG or Rate G-9; or
- c) 65% of the maximum power demand during the last 12 consumption periods, including the most recent period, for a change to Rate M.

SECTION 5

RATE LD

Application

5.35

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. If part of the load is always supplied by Hydro-Québec, that portion will be billed at Rate L, if it is eligible for that rate, or at one of the general rates.

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 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

5.36

In this section, the following definitions apply:

“base rate”: The rate applicable to the part of the load always supplied by Hydro-Québec.

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

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

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

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

“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. Hydro-Québec may, on verbal notice to the customer, consider winter Saturdays and Sundays from 06:00 to 22:00 to be “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 **5.38**

The available power under a contract at Rate LD is set out in a written agreement between the customer and Hydro-Québec.

Structure of Rate LD **5.38**

a) Firm option

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

\$5.22 per kilowatt of billing demand,

plus

5.26¢ per kilowatthour for energy consumed outside winter weekdays, and

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:

\$0.52 per kilowatt of billing demand per day for planned interruptions, and

\$1.04 per kilowatt of billing demand per day for unplanned interruptions,

plus

5.26¢ per kilowatthour.

In the case of the non-firm option, the amount billed as demand may not be higher than the product of the monthly rate of \$5.22 per kilowatt 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

5.39

a) Determination of billing demand under the base rate

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

The power demand under the base rate is calculated using the following formula:

$$PA_{\text{base}} = PA_{\text{HQ}} - PR;$$

where

PA_{base} = power demand under the base rate;

PA_{HQ} = power demand met by Hydro-Québec;

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

i) $PAN - PG$

ii) $PA_{\text{HQ}} - PN$

where

PAN = the normal independent production;

PG = the power generated by independent production;

PN = the 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 corresponds to 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 under firm and non-firm Rate LD is calculated using the following formula::

$$PA_{\text{LD}} = PA_{\text{HQ}} - PA_{\text{base}}$$

where

PA_{LD} = the power demand at Rate LD.

Metering

5.40

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

Conditions regarding the delivery of electricity – 5.41
Non-firm option

In order to be able to use electricity for planned interruptions, a customer whose contract is subject to non-firm Rate LD must submit a written request to Hydro-Québec at least 2 business days in advance during the summer period and at least 7 days in advance during the winter period, specifying the period when the electricity is needed and the quantity required. Hydro-Québec accepts or denies the request, depending on system availability in the period indicated by the customer. Hydro-Québec confirms acceptance in writing to the customer. A customer who wishes to change the date must provide reasonable notice to Hydro-Québec. Hydro-Québec advises the customer as soon as possible as to whether the request is accepted or denied.

As far as possible, Hydro-Québec agrees to advise the customer in advance of the hours during which electricity consumption will not be allowed. However, depending on system management requirements and availability, Hydro-Québec may, at its discretion, interrupt the delivery of backup power on 2 hours' notice for a planned or unplanned interruption in the winter period, and for an unplanned interruption in the summer period.

If the customer consumes electricity during any period when delivery has been refused by Hydro-Québec, 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 Hydro-Québec, indicating the additional duration of the delivery. Hydro-Québec accepts or denies the request, depending on system availability during the period indicated by the customer.

Restrictions – Non-firm option 5.42

The provisions of the non-firm option shall not be interpreted as an obligation on the part of Hydro-Québec to assume additional costs 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.

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

Changing from the firm to the non-firm option 5.43

A customer subject to firm Rate LD may submit a written request to Hydro-Québec 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 5.35. 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 5.44

A customer subject to non-firm Rate LD may submit a written request to Hydro-Québec 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 5.45

A customer subject to firm Rate LD may submit a written request to Hydro-Québec asking that the contract be subject to Rate L if it is eligible for such rate. 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 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, Hydro-Québec may require a maximum of 3 years' notice before the load associated with the backup power can be transferred to Rate L, which would then apply to the contract for a minimum of 12 consecutive consumption periods.

SECTION 6

RUNNING-IN OF NEW EQUIPMENT BY LARGE-POWER CUSTOMERS

Application

5.46

The running-in conditions described in this section apply to a Rate L or a Rate LG contract held by a customer 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 Hydro-Québec. The customer may benefit from these conditions for a minimum of:

- a) 1 consumption period and a maximum of 12 consecutive consumption periods, for customers to whom Article 5.47 applies;
- b) 1 consumption period and a maximum of 24 consecutive consumption periods, for customers to whom Article 5.48 applies.

To benefit from these conditions, the customer must provide Hydro-Québec 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 Hydro-Québec 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 or Rate LG 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 Hydro-Québec, for written approval, of the exact date of the beginning of the running-in period.

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

5.47

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

- a) An average price, expressed in cents per kilowatthour, is determined on the basis of the average billing demand and the average energy consumed in 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 in these averages. The Rate L or Rate LG prices and conditions in effect during the consumption period in question, within the running-in period, are applied to these averages, 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 using the following formula:

$$4\% \times \frac{P_r}{(PMA_h + P_r)}$$

where

P_r = the power of the running-in equipment;

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

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 the average energy consumed in the last 12 consumption periods preceding the running-in period. The Rate L or Rate LG prices and conditions in effect during the consumption period in question, within the running-in period, are applied to these averages, 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 includes fewer than 12 consumption periods at Rate L or Rate LG during which there was no running-in **5.48**

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

- a) An average price, expressed in cents per kilowatthour, is determined on the basis of estimates of the power demand and energy consumption after the running-in period. The Rate L or Rate LG prices and conditions in effect during the consumption period in question, within the running-in period, are applied to these estimates, 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 running-in, the minimum bill per consumption period is determined on the basis of the average billing demand, which must be at least 5,000 kilowatts, and the average energy consumed during the last 3 consumption periods of the first year of running-in. The Rate L or Rate LG prices and conditions in effect during the consumption period in question, within the running-in period, are applied to these averages, 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 3 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 cents per kilowatthour, is determined on the basis of the maximum power demand and the energy consumed on average during these last 3 consumption periods and on the Rate L or Rate LG 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 **5.49**

To terminate application of the running-in conditions, the customer must so notify Hydro-Québec 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 Hydro-Québec receives the customer's written notice, at the beginning of either of the 2 previous consumption periods or at the beginning of either of the 2 subsequent consumption periods.

Hydro-Québec may terminate the running-in conditions on 30 days' notice if the customer is unable to demonstrate that equipment is being run in.

Reapplication of the running-in conditions **5.50**

Following a new equipment addition, a customer may once again benefit from the running-in conditions. Such customer must submit a new request to Hydro-Québec in accordance with the provisions of Article 5.46.

Restrictions **5.51**

Depending on system management requirements and availability, Hydro-Québec may limit power demand to the level stipulated in the written agreement specified in Article 5.46. All consumption beyond this demand level will be billed at 50¢ per kilowatthour.

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

SECTION 7

EQUIPMENT TESTING BY LARGE-POWER CUSTOMERS

Application **5.52**

The conditions for equipment testing described in this section apply to a Rate L or Rate LG contract held by a customer who wishes to conduct tests following the addition of new

equipment or the modification or optimization of existing equipment. The customer may benefit from them for a minimum of 1 hour and a maximum of 1 consumption period.

To benefit from these conditions, the customer must provide Hydro-Québec with a written notice at least 5 business days before the test period, indicating its anticipated beginning and ending date and time, the nature of the new equipment, modifications or optimization work as well as the power rating of the equipment to be tested, subject to Hydro-Québec's written approval.

Customer's bill**5.53**

At the end of each consumption period, the customer must confirm the actual start and end dates and times of the test period(s). Once it has approved them, Hydro-Québec establishes the customer's bill for that consumption period as follows:

- a) An initial amount is calculated by applying the Rate L or Rate LG prices in effect, as the case may be, to the billing demand recorded outside of the test period(s) and to the energy consumed during the consumption period in question, 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 by adding up the real power demands exceeding billing demand as determined under subparagraph a) for each 15-minute integration period of actual hours of the test period(s), and by multiplying the result by:

10.00¢ per kilowatthour;
- c) The results obtained in subparagraphs a) and b) are added up.

