Electric Tariff Supplement No. 87
Agreement for Customers with an Indirect Interconnection to the BC Hydro System taking Electricity under an Applicable Rate Schedule Effective: March 3, 2016

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# AGREEMENT FOR CUSTOMERS WITH AN INDIRECT INTERCONNECTION TO THE BC HYDRO SYSTEM TAKING ELECTRICITY UNDER AN APPLICABLE RATE SCHEDULE

THIS ELE	ECTRICI	TY SUPPLY A	AGREEMENT made as of	
	the	day of	, 20	
	for			
BETWEE	N:			
	BRITIS	SH COLUMBIA	HYDRO AND POWER AUT	THORITY,
	having	its head office	at 333 Dunsmuir Street,	
	Vancou	uver, British Co	olumbia V6B 5R3	
	(herein	called "BC Hy	vdro")	
			OF THE FIRST PART	
AND:				
	having	an office in Bri	itish Columbia at	
	(herein	called the "Cu	ıstomer")	
		(	OF THE SECOND PART	
WITNESS	SES TH	AT the parties	declare and agree as follows	:
				Co
ACCEPTED:		2016	<u> </u>	LROSS
ORDER NO.	<u>G-25-16</u>		A(	CTING COMMISSION SECRETARY

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APPENDIX 1 PROVISIONS RESPECTING TRANSMISSION EXTENSIONS AND OTHER SITE SPECIFIC MATTERS

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### 1.0 GENERAL DEFINITIONS

In this Agreement:

- (a) Applicable Rate Schedule means the Schedule to the BC Hydro Electric Tariff under which the Customer takes or proposes to take Electricity from BC Hydro pursuant to an Electricity Supply Agreement, being one of Schedule 1823, Transmission Service Stepped Rate, Schedule 1825, Transmission Service Time-Of-Use (TOU) Rate, or Schedule 1827, Transmission Service Rate for Exempt Customers, of the BC Hydro Electric Tariff as amended or replaced from time to time, filed as required by the *Utilities Commission Act*, S.B.C. 1980, c. 60;
- (b) **Billing Demand** means the kV.A Demand used for billing purposes, all in accordance with the provisions of Schedule 1823;
- (c) **Billing Period** means a period of from 27 to 35 consecutive days between two regular meter readings and there shall be not less than 12 Billing Periods in any period of 52 consecutive weeks. Following the installation of suitable metering, the Billing Period will be a calendar month Billing Period from 0800 hours local time, at the Customer's Plant, on the first day of the calendar month to 0800 hours on the first day of the following calendar month, provided that the Billing Period may be varied by agreement between BC Hydro and the Customer;
- (d) **BC Hydro Facilities** means transmission, distribution and substation equipment owned by BC Hydro and directly connected to the BC Hydro system;
- (e) BC Hydro's Guide means the guide prepared by BC Hydro and titled "Guide & Requirements for Service at 69,000 to 287,000 volts", as amended or replaced from time to time;



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- (f) **Contract Demand** is the kV.A Demand which BC Hydro is obligated to supply under this Agreement as specified in clause 6.0(a);
- (g) **Customer** means a Customer who takes or is proposing to take Electricity from BC Hydro at the Point of Delivery to supply the Customer's Plant pursuant to an Electricity Supply Agreement on the terms and conditions of an Applicable Rate Schedule (or any predecessor), as may be amended or replaced from time to time;
- (h) Customer's Facilities means all transmission, distribution and substation equipment owned by the Customer and required for the supply of Electricity to the Customer's Plant, as referenced in Appendix 1;
- (i) **Customer's Plant** means the manufacturing or other plant owned by the Customer, as referenced in Appendix 1;
- (j) Electricity means electrical power and electrical energy. Power is measured and expressed in kilowatts (kW) or kilovolt-amperes (kV.A) and energy is measured and expressed in kilowatt-hours (kW.h);
- (k) **Endangerment or Interference** has the meaning set out in clause 19.0;
- (I) **Force Majeure** has the meaning set out in clause 16.0;
- (m) Indirect Interconnection Service means the provision by BC Hydro of Electricity to a Customer where the Customer uses Shared Facilities to facilitate the supply of Electricity to the Customer's Plant under this Electric Tariff Supplement No. 87 and Electric Tariff Supplement No. 88;
- (n) kV.A Demand means the power demand of the Customer's Plant, determined over a time interval of 30 consecutive minutes and reduced to the next lowest whole number of kV.A;

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- (o) **Maximum kV.A Demand** means the kV.A Demand which is the greater of:
  - (i) 85 per cent of the Contract Demand as set out in subclause 6.0(a); or
  - (ii) The highest kV.A Demand previously established at the Customer's Plant during the 47 Billing Periods immediately preceding, or the lesser number that the Customer's Plant has been in operation excluding the initial four Billing Periods immediately following the Customer's Plant start-up date;
- (p) Point of Delivery means the point of connection, at the relevant time during the term of this Agreement, between the Transmission Facilities and the BC Hydro Facilities, as referenced in Appendix 1;
- (q) **Point of Load Interconnection** means the point of connection between the Shared Facilities and the Customer's Facilities, as referenced in Appendix 1;
- (r) Points of Metering means the Point of Delivery, the Point of Load Interconnection, the Customer's Plant and/or any other point between the Customer's Plant and the Point of Delivery, as referenced in Appendix 1 and as otherwise agreed from time to time between BC Hydro and the Customer, both acting reasonably;
- (s) **Power Factor** means the ratio, expressed as a percentage, of kW to kV.A when both are measured simultaneously over a specified time interval;
- (t) **Schedule 1880** means Schedule 1880, General Service Standby and Maintenance Supply of the BC Hydro Electric Tariff as amended or replaced from time to time, filed as required by the *Utilities Commission Act*, S.B.C. 1980, c. 60;
- (u) **Shared Facilities** means the transmission, distribution and substation equipment owned and operated by a party or parties, identified in Appendix 1, other than



