



Distribution Tariff

Effective April 1, 2006

**Distributor's Rates and Conditions
of Application Effective April 1, 2006**

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Interpretative Provisions

Definitions 1.1

In this Tariff, the following terms and expressions have the meanings hereinafter described, unless the context indicates otherwise:

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

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

“annual contract”: A contract the term of which is at least twelve consecutive monthly periods.

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

“available power”: Amount of power which the customer may not exceed for a given contract without the authorization of the Distributor.

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

“common parts and collective services”: Areas and services of an apartment building or community residence that are used exclusively by the occupants of this apartment building or community residence.

“community residence”: A private building or part of a private building devoted to living purposes which contains dwellings or rooms, or both, that are rented or allocated to different occupants, and has common parts and collective services. Also considered community residences, for purposes of this Tariff, are intermediate resources that meet the criteria stated in this paragraph.

“connected load”: That part of the installed capacity connected to the Distributor’s system.

“connection point”: Point where the electrical installation of the premises receiving electricity is connected to the Distributor’s system.

“consumption period”: Period during which electricity is delivered to the customer and which is included between the two dates used for calculation of the bill.

“contract”: An agreement concluded between the customer and the Distributor for the supply and delivery of electricity, or of electricity and services.

“contract power”: The minimum billing demand for which the customer must pay under the terms of a contract under this Tariff.

“customer”: Any individual, partnership, corporation or organization having one or more contracts.

“delivery of electricity”: Application and maintaining of voltage at the delivery point, with or without the use of electricity.

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

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

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

“Distributor’s service loop”: A circuit extending the Distributor’s system from its distribution or transmission line to the connection point.

“domestic rate”: A rate at which the electricity delivered for domestic use is billed at the conditions set forth in this Tariff.

“domestic use”: Use of electricity exclusively for living purposes 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 complete sanitary facilities, in which the inhabitants have free access to all rooms.

“electricity”: The electricity supplied by the Distributor.

“farm”: Land, buildings and equipment used for crop or animal farming, excluding any dwelling, as well as any facility used for commercial or industrial activity.

“fixed charge”: A set sum of money to be paid per 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, independent of the amount of energy consumed.

“general rate”: A rate at which the electricity delivered for general use is billed, except in cases where another rate is explicitly provided for in this Tariff.

“general use”: Use of electricity for all purposes other than those explicitly provided for in this Tariff.

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

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

“industrial customer”: A customer who uses the electricity delivered under a contract mainly for manufacturing, assembling or processing merchandise or food products or for extracting raw materials.

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

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

“luminaire”: An outside lighting installation fitted to a pole and comprising, unless otherwise indicated, a support no longer than two and a half metres, a reflector inside a metal case, a bulb and a refractor, and including in some instances a photoelectric cell.

“maximum power demand”: A value which, for application of the rates of this Tariff, is expressed in kilowatts and corresponds to:

- for domestic contracts, the highest real power demand;
- for contracts other than domestic whose real power demand always equals or is less than 50 kilowatts, the highest real power demand;
- for contracts other than domestic whose real power demand has exceeded 50 kilowatts at least once during the last twelve consecutive monthly periods, the higher of the following values:
 - a) the highest real power demand in kilowatts; or
 - b) 90% of the highest apparent power demand in kilovoltamperes for 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 maximum demand meters of a type approved by the competent authorities.

If the characteristics of the customer's load so justify, only maximum demand meters required for billing are maintained in service.

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

“monthly”: Refers to an exact period of 30 consecutive days.

“municipal system”: Municipal power system supplied by the Distributor, and the Coopérative régionale d'électricité de Saint-Jean-Baptiste-de-Rouville.

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

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

“power”:

- 1- Small power: a minimum billing demand of less than 100 kilowatts;
- 2- Medium power: a minimum billing demand of 100 kilowatts or more, but less than 5,000 kilowatts;
- 3- Large power: a minimum billing demand of 5,000 kilowatts or more.

“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 several specifications setting the elements taken into account, as well as the calculation methods, for determining the amounts the customer owes the Distributor for the delivery of electricity and the supply of services under a contract.

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

“residential outbuildings”: All premises or installations appurtenant to a building serving for living purposes; farms are excluded from this definition.

“rooming house”: A building or part of a building devoted exclusively to living purposes in which lodgings of no more than two rooms that do not constitute a dwelling are let to different inhabitants.

“short-term contract”: A contract whose term is less than twelve consecutive monthly periods.

“summer period”: Period from April 1 to and including November 30.

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

“voltage”:

- 1- Low voltage: nominal phase-to-phase voltage not exceeding 750 volts;
- 2- Medium voltage: nominal phase-to-phase voltage of more than 750 volts, but not exceeding 44,000 volts;
- 3- High voltage: nominal phase-to-phase voltage equal to or exceeding 44,000 volts.

“winter period”: Period from December 1 of one year up to and including March 31 of the next year.

Units of measurement1.2

For application of this Tariff, power and real power are expressed in kilowatts (kW); apparent power and energy (consumption) are expressed respectively in kilovoltamperes (kVA) and kilowatthours (kWh).

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

Section 1
General

Application of domestic rates2.1

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

Metering of electricity in apartment buildings2.2

In apartment buildings, the electricity may be metered separately or in bulk, at the choice of the owner or collectively the co-owners, as the case may be.

Customer’s choice2.3

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

Definition2.4

In this chapter, the following term is defined as follows:

“multiplier”: The factor used to multiply the fixed charge for rates DM and DT, as well as to multiply the number of kilowatthours for the first part of Rate DM.

Section 2

Rate D

Application2.5

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

Barring provisions to the contrary, it does not apply:

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

Structure of Rate D2.6

The structure of Rate D is as follows:

- 40.64¢ fixed charge per day, plus
- 5.22¢ per kilowatthour for the first 30 kilowatthours per day;
- 6.83¢ per kilowatthour for the remaining consumption.

During the winter period, when the maximum power demand exceeds 50 kilowatts, the excess is billed at the monthly price of \$4.71 per kilowatt. When a consumption period to which this monthly demand charge applies overlaps the beginning or end of the winter period, this charge is prorated to the number of days in the consumption period that belong to the winter period.

If applicable, the credit described in Article 10.3 applies.

Apartment building and community residence with dwellings – separate metering2.7

When the owner or collectively the co-owners, as the case may be, of an apartment building or community residence with dwellings have chosen separate metering, the electricity delivered to each dwelling is billed at Rate D.

The electricity destined for the common parts and collective services, metered separately, is covered by a contract and is billed at Rate D, provided that:

- it is used exclusively for living purposes;
- or
- when the electricity delivered is not used exclusively for living purposes, the total installed capacity for the common parts and collective services used for purposes other than living is less than or equal to 10 kilowatts.

If either one of the above conditions is not met, the appropriate general rate applies.

When determining the installed capacity used for purposes other than living, central equipment devoted to the heating of water or space or to air conditioning, and used for both living and other purposes, is not considered.

Rooming house and community residence with 9 rooms or less2.8

Rate D applies to a contract covering electricity delivered to a rooming house with up to 9 rooms for rent or a community residence with 9 rooms or less.

Bed and breakfast2.9

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

If the bed and breakfast does not meet these conditions, it is subject to the appropriate general rate.

Accommodations in a foster family or a foster home **2.10**

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

Residential outbuildings **2.11**

Rate D applies to a contract covering electricity delivered to one or more residential outbuildings provided that each meets the two following 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 the occupancy of the dwelling or apartment building.

In any other circumstances, the electricity delivered for a residential outbuilding is subject to the appropriate general rate.

Mixed use **2.12**

When the electricity delivered is not used exclusively for living purposes, Rate D applies on condition that the installed capacity for purposes other than living is less than or equal to 10 kilowatts. If the installed capacity used for purposes other than living is greater than 10 kilowatts, the appropriate general rate applies.

When determining the installed capacity used for purposes other than living, central equipment devoted to the heating of water or space or to air conditioning, and used for both living and other purposes, is not considered.

Farms **2.13**

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 or the farm, is less than or equal to 10 kilowatts. If the installed capacity of the premises is greater than 10 kilowatts, the appropriate general rate applies.

Metering of electricity and contract **2.14**

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

Section 3
Rate DM

Application **2.15**

Rate DM applies to a contract covering electricity delivered to an apartment building or community residence with dwellings, for which its owner or collectively its co-owners, as the case may be, have chosen bulk metering.

Barring provisions to the contrary, it does not apply:

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

Community residence with both dwellings and rooms, community residence or rooming house with 10 rooms or more – bulk metering

2.16

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

- a community residence with both dwellings and rooms;
- a rooming house or community residence with 10 rooms or more.

When the electricity delivered is not used exclusively for living purposes, Rate DM applies in accordance with the conditions set forth in Article 2.19.

Structure of Rate DM

2.17

The structure of Rate DM is as follows:

- 40.64¢ fixed charge per day, times the multiplier, plus
- 5.22¢ per kilowatthour for the first 30 kilowatthours per day, times the multiplier;
- 6.83¢ per kilowatthour for the remaining consumption.

During the winter period, when the maximum power demand exceeds 50 kilowatts, the excess is billed at the monthly price of \$1.17 per kilowatt. When a consumption period to which this monthly demand charge applies overlaps the beginning or end of the winter period, this charge is prorated to the number of days in the consumption period that belong to the winter period.

If applicable, the credit described in Article 10.3 applies.

Multiplier

2.18

The multiplier is determined as follows:

a) Apartment building and community residence with dwellings:

Number of dwellings in the apartment building or community residence.

b) Community residence with both dwellings and rooms:

Number of dwellings in the community residence, plus

1 for the first 9 rooms or less, plus

1 for each additional room.

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

1 for the first 9 rooms, plus

1 for each additional room.

Mixed use

2.19

When the electricity delivered is not used exclusively for living purposes, Rate DM applies on the condition that the installed capacity used for purposes other than living is less than or equal to 10 kilowatts. In such cases, an additional multiplier is added to calculate the fixed charge and the number of kilowatthours to which the first part of Rate DM applies.

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

When determining the installed capacity used for purposes other than living, central equipment devoted to the heating of water or space or to air conditioning, and used for both living and other purposes, is not considered.

Section 4
Rate DT

Application 2.20

A customer whose contract is eligible for Rate D or Rate DM and who uses, principally for domestic purposes, a dual-energy system which is in accordance with the provisions stipulated in Article 2.22, may opt for Rate DT.

Definition 2.21

In this section, the following term is defined as follows:

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

Characteristics of the dual-energy system 2.22

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

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

Recovery after a power failure 2.23

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 a certain period, on the auxiliary energy source only, regardless of the exterior temperature. The device must meet the Distributor’s requirements.

Structure of Rate DT 2.24

The structure of Rate DT is as follows:

- 40.64¢ fixed charge per day, plus
- 3.96¢ per kilowatthour for energy consumed when the temperature is equal to or higher than -12°C or -15°C, depending upon the climatic zones defined by the Distributor;
- 17.27¢ per kilowatthour for energy consumed when the temperature is below -12°C or -15°C, as the case may be.

During the winter period, when the maximum power demand exceeds 50 kilowatts, the excess is billed at the monthly price of:

- \$ 1.17 per kilowatt for an apartment building, community residence or rooming house when there is bulk metering and it records the consumption of a dual-energy system;
- or
- \$ 4.71 per kilowatt in all other cases.

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

If applicable, the credit described in Article 10.3 applies.

Apartment building or community residence with a dual-energy system – separate metering **2.25**

For an apartment building or community residence with dwellings with separate metering, the customer who uses a dual-energy system conforming to the provisions of Article 2.22 may opt for Rate DT. Rate DT applies in accordance with the following conditions:

- a) when the electricity destined 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) the electricity destined for the common parts and collective services, metered separately, is billed at Rate DT, on the condition that it supplies a dual-energy system and:
 - is used exclusively for living purposes;
 - or
 - when the electricity delivered is not used exclusively for living purposes, the total installed capacity for the common parts and collective services used for purposes other than living is less than or equal to 10 kilowatts.

When determining the installed capacity used for purposes other than living, central equipment devoted to the heating of water or space or to air conditioning, and used for both living and other purposes, is not considered.