Restriction**5.54**

Hydro-Québec may prohibit the consumption of electricity for equipment testing purposes, based on system management requirements and availability.

SECTION 8

RATE LP

Application 5.55

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 5.56

The available power for a contract at Rate LP is set out in a written agreement between the customer and Hydro-Québec. It may be revised once a year, on the contract renewal date, subject to the availability of the Hydro-Québec system.

Hydro-Québec may refuse to deliver electricity at this rate, based on system management requirements and availability.

Structure of Rate LP 5.57

The structure of Rate LP is as follows:

Annual fixed charge: \$1,000.

Subject to Article 5.64, 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 5.58

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 5.59

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

Termination of contract during the year 5.60

The customer may terminate the Rate LP contract at any time. Hydro-Québec 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.

Hydro-Québec may terminate Rate LP at any time, upon 3 months' written notice.

Change from Rate LP to another rate 5.61

Should a customer wish to have the power under a Rate LP contract transferred to a contract it holds at Rate L, Rate LG or any other applicable rate, Hydro-Québec shall be notified in writing at least 6 months prior to the planned date of the change. Such change shall take effect at the end of this 6-month period, or earlier, provided that the appropriate metering equipment has been installed.

Conditions regarding the delivery of electricity 5.62

To be able to use electricity, a customer already under contract at Rate LP must submit a request to Hydro-Québec at least 72 hours before the desired delivery period begins, specifying the period during which the electricity is needed. Hydro-Québec may accept or deny the request based on system management requirements and availability during the period indicated by the customer. If Hydro-Québec accepts, it confirms 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 submit another request to Hydro-Québec specifying the additional delivery period at least 72 hours before it begins. Hydro-Québec processes the request according to the procedure described in the first paragraph of this article.

Commitment **5.63**

If Hydro-Québec accepts a customer request under Article 5.62 during the summer period, it shall guarantee delivery of the electricity during the agreed-upon period and under the agreed-upon conditions.

If Hydro-Québec accepts a customer request under Article 5.62 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 Hydro-Québec to request new authorization.

Unauthorized consumption of electricity **5.64**

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 50¢ per kilowatthour.

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

Credits for supply **5.65**

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

Restriction **5.66**

The provisions of this section shall not be interpreted as an obligation on the part of Hydro-Québec to assume connection or installation costs for the purpose of enabling a customer to sign up for a Rate LP contract.

CHAPTER 6

LARGE-POWER OPTIONS

SECTION 1

LOAD RETENTION RATE

Subsection 1.1 – Rate L Customers of Hydro-Québec

Application 6.1

The Load Retention Rate applies to a contract that was subject to Rate L on the date when the customer signed up for the Load Retention Rate.

Definitions 6.2

In this section, the following definitions apply:

“collaborator”: Any person or corporate entity, other than a supplier, that provides items defined as being among the customer’s variable costs.

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

“supplier”: Any person or corporate entity supplying goods or services defined as being among the customer’s variable costs, 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 investments in fixed assets, depreciation and amortization, financing costs and administrative overhead.

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

Sign-up procedure**6.3**

A customer wishing to sign up for the Load Retention Rate must submit a written request to Hydro-Québec. The customer's request must contain the following information:

- a) Financial statements covering the 3 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.

Hydro-Québec may check all information provided by the customer.

Subject to Hydro-Québec's written approval, the contract becomes subject to this rate either at the beginning of the consumption period during which Hydro-Québec receives the request or at the beginning of one of the 3 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, Hydro-Québec undertakes to keep confidential all information provided by the customer in connection with this rate and identified as confidential by said customer.

Duration of commitment**6.6**

The Load Retention Rate applies initially 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. This rate is applied according to the terms and conditions described in articles 6.7 and 6.9.

b) Second 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 application period.

The customer must submit a new written request to Hydro-Québec 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. This rate is then applied according to the terms and conditions described in articles 6.8 and 6.9.

After 60 months following the end of the last application period for the Load Retention Rate under subparagraphs a) and b), the Load Retention Rate may be applied again to the same contract for a last time, under the same conditions.

The customer must then submit a new written request to Hydro-Québec as provided for in this subsection.

Determination of the billing coefficient for the 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, to 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 the second sign-up **6.8**

The billing coefficient is determined as follows for the second 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, to 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 applies to all or to any eligible portion of a customer's load, as the case may be, as follows:

- a) An initial amount is calculated by applying the Rate L prices in effect to the customer's actual consumption data, 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, and by multiplying the result by the billing coefficient determined in Article 6.7 in the case of a first sign-up or in Article 6.8 in the case of a second sign up;
- b) A second amount is calculated based only on the price of energy in effect at Rate L, 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. It 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 Hydro-Québec.

Subsection 1.2 – Rate L Customers of a Municipal System

Application 6.10

This subsection applies to a municipal system that applies the Load Retention Rate set forth in Subsection 1.1 to a Rate L customer.

Object 6.11

For all eligible contracts, Hydro-Québec reimburses the municipal system the difference between the customer's Rate L bill and the bill calculated on the basis of the Load Retention Rate in accordance with Subsection 1.1.

Terms and conditions of application 6.12

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

- a) The customer of the municipal system must submit to the latter a written request 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 Hydro-Québec the customer's request and all relevant supporting documents as well as all the information required under Article 6.4. Hydro-Québec determines whether the contract is eligible for the Load Retention Rate and advises the municipal system in writing of its acceptance or rejection;
- c) Hydro-Québec pays the municipal system the difference between the Rate L bill and the Load Retention Rate bill throughout the period during which the contract remains eligible for the Load Retention Rate. Hydro-Québec adjusts the first electricity bill issued to the municipal system after the expiry of the 30-day period following the end

of the consumption period during which the acceptance mentioned in subparagraph b) above was sent to the municipal system.

SECTION 2

INTERRUPTIBLE ELECTRICITY OPTIONS FOR RATE L CUSTOMERS

Subsection 2.1 – General

Application 6.13

The Interruptible Electricity Options described in this section apply to a Rate L contract whose holder is able to curtail power during the winter period and is not already providing interruptible power under a special contract at the same delivery point or does not benefit from the running-in conditions described in Section 6 of Chapter 5.

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 maximum power 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 Hydro-Québec 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 Hydro-Québec’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 Hydro-Québec.

“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 Hydro-Québec 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, excluding consumption during recovery periods, to the product of the maximum power and the number of useable hours in the consumption period in question.

“maximum power”: The highest real power demand during the consumption period in question, outside of recovery periods.

“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) days when there is an interruption or reduction in supply in accordance with Article 5.12;
- d) 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;
- e) days that are not representative of the customer's normal consumption profile, up to a maximum of 4 days per consumption period.

Sign-up date **6.15**

The customer must apply in writing to Hydro-Québec before October 1, indicating the quantity of interruptible power the customer wishes to commit to and the option chosen among those offered in Article 6.18.

Hydro-Québec then has 30 days to analyze the customer's proposal as regards such factors as the risk related to its commitment, the reliability of its equipment and the anticipated system impact of the power being offered, given any potential constraints associated with its location. Hydro-Québec shall advise the customer in writing of its decision as to whether or not it accepts the proposal. The agreement comes into effect December 1.

Limitation **6.16**

Hydro-Québec 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, Hydro-Québec 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 maximum

contract power over the last 12 consumption periods ending at the end of the consumption period that precedes October 1, but in no event may it exceed that maximum contract power. The contractual commitment remains in effect for the entire winter period.