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BC Hydro and located between the Point of Delivery and the Point of Load Interconnection, as referenced in Appendix 1;

- (v) Strike means a strike as defined in the Labour Relations Code, R.S.B.C. 1996,c. 244;
- (w) Transmission Facilities means the Shared Facilities and the Customer's Facilities, including for greater certainty any equipment or facilities required to connect the Shared Facilities and the Customer's Facilities at the Point of Load Interconnection, considered as a whole, as shown in Appendix 1, and for greater certainty, Transmission Facilities shall not include any metering or other equipment owned by BC Hydro; and
- (x) **Unlawful Industrial Action** means an unlawful industrial action as defined in the *Industrial Relations Act*, R.S.B.C. 1979, c. 212.

### 2.0 BASIC OBLIGATIONS

- (a) BC Hydro will supply Electricity to the Customer up to the Contract Demand at the Point of Delivery and the Customer will pay for Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, the Applicable Rate Schedule and Appendix 1 containing provisions respecting transmission extensions and the site specific matters.
- (b) BC Hydro may also supply additional Electricity for emergency, maintenance and special supply purposes to the Customer at the Point of Delivery and the Customer will pay for such Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, Schedule 1880.

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The Applicable Rate Schedule and Schedule 1880 are attached as Schedules to this Agreement and BC Hydro will provide to the Customer a copy of all amendments or replacements to such schedules.

3.0	COMMENCEMENT DATE
(a)	The Commencement Date is the date upon which BC Hydro will be willing and able to supply Electricity to the Customer, for the Customer's Plant, at the Point of Delivery. It is also the date upon which the Billing Periods for the Customer will commence and upon which the obligation to pay for Electricity will commence.
(b)	The Commencement Date shall be the later of:
	(i), 20 [the in-service date established by BC Hydro and the Customer]; and
	(ii) The date that is days after the date upon which BC Hydro notifies the Customer in writing that commercial and regulatory arrangements among BC Hydro and all owners and operators (as applicable) of the Shared Facilities to accommodate the provision of Indirect Interconnection Service to the Customer have been finalized to BC Hydro's reasonable satisfaction,
4.0	unless otherwise agreed or suspended by Force Majeure.  TERM OF AGREEMENT

(a)	Unless otherwise provided for by this Agreement, this Agreement shall be in force
	for an initial term of from the Commencement Date and,
	unless terminated at the end of the initial term or as set out in clause 26.0(c) of this
	Agreement, shall extend until terminated in accordance with this Agreement.

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(b) Either party shall give the other party not less than six months' notice if it intends to terminate the Agreement at the end of the initial term or thereafter and upon expiration of the notice period, this Agreement shall terminate.

### 5.0 FREQUENCY, VOLTAGE

- (a) The Electricity to be supplied by BC Hydro at the Point of Delivery shall be three phase alternating current, at a frequency of 60 Hz +/- 0.1 Hz.
- (b) If and when the Power Factor specified pursuant to subclause 8.0(a) of this Agreement is being maintained at the Point of Delivery and the Customer's Plant is operating at or above 75 per cent of Contract Demand then the service voltage at the Point of Delivery shall be within +/- \_\_\_\_\_ per cent of \_\_\_\_\_ volts under BC Hydro system normal operating conditions. Short term variations of the service voltage may occur due to sudden load changes or as a result of system contingency or emergency situations.

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- (c) If and when the frequency and voltage at the Point of Delivery are within the limits set out in subclauses 5.0(a) and 5.0(b) then BC Hydro shall be deemed to be willing and able to supply Electricity to the Point of Delivery.
  - In the event that the service voltage is normally at or near the lower or upper limits of the range set out in subclause 5.0(b) and is impairing the operations of the Customer, BC Hydro and the Customer agree to, and the Customer will make all reasonable efforts to ensure that all owners and operators (as applicable) of the Shared Facilities will, take such action as may reasonably be required to relieve the impairment.
- (d) If and when the frequency or voltage, or both, are outside the above limits then such occurrences shall be deemed to be a suspension in the supply of Electricity to the Point of Delivery unless the Customer continues to take Electricity.

### 6.0 CONTRACT DEMAND, INCREASES IN KV.A DEMAND

(a) The Contract Demand under this Agreement is \_\_\_\_\_ kV.A. The Customer shall not exceed the Contract Demand without the prior approval of BC Hydro.

The Customer may nominate an increase in the Contract Demand and, subject always to BC Hydro's ability to supply, BC Hydro shall not unreasonably refuse to permit the nominated increase provided that any such increase is subject to Appendix 1 of Electric Tariff Supplement No. 88 Provisions Respecting System Reinforcement and Transmission Extension Policies for Permanent Service to Customers with an Indirect Interconnection to the BC Hydro System.