Apartment building, community residence or rooming house with a dual-energy system – bulk metering **2.26**

For an apartment building, community residence or rooming house with bulk metering, the customer who uses a dual-energy system conforming to the provisions of Article 2.22 may opt for Rate DT. If the electricity delivered is used exclusively for living purposes, Rate DT applies according to the following conditions:

- a) when there is bulk metering and it records the consumption of a dual-energy system, the electricity is billed at Rate DT, except that:
 - the fixed charge is multiplied by the number of dwellings in the apartment building or community residence with dwellings;
 - for a rooming house or community residence with 10 rooms or more, the applicable multiplier for calculation of the fixed charge is the sum of:
 - 1 for the first 9 rooms, plus
 - 1 for each additional room.
 - for a community residence with both dwellings and rooms, the applicable multiplier for calculation of the fixed charge is the sum of:
 - the number of dwellings in the community residence, plus
 - 1 for the first 9 rooms or less, plus
 - 1 for each additional room;
- b) when there is bulk metering but the consumption of a dual-energy system is measured separately, this consumption is covered by a separate contract, eligible for Rate DT. In such cases, the fixed charge is not multiplied by the number of dwellings or rooms in the building.

If the electricity delivered is not used exclusively for living purposes, Rate DT applies on the condition that the installed capacity used for purposes other than living is less than or equal to 10 kilowatts. In such cases, an additional multiplier is added to calculate the fixed charge of Rate DT.

When determining the installed capacity used for purposes other than living, central equipment devoted to the heating of water or space or to air conditioning, and used for both living and other purposes, is not considered.

Farm 2.27

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

- a) the dual-energy system must be in accordance with the provisions set forth in subparagraphs b) c) and d) of Article 2.22;
- b) the capacity of the dual-energy system, in fuel mode as well as in electrical mode, must be sufficient to supply all the energy necessary for heating the dwelling. The energy sources for heating must not be used simultaneously;
- c) the installed capacity used for the farm and for any premises other than the dwelling must be less than or equal to 10 kilowatts;
- d) a single Distributor service loop serves both the farm and a dwelling.

Duration of rate application 2.28

Rate DT applies as of the date the appropriate meter is installed. The customer who opts for Rate DT for the first time may modify the option and choose another rate for which the contract is eligible at any time. Afterwards, any rate opted for must apply for a minimum of 12 consecutive monthly periods. The new rate comes into effect at the beginning of the consumption period following the date of the customer's request, provided the appropriate meter has been installed.

Non-compliance with conditions 2.29

If a dual-energy system covered by this section no longer meets one of the conditions of application of Rate DT, the customer must correct the situation within a maximum of 10 working days. Rate DT, described in Article 2.24, 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 choice, to one of the rates for which it is eligible according to the Tariff then in effect. If the customer fails to make this choice, the contract becomes subject, as the case may be, to Rate D or Rate DM, if it is eligible for them, or to the appropriate general rate (G, M or L).

Fraud 2.30

If the customer commits fraud, manipulates or hinders the functioning of the dual-energy system or uses it for purposes other than those provided for under this Tariff, the Distributor shall terminate the contract at Rate DT. The contract shall become subject to Rate D or Rate DM, if it is eligible for such rates, or to the appropriate general rate (G, M or L). Rate DT cannot apply again to the same contract for at least 365 days.

**Section 5
Rate DH**

Application 2.31

Rate DH is an experimental time-of-use rate. It applies to contracts that meet the eligibility conditions in Article 2.32 and selected by the Distributor, on condition that the customer accepts the Distributor's proposal within the stipulated time.

Eligibility

2.32

To be eligible for Rate DH, a contract must meet the following conditions:

- a) the contract has been subject to Rate D for at least 365 days;
- b) the capacity of the electrical entrance is equal to or less than 200 amps;
- c) the customer’s consumption during the winter period(s) included in the 365-day period preceding subscribing to Rate DH equals at least 50% of his yearly consumption and was a minimum of 80 kWh per day;
- d) the metering equipment under the contract is not part of the Distributor’s automatic meter-reading project.

Metering

2.33

Any electricity delivered must be covered under a single contract and measured by a single meter which records consumption separately for each period to which Rate DH applies.

Structure of Rate DH

2.34

The structure of Rate DH is as follows:

- 40.64¢ fixed charge per day, plus
- 4.01¢ per kilowatthour for energy consumed:
 - in the summer period,
 - in the winter period, on Saturday and on Sunday,
 - in the winter period, between 10:00 p.m. and 6:00 a.m. and between 11:00 a.m. and 3:00 p.m., Monday to Friday inclusive,
 - on December 25 and January 1;
- 14.41 ¢ per kilowatthour for energy consumed in the winter period, between 6:00 a.m. and 11:00 a.m. and between 3:00 p.m. and 10:00 p.m., Monday to Friday inclusive.

Beginning of application of Rate DH

2.35

Rate DH will apply as of the date of installation of the appropriate metering equipment.

Duration of commitment

2.36

A customer who agrees to be subject to Rate DH undertakes to retain this rate for a minimum duration of 12 consecutive monthly periods.

If the customer terminates the contract before the end of the 12 consecutive monthly periods, Rate D is applied retroactively to the customer’s contract, starting on the date on which Rate DH became effective.

Section 6

Net Metering Option for a Customer-Generator

Scope

2.37

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

Definitions

2.38

In this section, the following terms and expressions have the following meanings:

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

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

“electricity generated”: Electricity generated by the customer-generator and fed back into the Distributor’s power grid during a consumption period.

“net consumption”: Difference between the volume of electricity delivered and the volume of electricity generated, when the customer-generator uses more energy than is generated.

“net surplus”: Difference between the volume of electricity generated and the volume of electricity delivered, when the customer-generator generates more electricity than is used.

“surplus bank”: Bank in which the net surplus accumulates and net consumption is debited.

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

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

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

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

where

B_t : surplus bank for consumption period

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

C_t : net consumption for the consumption period

S_t : net surplus for the consumption period

t : consumption period

Enrollment in the net metering option **2.39**

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

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

Eligibility requirements **2.40**

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

- a) the customer’s maximum generation capacity may not exceed the lower 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 may use only one or more of the following energy sources:
 - wind power;
 - photovoltaic power;
 - hydroelectric power;
 - geothermal power(only for generation facility);
 - bioenergy (biogas or forest biomass residue).

Enrollment date **2.41**

The contract for the net metering option will take effect at the start of the first consumption period following installation of appropriate metering equipment.

Customer billing **2.42**

During the entire period in which the net metering is applied, the bill for each consumption period will be established as follows:

- a) fixed charge for the rate at which the customer is being charged

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

General Rates for Small Power

Surplus bank restrictions2.43

The surplus bank returns to zero:

- a) every 24 months, on next March 31 or the date selected by the customer that falls within the 24 months following application of the conditions set out in Article 2.41;
- b) upon termination of the net metering option.

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

Option termination2.44

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

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

The customer is not eligible to enroll in the net metering option again until 12 consecutive months have passed from the end of the prior application of the net metering option.

A customer who wishes to reenroll in the net metering option must submit a new application to the Distributor in accordance with the provisions of Article 2.39.

Section 1Rate G

Application3.1

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

Structure of Rate G3.2

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

- \$ 12.33 fixed charge, plus
- \$ 15.00 per kilowatt of billing demand in excess of 50 kilowatts,
- plus
- 8.30¢ per kilowatthour for the first 15,100 kilowatthours;
- 4.20¢ per kilowatthour for the remaining consumption.

The minimum monthly bill is \$36.99 when polyphase electricity is delivered.

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

Billing demand3.3

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

Minimum billing demand 3.4

The minimum billing demand for each consumption period shall be 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 with the consumption period concerned.

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

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

When a customer terminates an annual contract and subscribes for 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.

Increase in minimum billing demand to 100 kilowatts or more 3.5

The minimum billing demand for an annual contract subject to Rate G may be increased to 100 kilowatts or more, at any time, upon written request from customer.

Following such increase, the contract is no longer eligible for Rate G and becomes subject to Rate M or L. The contract power and Rate M or L come into effect, at the customer's choice, either at the beginning of the consumption period during which the Distributor receives the written request for revision or at the beginning of one of the three preceding consumption periods.

In the event the customer does not specify the date the revision of the contract power is to take effect, it shall take effect at the beginning of the consumption period during which the Distributor receives the written request for revision.

Revision of the minimum billing demand at the beginning of the contract to 100 kilowatts or more 3.6

Once within the first 12 monthly periods of the contract, the customer may retroactively change his minimum billing demand to 100 kilowatts or more, provided that the following conditions are met:

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

The revised minimum billing demand and the appropriate general rate, M or L, come into effect either at the beginning of the contract or at the beginning of any consumption period, as the customer chooses.

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

Short-term contract 3.7

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

In the winter period, the monthly demand charge is increased by \$5.25.

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 belong to the winter period.

Installation of maximum-demand meters **3.8**

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

Winter activities **3.9**

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

The short-term contract characterized by a seasonal activity, repeated from year to year (excluding cottages, restaurants, hotels, motels or similar installations), covering at least the winter period and under which the greater part of the electricity is consumed during such period, is subject to the following conditions:

- a) all electricity whose consumption is noted between December 1 of one year and March 31, inclusive, of the following year is billed according to the conditions for short-term contracts set out in Article 3.7;
- b) the dates taken into account for billing purposes must be between December 1 of one year and March 31, inclusive, of the following year, and the commencement of the first consumption period is set at December 1;
- c) the delivery point is permanently energized, but the electricity consumed between May 1 and September 30, inclusive, must be used exclusively for the maintenance of mechanical or electrical equipment supplied with electricity under the contract concerned;
- d) if the Distributor notes that the customer uses the electricity delivered under this contract for purposes other than those set out in Subparagraph c), the conditions of application set out in subparagraphs a) and b) shall no longer apply;

- e) the customer’s before-tax bill is increased by the reference index in effect.
 - The reference index is set at 1.08 on March 31, 2006.
 - It is increased by 2% on April 1 of each year, starting on April 1, 2006.

These increases are cumulative.

Section 2
Rate G-9

Application **3.10**

General Rate G-9 is designed for contracts which are characterized by limited use of billing demand. It does not apply to contracts whose maximum power demand is always less than 65 kilowatts during 12 consecutive monthly periods ending with the consumption period concerned.

Rate G-9 does not apply to independent producers.

Structure of Rate G-9 **3.11**

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

\$ 3.84 per kilowatt of billing demand,

plus

8.57¢ per kilowatthour.

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

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

Billing demand 3.12

The billing demand at Rate G-9 is equal to the maximum power demand during the consumption period concerned, but cannot be less than the minimum billing demand defined under Article 3.13.

Minimum billing demand 3.13

The minimum billing demand for a contract at Rate G-9 is the higher of the following values:

- a) 75% of the maximum power demand under such contract, noted during the winter period included in the 12 consecutive monthly periods ending with the consumption period concerned; or
- b) the contract power.

When a customer terminates an annual contract and subscribes for 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.

Short-term contract 3.14

A short-term contract for general use of small power, where the electricity delivered is metered and the contract has a duration 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 \$5.25.

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 belong to the winter period.

Winter activities 3.15

The conditions of application of Rate G-9 to winter activities apply only to those contracts subject to them as at April 30, 1988. These conditions are those described in Article 3.9.

However, Rate G-9 for short-term contracts does not apply to contracts subject to the conditions of Article 3.9, except if this rate is already applied to such contracts on April 30,1993. In this case, the electricity consumed is billed according to the special conditions applying to short-term contracts described in Article 3.14.

Installation of maximum-demand meters 3.16

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

Section 3
Rate GD

Application 3.17

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

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

Rate GD may not be used for the re-sale of energy to a third party.

Beginning of the application of Rate GD 3.18

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

Structure of Rate GD

3.19

The structure of monthly Rate GD is as follows:

- \$ 4.74

per kilowatt of billing demand,
- plus
- 5.09¢

per kilowatthour for the energy consumed in the summer period;
- 12.96¢

per kilowatthour for the energy consumed in the winter period.

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

Billing demand

3.20

Billing demand at Rate GD corresponds to the maximum power demand during the consumption period concerned, but is never less than the minimum billing demand as defined in Article 3.21.

Minimum billing demand

3.21

For contracts under Rate GD, the minimum billing demand is the higher of the following amounts:

- a) the highest of the maximum power demands during the 24 consecutive monthly periods ending at the end of the consumption period concerned; or
- b) the contract power chosen by the customer, which cannot be less than 50 kilowatts.

When a customer terminates an annual contract and subscribes for 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.

Section 4

Transitional Rate – Snowmaking

Transitional rate

3.22

The Transitional Rate, defined in Section 4 of Chapter 4, also applies to small-power customers subject to a contract which is billed according to the off-peak price of energy at Rate BT on April 30, 1996, and which is about to expire, taking into account the adjustment provided for in Article 3.23.

Adjustment of the customer’s bill

3.23

The adjustment of the customer’s bill, described in Article 4.17, applies to small-power customers. However, the reference index must be raised by the average increase of Rate G, not Rate M.