A customer may decrease 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 the maximum contract power over the last 12 consumption periods ending at the end of the consumption period that precedes the date on which the request for modification is received, but in no event may it 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:

	Options	
	I	II
Advance notice:		
Weekdays (hours)	2	2
Weekends	15:30 the preceding day	15:30 the preceding day
Maximum number of interruptions per day:	2	1
Minimum interval between 2 interruptions (hours):	4	16
Maximum number of interruptions per winter period:	20	10
Duration of an interruption (hours):	4–5	4–5
Maximum duration of interruptions per winter period (hours):	100	50

Notice of interruption 6.19

Hydro-Québec advises the representatives of the selected customers by telephone, indicating the starting time and the

end of the interruption period. If no representatives can be reached, the customer is deemed to have refused to curtail power for that interruption period.

Nominal credits **6.20**

The following credits apply for the winter period:

Option I

Fixed credit:

\$13.00 per kilowatt of effective interruptible power.

Variable credit:

20.00¢ per kilowatthour of effective hourly interruptible power for each of the first 20 interruption hours;

25.00¢ per kilowatthour of effective hourly interruptible power for each hour between the 21st and the 40th interruption hours inclusive; and

30.00¢ per kilowatthour of effective hourly interruptible power for each of the 60 subsequent interruption hours.

Option II

Fixed credit:

\$6.50 per kilowatt of effective interruptible power.

Variable credit:

20.00¢ 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 and the number of kilowatthours of effective hourly interruptible power for each interruption hour.

Calculation of contribution coefficient

6.22

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

$$C = \frac{(P_{\max} - P_{\text{base}}) \times LF_{\text{uh}}}{I}$$

where

C = the contribution coefficient;

P_{\max} = the maximum power;

P_{base} = the base power;

LF_{uh} = the load factor during useable hours;

I = the interruptible power.

The contribution coefficient cannot be negative.

Recovery periods

6.23

The customer is entitled to recovery periods if one or more interruptions have occurred in the winter period. These recovery periods may be:

- a) between 22:00 and 06:00 from Monday to Thursday; or
- b) between 22:00 Friday and 06:00 Monday.

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 energy at Rate L, up to the number of kilowatthours of

effective hourly interruptible power to which the variable credit was applied. Any additional consumption is billed at the price of additional electricity in effect for the consumption period in question, as set in Article 6.32.

Hydro-Québec may prohibit consumption during a recovery period, based on system management requirements and availability.

The customer's right to recovery periods must in no case be interpreted as a limitation of Hydro-Québec's right to invoke an Interruptible Electricity Option at any time under the conditions of this section.

Penalties**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 for each kilowatt included in the sum of overruns during an interruption period, depending on the option:

Option I: \$1.25 per kilowatt;

Option II: \$0.60 per kilowatt.

The maximum penalty for a given interruption period cannot exceed the product of the interruptible power, the contribution coefficient for the consumption period in question and, depending on the option, the following amount:

Option I: \$5.00 per kilowatt;

Option II: \$2.50 per kilowatt.

b) Variable credit:

No variable credit is granted for an hour to which a penalty applies in accordance with this article.

The total penalties applied over a winter period cannot exceed 150% of the total fixed credits that would have been paid to the customer for the winter period. Hydro-Québec may terminate the commitment of a customer who has drawn an overrun during 3 or more interruption periods in the course of the winter period. In the case of a commitment

terminated before the end of the winter period, Hydro-Québec will calculate the contribution coefficient for the winter period based on the consumption profile recorded between December 1 and the day preceding the termination date.

Billing conditions for Rate L customers enrolled in both the Additional Electricity Option and an Interruptible Electricity Option **6.25**

For Rate L customers enrolled in both the Additional Electricity Option and one of the Interruptible Electricity Options, the conditions described in Article 6.37 apply.

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SECTION 3

ADDITIONAL ELECTRICITY OPTION FOR LARGE-POWER CUSTOMERS

Subsection 3.1 – General

Application **6.26**

The Additional Electricity Option described in this section applies to a Rate L or Rate LG contract whose holder is not benefiting from the running-in conditions for new equipment described in Article 5.46.

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 3 consecutive consumption periods preceding the customer’s sign-up for 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 if need be to reflect the customer’s normal consumption profile under the Rate L or Rate LG contract.

“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 Hydro-Québec at least 5 business days before the start of the consumption period.

Subject to agreement on the reference power and Hydro-Québec’s written approval, the option takes effect at the beginning of the consumption period following the period during which Hydro-Québec receives the written request.

Duration of commitment **6.29**

A customer must make a commitment to the Additional Electricity Option for 1 consumption period.

Renewal of commitment **6.30**

A customer may renew a commitment regarding the Additional Electricity Option by submitting a written request to Hydro-Québec no later than 5 business days before the end of the commitment. The option will then continue to apply to the same contract, subject to Hydro-Québec’s approval.

Subsection 3.2 – Conditions of Application

Establishing reference power **6.31**

Upon receiving a request for the Additional Electricity Option, Hydro-Québec establishes the reference power that will be in effect for the duration of the commitment. If the 3 periods preceding the request do not reflect the customer’s normal consumption profile under Rate L or Rate LG, Hydro-Québec will use any other method deemed adequate.

Determining the price of additional electricity **6.32**

The price applied to the Additional Electricity Option corresponds to:

- a) during the winter period, the result of the following formula:

$$\frac{HAP \times CEE_h + (H_h - HAP) \times CEP}{H_h}$$

where

HAP = the number of hours for which Hydro-Québec plans to make short-term purchases on the markets during the winter period;

CEE_h = Hydro-Québec's avoided energy cost for the winter period;

CEP = the applicable average cost of heritage pool electricity;

H_h = the total number of hours in the winter period;

or

b) during the summer period, the applicable average cost of heritage pool electricity.

The price of additional electricity cannot be lower than the average price at Rate L for 120-kV service and a 100% load factor, that is, 4.65¢ per kilowatthour.

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

Hydro-Québec notifies the customer of the price of additional electricity 7 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, as described in articles 10.2 and 10.4, is the total of the amounts obtained in subparagraphs a), b), c) and d):

- a) the reference power billed at the Rate L or Rate LG prices and conditions in effect, as the case may be;
- b) the difference between actual consumption and the additional electricity of the consumption period, multiplied by the price of energy at Rate L or Rate LG;

- 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 2 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 difference in power factor 6.35

An adjustment is applied to the customer's bill to take into account any difference in the power factor with respect to the actual consumption and the reference power. The adjustment is determined using the following formula:

$$\text{Adjustment} = [(PMA_{re} - PMR_{re}) - (PMA_{rf} - PMR_{rf})] \times PP$$

where

PMA_{re} = the maximum power demand associated with actual consumption;

PMR_{re} = the maximum real power associated with actual consumption;

PMA_{rf} = the maximum power demand associated with the reference power;

PMR_{rf} = the maximum real power associated with the reference power;

PP = the demand charge in effect at Rate L or Rate LG, as the case may be, 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 for the actual consumption or the reference power, or for both, is equal to or greater than 95%, no adjustment is made.

Restrictions 6.36

Hydro-Québec may prohibit consumption of additional electricity on 2 hours' notice, based on system management requirements and availability.

Should the customer consume additional electricity during an unauthorized period, all consumption beyond reference power during that period will be billed at 50¢ per kilowatthour.

The provisions of the Additional Electricity Option shall not be interpreted as an obligation on the part of Hydro-Québec to assume any additional costs 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.

Hydro-Québec 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 Rate L customers enrolled in both the Additional Electricity Option and an Interruptible Electricity Option **6.37**

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

- a) Consumption during recovery periods under the conditions set forth in Article 6.23 shall not be considered in the calculation of the additional electricity;
- 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

INTERRUPTIBLE ELECTRICITY OPTIONS FOR RATE LG CUSTOMERS

Application **6.38**

The Interruptible Electricity Options for medium-power customers, defined in Section 7 of Chapter 4, apply to a Rate LG contract whose holder can commit to Hydro-Québec to curtail power during the winter period.

These options do not apply when the contract holder is benefiting from the Additional Electricity Option described in Section 3 or the running-in conditions described in Section 6 of Chapter 5.