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(b) The Customer may increase its Maximum kV.A Demand within the limit of the Contract Demand, over any period of 12 consecutive months by the amounts hereinafter set forth:

(i)	For an amount less than kV.A no notice is required; and
(ii)	For an amount greater than kV.A notice from the Customer to
	BC Hydro is required and BC Hydro shall identify the date when such an
	increase can commence, which will depend on work that may be required on
	the BC Hydro electrical system to facilitate the supply of the increase

- (c) Subject to BC Hydro being willing and able to supply the increased Maximum kV.A Demand, the minimum Billing Demand during the 12 Billing Periods immediately following the effective date identified by BC Hydro pursuant to subclause 6.0(b) shall be 75 per cent of the sum of:
  - (i) The increase specified in the request; and

requested.

- (ii) The highest Billing Demand for the Customer's Plant in the immediately preceding period of November to February, both months included.
- (d) The Customer's kV.A. Demand and usage of Electricity for billing purposes will be the kV.A. Demand and Electricity usage measured at the relevant Point (or Points) of Metering, plus an allowance for transformation and line losses.



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# 7.0 CUSTOMER'S PROTECTIVE AND CONTROL EQUIPMENT AND OTHER DEVICES

- (a) In accordance with the technical requirements set out in BC Hydro's Guide, the Customer, at its cost, will supply, install, operate and maintain in good working order all protective and control equipment to isolate the Customer's Plant or Transmission Facilities and to interrupt fault current from the BC Hydro electrical system and, when applicable, fault current from the Customer's Plant. BC Hydro may refuse to supply Electricity to the Customer or suspend the same at any time if, in BC Hydro's judgment, the equipment is not compatible with or not suitable for the BC Hydro electrical system.
- (b) BC Hydro may from time to time make tests of such protective and control equipment wherever located.
- (c) The Customer shall inform BC Hydro of the type, ratings or settings of such protective and control equipment, and BC Hydro shall have the right to accept or reject such type, ratings or settings. The Customer shall not change the type, ratings or settings without obtaining, in advance, the acceptance, in writing, of BC Hydro and in the event that the settings are changed the Customer shall promptly advise BC Hydro in writing of the change.
- (d) Any judgment by BC Hydro, its servants or agents in connection with the protective and control equipment shall not be interpreted by the Customer or others as an endorsement of the design or as a warranty by BC Hydro, its servants or agents of the safety, durability or reliability of the devices.



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(e)	The initial three-phase symmetrical fault contribution at kV from the BC Hydro electrical system, when operating normally, at the Point of Delivery shall be not less than MV.A. The ultimate three-phase symmetrical fault contribution from the BC Hydro electrical system shall not exceed MV.A.				
(f)	Unless otherwise agreed, the Customer shall not install any equipment or device whatsoever on the BC Hydro electrical system.				
8.0		РО	WER FACTOR		
(a)	of the	ne Ma ure th	en the kV.A Demand of the Customer's Plant is greater than 75 per cent ximum kV.A Demand, the Customer shall make all reasonable efforts to at the Power Factor at the Customer's Plant measured over an interval of tes is not:		
	[	-	"less than per cent lagging"; or		
		_	"lagging"; or		
		_	"lagging or more than per cent leading"; or		
		_	"less than per cent lagging or more than		
			per cent leading".]		
	(one	e only	of the above on a site specific basis).		

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- (b) In the event that the Customer fails to maintain the Power Factor specified under subclause 8.0(a), and such failure results in or contributes to an operational problem for BC Hydro, then BC Hydro may, in addition to any other remedies it has under subclause 8.0(c) or any other provision of this Agreement, require the Customer to reduce load if necessary to maintain the integrity of its system or portions thereof.
- (c) BC Hydro shall advise the Customer in writing of the particulars of a specific operational problem caused or contributed to by the Customer's failure to maintain the specified Power Factor specified under subclause 8.0(a) and shall provide an estimate of BC Hydro's costs to accommodate the Power Factor deviation and provide 15 days for the Customer to initiate corrective action. If required, BC Hydro shall consult with the Customer to determine the cause of the failure to maintain the specified Power Factor and to discuss possible remedies. Following such advice or consultation, if the Customer does not commence to take all reasonable action to achieve the specified Power Factor within 15 days, then BC Hydro may initiate any necessary alterations to its system and the Customer shall pay to BC Hydro the cost of any such work within 15 days of receipt of the bill.
- (d) If the specified Power Factor is less than 95 per cent lagging the Customer will undertake reasonable investigations and appropriate action to improve the Power Factor over time.



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(a)	Unless otherwise provided for by this Agreement, a notice, consent, request, demand, statement or bill that either party may be required or may desire to give to
	the other party shall be in writing and shall be deemed to be given to and received
	by the addressee on the business day next following when it is delivered by hand,
	by courier, by telex, or by facsimile copier, and is deemed to be given when
	received if delivered by prepaid mail at the address that each party shall give
	notice of from time to time.
(b)	The address that BC Hydro gives notice of is:
(c)	The address that the Customer gives notice of is:

### 10.0 BILLING, PAYMENT OF ACCOUNTS

(a) BC Hydro will provide bills, including advance bills at the election of the Customer, from time to time to the Customer for each Billing Period for Electricity and for any other amount as it becomes owing to BC Hydro under this Agreement but failure to provide a bill, or a correct bill, shall not release the Customer from liability for payment of any amount.

