

HEMLOCK UTILITY SERVICES LTD.

Electric Tariff Schedules

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HEMLOCK UTILITY SERVICES LTD.

TARIFF

STATING TERMS, CONDITIONS AND RATES
FOR ELECTRICAL SERVICE IN THE
HEMLOCK VALLEY LEASE AREA

HEMLOCK VALLEY SERVICE AREA:

Hereinafter "HEMLOCK VALLEY" will refer to the area within the limits of the lease area as filed with the B.C. Lands Management Branch in Burnaby, and any subsequent revisions thereto.

EXPLANATION OF SYMBOLS ON TARIFF SHEETS

A - SIGNIFIES INCREASE

C - SIGNIFIES CHANGE

D - SIGNIFIES DECREASE

N - SIGNIFIES NEW

O - SIGNIFIES OMISSION

This Tariff is available for inspection at the Head Office of the Company, 20955 Hemlock Valley Road, Hemlock Valley, B.C V0M 1A1

The offices of the British Columbia Utilities Commission, #600- 900 Howe Street. Box 250, Vancouver, British Columbia V6Z 2N3

Electric Tariff BCUC No. 1

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TERMS AND CONDITIONS

1. APPLICATION FOR SERVICE

Application for service for Electrical Energy shall be on a form provided by the Company (See Appendix 'A'). The application will become a contract upon commencement of service, and the provisions of the tariff will be a part of said contract.

2. CONNECTION CHARGE

A connection charge for underground electric service of \$200.00 will be made hereafter to all Customers within the boundaries of HEMLOCK VALLEY.

3. SECURITY DEPOSIT

When Application for Service had been approved, the rules governing the amount of security deposit and the refund, if any, of the same are as follows:

- a) A domestic Customer being serviced under "GENERAL SERVICE RATE" shall be required to pay a deposit of \$150.00 to the Company
- b) All Commercial/Industrial Customers taking electric service under the "GENERAL SERVICE RATE" shall be required to pay a deposit equal to three months of the Customer's estimated gross revenue to the Company.
- c) All security deposits shall be refunded upon discontinuance of service or shall be applied against any unpaid balance of the account at that time.

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- d) The Company will pay on cash security deposits simple interest calculated at the average annual savings account rate of the bank with which it deals from the date of receipt of such deposit. Such payment shall be made in the form of a credit to the Customer's account, on the bill for the period ending May 31st of each year.

4. BILLING AND PAYMENT OF ACCOUNT

Bills are issued monthly and are due and payable when rendered to the Customer. Accounts remaining unpaid on the last day of the month in which they are rendered, are delinquent. Interest will be charged on delinquent accounts at the rate of 1.5% calculated monthly (19.56%/annum).

5. ACCESS TO PREMISES

Employees of the Company shall have the right of access to the Customer's premises at all reasonable times for the purpose of making connections, disconnections, reading meters and checking Company's property.

6. CUSTOMER LOAD INCREASE

The Customer shall not substantially increase his connected load above that originally applied for, without first notifying the Company and obtaining its consent. In the event of damage to the Company's property as a result of a substantial increase in the Customer's connected load without the consent of the Company, the Customer will be held responsible for all such damages.

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7. DISCONTINUANCE OF SERVICE FOR NON-PAYMENT

The Company reserves the right to discontinue the Customer's electric service if account arrears remain unpaid ten days after mailing of an arrears notice.

8. CUSTOMER'S INSTALLATION

The Customer is responsible for installation of the service entrance and meterbox with the duct system up to the property line, which shall be located at a point satisfactory to the Company. Work shall be done to current B.C. Hydro & Power Authority's Subdivision Standard, and ready for inspection by the Provincial Inspection Authority. Meterboxes must be 200Amps for underground service with 3" knock-out complete with insulated neutral. 3" PVC Rigid duct from this meter shall run down the exterior of the building service up to one meter below grade and connect in a direct line with 3" 'DB-BCHPA' duct to the service stub out at the junction of the "property and lot" line.

9. FRAUD OR OTHER VIOLATIONS

The Company reserves the right to discontinue service at any time, without notice, whenever the Customer has violated any agreement with the Company by fraud or other motives.