SECTION 5

INTERRUPTIBLE ELECTRICITY OPTION WITH ADVANCE NOTICE AT 15:00 THE DAY PRECEDING THE INTERRUPTION FOR RATE L CUSTOMERS

Application **6.39**

The Interruptible Electricity Option for medium-power customers with advance notice at 15:00 the day preceding the interruption (Option II), described in Section 7 of Chapter 4, applies to a Rate L contract whose holder can commit to Hydro-Québec to curtail power during the winter period.

This option does not apply when the contract holder is benefiting from the Additional Electricity Option described in Section 3 or the running-in conditions described in Section 6 of Chapter 5.

SECTION 6

ECONOMIC DEVELOPMENT RATE FOR LARGE-POWER CUSTOMERS

Subsection 6.1 – Hydro-Québec Customers

Application 6.40

The Economic Development Rate described in this section applies to a medium- or large-power contract whose holder undertakes, thanks to the present rate, to build and commission a new facility or expand an existing facility operating in a promising sector of activity.

It does not apply to a contract whose holder is benefiting from the Load Retention Rate described in Section 1 of Chapter 6.

Definitions 6.41

In this section, the following definitions apply:

“historical demand”: The average of the billing demands during the historical periods, weighted according to the number of hours.

“historical energy”: The average hourly energy consumption during the historical periods.

“historical periods”: The 3 consumption periods with the highest energy consumption among the 12 consecutive consumption periods preceding the commissioning of the new equipment.

“operating expenses”: All expenses directly related to operating the customer’s facilities, including, but not limited to, the cost of raw materials, labor and energy as well as general and administrative expenses, but excluding all costs which are not directly related to operations, such as depreciation and amortization and financing costs.

“transition period”: The last 3 years of the commitment, during which the rate reduction progressively diminishes until the contract is subject to Rate L or the applicable general rate, as the case may be.

Eligibility**6.42**

For the contract to be eligible for the Economic Development Rate, the following conditions must be met:

- a) The customer must undertake to build and commission a new facility with a power demand of at least 1,000 kilowatts or to add at least 1,000 kilowatts of demand to an existing facility;
- b) In the case of an existing facility, the expected maximum power demand of the new equipment must not be less than 20% of the highest billing demand during the 12 consumption periods preceding its commissioning;
- c) The facility's electricity costs must represent at least 10% of operating expenses. In the case of a data hosting facility, it must also present a significant value added for the Québec economy;
- d) The facility must have significant potential for the net addition of new loads within Québec. Consequently, the new load must not be the result of production transfers between the entities or facilities of the same company or of different companies within Québec, and it must not be linked to equipment that was in operation during the year preceding the effective date of this rate.

Sign-up procedure**6.43**

A customer wishing to sign up for the Economic Development Rate must submit a written request to Hydro-Québec. The customer's request must contain the following information:

- a) A summary description of the planned facility or expansion project, including, but not limited to, the products, if any, to be manufactured, the processes and technologies to be implemented, and the anticipated investments and operating costs;
- b) The scheduled commissioning date;
- c) Estimates of the power demand and the energy that will be consumed, on average, under the contract in question;
- d) An attestation to the effect that the Economic Development Rate was one of the determining factors in the customer's decision to build or expand a facility in Québec.

Within 90 days of Hydro-Québec's written acceptance, the customer must sign an agreement undertaking to commission the new facility or equipment within 3 years. The agreement will incorporate the information submitted in support of the request and will state the rate reduction applicable for the years in question.

Subject to the approval of the Régie de l'énergie, Hydro-Québec may cease to accept new sign-up requests for the Economic Development Rate if justified by the energy context.

Duration of commitment **6.44**

Subject to signing of the agreement provided for in Article 6.43, the contract becomes subject to the Economic Development Rate on the date the new facility or equipment is commissioned, which constitutes the sign-up date.

A customer may benefit from the conditions of application for running-in, described in Section 6 of Chapter 5, during the commissioning of the new facility or equipment. The contract then becomes subject to the Economic Development Rate at the beginning of the first consumption period during which there was no running-in or at the beginning of any consumption period during the running-in, at the customer's discretion, and the date chosen will constitute the sign-up date.

The Economic Development Rate will apply as of the sign-up date until March 31, 2024, as set out in the agreement provided for in Article 6.43, including the transition period during which the rate reduction will diminish progressively, as described in Article 6.45.

Rate reduction and transition period **6.45**

The initial rate reduction is 20%. During the 3-year transition period, the applicable reduction will decrease by 5 percentage points a year until it reaches 0% at the end of the commitment.

Billing – New facility **6.46**

In the case of a new facility, the bill for each consumption period is determined as follows:

- a) An initial amount is calculated using the prices and conditions applicable to the billing demand and energy

consumption at Rate L or the applicable general rate, as the case may be, 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 by multiplying the amount in subparagraph a) by the rate reduction applicable for that year, as set out in the agreement provided for in Article 6.43;
- c) The amount obtained in subparagraph b) is subtracted from the amount obtained in subparagraph a).

Billing – Expansion of an existing facility**6.47**

In the case of an expansion of an existing facility, the bill for each consumption period is determined as follows:

- a) An initial amount is calculated using the prices and conditions applicable to the billing demand and energy consumption at Rate L or the applicable general rate, as the case may be, 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 by applying the prices and conditions for Rate L or the applicable general rate, as the case may be, to the historical demand and the historical energy, 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;
- c) The amount obtained in subparagraph b) is subtracted from the amount obtained in subparagraph a). The result cannot be negative;
- d) The amount obtained in subparagraph c) is multiplied by the rate reduction for the year in question, as set out in the agreement provided for in Article 6.43;
- e) The amount obtained in subparagraph d) is subtracted from the amount obtained in subparagraph a).

Breach of commitment 6.48

Hydro-Québec may cease applying the Economic Development Rate to the contract of a customer who fails to uphold its commitment as specified in the agreement provided for in Article 6.43. The contract will then become subject to Rate L, if it is eligible for such rate, or to the applicable general rate.

End of commitment 6.49

The customer may opt out of the Economic Development Rate at any time. It must notify Hydro-Québec in writing, indicating the date as of which it wants Rate L, if it is eligible for such rate, or the applicable general rate to apply to the contract. Once opted out, the customer may not sign up for the Economic Development Rate again.

Billing terms and conditions for customers enrolled in both the Additional Electricity Option and the Economic Development Rate 6.50

For large-power customers participating simultaneously in the Additional Electricity Option and the Economic Development Rate, the terms and conditions described in this section and in Section 3 of Chapter 6 apply, with the following adjustments:

- a) The billing demand mentioned in articles 6.46 and 6.47 corresponds to the reference power for the consumption period in question, but must not be less than the minimum billing demand;
- b) The energy consumption mentioned in articles 6.46 and 6.47 corresponds to the difference between actual consumption and additional electricity for the consumption period in question.

Subsection 6.2 – Customers of a Municipal System

Application 6.51

This subsection applies to a municipal system that applies the Economic Development Rate set forth in Subsection 6.1 to a medium- or large-power contract.

Object	6.52
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For all eligible contracts, Hydro-Québec reimburses the municipal system for an amount corresponding to the rate reduction granted to the customer.

Terms and conditions of application	6.53
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To be eligible for the Economic Development Rate, the customer of a municipal system must meet the conditions set forth in Subsection 6.1 as well as the following conditions:

- a) The customer shall submit its request to Hydro-Québec and to the municipal system along with all relevant supporting documents and all the information required under Article 6.43;
- b) Hydro-Québec determines whether the contract is eligible for the Economic Development Rate under the conditions set forth in articles 6.42 and 6.43, and advises the customer and the municipal system in writing of its acceptance or rejection;
- c) The customer shall sign the agreement provided for in Article 6.43, countersigned by the municipal system, within 90 days of Hydro-Québec's written acceptance;
- d) Hydro-Québec reimburses the municipal system for an amount corresponding to the rate reduction calculated in accordance with subparagraph b) of Article 6.46 or subparagraph d) of Article 6.47 for each consumption period covered by the agreement, unless Hydro-Québec ceases to apply the Economic Development Rate because of a breach of commitment, as provided for in Article 6.48.