Section 5

Net Metering Option for a Customer-Generator

Scope

3.24

The net metering option defined in Chapter 2, Section 6, applies to Rate G contracts for which power is not metered.

General Rates for Medium Power

Section 1
Rate M

Application 4.1

General Rate M applies to a contract whose minimum billing demand is at least 100 kilowatts, but less than 5,000 kilowatts.

Structure of Rate M 4.2

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

- \$ 13.08 per kilowatt of billing demand,
- plus
- 4.20¢ per kilowatthour for the first 210,000 kilowatthours;
- 2.74¢ per kilowatthour for the remaining consumption.

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

Contract power 4.3

The contract power at Rate M cannot be less than 100 kilowatts.

When a customer terminates an annual contract and subscribes for another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered as one contract in regard to the contract power.

If the contract ceases to be eligible for Rate G because of a minimum billing demand of 100 kilowatts or more and becomes subject to Rate M, the contract power at Rate M is at least equal to the minimum billing demand at Rate G. This contract power takes effect at the beginning of the consumption period during which the minimum billing demand reaches 100 kilowatts or more.

For a contract transferred to Rate M from Rate G-9, the contract power set by the customer may not be less than the minimum billing demand established during the most recent winter consumption period noted, and must be maintained for 12 consumption periods starting with that consumption period.

Billing demand 4.4

The billing demand at Rate M is equal to the maximum power demand during the consumption period concerned, but cannot be less than the contract power, which becomes the minimum billing demand.

Optimization charge 4.5

When, for a consumption period that falls wholly or partly in the winter period, the billing demand exceeds 133 1/3% of the contract power, such excess is subject to a monthly optimization charge of \$14.01 per kilowatt.

This charge is prorated to the number of days in the consumption period that belong to the winter period.

However, a customer holding an annual contract may increase the contract power in accordance with Article 4.6; the customer is then exempt from the optimization charge up to 133 1/3% of the new contract power.

Increase in contract power 4.6

The contract power for an annual contract at Rate M may be increased at any time upon written request by the customer. The revision of the contract power takes effect, at the customer's choice, either at the beginning of the consumption period during which the Distributor receives the written request for revision, or at the beginning of one of the three previous consumption periods.

If, because of an increase in contract power, the contract becomes eligible for Rate L, the revision of the contract power and Rate L take effect, at the customer's choice, at the beginning of the consumption period during which the Distributor receives the written request for revision, or at any date during that consumption period, or at the beginning of one of the three previous consumption periods.

In the event the customer does not specify the date the revision of the contract power is to take effect, it shall take effect at the beginning of the consumption period during which the Distributor receives the written request for revision.

Decrease in contract power 4.7

The contract power for an annual contract at Rate M can be decreased after 12 consecutive monthly periods from the last increase or decrease, unless the customer is bound by contract to maintain this power for a longer period. To this end, the customer must send a written request to the Distributor.

Provided that the effective decrease in contract power takes place only after the 12 consecutive monthly periods required under the preceding Paragraph, the change in contract power may come into effect either:

- a) at the beginning of the consumption period during which the Distributor receives the written request for revision; or
- b) at the beginning of the previous consumption period; or
- c) at the beginning of any subsequent consumption period,

whichever the customer prefers, and in accordance with the customer's written request.

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 M and becomes subject to Rate G, the revision of the contract power and Rate G take effect, at the customer's choice and in accordance with its written request, either at the beginning of the consumption period during which the Distributor receives the written request for revision, or at the beginning of the previous consumption period, or at the beginning of any subsequent consumption period.

In the event the customer does not specify the date the revision of the contract power is to take effect, it shall take effect at the beginning of the consumption period during which the Distributor receives the written request for revision.

Revision of contract power early in contract **4.8**

Notwithstanding articles 4.6 and 4.7, the customer may retroactively increase or decrease the contract power once within the first 12 monthly periods of the contract, provided that the following conditions are met:

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

The revised contract power and the applicable general rate (G, M or L) come into effect either at the beginning of the contract or at the beginning of any consumption period, as the customer chooses.

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

Short-term contract **4.9**

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, in the winter period, the monthly demand charge is increased by \$5.25.

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 belong to the winter period.

Winter activities **4.10**

The conditions of application of Rate M to winter activities apply only to those contracts subject to them as of April 30, 1988. These conditions are those described in Article 3.9, except for the rate applied. For eligible contracts, Rate M for short-term contracts described in Article 4.9 applies.

Section 2
Rate G-9

Rate G-9 **4.11**

Rate G-9, defined in Section 2 of Chapter 3, also applies to medium power, both for annual contracts and short-term contracts.

Section 3
Rate GD

Rate GD **4.12**

Rate GD, defined in Section 3 of Chapter 3, also applies to medium-power annual contracts.

Section 4
Transitional Rate – Snowmaking

Application **4.13**

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

Available power **4.14**

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

Restrictions regarding the use of the power 4.15

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

Customer’s bill 4.16

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

- 1) first, the bill is determined according to the price and billing conditions in effect immediately before the expiry of the contract;
- 2) the adjustment described in Article 4.17 is then applied;
- 3) if applicable, the credit for supply described in Article 10.3 is then applied.

Adjustment of the customer’s bill 4.17

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

The reference index is determined as follows:

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

These increases are cumulative.

End of application 4.18

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

Section 5
Transitional Rate – Photosynthesis

Application 4.19

The Transitional Rate in this section applies to Rate BT contracts on August 16, 2004, and only involves photosynthesis purposes invoiced at Rate BT prices and conditions on this date. To be eligible for this rate, the customer must have renounced Rate BT by March 31, 2005, at the latest.

Customer’s bill 4.20

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

- 1) first, the bill is determined according to the price and billing conditions specified in articles 4.21 through 4.26;
- 2) the adjustment described in Article 4.27 is then applied;
- 3) if applicable, the credit described in Article 10.3 is then applied.

Structure of Transitional Rate – Photosynthesis 4.21

The structure of the Transitional Rate is as follows:

Monthly fixed charge:

\$ 34.77 plus

6.48¢ per kilowatt of contract 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” 4.22

For the purposes of the Transitional Rate, the expression “365 days” is understood to mean “366 days” for a period of 12 months that includes February 29.

Contract power 4.23

In order to establish the monthly fixed charge, in accordance with Article 4.21, the customer must subscribe in writing a contract power which cannot be less than 50 kilowatts. This contract power must be at least equivalent to 85% of the available power, but cannot be higher than available power.

Increase in contract power 4.24

Subject to Article 4.23, the contract power can be increased after a 365-day period as of the date on which it became effective, or as of the last change in contract power.

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

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

Decrease in contract power 4.25

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

Maximum power demand greater than contract power 4.26

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

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

Adjustment of the customer's bill 4.27

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

The reference index is determined as follows:

- The reference index is set at 1.0 on April 1, 2005;
- It is increased by 5% on April 1 of 2005, 2006 and 2007;
- It is then increased by 8% on April 1 of each year, starting April 1, 2008.

It is also raised by the average increase in the Distributor's rates, each time such increase comes into effect.

- These increases are cumulative.

Fraud 4.28

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 this Tariff, the Distributor shall terminate the contract at the Transitional Rate. The contract thus becomes subject to Rate D, if it is eligible for such rate, or to the appropriate general rate G, M or L.

Duration of commitment 4.29

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

End of application 4.30

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

Section 6

Running-in for New Equipment

Application 4.31

A customer with a contract subject to Rate M wishing to run-in one or more pieces of new equipment in order to operate it later on a regular basis using electricity delivered by the Distributor may benefit from the conditions of application of Rate M for running-in use for a minimum of:

- one consumption period, and a maximum of six consecutive consumption periods, for customers to which Article 4.32 applies;
- one consumption period, and a maximum of 12 consecutive consumption periods, for customers to which Article 4.33 applies.

To benefit from these conditions, the customer must provide the Distributor with a written notice, at the latest 30 days before the running-in period, indicating the approximate beginning of the running-in period and must submit the running-in equipment type and power to the Distributor for written approval. The power of the running-in equipment must be equal to at least 10% of the contract power in effect at the time of the customer's written request, and also greater than or equal to 100 kW. At the latest 10 days before the beginning of the running-in, the customer must advise the Distributor, for written approval, of the exact date of the beginning of the running-in period.

Contract whose billing record includes 12 or more consumption periods at Rate M during which there was no running-in under this section or Section 7 4.32

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

- An average price, expressed in €/kWh, is determined on the basis of the average billing demand and energy consumed during the last 12 consumption periods during

which there was no running-in. Upon written request from the customer, days during which a strike is held at the customer's company are not taken into account when this average is determined. To determine this average price, the Rate M prices and conditions in effect during the consumption period concerned of the running-in period are applied to this average, taking into account, if applicable, any credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

- 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 corresponds to at least the average billing demand in effect during the last 12 consumption periods preceding the running-in period, multiplied by the demand charge in effect during the consumption period concerned of the running-in period. The demand charge is adjusted, if applicable, as a function of credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

Contract whose billing record includes fewer than 12 consumption periods at Rate M during which there was no running-in under this section or Section 7 4.33

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

- The customer gives the Distributor a written estimate of the power demand and energy that will be consumed, on average, under the contract after the running-in period. An average price, expressed in €/kWh, is determined based on this estimate, once it has been approved by the Distributor, by applying the Rate M prices and conditions in effect to the estimate, taking into account, if applicable, any credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

- During the running-in period, the energy consumed is billed at this average price, plus 4%.

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

Termination of the running-in conditions 4.34

If a customer no longer wishes to take advantage of the running-in conditions, it must advise the Distributor in writing. These running-in conditions cease to apply, at the customer’s discretion, either at the beginning of the consumption period in effect when the Distributor receives the customer’s written notice, at the beginning of either of the two preceding consumption periods or at the beginning of either of the two subsequent consumption periods.

Renewal of the running-in conditions 4.35

Following a new equipment addition, a customer may once again benefit from the running-in conditions. He must submit a new request to the Distributor in accordance with the provisions described in Article 4.31.

Section 7
Running-in within the Experimental Program for New Heating Technologies

Application 4.36

A customer with a contract subject to Rate M wishing to run-in one or more pieces of new heating equipment in order to operate it later on a regular basis using electricity delivered by the Distributor may benefit from the conditions of application of Rate M for running-in within the Distributor’s experimental program for new heating technologies, for a minimum of:

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

The customer must have agreed to participate, at the Distributor’s request, in the experimental program for new heating technologies.

Contract whose billing record includes 12 or more consumption periods at Rate M during which there was no running-in under this section or Section 6 4.37

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

- An average price, expressed in €/kWh, is determined on the basis of the average billing demand and energy consumed during the last 12 consumption periods during which there was no running-in. Upon written request from the customer, days during which a strike is held at the customer’s company are not taken into account when this average is determined. To determine this average price, the Rate M prices and conditions in effect during the consumption period concerned of the running-in period are applied to this average, taking into account, if applicable, any credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

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

Contract whose billing record includes fewer than 12 consumption periods at Rate M during which there was no running-in under this section or Section 6 4.38

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

- The customer gives the Distributor a written estimate of the power demand and energy that will be consumed, on average, under the contract after the running-in period. An average price, expressed in ¢/kWh, is determined based on this estimate, once it has been approved by the Distributor, by applying the Rate M prices and conditions in effect to the estimate, taking into account, if applicable, any credit for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

Termination of the running-in conditions within the Experimental Program for New Heating Technologies 4.39

The conditions described in Article 4.34 apply.

Renewal of the running-in conditions within the Experimental Program for New Heating Technologies 4.40

The conditions described in Article 4.36 apply.

Section 8
Interruptible Electricity Option for Medium-Power Customers

Subsection 8.1
General

Application 4.41

The Interruptible Electricity Option applies to a contract at a general rate for medium power under which the customer can offer the Distributor to interrupt his power demand weekdays during the winter period.

Definitions 4.42

In this section, the following definitions apply:

“average hourly demand”: A value in kilowatts that corresponds to the average real power demand over four 15-minute integration periods.

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

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

- a) the average hourly power demand during the effective hours of the consumption period in question; and
- b) the average hourly power demand.

Effective hourly interruptible power cannot be negative.

“effective hours”: All hours from 7:00 to 11:00 a.m. and from 5:00 to 9:00 p.m., excluding:

- Saturdays and Sundays;

- December 24, 25, 26 and 31, January 1 and 2, and Good Friday and Easter Monday, when the latter fall within the winter period;
- days when the customer interrupts his power demand in accordance with this section.

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

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

Sign-up date 4.43

Customers must submit their request in writing to the Distributor before October 1, indicating the base power they wish to commit to. The Distributor then has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer. The agreement shall come into effect December 1.