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- (b) Each bill shall become due one business day after being delivered to the Customer and in the case of bills other than advance bills shall become overdue if it is unpaid, in whole or in part, by the Customer 15 days from the day the bill is due. Advance bills shall become overdue 55 days from the day the bill is due.
- (c) The Customer will, by electronic funds transfer or other method as agreed to in advance by BC Hydro, pay to BC Hydro's General Bank Account the amount shown on each bill, without setoff or withholding, at par in Canadian funds before such bill becomes overdue.
- (d) Any unpaid amount of any overdue bill shall be subject to interest at the rate of interest which is equal to the annual rate of interest declared from time to time by the lead chartered bank in Canada used by BC Hydro as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus:
  - (i) 2 per cent from the last day of the applicable Billing Period for the first 30 days that the payment remains unpaid and 5 per cent thereafter until the same is paid where the Customer has not, during the immediately preceding six Billing Periods, failed to make any payment when due hereunder; or
  - (ii) 5 per cent from the last day of the applicable Billing Period until the payment is made where the Customer has, during the immediately preceding six Billing Periods, failed to make any payment when due hereunder.



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- (e) Ten days after giving the Customer notice that a bill is overdue, BC Hydro, in lieu of or in addition to any other remedy provided by this Agreement may suspend the supply of Electricity to the Customer until all bills are paid in full. BC Hydro's servants or agents may enter the Customer's Plant or the Customer's Facilities, and the Customer will make all reasonable efforts to ensure that BC Hydro is entitled to access the Shared Facilities, to undertake such suspension. No such suspension by BC Hydro shall relieve the Customer from any provision of this Agreement, including the payment of any amount payable, nor shall suspension be deemed to be a termination of this Agreement and the validity or duration of this Agreement shall be otherwise unaffected.
- (f) BC Hydro may appropriate an amount equal to any overdue amount of any bill from a security deposit established by the Customer with BC Hydro pursuant to clause 12.0 of this Agreement if and when any bill or part thereof becomes overdue.

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### 11.0 ADVANCE BILLING

(a) At any time, the Customer may provide reasonable notice to BC Hydro that it has elected to receive from BC Hydro and pay, in accordance with clause 10.0, advance bills for the amount, estimated by BC Hydro, to be owing for a future Billing Period by that Customer to BC Hydro. Notwithstanding subclause 10.0(b), any advance bill shall be due 10 days prior to the first day of the future Billing Period and is late if it is unpaid, in whole or in part, by the Customer IO days from the day the advance bill is due. Provided that the Customer does not allow the advance bill to become late, BC Hydro will entitle the Customer to a discount on the amount estimated by BC Hydro to be owing. The discount shall be equal to the interest payable on the said amount over a 45-day period at the simple rate of interest payable on January 1, April 1, July 1 or October 1, whichever is most recent to the Billing Period, for 30-day Government of Canada Treasury Bills for the denomination of \$100,000.00. All amounts paid under the advance billing and payment plan shall be subject to adjustment in the following Billing Period to fully and properly reflect the actual amount owing for the advance Billing Period.

The Customer may, subject to clause 12.0, upon reasonable notice to BC Hydro, elect to return to BC Hydro's regular billing procedures set out in clause 10.0.

### 12.0 SECURITY DEPOSITS

- (a) If:
  - (i) The Customer has not maintained an account with BC Hydro for the purchase of Electricity under an Applicable Rate Schedule for the immediately preceding two years;



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- (ii) The Customer, at any time, has permitted any account under this Agreement to become overdue and has not supplied information which reasonably satisfies BC Hydro that the Customer is creditworthy; or
- (iii) BC Hydro is not satisfied, on a reasonable basis, that the Customer is creditworthy;

then, after BC Hydro has provided the Customer with a written statement, which either indicates that an account has not been maintained for two years or which sets out the reasons for not accepting that the Customer is creditworthy, the Customer shall choose one of the options set out in subclause 12.0(b).

- (b) The three options available to a Customer in the circumstances set out in subclause 12.0(a) are as follows:
  - (i) To commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by BC Hydro as described in clause 11.0, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to BC Hydro;
  - (ii) To supply certified statements showing a two year projection of the Customer's operating revenues and expenses and, where applicable, certified financial statements for the three years immediately preceding including notes as to the basic assumptions used, all of which statements BC Hydro agrees to hold in confidence; or
  - (iii) To establish and maintain with BC Hydro a security deposit as described in subclause 12.0(d).



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- If, on the basis of reasonable criteria used in evaluating the certified statements referenced in subclause 12.0(b)(ii), BC Hydro is not satisfied as to the creditworthiness of the Customer, then the Customer shall either:
  - (i) Commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by BC Hydro as described in clause 11.0, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to BC Hydro; or
  - (ii) Establish and maintain with BC Hydro a security deposit as described in subclause 12.0(d).
- A security deposit shall be in an amount equal to two times the Customer's normal (d) bill, as estimated by BC Hydro for a Billing Period, and it shall be in a form which has the prior approval of BC Hydro. This may include:
  - (i) Irrevocable letter of credit;
  - Contract bond; (ii)
  - (iii) Guarantee by a corporation other than the Customer;
  - Bank term deposit, to be deposited in trust for BC Hydro; or (iv)
  - Negotiable bearer bond, that is government guaranteed at face value. (v)
- Any security deposit will be returned to the Customer, or released to the guarantor, as appropriate, when the conditions requiring security no longer exist.



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(f) If all or part of any bill becomes overdue, then BC Hydro may appropriate all or any part of any security deposit towards payment of such bill and thereupon the Customer's right to such security, or any part of that security so appropriated, shall terminate.

(g) BC Hydro will not pay interest on any security deposit held by it. The Customer may arrange with its bank to pay any interest earned on a bank term deposit, deposited in trust for BC Hydro, directly to the Customer's account.