10. RESTRICTED CUSTOMER CONSUMPTION

The Customer shall not use the electricity supplied for any other purpose than that applied for, or sell or supply such electricity to other parties without the written consent of the Company.

11. TAMPERING WITH COMPANY'S EQUIPMENT

No persons shall make changes to Company's property without written consent of the Company. Any persons so doing, will be charged by the Company for the necessary corrective work and damages.

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12. POWER FACTOR

This Company will refuse service to installation or connections of any electrical apparatus, unless such installations are so designed and installed as to insure a power factor of eighty-five percent (85%) or better.

13. CHANGE OF METER LOCATION

A charge of \$225.00 will be made for changing the meter of point-of-service locations if so requested by the Customer for purposes other than the testing of the meter where such Customers are situated within the boundaries of HEMLOCK VALLEY.

14. RE-CONNECTION

A charge of \$100.00 will be made for the re-connection of each meter or service for Customers situated within the boundaries of HEMLOCK VALLEY.

15. METER CHECKING

The meter shall remain the property of the Company and is subject to testing at regular intervals by the Electricity Meters Inspection Branch of the Department of Consumer and Corporate Affairs of Canada. That Department is responsible for the affixing of seal on the meter and the seal shall not be broken without the specific assent of the Department. If a Customer doubts the accuracy of the meter serving his premises, he may request in writing that it be tested. Such request must be accompanied by a payment of the following charges:

- (a) Meter removal charge \$50.00
- (b) Meter inspection and testing fee
by independent testing laboratory,
at cost plus shipping cost.

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16. TEMPORARY SERVICE

A Customer who is taking a temporary service shall pay to the Company in advance of construction, the cost which the Company estimates it will incur in installing and removing the facilities necessary to supply electricity. Such facilities shall include the extension, underground service and service hook- up. Such cost shall include charges for labour, administration and depreciation on materials as determined by the Company from time to time.

17. EXTENSION OF DISTRIBUTION LINES

A Customer requiring the extension of the main distribution lines, shall pay the cost of the extension either in cash before the commencement of construction or if the Company so agrees in writing, may be paid wholly or partially in kind.

If a subsequent Customer is connected to an extension described above, such Customer shall be required to pay the original half of the cost of the extension less 1/60 of such amount for each month which has elapsed, since the date the extension was first energized.

Each subsequent Customer connected, shall re-pay to each contributing Customer an amount according to the following formula.

Re-payment to each previous connected Customer	=	$\frac{A}{C! \times 60} (60 - n_1 - n_2 \dots n_{(x-1)})$
where A	=	cost of extension
$n_1, n_2, \text{ etc.}$	=	number of months that previous connected Customers are connected onto the extension
$C!$	=	the factorial of the final number of Customers on that extension

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18. EXTENSIONS OVER/THROUGH PRIVATE PROPERTY

Extensions of overhead and/or underground distribution lines over/through private property to serve Customer's premises, shall be built, owned, operated and maintained by the Company and shall be governed by the following rules:

- a) The Customer shall provide at the nominal cost of \$1.00 to the Company a clear right-of-way and easement acceptable to the Company, tree trimming and tree removal rights and right of access to the Company's equipment for furnishing, maintaining and terminating services.
- b) For premises containing multiple dwelling units, the Owner or Operator must provide service entrance Customer installations as under Section 8, for each unit and a separate metering for areas and uses, used in common.

The duct system and metering centre for such service extension shall be as stipulated under Section 8.

- c) For premises containing a commercial operation, the Owner or Operator must provide service entrance Customer installation for each operation and a separate metering for areas and uses, used in common.
The duct system and metering centre for such service shall be the responsibility of the Owner or Operator. The extension of the distribution system to service the commercial operation shall be as stipulated under Section 17.

19. LIABILITY OF THE COMPANY RE SERVICE

The Company shall exercise reasonable diligence and care to furnish and deliver to the Customer electrical energy or power, in accordance with the several parts of the tariff heretofore mentioned in the HEMLOCK VALLEY Lease Area, but nevertheless shall not be liable for any loss or damage which may be occasioned to the Customer by any failure on the part of the Company to deliver such electrical energy or power, if such failure, interruption, loss or damage shall be caused by inevitable accident, Act of God, fire, strikes, riots, lock-

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outs, war or any other act beyond the control of the Company.