Subsection 8.2
Credits and Conditions of Application

Commitment 4.44

The customer’s commitment applies to base power, which must not exceed 85% of the average demand billed the preceding winter. The difference between the maximum power demand and base power must be at least 100 kW. The contractual commitment shall remain in effect for the duration of the winter period.

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

The customer shall notify the Distributor when the unavailability of a fuel-fired boiler has an impact on base power. The Distributor will then temporarily adjust the level of base power. The Distributor may terminate the customer’s commitment if this situation occurs more than twice during the commitment period or if the boiler unavailability exceeds seven business days. Under such circumstances, the amount of the fixed credit granted under Article 4.46 will be prorated to the number of days of availability since the effective date of the commitment.

Conditions applicable to interruptions 4.45

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

Advance notice: 3 p.m. the preceding day

Maximum number of interruptions per day: 2

Maximum number of interruptions per winter: 25

Interruption notices shall be sent to customers by e-mail or by any other means agreed upon with the Distributor. Once notice is sent, the Distributor may not cancel.

Amount of credits 4.46

The following monthly credits shall apply:

Fixed credit: \$1.25 per kilowatt, for the difference between the average hourly power demand during effective hours and base power;

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

Credits applicable to the contract 4.47

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

No credit shall be granted for an hour for which the customer pays a penalty in accordance with Article 4.48.

General Rates for Large Power

Penalties 4.48

For each overrun during an interruption period, the Distributor will apply a penalty of \$0.25 per kilowatt. The sum of penalties applied per interruption period may not exceed the amount of the fixed credit paid for the consumption period in question.

The sum of penalties applied during the commitment period may not exceed the sum total of fixed credits paid to the customer.

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

Section 1
Rate L

Application 5.1

General Rate L applies to an annual contract whose minimum billing demand is 5,000 kilowatts or more.

Structure of Rate L 5.2

The structure of monthly Rate L is as follows:

\$ 11.85 per kilowatt of billing demand;

plus

2.74¢ per kilowatthour.

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

Contract power 5.3

The contract power at Rate L must not be less than 5,000 kilowatts.

When a customer terminates an annual contract and subscribes for another for the delivery of electricity at the same location and for similar purposes within the following 12 consecutive monthly periods, these two contracts are considered as one contract 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 concerned, but cannot be less than the contract power, which becomes the minimum billing demand.

Optimization charge 5.5

If in a day during the winter period the maximum power demand exceeds 110% of the contract power, the overrun is subject to a daily optimization charge of \$6.93 per kilowatt. For each day during which such an overrun occurs, the charge will be applied to the number of kilowatts resulting from the highest overrun during the day.

For each consumption period, however, the amount calculated by applying the daily optimization charges is limited to the amount that would result from applying monthly optimization charge to the portion of the billing demand exceeding 110% of the contract power. This optimization charge is \$20.79 per kilowatt.

For purposes of this section, a day is defined as a 24-hour period beginning at 0000 hours.

Increase of contract power 5.6

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

Decrease in contract power 5.7

The contract power for a contract at Rate L may be reduced 12 consumption periods after its last increase or decrease, unless the customer is contractually bound to maintain the power for a longer period. To this end, the customer must send a written request to the Distributor.

Provided that the effective decrease in contract power takes place only after the 12 consumption periods stipulated in the preceding paragraph, the revision takes effect either:

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

whichever the customer prefers, in accordance with the customer’s written request.

If, because of a decrease in contract power in accordance with the first paragraph of this section, the contract ceases to be eligible for Rate L, the revision of the contract power and the applicable general rate take effect, at the customer’s choice and in accordance with the written request, at any date in the consumption period during which the Distributor receives the request, or at any date in the preceding or any subsequent consumption period.

Division of consumption period 5.8

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

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

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

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

Revision of contract power early in contract **5.9**

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

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

The revised contract power and the applicable general rate (G, M or L) come into effect either at the beginning of the contract or at the beginning of any consumption period, as the customer chooses. The revised contract power must not be less than that to which the customer is bound by contract to maintain, in consideration of the costs incurred by the Distributor to provide service to that customer.

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

Power demand excluded for billing **5.10**

Power demand in recovery periods when part of the contract power is interruptible in accordance with Article 6.36 is not taken into account in setting the billing demand.

Apparent power demand in periods when, at the Distributor’s request, the customer disconnects installations for correction of the power factor is also not taken into account in determining the billing demand.

Credits for reduction in or interruption of supply **5.11**

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

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

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

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

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

This credit does not apply when the interruption is of a nature stipulated in Section 2 of this chapter and in Section 3 of Chapter 6 of this Tariff, or is due to the customer’s non respect of the contract.

For purposes of this section, a day is defined as a 24-hour period beginning at 0000 hours.

Conditions applying to municipal systems 5.12

One of the two following conditions applies to a contract held by a municipal system:

- a) Rate L and associated conditions of application, as set out in this Tariff; or
- b) Rate L as in effect April 30,1990 and associated conditions of application at that date, except for the optimization charge, which must be adjusted to reflect conditions determined in this Tariff; the customer’s bill will be multiplied by the reference index in effect. The reference index is determined as follows:
 - The reference index is set at 1.4120 on March 31, 2006.
 - It is increased by 0.5% on April 1 of each year, starting on April 1, 2006.
 - It is also raised by the average rate increase, each time such increase comes into effect.

These increases are cumulative.

Option b) above is reserved for contracts to which it applies on April 30,1998.

Option b) will continue to be offered as long as one or more municipal systems make use of it.

When a municipal system wishes to terminate option b), it must notify the Distributor in writing and this decision is irrevocable. The change comes into effect at the beginning of the consumption period during which the Distributor receives the written notice, or at the beginning of the subsequent consumption period or at the beginning of one of the three previous consumption periods, whichever the customer prefers.

No matter which option is chosen, if a municipal system has one or more customers billed at Rate L, it is entitled to a refund of 15% of their bills if the maximum power demand during a given consumption period is equal to or greater than 5,000 kilowatts for each customer concerned. If the maximum power demand is between 4,300 and 5,000 kilowatts, the percentage of the refund is determined as follows:

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

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

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

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

Section 2
Rate H

Application 5.13

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

Rate H does not apply to independent producers.

Definition 5.14

In this section, the following term is defined as follows:

“winter weekday”: The period between 6h and 22h during all working days in the winter period. The Distributor may, on verbal notice to the customer, consider winter Saturdays and Sundays from 6h to 22h as “winter weekdays”.

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

Structure of Rate H 5.15

The structure of monthly Rate H is as follows:

- \$ 4.74

per kilowatt of billing demand;
- plus
- 4.37¢

per kilowatthour for the energy consumed outside winter weekdays;
- 16.58¢

per kilowatthour for the energy consumed on winter weekdays.

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

Billing demand 5.16

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

- the highest of the maximum power demand during the 24 monthly periods ending at the end of the consumption period concerned;
- or
- the contract power, which cannot be less than 5,000 kW.

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

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

- 75% of the maximum power demand during the last 12 consumption periods, including the most recent period, for a change to Rate M.

Section 3
Rate LD

Application 5.17

Rate LD is offered for the delivery of emergency electricity (back-up power) to customers whose usual source of energy has temporarily failed and whose normal independent production plus minimum billing demand at the applicable general rate totals 5,000 kW or more.

The Rate LD non-firm option is offered only to independent producers whose energy supply is generated from forest biomass, or to customers who have a purchase contract for electricity with an independent producer located on an adjacent site and whose production is generated from forest biomass.

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

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

Rate LD may not be used for the re-sale of energy to a third party.

Definitions 5.18

In this section, the following terms are defined as follows:

“winter weekday”: The period between 6h and 22h during all working days in the winter period. The Distributor may, on verbal notice to the customer, consider winter Saturdays and Sundays from 6h to 22h as “winter weekdays.”

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

“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.

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

“power demand from the Distributor”: The power demand recorded by the metering equipment of the load supplied by the Distributor.

“power generated by independent production”: The power demand recorded by the metering equipment of the independent production.

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

“normal power”: The maximum power demand from the Distributor, aside from planned or unplanned interruptions in the consumption period concerned, which cannot be less than the billing demand at the general rate when applicable.

Available power 5.19

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

Structure of Rate LD 5.20

a) Firm option

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

- \$ 4.74 per kilowatt of billing demand;
- plus
- 4.37¢ per kilowatthour for energy consumed outside winter weekdays;
- 16.58¢ per kilowatthour for energy consumed on winter weekdays.

b) Non-firm option

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

- \$ 0.48 per kilowatt of billing demand per day for planned interruptions;
- \$ 0.96 per kilowatt of billing demand per day for unplanned interruptions;
- plus
- 4.37¢ per kilowatthour;

Under the non-firm option, the amount billed as demand may not be higher than the product of the monthly rate of \$4.74 multiplied by the highest daily billing demand for the consumption period concerned.

If applicable, the credits for supply at medium or high voltage and the adjustment for transformation losses 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 credits for supply and monthly adjustments applicable are adjusted on a daily basis by multiplying them by the ratio of the daily rate over the monthly rate.

Billing demand

5.21

a) Determination of billing demand at the applicable general rate

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

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

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

where

$$PA_{reg} = \text{power demand at the applicable general rate;}$$

$$PA_{dis} = \text{power demand from the Distributor;}$$

$$PR = \text{back-up power, that is, the lesser of:}$$

$$\text{i) } PAN - PG$$

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

where

$$PAN = \text{normal independent production;}$$

$$PG = \text{power generated by independent production;}$$

$$PN = \text{normal power.}$$

The back-up power may not be less than 0.

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

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

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

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

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

where

$$PA_{LD} = \text{power demand at Rate LD.}$$

Metering

5.22

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

Conditions regarding the delivery of electricity – Non-firm option

5.23

In order to be able to use electricity for planned interruptions, the customer whose contract is subject to non-firm Rate LD makes the request to the Distributor in writing at least 2 working days in advance in the summer months and at least 7 days in advance during the winter months, specifying the period when he needs it and the quantity required. The Distributor accepts or refuses the request, depending on system availability in the period indicated by the customer. The Distributor confirms his acceptance in writing to the customer. If the customer wants to change the date, he advises the Distributor within a reasonable time. The Distributor advises the customer as quickly as possible of his acceptance or refusal.

As far as possible, the Distributor agrees to advise the customer in advance of the hours during which consumption will not be allowed. However, based on load management needs and system availability, the Distributor may interrupt, at his discretion, within a 15-minute time limit, the delivery of back-up power for both a planned and an unplanned interruption in winter months, and for an unplanned interruption in summer months.

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

If, during a period when back-up power is delivered, the customer wishes to extend the period specified in his request, he submits a new request to the Distributor, indicating the additional duration of the delivery. The Distributor accepts or refuses the request, depending on system availability during the period indicated by the customer.

Restrictions – Non-firm option 5.24

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

Under the non-firm option, the Distributor will not construct any new facility, nor allocate existing equipment for non-firm back-up loads in order to guarantee the availability of the energy.

Changing from the firm to the non-firm option 5.25

A customer subject to firm Rate LD may submit a written request to the Distributor asking that his contract be subject to non-firm Rate LD, as long as he meets the conditions of admission described in the second paragraph of Article 5.17. The conditions of the non-firm option will apply starting from 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 correspond to the highest power demand at firm Rate LD during the 24 preceding monthly consumption periods.

Changing from the non-firm to the firm option 5.26

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

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

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

- the maximum power generated by independent production over the last 12 consumption periods, and
- 90% of the customer's billing demand at the applicable general rate before the rate change.

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

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

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

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

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

Section 4
Transitional Rate – Special Contract

Application 5.29

This section applies to large-power industrial customers subject to a special contract with the Distributor which is about to expire. A customer having the Transitional Rate holds a Rate L contract.

Definition 5.30

In this section, the following term is defined as follows:

“reference period”: The three consumption periods preceding the consumption period during which the special contract expires.

Conditions of admission 5.31

To be subject to the Transitional Rate, the customer must so advise the Distributor in writing no later than 30 days after the expiry date of the special contract. Failure to advise the Distributor within the prescribed time limit indicates that the customer does not wish to be subject to the Transitional Rate. Rate L will then apply in full, starting on the first day after the expiry date of the special contract.

Billing 5.32

Starting the first day following the expiry date of the special contract, the customer’s bill for each consumption period is determined based on actual customer data in accordance with Rate L, taking into account, if applicable, the credits for supply at medium or high voltage, the adjustment for transformation losses described in articles 10.2 and 10.4 and the adjustment stipulated in Article 5.33.