### 13.0 METERING

- (a) Determination, directly or indirectly, of the kilovolt-amperes, kilowatt-hours, or other factors or quantities shall be made by BC Hydro at the voltage at the Point of Delivery, unless otherwise agreed by BC Hydro, by means of meters owned, installed, operated and maintained by BC Hydro at one or more Points of Metering.
- (b) All meters and metering apparatus supplied by BC Hydro or the Customer for revenue purposes shall not be moved or removed from any Point of Metering without prior consent of BC Hydro.
- (c) The Customer shall act as a prudent owner would and protect the meters and metering apparatus of BC Hydro, and will pay to BC Hydro the cost of repairing or replacing meters or metering apparatus missing or damaged except to the extent that the Customer can reasonably show that such was missing or damaged due to a defect therein or to an act or omission of BC Hydro, its servants or agents.



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- (d) BC Hydro, but not the Customer, may test, calibrate, remove, install, substitute or otherwise change the revenue metering equipment from time to time at any reasonable time and the Customer may have a representative present at such time.
- (e) The *Electricity and Gas Inspection Act*, R.S.C. 1985, c.E-4 or re-enactment of the same shall govern metering under this Agreement.
- (f) Notwithstanding any statutory provision to the contrary, should the revenue metering equipment fail to register correctly or for any reason meter readings be unobtainable, the amount of Electricity supplied will be estimated by BC Hydro from the best information available, including the Customer's records, if any, during the Billing Period in question, and such estimate, except in the case of manifest error, shall for billing purposes have the same force and effect as an exact meter reading.
- (g) Further technical requirements in connection with metering are set out in BC Hydro's Guide.
- (h) Upon request of the owner or operator of the Shared Facilities from time to time, BC Hydro may provide metering data obtained by BC Hydro under this Agreement to the owner or operator of the Shared Facilities. If BC Hydro provides metering data to the owner or operator of the Shared Facilities, BC Hydro will notify Customer and will request that the owner or operator of the Shared Facilities keep the metering data confidential.



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# 14.0 BC HYDRO'S EQUIPMENT & DEVICES & ACCESS TO CUSTOMER'S PLANT AND TRANSMISSION FACILITIES

- (a) BC Hydro may install at its cost at the Customer's Plant or along the Transmission Facilities any equipment or device which, in BC Hydro's judgment, is required for BC Hydro use or convenience in exercising its rights, or carrying out its obligations under this Agreement and all such equipment or devices, whether affixed or otherwise, by BC Hydro shall remain the property of BC Hydro.
- (b) To the extent that it may be necessary, the Customer hereby grants to BC Hydro, its servants or agents, for the initial term, any extension, and a reasonable time thereafter, the free and uninterrupted right to enter the Customer's Plant and Customer's Facilities and will make all reasonable efforts to ensure that BC Hydro will have the right at all times to access the Shared Facilities for any purpose related to this Agreement.
- (c) The rights hereby granted to BC Hydro shall be exercised subject to prior notification to Customer and to any reasonable requirement of the Customer necessary for the safety or security of the Customer's Plant or Transmission Facilities and employees of the Customer or of any other party operating or using the Shared Facilities, or for continuity of the Customer's operations or the operations of any other party using the Shared Facilities.
- (d) Nothing contained in this clause shall impair the right of BC Hydro to terminate service pursuant to this Agreement.



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### 15.0 REMOVAL OF EQUIPMENT AND DEVICES

(a) Upon termination of this Agreement, each party shall remove within 90 days of receipt of a written request by the other party, all of its plant and equipment from the other's lands and premises, except those which are located by BC Hydro on a Right-of-Way granted by the Customer to BC Hydro.

### 16.0 **FORCE MAJEURE**

- In this Agreement, the term Force Majeure includes but is not limited to Strikes, legal lockouts, other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), fire, flood, accidents, tempest or acts of God, sabotage or acts of the Queen's enemies, acts or failure to act by lawful authority or any other cause whatsoever beyond the reasonable control of the parties, provided that in no event shall lack of finances, loss of markets or inability to perform due to the financial condition of either party constitute Force Majeure.
- Where expressly provided for by this Agreement, and subject to subclause 18.0(d), if either party is or was wholly or partly unable, because of a Force Majeure, to perform an obligation and claims that a Force Majeure is occurring or has occurred and reasonably establishes that fact, then the performance of the obligation shall be deemed to be suspended provided always that:
  - (i) The suspension shall be of no greater scope and no longer duration than the Force Majeure; and
  - The non-performing party shall use all reasonable efforts to counter the Force (ii) Majeure or to otherwise remedy its inability to perform the obligation.



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- (c) For greater certainty, the Customer will not be entitled under any circumstances to claim that a Force Majeure is occurring or has occurred in respect of an event caused by any action or failure to act by:
  - (i) Any owners, operators or other users (as applicable) of the Shared Facilities, or their respective affiliates, agents or contractors; or
  - (ii) Any other parties other than BC Hydro directly or indirectly connected to the Transmission Facilities.

### 17.0 SUSPENSION OF SUPPLY

- (a) BC Hydro may, without notice to the Customer, suspend the supply of Electricity to the Customer for the purpose of protecting against harm to human life or property of any person.
- (b) BC Hydro may, without notice to the Customer, deliberately or unintentionally suspend the supply of Electricity to the Customer in the event of a breakdown or failure of any component of BC Hydro's electrical system or an event for which BC Hydro could claim Force Majeure pursuant to clause 16.0.
- (c) At any time in the event of a shortage of Electricity whether actual or apprehended by BC Hydro, BC Hydro may request that the Customer suspend or reduce its taking of Electricity at the Point of Delivery but if the Customer does not so suspend or reduce then BC Hydro may suspend or reduce the supply of Electricity to the Customer. BC Hydro will make all reasonable efforts to give notice, in writing or otherwise, and to treat alike all Customers under substantially similar circumstances and conditions of service of the same description.