CHAPTER 7

OFF-GRID SYSTEMS

SECTION 1

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

Rate D	7.1
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When electricity is delivered for domestic use from an off-grid system located north of the 53rd parallel, except the Schefferville system, the contract is subject to Rate D described in Chapter 2 for up to the product of 30 kilowatthours and the number of days in the consumption period. Any additional consumption is billed at 37.62¢ per kilowatthour.

Rate DM	7.2
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When electricity is delivered for domestic use with bulk metering from an off-grid system located north of the 53rd parallel, except the Schefferville system, the contract is subject to Rate DM described in Chapter 2, if it is eligible for such rate, for up to the product of 30 kilowatthours, the number of days in the consumption period and the applicable multiplier, defined in Article 2.23. Any additional consumption is billed at 37.62¢ per kilowatthour.

Rate DT	7.3
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Rate DT described in Chapter 2 does not apply to a contract for electricity supplied by an off-grid system.

SECTION 2

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

Rate G, G-9, M or MA	7.4
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Electricity delivered from an off-grid system located north of the 53rd parallel, except the Schefferville system, under a contract at Rate G described in Chapter 3, at Rate M or Rate G-9 described in Chapter 4, or at Rate MA described

in this chapter, must not be used for space heating, water heating or any other thermal application, with the exception of supply to:

- a) household appliances;
- b) appliances used solely for air conditioning for the comfort of occupants or the proper operation of heat-sensitive equipment;
- c) industrial or commercial appliances used to cook and conserve food;
- d) appliances used by light industry for manufacturing processes; and
- e) mortuary containers.

If the customer contravenes the provisions of this article, Hydro-Québec will apply the fixed charge as well as the price and method for calculating billing demand specified in Rate G, G-9, M or MA, as the case may be, and all the energy consumed will be billed at 76.80¢ per kilowatthour.

Electricity delivered from an off-grid system 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 supply to 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 Hydro-Québec'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.

Hydro-Québec 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**

Hydro-Québec applies Rate M, described in Chapter 4, to the billing demand and energy up to 900 kilowatts and 390,000 kilowatthours per monthly period. Any excess is billed at:

\$30.78 per kilowatt and 15.22¢ per kilowatthour when the electricity is produced by a heavy diesel power plant,

or

\$60.51 per kilowatt and 36.43¢ per kilowatthour in all other cases.

The energy prices are in effect until September 30, 2016. Thereafter, they will be revised by Hydro-Québec 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 stated 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 Hydro-Québec on October 1 of each year, using the following formulas:

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

where

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

A = the operating and maintenance cost, 2.73¢ per kilowatthour;

B = the energy cost set for the reference year 2006, 11.57¢ per kilowatthour;

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 Hydro-Québec 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.

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

where

- PLR = the price of energy applicable when electricity is generated by any other power plant;
- E = the operating and maintenance cost, 2.73¢ per kilowatthour;
- F = the energy cost set for the reference year 2006, 26.44¢ per kilowatthour;
- 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 Hydro-Québec 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

INTERRUPTIBLE ELECTRICITY OPTION WITH ADVANCE NOTICE

Subsection 3.1 – General

Application

7.8

The Interruptible Electricity Option with Advance Notice applies to a general-rate contract when electricity is

delivered from an off-grid system and whose holder can commit to Hydro-Québec to curtail power between November 1 of one year and March 31 of the next year, inclusive, for system management purposes.

Definitions**7.9**

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 hour of interruption, 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, of the consumption period in question; and
- b) the average hourly power.

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 Hydro-Québec.

“interruption period”: The block of interruption hours indicated in the notice given by Hydro-Québec to the customer in accordance with Article 7.14

“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 its power in accordance with this section.

Limitation**7.10**

By June 1 of each year, Hydro-Québec sets the minimum and maximum amounts of interruptible power it plans to avail

itself of under this option for each off-grid system, based on system management requirements. Hydro-Québec also sets a minimum amount of interruptible power per customer.

If Hydro-Québec does not specify any amounts for a given off-grid system, it shall be deemed that no interruptible power is required for that system.

Sign-up procedure **7.11**

A customer must submit its application in writing to Hydro-Québec before October 1, indicating the interruptible power the customer wishes to commit to. Subject to the maximum and minimum quantities set under Article 7.10, Hydro-Québec has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer.

Hydro-Québec may refuse the power offered by a customer whose previous commitment was terminated under the fourth paragraph of Article 7.18.

Subsection 3.2 – Credits and Conditions of Application

Commitment **7.12**

The customer's initial commitment is for a period of 2 years starting on October 1 and is renewed thereafter for a period of 1 year on October 1 of each year. The customer or Hydro-Québec may, however, choose not to renew the commitment, conditional on giving prior notice to that effect at least 1 year before the end of the commitment or of any of its renewals.

The customer must curtail power at Hydro-Québec's request, according to the conditions set out in this section.

Conditions applicable to interruptions **7.13**

Interruptions under this section must meet the following conditions:

Period during which an interruption can occur: November 1 to March 31 inclusive

Advance notice (hours): 2

Maximum number of interruptions per day: 2

Minimum duration of interruptions (hours):	4
Minimum interval between 2 interruptions in the same day (hours):	2
Maximum duration of interruptions between November 1 and March 31, inclusive (hours):	100

Notice of interruption **7.14**

Hydro-Québec advises the representatives of the selected customers, by telephone or by any other means agreed upon by the parties, indicating the starting time and the end of the interruption period. If no representative can be reached, the customer is deemed to have refused to curtail power for that interruption period.

Amount of credits **7.15**

The monthly credits applicable for the period from November 1 to March 31, inclusive, are as follows:

Fixed credit:

\$6.00 per kilowatt of interruptible power.

Variable credit:

The variable credit is calculated using the formula set forth in Article 7.16 and applies to each kilowatthour of energy associated with the effective interruptible power for each hour of interruption.

Calculation of variable credit **7.16**

The variable credit is calculated by Hydro-Québec on October 1 of each year, using the following formula:

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

where

CV = the variable credit applicable;

A = the operating and maintenance cost, 2.70¢ per kilowatthour;

- B = the energy cost for the reference year 2012:
- 54.50¢ per kilowatthour when the customer is located north of the 53rd parallel, or
- 35.50¢ per kilowatthour when the customer is located south of the 53rd parallel;
- C = 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 Hydro-Québec deems pertinent;
- D = 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 2012, and is 87.66¢ per litre.

Credits applicable to the contract **7.17**

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

Failure to curtail **7.18**

A failure to curtail is noted when the effective interruptible power does not reach 75% of the interruptible power.

No variable credit will be granted for the hour during which a failure to curtail is noted.

When a failure to curtail is noted, Hydro-Québec is authorized to interrupt the supply of electricity.

Hydro-Québec may terminate the commitment of a customer when a failure to curtail is noted at least 3 times during that commitment.

SECTION 4

INTERRUPTIBLE ELECTRICITY OPTION WITHOUT ADVANCE NOTICE

Subsection 4.1 – General

Application 7.19

The Interruptible Electricity Option Without Advance Notice applies to a general-rate contract when electricity is delivered from an off-grid system and whose holder can commit to Hydro-Québec to curtail all of its power for system management purposes.

Definitions 7.20

In this section, the following definitions apply:

“interruptible power”: An amount of power that is equal to the maximum power demand during a consumption period included in the last 12 consecutive monthly periods.

“interruption period”: A block of interruption hours during which Hydro-Québec decides to interrupt supply to the customer in accordance with Article 7.24.

Limitation 7.21

By June 1 of each year, Hydro-Québec sets the minimum and maximum amounts of interruptible power it plans to avail itself of under this option for each off-grid system, based on system management requirements. Hydro-Québec also sets a minimum amount of interruptible power per customer.