Adjustment of the customer’s bill 5.33

To determine the applicable adjustment, the Distributor performs the following calculations:

- a) an initial amount is calculated based on the particular contract’s prices and conditions in effect immediately prior to expiry, for the duration of the reference period;
- b) a second amount is calculated based on the Rate L prices and conditions in effect when the special contract expires, taking into account, if applicable, the credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4 for the duration of the reference period;
- c) a percentage is calculated as follows:
 - the difference between the amount determined in Subparagraph b) and the amount determined in Subparagraph a) is calculated,
 - the result is divided by the amount determined in Subparagraph b);
- d) the result calculated in Subparagraph c) is multiplied by:
 - 80% for the 12 months following expiry of the contract,
 - 60% for the next 12 months,
 - 40% for the next 12 months,
 - 20% for the next 12 months;

e) the applicable adjustment is equal to the customer's bill calculated in accordance with Article 5.32, multiplied by the result obtained in Subparagraph d).

Section 5

Running-in for New Equipment

Application 5.34

A customer with a contract subject to Rate L wishing to run-in one or more pieces of new equipment in order to operate it later on a regular basis using electricity delivered by the Distributor may benefit from the conditions of application of Rate L for running-in use for a minimum of:

- one consumption period, and a maximum of six consecutive consumption periods, for customers to which Article 5.35 applies;
- one consumption period, and a maximum of 12 consecutive consumption periods, for customers to which Article 5.36 applies.

To benefit from these conditions, the customer must provide the Distributor with a written notice, at the latest 30 days before the running-in period, indicating the approximate beginning of the running-in period and must submit the running-in equipment type and power to the Distributor for written approval. The power of the running-in equipment must be equal to at least 5% of the contract power in effect at the time of the customer's written request, and not less than 500 kilowatts. At the latest 10 days before the beginning of the running-in, the customer must advise the Distributor, for written approval, of the exact date of the beginning of the running-in period.

Contract whose billing record includes 12 or more consumption periods at Rate L during which there was no running-in 5.35

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

- An average price, expressed in €/kWh, is determined on the basis of the average billing demand and energy consumed during the last 12 consumption periods during which there was no running-in. Upon written request from the customer, days during which a strike is held at the customer's company are not taken into account when this average is determined. To determine this average price, the Rate L prices and conditions in effect during the consumption period concerned of the running-in period are applied to this average, taking into account, if applicable, any credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.
- 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 corresponds to at least the average billing demand in effect during the last 12 consumption periods preceding the running-in period, multiplied by the demand charge in effect during the consumption period concerned of the running-in period. The demand charge is adjusted, if applicable, as a function of credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.

Contract whose billing record includes fewer than 12 consumption periods at Rate L during which there was no running-in 5.36

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

- The customer gives the Distributor a written estimate of the power demand and energy that will be consumed, on average, under the contract after the running-in period. An average price, expressed in ¢/kWh, is determined based on this estimate, once it has been approved by the Distributor, by applying the Rate L prices and conditions in effect to the estimate, taking into account, if applicable, any credit for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.
- During the running-in period, the energy consumed is billed at this average price, plus 4%.

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

Termination of the running-in condition **5.37**

If a customer no longer wishes to take advantage of the running-in conditions, it must advise the Distributor in writing. These running-in conditions cease to apply, at the customer's discretion, either at the beginning of the consumption period in effect when the Distributor receives the customer's written notice, at the beginning of either of the two preceding consumption periods or at the beginning of either of the two subsequent consumption periods.

Renewal of the running-in conditions **5.38**

Following a new equipment addition, a customer may once again benefit from the running-in conditions. He must submit a new request to the Distributor in accordance with the provisions described in Article 5.34.

Section 6
Equipment Tests

Application **5.39**

A customer with a contract subject to Rate L wishing to conduct equipment tests may benefit from the conditions of application relative to this section for a minimum of one hour and a maximum of one consumption period.

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

Customer's bill **5.40**

The customer's bill, for each consumption period, is established according to the following conditions:

- a) an initial amount is calculated as follows:
 - the billing demand noted outside of the test period(s) and the energy consumed during the consumption period are billed in accordance with Rate L in effect, taking into account, if applicable, any credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4.
- b) a second amount is calculated as follows:
 - the billing demand of the consumption period minus the billing demand noted outside of the test period(s);

multiplied by

10.00¢ per kilowatt of demand in the summer period,

30.00¢ per kilowatt of demand in the winter period;

multiplied by the number of hours of the test period(s).
- c) the customer's bill corresponds to the sum of the results obtained in subparagraphs a) and b).

Section 7

Rate LP

Application 5.41

Rate LP applies to a contract for large power under which electricity is delivered as an auxiliary source of energy for a boiler operated in the fuel mode.

Under a contract at Rate LP, the available power required by the customer must be at least 5,000 kilowatts, and the energy 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 5.42

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

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

Structure of Rate LP 5.43

The structure of Rate LP is as follows:

Annual fixed charge: \$1,000.

Subject to Article 5.50, all energy consumed is billed at the price for additional electricity determined according to Article 6.59 for the month in question.

Payment of the annual fixed charge 5.44

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

Contract renewal 5.45

A contract at Rate LP shall be automatically renewed on April 1 of each year, unless the customer advises the Distributor in writing, prior to March 1, of his intention to terminate the contract.

Termination of contract during the year 5.46

Customers may terminate their contract at Rate LP at any time. They must advise the Distributor of their decision, in writing, indicating the date at which it takes effect. Such customers cease to be eligible for Rate LP.

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

Changes from Rate LP to another rate 5.47

Should customers wish that the power under their contract at Rate LP be transferred to a contract they hold at Rate L, or any rate for which they are eligible, they must so advise the Distributor, in writing, at least six months prior to the planned date of the change. Such change shall take effect at the end of this six-month period, or earlier, provided that the appropriate metering equipment has been installed.

Conditions regarding the delivery of energy 5.48

To be able to use energy, customers whose contracts are already subject to Rate LP must request it from the Distributor at least 72 hours before the desired delivery period begins, specifying the period during which they need such energy. The Distributor may accept or refuse the request based on management needs and system availability during the period indicated by the customer. Where applicable, the Distributor shall confirm its acceptance, in writing, indicating the agreed-upon delivery period and terms.

If, during a period when energy is being delivered under a contract at Rate LP, customers wish to lengthen the period specified in their request, they must forward a further request to the Distributor specifying the supplementary delivery period at least 72 hours before the supplementary delivery period begins. The Distributor shall deal with the request in accordance with the procedure described in the first Paragraph of this section.

Commitment 5.49

If, during the summer period, the Distributor accepts the customer’s request in accordance with Article 5.48, it shall guarantee delivery of the energy requested by the customer during the agreed-upon period and at the agreed-upon terms.

If, during the winter period, the Distributor accepts the request in accordance with Article 5.48, it shall guarantee delivery of the energy requested by the customer during a 48-hour period or the requested period, whichever is shorter. Should customers wish to lengthen the period during which they use energy under their contract at Rate LP, they must again contact the Distributor to request authorization.

Unauthorized consumption of energy 5.50

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

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

Credits for supply 5.51

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

Restriction 5.52

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

Section 1
Load Retention Rate

Subsection 1.1
Distributor’s Large-Power
Industrial Customers

Application 6.1

The Load Retention Rate applies to a contract belonging to an industrial customer which, in accordance with the Tariff in effect, is subject to Rate L as of the date when said customer obtains the Load Retention Rate or was subject to Rate L during the three years preceding the effective date of this Tariff.

Definitions 6.2

In this section, the following terms are defined as follows:

“collaborator”: Any physical or moral person other than a supplier, including financial institutions, supplying items defined as being among the variable costs of an industrial customer having a Rate L contract.

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

“supplier”: Any physical or moral person supplying goods or services defined as being among the variable costs of an industrial customer having a Rate L contract, excluding a company or corporation which is controlled by the customer, or which exercises full or shared control over said customer.

“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 fixed assets, amortization, financing costs and administrative overhead.

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

Conditions of admission **6.3**

A customer wishing to be subject to the Load Retention Rate must so advise the Distributor in writing. The customer’s application must contain the following information:

- a) financial statements covering the three years preceding the customer’s written application, prepared and audited according to generally recognized accounting principles and auditing standards. These financial statements must include results, balance sheet and changes in financial position, with all related notes;
- b) interim financial statements for the period falling between the end of the audited fiscal year and the customer’s written application;
- c) a detailed listing of variable costs regarding the product or products concerned by the load for which application is being made, the evolution of these costs over the reference period and a projection of costs over the next 12 months;
- d) the price at which the product or products concerned has or have been 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 non-reimbursable reductions from its other suppliers or collaborators over the duration of the commitment;
- c) the customer must demonstrate that steps will be taken to improve the firm’s profitability.

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

Pending the Distributor’s written approval, the contract shall become subject to this Rate, at the option of the customer and according to its written application, either at the beginning of the consumption period in progress when said application is received by the Distributor or upon one of the three succeeding consumption periods.

Property of information **6.5**

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

Duration of commitment **6.6**

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

- a) **First application**
 - The Load Retention Rate applies to a contract during 12 consumption periods.
- b) **Second and last application**
 - The Load Retention Rate may once again be applied 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.

The customer must submit a new written application to the Distributor as provided in Article 6.3 and show that it is still eligible for the Load Retention Rate, in accordance with Article 6.4. The Rate shall apply again in accordance with articles 6.8 and 6.9.

Determination of the billing coefficient for first application **6.7**

The billing coefficient is determined as follows for the first application:

- a) the relative importance of each category of variable costs for the reference period according to the information obtained under Subparagraph c) of Article 6.3, shall be determined and expressed as a percentage;
- b) each percentage calculated according to Subparagraph a) shall be multiplied by the percentage of reduction granted by each supplier or collaborator, in accordance with Article 6.4, and weighted in accordance with subparagraphs c) and d) below;
- c) each percentage obtained as per Subparagraph b) shall be multiplied by the number of days not exceeding 360 days during which each reduction applies and the result shall be divided by 360 days;
- d) each percentage obtained as per Subparagraph c) shall be multiplied by the number of units to which each reduction applies in relation to the total number of units stipulated for the duration of the commitment;
- e) percentages obtained for each cost category are added;
- f) the result obtained as per Subparagraph e) shall be subtracted from the number (1), and the result corresponds to the billing coefficient.

Determination of the billing coefficient for second and last application **6.8**

The billing coefficient is determined as follows for the second and last application:

- a) the relative importance of each category of variable costs for the reference period according to the information obtained under Subparagraph c) of Article 6.3, shall be determined and expressed as a percentage;
- b) each percentage calculated according to Subparagraph a) shall be multiplied by the percentage of reduction granted by each supplier or collaborator, in accordance with Article 6.4, and weighted in accordance with subparagraphs c) and d) below;
- c) each percentage obtained as per Subparagraph b) shall be multiplied by the number of days not exceeding 360 days during which each reduction applies and the result shall be divided by 360 days;
- d) each percentage obtained as per Subparagraph c) shall be multiplied by the number of units to which each reduction applies in relation to the total number of units stipulated for the duration of the commitment;
- e) percentages obtained for each cost category are added. The total of the percentages must not exceed the total for the first application;
- f) for each consumption period, the result obtained as per Subparagraph e) is multiplied by the number of consumption periods since the beginning of the second application, minus one consumption period. This result is divided by 12;
- g) the result obtained as per Subparagraph f) shall be subtracted from the result obtained as per Subparagraph e);
- h) the result obtained as per Subparagraph g) is subtracted from the number (1), and the result corresponds to the billing coefficient.

Billing at the Load Retention Rate

6.9

For each consumption period, the Load Retention Rate, which is applied to the whole or to any eligible portion of a customer's bill, is applied according to the following calculations:

- a) a bill is determined according to the customer's actual consumption data and Rate L in effect, taking into account, if applicable, the credits for supply at medium or high voltage and adjustment for transformation losses described in articles 10.2 and 10.4. The bill is then multiplied by the billing coefficient determined as per Subparagraph f) of Article 6.7 in the case of a first application and as per Subparagraph h) of Article 6.8 in the case of a second and last application;
- b) on the other hand, another bill based only on the price of energy at Rate L in effect, increased by 10%, is established;
- c) the customer's bill is the highest of a) or b) above.

The Load Retention Rate may apply to the whole or to a portion of the customer's load. Such Rate is applied only to the portion of the load which qualifies. If the Load Retention Rate is applied only to a portion of the load, such portion shall be established by written agreement between the customer and the Distributor.