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- (d) BC Hydro may, after notice to the Customer in writing or otherwise, suspend the supply of Electricity to the Customer for the purpose of maintaining and making repairs, renewals, extensions or replacements to BC Hydro's electrical system. All such suspensions shall be of the shortest duration reasonably possible and, whenever reasonably possible, after taking into account Customer requirements and impacts and the requirements of and impacts on other BC Hydro Customers using the Shared Facilities, shall be arranged to occur at a time least objectionable to the Customer.
- (e) In the event of any suspension of supply of Electricity or request by BC Hydro that the Customer suspend or reduce its taking of Electricity under this Agreement, the Customer will make all reasonable efforts to coordinate with the owners, operators and other users (as applicable) of the Shared Facilities to minimize the impacts of any such suspension or reduction and to take any actions that may be reasonably required or requested by BC Hydro to assist BC Hydro in ending the suspension or request for reduction.

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- (f) If the owner of the Shared Facilities transfers ownership of any part of the Shared Facilities, or if either or both of the owner and operator assign all or any part of their rights in or to the Shared Facilities, in either case prior to arrangements with the applicable transferee or assignee and, if applicable, all other owners and operators of the Shared Facilities, being finalized to BC Hydro's reasonable satisfaction, BC Hydro will have the right to suspend its obligations to the Customer under this Agreement upon 90 days' written notice of suspension to the Customer. If arrangements with the applicable transferee or assignee and, if applicable, all other owners and operators of the Shared Facilities, are finalized to BC Hydro's reasonable satisfaction prior to the effective date of suspension or prior to any effective date of termination of this Agreement set under subclause 26.0(c), then BC Hydro will rescind the suspension notice, in which event the notice will cease to have any further force or effect and the Customer's obligations will not be suspended pursuant to it.
- (g) Nothing in this clause shall restrict BC Hydro's right to discontinue, suspend or reduce the supply of Electricity to the Customer in accordance with other provisions of this Agreement.
- (h) The Customer acknowledges and agrees that:
  - (i) Any discontinuance, suspension or reduction of Electricity supply provided for under this Agreement or any other agreement between BC Hydro and the owners, operators or other users of the Shared Facilities (as applicable) will be deemed to take effect at the Point of Delivery, regardless of any steps taken by BC Hydro at any other points along the Transmission Connection or at the Customer's Plant in connection with such discontinuance, suspension or reduction;

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- (ii) As a result, the Customer and all other owners, operators or users of the Shared Facilities (as applicable) may be simultaneously impacted by any discontinuance, suspension or reduction of Electricity supply regardless of which party owning, operating or using the Shared Facilities caused or contributed to such discontinuance, suspension or reduction;
- (iii) BC Hydro will not be liable to the Customer or any other owner, operator or user of the Shared Facilities (as applicable) in respect of any such discontinuance, suspension or reduction of Electricity for any reason whatsoever unless and only to the extent specified in clause 23.0; and
- (iv) If BC Hydro has provided notice to the Customer under clause 25.0, or has provided any other notice to the Customer of a discontinuance, suspension or reduction of Electricity supply provided for under this Agreement, BC Hydro may also provide a copy of such notice to the owner of the Shared Facilities.

### 18.0 BILLING ADJUSTMENTS

(a) If the Customer claims and reasonably establishes to BC Hydro that there has been a reduction in the taking of Electricity by the Customer, as a result of a cause expressly stated in this clause, then BC Hydro shall make the adjustments, herein called the "Billing Adjustments", set out below. The Customer may elect to have Billing Adjustments based upon a lesser period than the total period during which it has been forced to reduce the taking of Electricity and, should the Customer so elect, the Billing Adjustments set out below will be calculated in accordance with the lesser period and the mean value of kV.A Demand during that period. Billing Adjustments shall only be made in calculating a bill for the Billing Period when the reduction is occurring or has occurred.

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(b) The kV.A Demand applicable to the time when the reduction is occurring or has occurred shall be deemed to be:

$$BD_R = \underline{K}$$
LF

Where:

 $BD_R$  = the reduced Billing Demand;

K = the mean value of kV.A during such time; and

LF = the load factor at which the Customer took Electricity in the immediately prior Billing Period when the taking or supply of Electricity was not reduced.

- (c) If the time over which the reduction is occurring or has occurred is less than the whole of the Billing Period, then:
  - (i) The Demand Charge applicable to such time shall be:

Demand Charge = 
$$BD_R \times R \times \underline{H}$$
  
 $H_{BP}$ 

Where:

BDR = the reduced Billing Demand as above;

R = the Demand Charge set out in the Applicable Rate Schedule;

H = the number of half-hour intervals during such time; and

HBP = the number of half-hour intervals during the Billing Period; and

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(ii) The Demand Charge applicable to the balance of the Billing Period shall be:

Demand Charge = 
$$BD_N x R x (H_{BP} - H)$$
  
 $H_{BP}$ 

Where  $BD_N$  = the Billing Demand and

R, H and H<sub>BP</sub> have the meanings given above.