The Company will endeavour to provide a regular and uninterrupted supply of Electricity but does not guarantee a constant supply of Electricity or the maintenance of unvaried frequency or voltage and will not be responsible or liable for any loss, injury, damage or expense caused by or resulting from any interruption, termination, failure or defect in the provision of Electricity, whether caused by the negligence of the Company, or its representatives or agents or otherwise, except to the extent that the loss, injury, damage or expense results directly from the wilful misconduct of the Company or its representatives or agents, provided, however, that neither the Company, nor any of its representatives or agents is responsible for any loss of profit, loss of revenue or other economic loss, even if the loss arises directly from the wilful misconduct of the Company or its representatives or agents.

The Company reserves the right to Terminate Service (including by Disconnection) at any time to prevent fraudulent use of Electricity, to protect its property, or to protect Service to other Customers, or if the Customer fails to comply with the terms of the tariff, or if the Company is ordered by a competent government authority to Terminate such Service. The Company may also temporarily Disconnect a Premises to make repairs or improvements to its electrical system or in the event of fire, flood or other sudden emergency. The Company will, whenever practicable, give notice of such Disconnection to the Customer and will restore Service as soon as reasonably possible. Neither the Company nor any of its representatives or agents will be liable for any loss, injury, damage or expense caused by or arising out of any such Disconnection.

Liability of Other Utilities

Service under the Electric Tariff is sometimes provided by the Company through the use of property and services provided by or shared with other utilities. It is a condition of Service that any loss or damages, direct or indirect, that the Customer may suffer by reason of any defect in Service under the Electric Tariff or any interruption in or failure to provide Service, whether or not caused by negligence, will not be recoverable from such other utilities, and that the Customer will not take proceedings of any kind against any such utilities by reason of any defect in the Service or any interruption in or failure to provide Service to the Customer by the Company.

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20. ESTIMATION OF READINGS

The Company may estimate energy consumption and maximum power demand from the best evidence available where a meter has not been installed, or is not registering, or where the meter reader is unable to read the meter on his regular meter reading trip.

21. TERM OF SERVICE

Unless otherwise specifically provided for in these terms and conditions, the term of service, wherein applicable: (1) shall commence on the day that the Company's service is connected to the Customer's installation for the purpose of supplying electrical energy; (2) shall be for one year where the connection does not require more than a drop service, unless a shorter period is agreed to by the Company; (3) shall be for four years where additional facilities to those involved in an ordinary drop service are required, unless a shorter period is agreed to by the Company; and (4) shall continue thereafter until cancelled by written notice by either party.

22. POINT OF DELIVERY, METERING AND RE-SALE

For overhead service the point of delivery shall be where the Customer's circuit joins the Company's overhead system. For underground service the point of delivery shall be where the underground circuit enters the land owned or occupied by the Customer, unless otherwise stated in the service application or agreement.

Where separate points of delivery exist for supply of electricity to a single Customer or where more than one meter is required for any reason to measure the supply to the Customer under the same rate, the readings shall not be combined in the determination of the Customer's billings unless specifically authorized by the Company.

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23. TERMINATION OF SERVICE

The Customer must give the Company at least 24 hours notice, before vacating the premises after termination of the agreement covering the services. In the absence of such notice, the Customer will be held responsible for all electricity used on the premises and damage to all apparatus which are/or have become the property of the Company. The Company reserves the right to suspend or terminate service at any time to prevent fraudulent use of electricity, to protect its property or to protect its services to other Customers.

24. SALES TAX AND ASSESSMENTS

In addition to payments for electricity, the Customer shall pay to the Company the amount of any sales tax, consumption tax, or any other tax or assessment levied by any competent taxing authority on any electricity delivered to the Customer.

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APPENDIX A



Hemlock Utility Services Ltd.