Subsection 1.2

Large-Power Industrial Customers of a Municipal System

Application

6.10

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

Object

6.11

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

Terms and conditions of application

6.12

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

- a) the customer of the municipal system shall advise the latter in writing as stipulated in Article 6.3 and provide all relevant supporting documents, as well as all required information in accordance with Article 6.4;
- b) the municipal system shall submit to the Distributor the customer's application and all relevant supporting documents as well as all information required in accordance with Article 6.4. The Distributor shall determine the eligibility of the contract to the Load Retention Rate and advise the municipal system in writing of its acceptance or rejection;
- c) The Distributor shall reimburse the municipal system the difference between the normal Rate L bill and the Load Retention Rate bill throughout the period during which the contract remains eligible for the Load Retention Rate; the Distributor shall begin to apply the adjustment on the first electricity bill which it issues to the municipal system after the 30 days following the end of the consumption period during which it has transmitted to the municipal system the acceptance mentioned in Subparagraph b) above.

Section 2

U.S. Dollar Payment Option

Subsection 2.1

Distributor’s Large-Power Industrial Customers

Purpose 6.13

Under the option described in the present section, eligible large-power industrial customers may pay their bills in dollars of the United States (U.S.) of America.

Definitions 6.14

In the present section, the following terms are defined as follows:

“discounted value of reference revenues”: The sum of the annual values of reference revenues in U.S. dollars or reference revenues in Canadian dollars, divided by a discount index. The discount index has a value of 1.0 on the date fixed by the customer and the Distributor and increases at the prospective capitalisation rate in effect as approved by the Régie de l’énergie.

“foreign exchange conversion rate”: The foreign exchange rate established under the terms of Article 6.21, that is, the value of one Canadian dollar expressed in U.S. dollars, calculated to four places following the decimal point.

“market value of U.S. dollars”: Value in Canadian dollars obtained from foreign forward exchange rate market quotations for U.S. dollars sold by the Distributor on a predetermined maturity date.

“reference energy”: Estimated monthly consumption for the duration of commitment to this option.

“reference power”: Estimated monthly maximum power demand for the duration of commitment to this option. Under no circumstances may this power exceed the available power which will be in effect following the start-up of the new enterprise.

“reference revenue in Canadian dollars”: The large-power rate or option in effect on the date on which the customer signs up for this option, revised on April 1 of every year at an annual rate of increase which equals 2.0%, corresponding to the most recent long-term forecast of annual variation in the Consumer Price Index (CPI), adopted by the Distributor and applied to reference energy and reference power.

“reference revenue in U.S. dollars”: The reference revenue in Canadian dollars multiplied by the foreign exchange conversion rate before application of the factor of 1.035.

Application 6.15

Subject to the Distributor’s approval, the U.S. Dollar Payment Option applies to a large-power contract held by an industrial customer as provided by this Tariff.

Eligibility provisions 6.16

A customer, to be eligible for the U.S. Dollar Payment Option, must:

- 1) on the reception date of its written request by the Distributor,
 - a) already be a customer holding a large-power contract,
 - or
 - b) undertake to establish a new industrial enterprise in Québec and to conclude, for this enterprise, a large-power contract within three years following signature of such commitment;
- 2) determine the percentage of sales in U.S. dollars at the time of the written request for a customer holding a large-power contract or estimated at the time of the written request for a customer which does not hold a large-power contract. Such sales in U.S. dollars must represent no less than 50% of total sales;
- 3) establish reference power and reference energy;
- 4) submit an application as provided by Article 6.17.

Conditions of admission

6.17

A customer wishing to be subject to the U.S. Dollar Payment Option must so advise the Distributor in writing. Furthermore, the customer must sign a written agreement with the Distributor under which it undertakes to maintain the option for at least two years but no more than 10 years, and to set up a new enterprise if it does not already have a large-power contract. The foreign exchange conversion rate must be set down in this written agreement.

In order for the Distributor to determine if the conditions of admission are respected:

- 1) a customer which holds a large-power contract on the date of reception by the Distributor of its written application must include in its application the following information:
- written confirmation that the customer has earned no less than 50% of its total sales in U.S. dollars over the last three full years preceding its application for the contract covered by such application;
- 2) a customer which does not hold a large-power contract on the date of reception by the Distributor of its written application must include in its application the following information:
- written confirmation that the company will earn no less than 50% of its total sales in U.S. dollars in the first three years of operation;

- the start-up date of the new enterprise.

The Distributor reserves the right to verify all information supplied by the customer.

Date of admission

6.18

Subject to signature of the agreement provided in Article 6.17, the contract becomes subject to the U.S. Dollar Payment Option as provided by this Tariff and with the following provisions:

- a) for a customer which holds a large-power contract on the date of reception by the Distributor of its written application:
- at the beginning of the first consumption period following signature of the written agreement;
- b) for a customer which does not hold a large-power contract on the date of reception by the Distributor of its written application:
- at the start-up of the new enterprise. Start-up shall take place no later than three years following signature of the written agreement described in Article 6.17.

Duration of commitment

6.19

The U.S. Dollar Payment Option applies to a contract as of the date of admission stipulated in Article 6.18, and remains in effect for the duration set forth in the written agreement. The commitment of both customer and the Distributor is irrevocable.

Non-respect of eligibility provisions

6.20

If a customer which does not hold a large-power contract fails to take the actions necessary to comply with the commitment made under Subparagraph 1 b) of Article 6.16, such customer shall pay the Distributor the equivalent of one monthly bill calculated at the large-power rate in effect based on the average estimated monthly reference power and reference energy. This amount is payable within 30 days following the expiration of the time limit of three years after signature of the written agreement described in Article 6.17.

Establishment of the foreign exchange conversion rate applicable to the contract **6.21**

On a date agreed upon by the customer and the Distributor, foreign forward exchange rate quotations are requested by the Distributor from three Canadian chartered banks, for the same hour, for the sale of reference revenues in U.S. dollars against Canadian dollars.

The foreign exchange conversion rate is calculated in such a manner that the discounted value of reference revenues in U.S. dollars, when converted into Canadian dollars based on the market value of the U.S. dollars, be equal to the discounted value of reference revenues in Canadian dollars.

A foreign exchange conversion rate is then calculated for each of the three series of quotations obtained, based on the method established in the present section. The series which produces the lowest foreign exchange conversion rate is chosen and such rate is then multiplied by a factor of 1.035. This result becomes the foreign exchange conversion rate applicable to the contract and is submitted to the customer for acceptance.

The customer must, within one hour, either accept or reject this rate by advising the Distributor verbally. Within the following 24 hours, the customer must confirm acceptance in writing and this foreign exchange conversion rate appears in the written agreement, signed as provided by Article 6.17.

Customer's bill **6.22**

Throughout the period in which the U.S. Dollar Payment Option applies to a contract, the electricity bill for each consumption period is established as follows:

- a) an initial amount is calculated based on the prices and conditions of the large-power rate or option in effect for the energy and power to be billed for the consumption period in question;
- b) a second amount is calculated based on the prices and conditions of the large-power rate or option in effect for reference power and reference energy adjusted for the number of days of the consumption period in question;
- c) a third amount is calculated by increasing by 10% the result obtained in Subparagraph b);
- d) the difference between the amount obtained in Subparagraph a) and the amount obtained in Subparagraph c) is calculated;
- e) the customer's total bill corresponds:

if the bill established under Subparagraph a) is equal to or less than the bill established under Subparagraph c):

- to the result obtained in Subparagraph a) converted at the foreign exchange conversion rate applicable payable in U.S. dollars;

if the bill established under Subparagraph a) is higher than the bill established under Subparagraph c):

- to the result obtained in Subparagraph c) converted at the foreign exchange conversion rate applicable and payable in U.S. dollars,
- plus
- the result obtained in Subparagraph d) and payable in Canadian dollars.

Subsection 2.2

Large-Power Industrial Customers
of a Municipal System

Application6.23

The present subsection applies to municipal system that apply the U.S. Dollar Payment Option set forth in Subsection 2.1 to their large-power industrial customers.

Purpose6.24

For each contract to which the U.S. Dollar Payment Option applies, the Distributor pays to the municipal system the bill of the customer established, as provided by this Tariff in effect, based on the applicable large-power rate, taking into account, as appropriate, all options, terms and conditions applicable to such contract except the provision applicable according to this section.

Terms and conditions of application6.25

The payment provided in the preceding section is subject to the following terms and conditions:

- a) the customer of the municipal system makes written application to said municipal system as provided under Article 6.17, and furnishes all relevant supporting documents;
- b) the municipal system submits to the Distributor the customer’s application and all relevant supporting documents, as well as all information required in articles 6.16 and 6.17. Moreover, the customer of the municipal system must sign, with said municipal system, a written agreement in which it undertakes to maintain the option for at least two years but no more than 10 years, and to accept the foreign exchange conversion rate applicable established under the terms of Article 6.21. In the case of a customer without a large-power contract, the customer must also agree to establish a new enterprise;
- c) the municipal system pays to the Distributor the customer’s bill established under the terms of Article 6.22.

Section 3

Interruptible Electricity Option
for Large-Power Customers

Subsection 3.1

General

Application6.26

The Interruptible Electricity Option applies to a contract subject to Rate L where there is no contract for interruptible power under a special contract at the same delivery point.

Definitions6.27

In this section, the following terms are defined as follows:

“base power”: The difference between:

- a) the higher of the maximum contract power for the last 12 consumption periods terminating at the end of the consumption period concerned and the maximum power in the consumption period concerned, and
- b) the applicable interruptible power.

Base power cannot be negative.

“captive interruptible power”: A customer’s interruptible power that, because of transmission system constraints, cannot be used in whole or in part by the Distributor to meet its needs.

“contribution coefficient”: A value, expressed as a percentage, which reflects the estimated proportion of interruptible power that is actually interrupted, on average, by the customer when the Distributor requires it.

“effective hours”: All hours in the consumption period concerned, without taking into account:

- December 24, 25, 26 and 31; January 1 and 2, Good Friday, Easter Saturday, Easter Sunday and Easter Monday; Victoria Day, St.Jean-Baptiste Day, Canada Day, Labour Day and Thanksgiving;
- days when the customer interrupts power in accordance with this section;
- recovery periods in accordance with Article 6.36;
- days when there is an interruption or reduction in supply in accordance with Article 5.11;
- days when there is a strike at the customer’s premises, at the customer’s request, unless there has been at least one interruption period during the strike days.

“effective interruptible power”: An estimate, expressed in kilowatts, of the interruptible power that is, on average, interrupted by the customer when the Distributor requires it. This estimate corresponds to the product of the applicable interruptible power and the contribution coefficient for the consumption period concerned.

“exchange rate conversion”: The value at 1200 of one U.S. dollar expressed in Canadian dollars published by the Bank of Canada each weekday.

“failure to interrupt”: Any real power demand during an interruption period which is greater than the higher of:

- a) 105% of applicable base power; or
- b) the applicable base power, plus 5% of the applicable interruptible power.

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

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

“interruption period”: The block of hours of interruption indicated in the notice given by the Distributor to the customer in accordance with Article 6.35 (c).

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

“maximum power”: The highest real power demand during the effective hours in the consumption period concerned.

“overrun”: The difference, for each interruption hour, between:

- a) the highest real power demand; and
- b) 105% of applicable base power.

“reference year”: The 12-month period from December 1 of one year to November 30 of the following year.

“trigger price”: The minimum price at which customers agree to participate in the Interruptible Electricity Option in accordance with the conditions outlined in this section. This price has been set at 30¢/kWh for the December 1, 2004 to November 30, 2006 reference year.

Deadline for joining the program	6.28
<p>Customers must submit their request in writing to the Distributor before November 1, indicating the quantity of interruptible power they wish to contract. The Distributor then has 30 days to send its written decision as to whether or not it accepts the power proposed by the customer. The agreement shall come into effect December 1. In the event that the customer submits its request during the reference year, the Distributor has then a maximum of 30 days to send its decision to the customer and the agreement shall come into effect when the Distributor accepts the request.</p>	

Commitment 6.29

The interruptible power per contract must not be less than the greater of 3,000 kilowatts or 20% of maximum contract power for the last 12 consumption periods terminating at the end of the consumption period that precedes the date of joining, but in no event must it be greater than that maximum contract power. The contractual commitment shall remain in effect for the reference year.

A customer may make just one modification to its interruptible power during the reference year. The new interruptible power must not be less than the greater of 3,000 kilowatts or 20% of maximum contract power for the last 12 consumption periods terminating at the end of the consumption period that precedes the date of receipt of the request for modification, but in no event must it be greater than that maximum contract power. The new interruptible power shall apply within a 30-day time limit. No retroactive modification is permitted.