- (d) A suspension, pursuant to clause 16.0, for more than four consecutive hours shall be cause for Billing Adjustments to be made by BC Hydro, except that in the case of the Strikes, legal lockouts, and other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), Billing Adjustments for both causes shall be limited to a collective maximum of 1440 hours in any calendar year. Further, Billing Adjustments for each occurrence of an Unlawful Industrial Action shall not be made if the suspension is for less than 12 consecutive hours and, in any event, the Billing Adjustments for any such occurrence shall be limited to a maximum of five days.
- (e) Unless the Customer continues to take Electricity, a frequency or voltage, or both, for more than one hour outside the limits established in clause 5.0 shall be cause for Billing Adjustments to be made by BC Hydro.
- (f) A suspension or reduction, pursuant to clause 17.0, for more than one hour shall be cause for Billing Adjustments to be made by BC Hydro.
- (g) A suspension or discontinuance pursuant to clause 10.0 or suspension pursuant to clause 19.0 shall not be cause for Billing Adjustments to be made by BC Hydro.



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(h) In addition to the Billing Adjustments set out above, BC Hydro may, in its judgment, make other Billing Adjustments from time to time so as to decrease the bills for the Customer's Plant to reflect unusual or unanticipated conditions or events in such plant.

### 19.0 ENDANGERMENT, INTERFERENCE

- (a) "Endangerment or Interference" includes:
  - (i) The introduction of harmonics into BC Hydro's electrical system;
  - (ii) The creation of undue and abnormal voltage fluctuations on BC Hydro's system;
  - (iii) The depression or elevation of the voltage level on BC Hydro's system below or above the voltage range provided by BC Hydro to the Customer for Electricity supplied under normal operating conditions; and
  - (iv) The creation of an undue voltage imbalance between phases.Normal standards for subclauses 19(a)(i) to 19(a)(iv) are provided in BC Hydro's Guide.
- (b) The Customer shall make its best efforts to take or use Electricity so as not to cause or contribute to an Endangerment or Interference with the BC Hydro electrical system, or in connection with Electricity supplied to any other Customer of BC Hydro, but if such occurs then:



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- (i) BC Hydro may require the Customer, at the Customer's cost, to take corrective action including the provision of corrective equipment to prevent the Customer from further causing or contributing to the Endangerment or Interference; or
- (ii) If, in the judgment of BC Hydro, the Endangerment or Interference is critical then BC Hydro may, without notice to the Customer, suspend the supply of Electricity until the Customer takes any necessary corrective action.

### 20.0 PARALLEL OPERATION

- (a) The Customer may operate an electrical generating plant, at the Customer's Plant, connected directly or indirectly to the BC Hydro electrical system, provided always that the Customer provides notice to BC Hydro reasonably in advance of parallel operation of such plant, and provided always that:
- (b) The Customer shall install in advance, at its cost, on its electrical system the protective and control equipment required, including that required in the judgment of BC Hydro;
- (c) The Customer shall pay in advance to BC Hydro the cost of the protective and control equipment required, in the judgment of BC Hydro, on the BC Hydro electrical system and this equipment shall be the property of BC Hydro and shall remain so upon termination of this Agreement unless the Customer pays to BC Hydro the costs of adapting the system to operate without that equipment; and
- (d) The Customer shall follow operating orders or guidelines established by BC Hydro and provided to the Customer from time to time for parallel operation.



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### 21.0 CONNECTIONS

(a) Except as provided for by local operating order or by operation of a switching device, connections to or disconnections from BC Hydro's electrical system shall be made only by BC Hydro's servants or agents or such other persons as BC Hydro may specifically authorize or permit.

### 22.0 NON-WAIVER

(a) No failure by BC Hydro or the Customer at any time or from time to time to enforce or require a strict observance or performance of any of the provisions of this Agreement shall constitute a waiver of such provisions or affect or impair such provisions or the right of BC Hydro or the Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

## 23.0 LIABILITY, INDEMNITY, LIMITATIONS AND REQUIREMENTS FOR NOTICE

(a) BC Hydro does not warrant a continuous supply of Electricity or the maintenance of unvaried frequency or voltage and BC Hydro, its servants or agents, shall not be liable to the Customer for any loss, injury, damage or expense of the Customer caused by or resulting from any suspension, discontinuance or defect in the supply of Electricity for any reason, except for direct loss or damage to the physical property of the Customer resulting from wilful misconduct or negligent acts or omissions by BC Hydro, its servants or agents.

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For greater certainty, it is agreed that "direct loss or damage to the physical property of the Customer" shall not include inconvenience, mental anguish, loss of profits, loss of earnings or any other indirect or consequential loss. It is further agreed that the duty of care imposed upon BC Hydro will be the common law duty of care imposed upon a municipality or other government agency. It is also further agreed that BC Hydro shall not be liable for direct loss or damage which could have been prevented, in whole or in part, if the Customer or any owner, operator or other user of the Shared Facilities had taken reasonable protective measures.

It is also further agreed that BC Hydro shall not be liable under this subclause unless the Customer has given notice to BC Hydro of a potential claim within seven days of when the Customer knew or ought to have known of the alleged direct loss or damage.

- (b) The liability of BC Hydro under subclause 23.0(a) applies only when the direct loss or damage to the Customer arising from a single occurrence exceeds the sum of \$10,000.00. In no event shall the liability of BC Hydro exceed the sum of \$1,000,000.00 for any single occurrence.
- (c) BC Hydro shall indemnify the Customer from all liabilities for claims, demands, suits, losses or damages brought against the Customer arising out of damage to property or injury to persons resulting from wilful misconduct or negligent acts or omissions by BC Hydro, its servants or agents, if and when they enter the Customer's Plant.