If Hydro-Québec does not specify any amounts for a given off-grid system, it shall be deemed that no interruptible power is required for that system.

Sign-up procedure 7.22

A customer must submit its application in writing to Hydro-Québec before October 1, indicating the interruptible power the customer wishes to commit to. Subject to the maximum and minimum quantities set under Article 7.21, Hydro-Québec has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer.

Subsection 4.2 – Credits and Conditions of Application

Commitment **7.23**

The customer's initial commitment is for a period of 2 years starting on October 1 and is renewed thereafter for a period of 1 year on October 1 of each year. The customer or Hydro-Québec may, however, choose not to renew the commitment, conditional on giving prior notice to that effect at least 1 year before the end of the commitment or of any of its renewals.

The customer agrees that all of its power may be curtailed without notice at any time by Hydro-Québec.

Conditions applicable to interruptions **7.24**

Interruptions carried out by Hydro-Québec under this section, notably for purposes of system management, can occur any time and without limitation as to their number. However, the maximum duration of any given interruption period is 30 days. The interruption may be extended beyond this period only by an agreement between Hydro-Québec and the customer.

Hydro-Québec confirms the start and end dates and times of the interruption period to the representatives of the selected customers.

Amount of credit **7.25**

The credit applicable is as follows:

\$1.20 per kilowatt of interruptible power for each hour of interruption, up to a maximum of \$33.33 per kilowatt of interruptible power for each 168-hour period (7 days) within a given interruption period.

Credit applicable to the contract **7.26**

The credit calculated in accordance with Article 7.25 is applied to the bill for the consumption period in question.

CHAPTER 8

FLAT RATES FOR GENERAL USE

Application **8.1**

The flat rates established in this chapter apply to contracts for general use when Hydro-Québec 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

\$4.88 per kilowatt of billing demand per day, with a minimum of 1 day, up to \$14.63 per kilowatt of billing demand per week.

b) Rate T-2, weekly contract

\$14.63 per kilowatt of billing demand per week, with a minimum of 1 week, up to \$43.89 per kilowatt of billing demand per monthly period.

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

\$43.89 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 \$8.79 when single-phase electricity is delivered or \$26.37 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 Hydro-Québec, either based on the installed capacity in kilowatts, or determined by metering tests or by an approved model of maximum-demand meter installed by Hydro-Québec.

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 1 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 1 kilowatt for single-phase delivery or 4 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 Hydro-Québec 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 minimum billing demand.

CHAPTER 9

PUBLIC AND SENTINEL LIGHTING RATES

SECTION 1

PUBLIC LIGHTING RATES

Subsection 1.1 – General

Application 9.1

This section covers the rates and conditions for the supply by Hydro-Québec 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 costs 9.2

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

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

Reimbursement by the customer of the unusual costs gives the customer no right of ownership over the installations for which these costs 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 Hydro-Québec distribution 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 applies only to signal lights that are connected to public lighting circuits whose energy consumption is metered. If something other than signal lights is connected to the public lighting circuits or if energy consumption is not metered, all energy delivered to this delivery point is subject to the applicable flat rate for general use, described in Chapter 8.

Rate **9.4**

The rate for general public lighting service is 10.16¢ per kilowatthour for the supply of electricity.

Determination of consumption **9.5**

As a rule, the energy consumption is not metered. However, Hydro-Québec 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, Hydro-Québec takes into account the rated power of the bulb and accessories.

Costs for related services **9.6**

When Hydro-Québec incurs costs 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 costs 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 1 month. In other cases, the minimum term of a contract is 1 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 Hydro-Québec's standards and approved models, and the supply of electricity to them. These luminaires are mounted on Hydro-Québec'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; Hydro-Québec then installs standard luminaires. However, this section shall not be interpreted as an obligation of Hydro-Québec to provide 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 5 years. A customer who asks Hydro-Québec 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 luminaires used for complete public lighting service:

a) High-pressure sodium-vapor luminaires

<u>Rating of luminaire</u>	<u>Rate per luminaire</u>
5,000 lumens (or 70 W)	\$22.08
8,500 lumens (or 100 W)	\$24.06
14,400 lumens (or 150 W)	\$25.95
22,000 lumens (or 250 W)	\$30.45

b) Light-emitting diode luminaires

<u>Rating of luminaire</u>	<u>Rate per luminaire</u>
6,100 lumens (or 65 W)	\$22.74

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.

Costs for installations and related services **9.12**

When Hydro-Québec provides, 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 costs so incurred by Hydro-Québec. These costs, 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 Hydro-Québec 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, and will no longer be available in the case of luminaires that have to be replaced.

Sentinel lighting with poles supplied **9.14**

When Hydro-Québec 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:

<u>Rating of luminaire</u>	<u>Rate per luminaire</u>
7,000 lumens (or 175 W)	\$40.80
20,000 lumens (or 400 W)	\$53.79

Sentinel lighting with no poles supplied 9.15

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

<u>Rating of luminaire</u>	<u>Rate per luminaire</u>
7,000 lumens (or 175 W)	\$32.07
20,000 lumens (or 400 W)	\$46.23

CHAPTER 10

SUPPLEMENTARY PROVISIONS

SECTION 1

GENERAL

Choice of rate

10.1

Unless otherwise provided for in these Rates:

- a) Any customer eligible for more than one rate may choose the rate it prefers when the request for electricity service is made;
- b) In the case of an annual contract, the customer may submit a written request for a change of rate during the term of the contract. A change of rate may not be made before expiration of a 12-month period after a previous change made in accordance with this subparagraph.

The change of rate takes effect, at the customer's discretion, either at the beginning of the consumption period during which Hydro-Québec 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 annual contract and only during the first 12 monthly periods, the customer may opt once for another rate for which it is eligible.

This rate revision takes effect, at the customer's discretion, either at the beginning of the contract, at the beginning of any one of the consumption periods preceding the request, or at the beginning of any subsequent consumption period.

To obtain this revision, the customer must submit a written request to Hydro-Québec before the end of the 14th monthly period following the date of the beginning of the contract.

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

Credit for supply at medium or high voltage **10.2**

When Hydro-Québec supplies electricity at medium or high voltage and the customer utilizes it at this voltage or transforms it at no cost to Hydro-Québec, this customer, and this customer alone, is entitled to a monthly credit in dollars per kilowatt on the 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 \$ per kilowatt
5 kV, but less than 15 kV	0.612
15 kV, but less than 50 kV	0.981
50 kV, but less than 80 kV	2.190
80 kV, but less than 170 kV	2.679
170 kV	3.540

No credit is granted for short-term contracts with a term 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 Hydro-Québec supplies electricity at a nominal voltage between phases equal to or greater than 5 kV for a contract at Rate D, Rate DM or Rate DT and the customer uses it at this voltage or transforms it at no cost to Hydro-Québec, this customer is entitled, for this contract, to a credit of 0.241¢ 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 17.67¢ 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; or
- b) the metering point is located on the supply side of the Hydro-Québec 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, Hydro-Québec may, at the customer's request and in regard to the annual contract thereby affected, adjust the minimum billing demand accordingly.

This adjustment applies 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 of a Rate L contract or, if the customer is benefiting from the transitional measures described in Subsection 2.2 of Chapter 5, of a Rate LG contract.

SECTION 2**RESTRICTIONS**

Restriction concerning large-power contracts and special contracts 10.6

Hydro-Québec is not obliged to enter into a contract for any new load of more than 50 megawatts or to accede to any request to supply an additional load of more than 50 megawatts or any request from a special contract holder.

Restriction concerning short-term contracts 10.7

Hydro-Québec is not obliged to enter into any short-term contract for a power demand of more than 100 kilowatts.

Adaptation of rates to term of contract **10.8**

- a) A customer may terminate its annual small-power or medium-power contract before having taken delivery of electricity at the premises for at least 12 consecutive monthly periods.