Conditions applicable to interruptions 6.30

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

Advance notice (hours):	3
Maximum number of interruptions per day:	2
Minimum interval between two daily interruptions (hours):	4
Maximum number of interruptions per reference year:	20
Duration of an interruption (hours):	3 to 5
Maximum duration of interruptions per reference year (hours):	100

Setting the price 6.31

The price paid for each hour of interruption corresponds to the higher of the following:

- a) the trigger price; or
- b) $(DAM_{HQ} + TSC_{NYPA-HQ} + NTAC + SC_{NYISO}) \times T - E_L$

where

DAM_{HQ}	= Day-Ahead Market price of the NYISO HQ zone for the interruption hour concerned;
$TSC_{NYPA-HQ}$	= Transmission Service Charge of NYISO applicable to export wheeling on the New York Power Authority-HQ interconnection for the current month;
$NTAC$	= New York Power Authority Transmission Adjustment Charge for the current month;
SC_{NYISO}	= cost of applicable NYISO ancillary services, that is, the sum of the cost of scheduling, system control and dispatch services for the current month, the cost of reactive supply and voltage control from generation service for the current year, and the cost of operating reserve service for the preceding month;
T	= exchange rate conversion published the date of the publication of the DAMHQ, when that corresponds to a weekday or, if not, published the preceding weekday; and
E_L	= price of energy at Rate L.

With the exception of the exchange rate conversion and the price of energy at Rate L, the data needed to establish the price paid are posted on the NYISO Internet site.

Credits applicable to the contract 6.32

The credit to which the customer is entitled for each hour of interruption in which it participates corresponds to the product of the price paid for the hour of interruption and the effective interruptible power for the consumption period concerned. The sum of the credits calculated for each hour of interruption is applied to the bill for the consumption period concerned.

No credit shall be granted for the hour for which the customer pays a penalty in accordance with Article 6.37.

Calculation of contribution coefficient 6.33

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

C = [(Pmax - Pbase) x LFeh] / I

where

C = contribution coefficient;

Pmax = maximum power;

Pbase = base power;

LFeh = load factor during effective hours;

I = applicable interruptible power.

The contribution coefficient cannot be negative.

Contribution coefficient applicable to contracts during running-in periods 6.34

If the customer is in a running-in period during the consumption period concerned, the contribution coefficient will be set on the basis of consumption data for the previous consumption period, excluding any running-in period. If the consumption data for the previous consumption period are not representative of normal operating conditions, the contribution coefficient will be set on the basis of consumption data for one or more consumption periods in the current, or previous reference year. The determination of the contribution coefficient will be the subject of a written agreement with the customer.

Choice of quantity of interruptible power 6.35

The Distributor chooses the quantity of interruptible power for each interruption period in the following manner:

- a) The Distributor randomly ranks customers' interruptible power.
- b) The Distributor excludes captive interruptible power.
- c) The Distributor selects non-captive interruptible power until all its needs are met. Priority is given to customers not chosen in preceding interruption periods.
- d) The Distributor advises verbally, by telephone, the employees designated by the customers selected, indicating the starting time and the end of the interruption period. If none of a selected customer's designated employees can be reached, the customer is deemed to have refused the interruption for this interruption period.

Recovery periods 6.36

Subject to agreement by the Distributor, the customer has the right to recovery periods. These periods may occur:

- a) between 2300 Friday and 0700 the following Monday, if one or more interruptions occurred in the 7-day period immediately preceding that weekend;
- b) between 2300 and 0700 Monday to Friday, as well as all day and night on Saturdays, Sundays and statutory holidays during one of the four consumption periods included in the reference year, or during the following year, starting either in April, May, September or October, if one or more interruption periods have occurred during the reference year.

The customer shall communicate with the Distributor by 1300 at the latest on the Thursday, or the day before the preceding workday, for the desired recovery period, in accordance with Paragraph (a), and at the latest 7 days preceding the desired recovery period in accordance with Paragraph (b), indicating the hourly consumption expected during the recovery period. If no notice is received, the

Distributor shall consider that the customer does not wish to take advantage of this opportunity.

The Distributor shall communicate the authorization to consume to the customer by 1300 at the latest on the day of the recovery period when this starts on a weekday, or, if not, by 1300 on the preceding weekday.

The consumption during the recovery period is that which exceeds, for the consumption period concerned, the greater of the contract power in effect, or the maximum power demand recorded outside recovery periods during the consumption period concerned.

Consumption during recovery periods is billed at the hourly price of energy set in accordance with Article 6.59.

These recovery periods must in no case be interpreted as a limitation on the Distributor's right to use interruptible power at any time, according to the conditions set out in this section.

Failure to interrupt 6.37

For each failure to interrupt, the Distributor shall apply a penalty on the overrun expressed in kilowatthours that is equal to twice the price offered during the interruption hour concerned, over and above the price of energy at Rate L billed in accordance with Section 1, Chapter V.

The Distributor reserves the right to terminate the customer's contract if at least 3 failures to interrupt occur in the course of the reference year.

Billing conditions for customers participating simultaneously in the Interruptible Electricity Option and the Additional Electricity Option 6.38

For customers participating simultaneously in the Additional Electricity Option and the Interruptible Electricity Option, the conditions described in Article 6.64 apply.

Section 4
Rate Insurance Option

Subsection 4.1
Distributor's New Large-Power Industrial Customers

Purpose 6.39

The purpose of the option described in the present section is to provide eligible new large-power industrial customers with insurance against electricity price increases during the years in which the Rate Insurance Option is in effect.

Definitions 6.40

In the present section, the following terms are defined as follows:

"average inflation rate": Average inflation rate expressed as a percentage and corresponding to the difference between, on the one hand, the average of the monthly consumer price index from the first publication of Statistics Canada for the months of October, November and December and, on the other hand, the average for the corresponding months of the preceding year.

"cumulative inflation index": The inflation index has a value of 1.0 as of April 1, 2006, and is revised on April 1 of each subsequent year, on the basis of the average rate of inflation.

"cumulative rate increase": An increase established in the form of a cumulative index and resulting from the application of the revised large-power rate in relation to the application of the reference rate, calculated on the basis of historical consumption data, up to and including the 12 most recent consumption periods available when the rate is revised. This index is set at 1.0 as of April 1, 2006.

"date of admission": Date on which Rate Insurance Option begins to apply to a contract.

“reference index”: Index by which the customer’s bill, calculated at the reference rate, is multiplied. This index is set at 1.0 as of April 1, 2006.

“reference rate”: Large-power rate in effect as of April 1, 2006, except for the provisions related to billing demand.

Eligibility provisions 6.41

A customer, to be eligible for the Rate Insurance Option, must undertake to establish a new industrial enterprise in Québec and to acquire, for this enterprise, a large-power contract within three years following signature of such commitment, in accordance with Article 6.42.

The Distributor may refuse access to the Rate Insurance Option.

Conditions of admission 6.42

A customer wishing to be subject to the Rate Insurance Option must so advise the Distributor in writing no later than September 30, 2006. The request must be accompanied by the following information:

- a summary description of the new enterprise and a summary estimate of expenditures;
- the start-up date of the new enterprise.

The Distributor reserves the right to verify all information supplied by the customer.

Moreover, within 30 days after the Distributor’s written acceptance, the customer must sign a written agreement undertaking to maintain the option for at least two years but no more than 10, and to establish a new enterprise.

Date of admission 6.43

Conditional upon the signing of the agreement provided in Article 6.42, the contract becomes subject to the Rate Insurance Option as of the start-up date of the new installations. Start-up shall take place no later than three years after signature of the written agreement between the customer and the Distributor.

Duration of commitment 6.44

The Rate Insurance Option applies to a contract from the date of admission stipulated in Article 6.43 and remains in effect for the duration set forth in the written agreement.

Establishment of the reference index 6.45

The reference index is revised annually on April 1 as of April 1, 2007, and on each revision of the applicable large-power rate, as follows:

- a) establishment of the cumulative rate increase;
- b) establishment of the cumulative inflation index;
- c) establishment of the reference index for billing purposes:

if the cumulative rate increase established in Subparagraph a) is less than or equal to the cumulative inflation index:

the reference index is equal to the result obtained in Subparagraph a);

if the cumulative rate increase established in Subparagraph a) is greater than the cumulative inflation index:

the reference index is equal to the result obtained in Subparagraph b).

Billing demand 6.46

For a contract subject to the Rate Insurance Option, the billing demand corresponds to the maximum power demand during the consumption period in question, but is never less than the minimum billing demand as defined in Article 6.47.

Minimum billing demand 6.47

For a contract subject to the Rate Insurance Option, the minimum billing demand is the higher of the two following amounts:

- a) 25% of the highest maximum power demand recorded over the last 12 monthly periods ending with the consumption period in question, except in the case of force majeure, strikes or lockouts at the customer's premises; or
- b) the contract power of at least 5,000 kW.

Customer's bill 6.48

For the application period of the Rate Insurance Option the electricity bill, for each consumption period, is established according to the reference rate multiplied by the reference index established under Article 6.45.

Conditions of transition at the end of the commitment 6.49

The commitment terminates as provided by Article 6.44. The appropriate general rate then in effect takes effect when the commitment terminates.

Subsection 4.2
New Large-Power Industrial Customers of Municipal Systems

Application 6.50

The present subsection applies to municipal system that apply the Rate Insurance Option set forth in Subsection 4.1 to their new industrial large-power customers

Purpose 6.51

The Distributor reimburses the municipal system for any shortfalls resulting from the application of the Rate Insurance Option set forth in Subsection 4.1 to its customers in the case of eligible contracts.

Terms and conditions of application 6.52

The reimbursement of shortfalls is subject to the following terms and conditions:

- a) the customer of the municipal system gives the latter written notice provided for in Article 6.42;
- b) the municipal system submits to the Distributor the customer's application and all relevant supporting documents, as well as all information required under articles 6.41 and 6.42. Furthermore, the municipal system's customer must sign, with the municipal system, a written agreement by which it undertakes to maintain the option for at least two years but no more than 10, as well as to establish a new enterprise;
- c) the Distributor reimburses the municipal system for an amount corresponding to the shortfall resulting from the application of the option under an eligible contract; the Distributor makes this adjustment on the first electricity bill it issues to the municipal system after the expiration of 30 days following the end of the month in which it has received the supporting documents relating to this contract.

However, the shortfall must in no case exceed the difference between the amount which results from application of the Distributor's applicable general rate and that which results from application of the Rate Insurance Option by the municipal system.

Section 5
Additional Electricity Option

Subsection 5.1
General

Application 6.53

The Additional Electricity Option applies to a contract subject to Rate L for a customer who is not taking advantage of running-in conditions for new equipment under Article 5.34.

Definitions6.54

In this section, the following definitions apply:

“additional electricity”: The amount of energy corresponding to the difference between actual energy consumption and reference energy. This quantity may be positive or negative.

“average hourly energy”: The total amount of energy consumed during the reference period divided by the number of hours in the reference period.

“reference components”: The reference energy and reference power. The reference components factor in any revisions needed to reflect the customer’s normal consumption level and profile.

“reference energy”: The average hourly energy for the reference period multiplied by the number of hours in the consumption period.

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

“reference power”: The average, weighted according to the number of hours, of the demands billed during the reference period.

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

Sign-up procedure6.55

A customer wishing to enroll in the Additional Electricity Option must so advise the Distributor in writing at least five business days before the start of the consumption period concerned.

Subject to agreement on the reference components and the Distributor’s written approval, the option shall be effective as of the beginning of the consumption period following the period during which the Distributor receives the written request.

Duration of commitment6.56

The commitment to the Additional Electricity Option shall be in effect for one consumption period.

Renewal of commitment6.57

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

Subsection 5.2
Conditions of Application

Establishing reference components6.58

When it receives a request for the Additional Electricity Option, the Distributor establishes the reference components that will be in effect for the duration of the commitment. If the three periods preceding the customer’s sign-up date do not reflect that customer’s normal consumption profile, the Distributor will use any other method deemed adequate.

Determining the price of additional electricity6.59

The price applied to additional electricity is set using the following formula:

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

where

a = the ratio of peak hours to total hours in the month as specified in the National Electricity Reliability Council (NERC) calendar;

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

- NYISO Zone A Off-Peak = the price of the month's futures for the Zone A off-peak period posted on NYMEX the business day preceding the posting of the month's additional electricity price;
- MoyMo = the moving average for the past 12 months of the difference between NYISO Zone A and Zone M prices;
- FS Zone M = the export fee from NYISO Zone M to the Québec border, set at 0.06¢US/kWh;
- TX = the foreign exchange conversion rate issued by the Bank of Canada at noon on the day the price of additional electricity is determined.

Notification of the price for additional electricity 6.60

Seven days before the beginning of each calendar month, the Distributor shall notify the customer of the price for additional electricity. This price shall remain fixed for the duration of the monthly period.