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### 24.0 RESALE OF ELECTRICITY

(a) The Customer shall not sell, or otherwise dispose of for compensation, all or part of the Electricity supplied pursuant to this Agreement to any other person directly or indirectly without prior authorization from the British Columbia Utilities Commission and notice to BC Hydro.

### 25.0 ACTION ON DEFAULT

(a) Subject to other provisions of this Agreement, if the Customer fails at any time in the performance of its obligations under clauses 20.0 or 21.0 or subclauses 6(a), 6(b), 7(c), 7(f), 13(b), 13(c), 13(d) or 14(b) and does not, within 30 days after BC Hydro has given to it notice of such failure, commence to remedy with due diligence, and thereafter continue to remedy the matter in which it is in default, BC Hydro may, without terminating this Agreement, after the expiry of five days' notice given to the Customer by BC Hydro of its intention to do so, and without liability therefor, discontinue the supply of Electricity to the Customer, but no such discontinuance shall relieve the Customer from any obligation under this Agreement. BC Hydro shall not be obliged to resume the supply of Electricity to the Customer until such failure shall have been remedied.

### 26.0 SUCCESSORS, ASSIGNS

(a) This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns, provided, however, that this Agreement shall not be transferred or assigned by the Customer without prior consent of BC Hydro, which consent shall not be unreasonably withheld.

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(b) Unless waived in writing by BC Hydro, the Customer will ensure that it is entitled to at least 30 days' written notice if the owner of the Shared Facilities intends to transfer ownership of any part of the Shared Facilities, or if either or both of the owner and operator assign all or any part of their rights in or to the Shared Facilities. The Customer will immediately upon receipt of any such notice notify BC Hydro of the particulars of the notice, subject to any confidentiality obligations to third parties.

- (c) If:
  - (i) The owner of the Shared Facilities transfers ownership of any part of the Shared Facilities, or if either or both of the owner and operator assign all or any part of their rights in or to the Shared Facilities, in either case prior to arrangements with the applicable transferee or assignee and, if applicable, all owners and operators of the Shared Facilities, being finalized to BC Hydro's reasonable satisfaction; and
  - (ii) BC Hydro has given 90 days' notice of suspension under Section (f), and such period of notice has expired prior to arrangements with the applicable transferee or assignee and, if applicable, all other owners and operators of the Shared Facilities, being finalized to BC Hydro's reasonable satisfaction,

then BC Hydro will have the right, in addition to any other rights that it may have under this Agreement, to terminate this Agreement upon an additional 90 days' written notice to the Customer. If arrangements with the applicable transferee or assignee and, if applicable, all other owners and operators of the Shared Facilities, are finalized to BC Hydro's reasonable satisfaction prior to the effective date of termination, then BC Hydro will rescind the termination notice, in which event the

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notice will cease to have any further force or effect and this Agreement will not terminate pursuant to it.

### 27.0 **HEADINGS**

The headings in this Agreement are provided for convenience only and shall not (a) be used to interpret the Agreement.

### 28.0 PRIOR AND OTHER AGREEMENTS

- (a) All prior agreements for supply of Electricity by BC Hydro to the Customer at the Point of Delivery are terminated as of the Commencement Date, subject to entitlements or obligations, then accrued or incurred, of both parties.
- To the extent of any inconsistency between BC Hydro's rights and obligations (b) under the terms of this Agreement and its rights and obligations under an Agreement with a Customer under Electric Tariff Supplement No. 5 relating to the supply of Electricity to that Customer, or a generator under an interconnection or other similar agreement governing the connection of the Shared Facilities to the BC Hydro system, at the Point of Delivery specified in this Agreement, the rights and obligations specified under this Agreement will prevail. For greater certainty, nothing in this Agreement is intended to interfere with any contractual rights and obligations among the owner or operator of the Shared Facilities, the Customer and other users of the Shared Facilities, provided that those contractual obligations do not purport to modify BC Hydro's rights, obligations or liabilities under this Agreement or under any other agreement with a Customer or generator using the Shared Facilities or with the owner or operator of the Shared Facilities.



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### 29.0 LAW

- (a) This Agreement shall be construed in accordance with the laws of the Province of British Columbia.
- (b) BC Hydro and the Customer will promptly comply with all relevant laws and regulations and the relevant orders, rules and requirements of all authorities having jurisdiction.

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IN WITNESS WHEREOF the duly authorized representative of each party has executed this Agreement. [If the Customer is a joint venture or partnership then this Agreement shall be executed and sealed by all joint ventures or partners and all declarations and agreements of the Customer shall be deemed to be joint and several].

POWER AUTHORITY

Per:

THE CORPORATE SEAL of the Customer,
)
was hereunto affixed in the presence of:
)
Authorized Signatory
)
Authorized Signatory
)

BRITISH COLUMBIA HYDRO AND

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Refer to the Applicable Rate Schedule, as amended or replaced from time to time.

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Refer to Schedule 1880 in the Electric Tariff, as amended or replaced from time to time.

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### **APPENDIX 1**

# PROVISIONS RESPECTING TRANSMISSION EXTENSIONS AND OTHER SITE SPECIFIC MATTERS

[This Appendix will contain site specific provisions from agreements in force prior to the Commencement Date of this standard form Electricity Supply Agreement. This will include, but will not necessarily be limited to, rights and obligations related to Basic Transmission Extension, the Shared Facilities and Right-of-Way. In addition, this Appendix may also contain other site specific details related to the supply of Electricity for which no provision was made in this standard form Electricity Supply Agreement. This Appendix may be updated and replaced from time to time by mutual agreement of BC Hydro and the Customer.]

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