New Customer Information Sheet

Name: _____

Address: _____

City: _____ **Postal Code:** _____

Phone: _____ **e-mail:** _____

Address at Hemlock Valley:

Business Owner / HST # (if applicable) _____

Building Permit# _____

Electric Permit # _____

Estimated date for Hook ups _____

Date Hook ups Paid: _____

Method of Payment: _____

Meter # : _____

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Security Tag #: _____

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APPENDIX B

BACK-BILLING

DEFINITION

- 1 Back-billing means the rebilling by the Company for services rendered to a customer because the original billings are discovered to be either too high (over-billed) or too low (under-billed). The discovery may be made by either the Customer or the Company and may result from the conduct of an inspection under the provisions of the federal statute, the Electricity and Gas Inspection Act (“EGI Act”). The cause of the billing error may include any of the following non-exhaustive reasons or combination thereof
 - a) Stopped Meter
 - b) Metering equipment failure
 - c) Missing meter now found
 - d) Switched meters
 - e) Double metering
 - f) Incorrect meter connections
 - g) Incorrect use of any prescribed apparatus respecting the registration of a meter
 - h) Incorrect meter multiplier
 - i) The application of an incorrect rate
 - j) Incorrect reading of meters or data processing
 - k) Tampering fraud, theft or any other criminal act

- 2 Whenever the dispute procedure of the EGI Act is invoked, the provisions of that Act apply, except those which purport to determine the nature and extent of legal liability flowing from metering or billing errors

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available, reasonable and fair estimates may be made by the Company. Such estimates will be on a consistent bases within each customer class or according to a contract with the Customer, if applicable

- 4 If there are reasonable grounds to believe that the customer has tampered with or otherwise used the Company's service in an unauthorized way, or evidence of fraud theft or other criminal act exists, then the extent of back-billing will be for the duration of the unauthorized use, subject to the applicable limitation period provided by law, and the provisions of items 7, 8, 9 and 10 below do not apply

In addition, the Customer is liable for the direct (unburdened) administrative costs incurred by the Company in the investigation of any incident of tampering, including the direct costs of repaid, or replacement of equipment

Under-billing resulting from circumstances described above will bear interest at the rate normally charged by the Company on unpaid accounts from the date of the original under-billed invoice until the amount under-billed is paid in full.

- 5 In every case of under-billing or over-billing the cause of the error will be remedied without delay, and the Customer will be promptly notified by the error and of the effect upon the Customer's ongoing bill.
- 6 In every case of over-billing, the Company will refund to the Customer all money incorrectly collected for the duration of the error, subject to the applicable limitation period provided by law. Simple interest, computed at the short-term bank loan rate applicable to the Company on a monthly basis, will be paid to the Customer
- 7 Subject to item 4 above, in every case of under-billing, the Company will back-bill the Customer for the shorter of:
- a) the duration of the error; or

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- b) six months for residential or small general service (commercial); and
 - c) one year for all other customers or as set out in a special or individually negotiated contract with the Company.
- 8 Subject to item 4 above, in all cases of under-billing, the Company will offer the Customer reasonable terms of repayment. If requested by the Customer, the repayment term will be equivalent in length to the back-billing period. The repayment will be interest free and in equal installments corresponding to the normal billing cycle. However, delinquency in payment of such installments will be subject to the usual late payment charges.
- 9 Subject to item 4 above, if a Customer disputed a portion of a back-billing due to under-billing based upon either consumption, demand or duration of the error, the Company will not threaten or cause the discontinuance of service for the Customer's failure to pay that portion of the back-billing, unless there are no reasonable grounds for the Customer to dispute that portion of the back-billing. The undisputed portion of the bill shall be paid by the Customer and the Company may threaten or cause the discontinuance of service if such undisputed portion of the bill is not paid.
- 10 Subject to item 4 above, back-billing in all instances where changes of occupancy have occurred, the Company will make a reasonable attempt to locate the former Customer. If, after a period of one year, such Customer cannot be located, the over or under billing applicable to them will be cancelled.

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GENERAL SERVICE RATE

AVAILABILITY

For all purposes including residential, commercial, industrial and street lighting

APPLICABLE

In the HEMLOCK VALLEY LEASE AREA

RATE

Energy charge at 16.05 cents per kw.h

MINIMUM CHARGE

\$20.00 user charge per month for each residential dwelling, commercial and industrial contact

SPECIAL CONDITIONS

1. Commercial/industrial Customers taking service under the "General Service Rate" are required to pay for the increased line capacity as required by the British Columbia Hydro and Power Authority necessary to serve their requirement.
2. Service to commercial/industrial Customers is provided only by special contract and such contract shall set out the payment required for the increased line capacity and any refund provisions.

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