Unless another customer enters into a contract for the same premises starting on the contract end date, the customer must then pay the lesser of:

- i) the electricity bill calculated according to the rate provisions for short-term contracts, retroactive to the beginning of the contract, or
 - ii) the electricity bill calculated according to the rate provisions for annual contracts, until the end of the 12 consecutive monthly periods.
- b) A customer may retroactively ask Hydro-Québec to change its short-term small-power or medium-power contract to an annual contract if it has taken delivery of electricity for at least 12 consecutive monthly periods. This change then takes effect at the beginning of the contract.

Available power **10.9**

The provisions of these Rates 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 these Rates are applied without adjustment when the consumption period is 30 consecutive days, or 720 consecutive hours in the case of large-power rates and options.

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

- a) Each of the following components of the monthly rate is divided by 30 days or by 720 hours, as the case may be: 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 these Rates;
- b) The resulting quantities are multiplied by the number of days or hours in the consumption period, as the case may be.

SECTION 4

PROVISIONS REGARDING THESE RATES

Amendment	10.11
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The provisions of these Rates may be amended at any time with the approval of the Régie de l'énergie.

Replacement	10.12
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The Rates effective April 1, 2015 are replaced as of the effective date of these Rates.

Effective date	10.13
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These Rates become effective on April 1, 2016. The rates herein shall apply to electricity consumed and services provided as of that date, until they are amended or replaced.

For consumption periods straddling that date, consumption and services to be billed at the previous rates or at the rates herein are determined exclusively on a prorata basis according to the number of days prior to April 1, 2016 and the number of days from April 1 to the end of the consumption period, unless a meter reading is taken by Hydro-Québec on March 31, 2016.

Contracts entered into before the effective date of these Rates	10.14
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The rates and conditions stipulated in contracts entered into by Hydro-Québec or by one of its subsidiaries before the effective date of these Rates remain in effect until the contracts expire,

but no automatic renewal clause shall apply unless the parties agree otherwise.

These Rates, as of their effective date, apply to all contracts which give Hydro-Québec termination or modification rights or which provide for amendment of the Rates.

When notice must be given before Hydro-Québec can terminate a contract or amend the rate and conditions therein, these Rates shall apply as soon as the notice period has expired.

CHAPTER 11

RATES FOR SERVICES

SECTION 1

VISILEC SERVICE

Application	11.1
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This section describes the rate and conditions that apply to the Visilec service, which Hydro-Québec offers to small- and medium-power customers.

Description of service	11.2
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The service offers the customer Internet access to the load profiles of one or more of its 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
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An amount of \$89 per month per delivery point.

Eligibility	11.4
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In order to be eligible, a customer must satisfy the following conditions:

- a) The metering at each delivery point must be done by a communicating meter installed by Hydro-Québec. However, this provision may not be interpreted as an obligation on the part of Hydro-Québec to install a communicating 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 submit a written request to Hydro-Québec, specifying each delivery point.

The customer must also sign an agreement with Hydro-Québec in which the customer undertakes to subscribe to the service on a monthly basis for a minimum term of 6 consecutive months. If the customer terminates this commitment before the end of the minimum term of 6 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 Hydro-Québec ends it by written notice at least 1 consumption period in advance.

Sign-up date 11.6

Provision of the service is subject to the signing of a written agreement between the customer and Hydro-Québec, 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

Hydro-Québec 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 Hydro-Québec offers to large-power customers.

Description of service 11.9

The service offers the customer Internet access to the load profiles of one or more of its 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 communicating meter installed by Hydro-Québec. However, this provision may not be interpreted as an obligation on the part of Hydro-Québec to install a communicating 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 Hydro-Québec.

The customer must also sign an agreement with Hydro-Québec in which the customer undertakes to subscribe to the service on an annual basis for an initial term of 12 consecutive months. If the customer terminates its 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 Hydro-Québec terminates it by written notice at least 1 consumption period in advance.

Sign-up date 11.13

Provision of the service is subject to the signing of a written agreement between the customer and Hydro-Québec, 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

Hydro-Québec 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 rates and conditions that apply to the Signature service, which Hydro-Québec offers to medium- and large-power customers.

Description of service 11.16

The Signature service consists of a basic service and 3 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 customer's representative, 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) continuous measurement of power quality using instruments supplied by Hydro-Québec;
- d) access to Hydro-Québec's experts;

The complementary options are as follows:

- a) continuous tracking of harmonics;
- b) a local dashboard displaying the main parameters measured;
- c) an annual review of power quality indicators and a load behavior analysis.

Basic service rate **11.17**

An annual charge of \$5,250 applies to each delivery point.

Rates for options **11.18**

The following annual charges apply to the complementary options for each contract:

- a) continuous tracking of harmonics: \$5,000;
- b) local dashboard: \$500;
- c) annual review of power quality indicators and load behavior analysis: \$5,000.

Eligibility **11.19**

To be eligible, the customer must:

- a) provide access to its site for the installation and maintenance of the instruments required for purposes of the Signature Service;
- b) have the appropriate computer equipment and an Internet connection; and
- c) be receiving three-phase electricity.

Sign-up **11.20**

To subscribe to the Signature service, the customer must submit a request to Hydro-Québec.

The customer must also sign an agreement with Hydro-Québec in which the customer undertakes to subscribe to the service for an initial term of 12 consecutive months. If the customer terminates its 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 1 consumption period. The agreement is renewed each consumption period, unless it is terminated by the customer or Hydro-Québec.

The customer or Hydro-Québec may terminate the agreement by written notice at least 1 consumption period in advance. Upon termination of the agreement, Hydro-Québec will remove the instruments installed for purposes of the Signature service.

Sign-up date **11.21**

Provision of the service is subject to the signing of a written agreement between the customer and Hydro-Québec, 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**

Hydro-Québec 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.

CHAPTER 12

CHARGES RELATED TO ELECTRICITY SERVICES

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 are the 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 the billing 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)
8.00 to 9.99	1.4 (16.8%/year)
10.00 to 11.99	1.6 (19.2%/year)
12.00 to 13.99	1.7 (20.4%/year)
14.00 to 15.99	1.9 (22.8%/year)
16.00 to 17.99	2.1 (25.2%/year)
18.00 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.

Charges related to the supply of electricity **12.4**

a) Prospective cost of capital

A rate of 5.248%.

b) Charge for establishing service

An amount of \$361 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 \$172.

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 \$361.

f) Inspection fee

An amount of \$1,160.

g) Initial installation charge

An amount of \$85.

h) Reduced initial installation charge

An amount of \$15.

i) Monthly meter reading charge

A monthly charge of \$5, prorated according to the billing cycle.

Allocated amounts **12.5**

a) Amount allocated for domestic use

An amount of \$2,680 for each dwelling unit.

b) Amount allocated for non-domestic use

An amount of \$335 per kilowatt.

c) Non-domestic use allocation adjustment charge

An annual amount of \$67 per kilowatt.

Components of the table for calculating the cost of work in Schedule VI of the *Conditions of Electricity Service* **12.6**

a) Acquisition fee

A rate of 2.0%.

b) Contract management fee

For overhead work, a rate of 2.4%.

For underground work, a rate of 10.4%.

c) Materials management fee

For overhead work, a rate of 17.0%.

For underground work, a rate of 12.0%.

d) Minor materials fee

For overhead work, a rate of 11.0%.

For underground work, a rate of 7.0%.

e) Engineering and applications management fee

For overhead work, a rate of 24.3%.

For underground work, a rate of 29.6%.

f) Provision for future operation and maintenance

For overhead work, an overall rate of 22.5%.

For overhead work, front lot, a rate of 19.1%.

For overhead work, back lot, a rate of 24.8%.

For underground work, a rate of 10.7%.

g) Provision for reinvestment at end of useful life

A rate of 22.4%.

Unit prices

12.7

a) Price per metre – Overhead

\$61 per metre for a single-phase line,
nonjoint-use pole, front lot.

\$74 per metre for a single-phase line,
nonjoint-use pole, back lot.

\$74 per metre for a three-phase line,
nonjoint-use pole, front lot.

\$87 per metre for a three-phase line,
nonjoint-use pole, back lot.

b) Joint-use credit

\$13 per metre, front lot.

\$13 per metre, back lot.

c) Price per building – Underground

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

\$9,490 per individual house with a 600-A service box.

\$2,950 per individual house with a 320-A or a 400-A
service box.

\$1,980 per individual house with a 200-A service box.

\$1,780 per semi-detached house.

\$1,030 per townhouse.

\$3,910 per duplex.

\$3,610 per triplex.

\$4,400 per fourplex.

\$7,600 per fiveplex.

\$7,680 per sixplex.

\$10,160 per sevenplex.

\$10,240 per eightplex.

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

\$17,170 per individual house with a 600-A service box.

\$8,480 per individual house with a 320-A or a 400-A
service box.

\$6,580 per individual house with a 200-A service box.

\$5,460 per semi-detached house.

\$4,100 per townhouse.

\$8,820 per duplex.

\$10,060 per triplex.

\$11,770 per fourplex.

\$16,810 per fiveplex.

\$16,890 per sixplex.

\$20,900 per sevenplex.

\$22,520 per eightplex.

d) Price per additional metre – Underground

\$37 per metre.

e) Price for overhead work

Low- or medium-voltage line:

\$1,301 per nonjoint-use pole, low voltage.

\$794 per joint-use pole, low voltage.

\$1,568 per nonjoint-use pole, medium voltage.

\$957 per joint-use pole, medium voltage.

\$1,301 per nonjoint-use anchor pole and brace.

\$794 per joint-use anchor pole and brace.

\$484 per nonjoint-use anchor.

\$295 per joint-use anchor.

\$384 per guy.

\$704 per line protection, medium voltage,
single-phase.

\$1,998 per line protection, medium voltage,
three-phase.

Additional service cable, low voltage:

\$15 per metre for a 200-A service box, 120/240 V.

\$31 per metre for a 320-A or a 400-A service box, 120/240 V.

\$91 per metre for a 600-A service box, 120/240 V.

\$16 per metre for a 200-A service box, 347/600 V.

\$35 per metre for a 320-A or a 400-A service box, 347/600 V.

\$99 per metre for a 600-A service box, 347/600 V.

Additional service conductor, medium voltage:

\$24 per metre for a single-phase line, 2 ACSR.

\$37 per metre for a three-phase line, 2 ACSR.

\$39 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.

\$38 per metre for a 320-A or a 400-A service box, 120/240 V.

\$48 per metre for a 600-A service box, 120/240 V.

\$18 per metre for a 200-A service box, 347/600 V.

\$35 per metre for a 320-A or a 400-A service box, 347/600 V.

\$62 per metre for a 600-A service box, 347/600 V.

Additional service cable, medium voltage:

\$45 per metre for the 1st section, 2 X 3/0 Al, single-phase.

\$104	per metre for the 1st section, 2 X 3/0 Al, three-phase.
\$90	per metre for the 1st section, 4 X 3/0 Al, single-phase.
\$211	per metre for each additional section, 2 X 3/0 Al, single-phase.
\$270	per metre for each additional section, 2 X 3/0 Al, three-phase.
\$223	per metre for each additional section, 4 X 3/0 Al, single-phase.
\$3,744	per splice assembly, 2 X 3/0 Al, single-phase, in a cable vault.
\$9,238	per splice assembly, 2 X 3/0 Al, three-phase, in a cable vault.
\$6,493	per splice assembly, 4 X 3/0 Al, single-phase, in a cable vault.
<i>Low-voltage line:</i>	
\$15	per metre of triplex cable, 3/0 Al (120/240 V).
\$28	per metre of triplex cable, 350 kcmil (120/240 V).
\$38	per metre of triplex cable, 500 kcmil (120/240 V).
\$48	per metre of triplex cable, 750 kcmil (120/240 V).
\$18	per metre of quadruplex cable, 3/0 Al (347/600 V).
\$35	per metre of quadruplex cable, 350 kcmil (347/600 V).
\$47	per metre of quadruplex cable, 500 kcmil (347/600 V).
\$62	per metre of quadruplex cable, 750 kcmil (347/600 V).
\$457	per single-phase connection (120/240 V).

\$634	per three-phase connection (347/600 V).
\$1,663	for installation of a section of cable of 30 metres or less, 500 kcmil or less.
\$2,662	for installation of a section of cable of over 30 metres, 500 kcmil or less.
\$2,662	for installation of a section of cable over 500 kcmil.

Medium-voltage line:

\$23	per metre of cable, 3/0 Al, single-phase.
\$52	per metre of cable, 3/0 Al, three-phase.
\$123	per metre of cable, 750 kcmil, three-phase.
\$936	per connection with single cold shrink splice, 3/0-3/0 Al, single-phase.
\$2,310	per connection with single cold shrink splice, 3/0-3/0 Al, three-phase.
\$2,354	per connection with single cold shrink splice, 750-750 kcmil, three-phase.
\$3,246	per connection with separable straight splice (2-way), 750 kcmil, three-phase.
\$2,971	per connection with separable Wye splice (3-way), 750 kcmil, three-phase.
\$2,898	per connection with separable H splice (4-way), 750 kcmil, three-phase.
\$3,329	for installation of a section of cable.
\$1,331	per voltage generator test.

**a) Temporary underground supply,
single-phase, 200 A (120/240 V)**

When the installation meets the following criteria:

- simple connection via existing line;
- voltage available for supply;
- no civil work by Hydro-Québec required.

\$850 without extra cable.

\$3,450 with extra cable.

**b) Temporary overhead supply with temporary
modification, single-phase, 200 A (120/240 V)**

When the installation meets the following criteria:

- voltage available for supply;
- existing medium-voltage line.

\$2,450 with transformer replacement.

\$1,835 with extra cable.

\$3,365 with extra cable and transformer replacement.

\$5,890 with extra cable and new poles and transformer replacement.

**c) Modification of an overhead-underground service
entrance, single-phase, 200 A maximum (120/240 V)**

When the installation meets the following criteria:

- overhead-underground service entrance belonging to customer;
- no underground cable provided by Hydro-Québec;
- no civil work by Hydro-Québec required.

\$675 per connection to pole supplied by customer.

\$815 per connection to Hydro-Québec pole.

d) Service box modification, low-voltage, overhead

When the installation meets the following criteria:

- less than 30 metres of measured cable;
- no addition of poles.

\$895 for a 400-A service box, single-phase (120/240 V) or three-phase (347/600 V).

\$1,700 for a 600-A or 800-A service box, single-phase (120/240 V) or three-phase (347/600 V).

e) Service loop relocation, low-voltage, overhead

When the installation meets the following criteria:

- less than 30 metres of measured cable;
- no addition of poles.

\$361 for a 200-A service box, single-phase (120/240 V), with or without cable replacement.

\$895 for a 400-A service box, single-phase (120/240 V), with cable replacement.

f) Preventive maintenance, medium-voltage, overhead or underground

For work done outside Hydro-Québec regular working hours:

\$800 per job, for interrupting and re-establishing service.

\$2,800 per additional job requested by the customer.

Flat-fee metering **12.9****a) Temporary metering**

\$290 Low voltage, single-phase (120/240 V),
self-contained metering.

\$450 Low voltage, polyphase (347/600 V),
self-contained metering.

\$720 Low voltage, single-phase (120/240 V),
instrument transformer metering.

\$1,250 Low voltage, polyphase (347/600 V),
instrument transformer metering.

\$3,200 Medium voltage.

b) Medium-voltage metering related to an option

\$12,910 Single-phase, instrument transformer
metering, structure.

\$28,080 Polyphase, instrument transformer
metering, structure.

\$26,890 Polyphase, instrument transformer
metering, metal-clad substation.

c) Medium-voltage metering for a small-power installation

\$11,510 Single-phase, instrument transformer
metering.