Billing 6.61

For the duration of commitment to the Additional Electricity Option, the customer's electricity bill, taking into account any credits for supply at medium or high voltage and any adjustment for transformation losses, shall be calculated by adding the obtained amounts according to subparagraphs a), b) and c):

- a) reference energy and reference power billed at the Rate L prices and conditions in effect;
- b) the additional electricity, multiplied by:
 - the price set for the additional electricity, if there is a positive amount of additional electricity;
 - or
 - the price of energy specified in Rate L, if there is a negative amount of additional electricity;
- c) any adjustment calculated as specified in Article 6.62.

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

Adjustment for power-factor variation 6.62

An adjustment shall be applied to the customer's bill for each consumption period to account for the power-factor variation between actual consumption and reference consumption. The adjustment shall be determined using the following formula:

Adjustment = [(PMAre - PMRre) - (PMArf - PMRrf)] x PEP

where

- PMAre = the maximum power demand associated with actual consumption;
- PMRre = the maximum real power associated with actual consumption;
- PMArf = the maximum power demand associated with reference consumption;
- PMRrf = the maximum real power associated with reference consumption;
- PEP = the effective demand charge at Rate L in effect, taking into account any credits for supply at medium or high voltage and any adjustment for transformation losses as described in articles 10.2 and 10.4.

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

Restrictions 6.63

Based on load management requirements and system availability, the Distributor reserves the right, subject to three hours' advance notice, to prohibit consumption of additional electricity.

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

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

The Distributor will neither build new facilities to provide the Additional Electricity Option nor allocate existing equipment for 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 his available power.

Conditions for customers enrolled in both the Additional Electricity Option and the Interruptible Electricity Option 6.64

For customers simultaneously benefiting from the Additional Electricity Option and the Interruptible Electricity Option, the conditions described in this section and in Section 3 of Chapter 6 shall apply, with the exception of the following adjustments:

- 1) In setting the reference components, the reference consumption shall be increased to account for the additional energy the customer would have consumed had interruptions not occurred during the reference period.
- 2) The reference consumption shall be reduced to account for the additional energy the customer consumed during the recovery periods that occurred during the reference period.
- 3) The recovery periods specified in Article 6.36 shall not apply.

Section 1
Conditions of Application for Domestic Rates for Customers of Off-Grid Systems

Rate D 7.1

When electricity is delivered from off-grid systems located north of the 53rd parallel for domestic use in a single-family dwelling or an apartment building or community residence with separate metering, the contract is subject to Rate D, up to a total of 30 kilowatthours per day. Any additional consumption is billed at 29.57¢ per kilowatthour.

Rate DM 7.2

When electricity is delivered from off-grid systems located north of the 53rd parallel for domestic use in an apartment building, community residence or rooming house with 10 rooms or more with bulk metering, the contract is subject to Rate DM, up to a total of 30 kilowatthours per day, times the applicable multiplier, defined in Article 2.18.

Any additional consumption is billed at 29.57¢ per kilowatthour.

Rate DT 7.3

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

Section 2
Conditions of Application for Small and Medium Power Rates for Customers of Off-Grid Systems

Rates G, G-9, M or MA 7.4

Electricity delivered by off-grid systems located north of the 53rd parallel under a contract at Rate G, G-9, M or MA may not be used for space heating, water heating or any other thermal

application, with the exception of household appliances, appliances used solely for air conditioning, industrial or commercial appliances used to cook and conserve food, and appliances used by light industry for manufacturing applications.

If the customer contravenes the provisions of the preceding paragraph, the Distributor shall apply Rate G, G-9, M or MA, as the case may be, to the fixed charge and billing demand, and all the energy consumed shall be billed at 65.21¢ per kilowatthour.

Electricity delivered by off-grid systems located north of the 53rd parallel under a contract at Rate G, G-9, M or MA may be used for heating cables in water treatment plant intake pipes. For peak demand management purposes, however, such loads must be interrupted at the Distributor's request.

Rate MA **7.5**

When electricity is delivered by an off-grid system, Rate MA shall apply to any contract with a maximum power demand that has ever exceeded 900 kilowatts.

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

Structure of Rate MA **7.6**

The Distributor shall apply Rate M to the billing demand and energy up to 900 kilowatts and 390,000 kilowatthours per month. Any excess shall be billed at:

- \$ 26.95

per kilowatt and 13.94¢ per kilowatthour when the electricity is produced by a heavy diesel power plant;
- or
- \$ 52.95

per kilowatt and 28.81¢ per kilowatthour in all other cases.

Energy prices shall remain in effect until September 30, 2006. Thereafter, they will be revised by the Distributor as specified in Article 7.7.
In the case of customers whose contract power on April 1,

2006, exceeds 900 kilowatts, Rate M shall apply up to the available power contracted and up to the corresponding volume of energy.

Energy price revisions for Rate MA **7.7**

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

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

where

- PLD

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

= operating and maintenance costs, equal to 2.37¢/kWh;
- B

= the fuel cost set for 2006, equal to 11.57¢/kWh;
- C

= the average price of No. 6 diesel (2% S) for the Montréal area, expressed in Canadian dollars per barrel. This price is determined from data published in the *Bloomberg Oil Buyer's Guide* under "Bloomberg Canadian Terminal Prices – Rack Contract" for the months of June, July and August, or failing which, from any other information the Distributor deems pertinent.
- D

= the average 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 2005, equal to \$58.20 per barrel.

Flat Rates for General Use

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

where

- PLR = the price of energy applicable when electricity is generated by any other power plant;
- E = operating and maintenance costs, equal to 2.37¢/kWh;
- F = the fuel cost set for 2006, equal to 26.44¢/kWh;
- G = the average price of No. 1 diesel for the Montréal area, expressed in Canadian cents per litre. This price is determined from data published in the *Bloomberg Oil Buyer's Guide* under "Bloomberg Canadian Terminal Prices – Rack Contract" for the months of June, July and August, or failing which, from any other information the Distributor deems pertinent.
- H = the average 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 2005, equal to 61.51¢ per litre.

Application 8.1

The flat rates established by this chapter apply to contracts for general use for which, at the discretion of the Distributor, electricity consumption is not metered.

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:

- \$ 3.97 per kilowatt of billing demand per day or portion of a day, with a minimum of one day, up to \$11.97 per kilowatt of billing demand per week;

b) Rate T-2, weekly contract:

- \$ 11.97 per kilowatt of billing demand per week, with a minimum of one week, up to \$35.76 per kilowatt of billing demand per monthly period;

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

- \$ 35.76 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 a short-term contract of a repetitive nature from year to year, is \$7.17 when single-phase electricity is delivered or \$21.51 when polyphase 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 option of the Distributor, based on the installed capacity in kilowatts, or determined by metering tests or by an approved type of maximum-demand meter installed by the Distributor.

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

- a) if the energy delivered supplies emergency equipment such as fire pumps, surface-water pumps, national defence sirens, and other similar apparatus used only in case of disaster or fortuitous event, the billing demand is equal to 25% of the installed capacity in kilowatts, but cannot be less than one kilowatt;
- b) if the energy delivered supplies any other load, the billing demand is equal to the installed capacity in kilowatts, taking into account Subparagraph c) hereinafter, but in regard to short-term contracts that are not repeated year after year, it cannot be less than one kilowatt for single-phase delivery or four kilowatts for polyphase delivery;
- c) for systems with battery-recharging devices used only in case of outages on the Distributor’s electrical system, the power used for the battery rechargers is not taken into account in determining the billing demand.

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

Section 1
Public Lighting Rates

Subsection 1.1
General

Application 9.1

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

Customer charged for unusual expenditures 9.2

When the Distributor must incur the unusual expenditures mentioned in articles 9.12 and 9.13, it requires full reimbursement of these expenditures from the customer and may impose any other condition it deems necessary before undertaking the work.

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

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

Subsection 1.2
Rate for General Public Lighting Service

Description of service9.3

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 of the Distributor’s distribution system for the attachment of the customer’s luminaires.

For municipalities with luminaires not equipped with individual control equipment, this service also comprises the furnishing and operation of supply and control circuits used solely for the operation of the luminaires. The rate for general public lighting service does not apply to signal lights unless they are connected to public lighting installations whose energy consumption is metered. In cases where it is not metered, the electricity used for the signal lights is subject to the provisions of this Tariff regarding flat rates for general use.

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

Rate9.4

The rate for general public lighting service is 8.30¢ per kilowatthour for electricity delivered.

Determination of consumption9.5

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

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

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

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

Expenditures for related services9.6

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

Minimum duration of contract9.7

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

Subsection 1.3
Rate for Complete Public Lighting Service

Description of service9.8

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

Only municipalities may obtain installation of new luminaires used for complete public lighting service; the Distributor then installs standard luminaires. However, this section must never be interpreted as obliging the Distributor to supply this service.

Complete public lighting service for non-standard luminaires is maintained only for installations that date prior to May 1,1986.

Minimum duration of contract9.9

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

Rates for standard luminaires

9.10

The following monthly rates apply for standard luminaires used for complete public lighting service:

- **High-pressure sodium-vapour luminaires**

Rating of luminaire	Rate per luminaire
3,600 lumens	\$17.07
5,000 lumens	\$18.81
8,500 lumens	\$20.49
14,400 lumens	\$22.08
22,000 lumens	\$25.92

- **Mercury-vapour luminaires**

Rating of luminaire	Rate per luminaire
10,000 lumens	\$24.78
20,000 lumens	\$32.55

Rates for non-standard luminaires

9.11

The following monthly rates apply for non-standard luminaires used for complete public lighting service:

- **Incandescent luminaires with reflector**

Rating of luminaire	Rate per luminaire
1,000 lumens	\$26.94
2,500 lumens	\$31.77
4,000 lumens	\$37.08

- **Incandescent luminaires with reflector and refractor**

Rating of luminaire	Rate per luminaire
2,500 lumens	\$31.77
4,000 lumens	\$37.08
6,000 lumens	\$41.97

- **Mercury-vapour luminaires**

Rating of luminaire	Rate per luminaire
7,000 lumens	\$22.26
50,000 lumens	\$66.60

For types of luminaires not mentioned in Article 9.10 or in this section, the rate applied on March 31, 2006 is increased by 5.33%.

Poles

9.12

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

However, a customer holding a contract for complete service who was entitled, on March 31, 2006, to the formula stipulating an additional monthly charge for concrete or metal poles, may retain that formula. The additional monthly charge applied on March 31, 2006 continues to apply.

Expenditures for installations and related services

9.13

When the Distributor supplies, at the customer’s request, special installations or services that are not included in the complete public lighting service, the customer must reimburse the total expenditure so incurred by the Distributor. This expenditure, determined in accordance with Article 9.2, is payable on request.

Supplementary Provisions

Section 2

Sentinel Lighting Rates**Application 9.14**

Sentinel lighting service comprises the supply, operation and energizing of photoelectric-cell luminaires of the Sentinel type. These luminaires are the property of the Distributor and are used to light outdoor areas, but they exclude public lighting.

Sentinel lighting with poles supplied 9.15

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

Rating of luminaire	Rate per luminaire
7,000 lumens	\$34.77
20,000 lumens	\$45.78

Sentinel lighting with no poles supplied 9.16

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

Rating of luminaire	Rate per luminaire
7,000 lumens	\$27.30
20,000 lumens	\$39.36

Section 1

General**Choice of rate 10.1**

Unless otherwise provided for in this Tariff:

- Customers eligible for different rates may, at the beginning of their contract, choose the rate they prefer. In the case of an annual contract, the customer may make a written request for a change during the contract;
- A change of rate provided for in foregoing Subparagraph a) cannot be made before expiration of a 12-month period after a previous change made in accordance with this article. The change of rate becomes applicable, at the customer's discretion, either at the beginning of the consumption period during which the Distributor receives the customer's written notice, or at the beginning of any subsequent consumption period;
- In the case of a new contract and only during the first 12 monthly periods, the customer may once opt for another rate for which he is eligible. The change of rate becomes applicable, at the customer's discretion, either at the beginning of the contract, at the beginning of any one of the consumption periods, or at the beginning of any subsequent consumption period.

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

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

The provisions of this article do not apply to the following changes:

- Rate G to Rate M or vice versa;
- Rate M to Rate L or vice versa.

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

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

Nominal voltage between phases equal to or greater than	Monthly credit \$/kW
5 kV, but less than 15 kV	0.546
15 kV, but less than 50 kV	0.873
50 kV, but less than 80 kV	1.938
80 kV, but less than 170 kV	2.379
170 kV	3.189

No credit is granted for short-term contracts or on the minimum monthly bill under Rates G and G-9.

Credit for supply for domestic rates **10.3**

When the Distributor supplies electricity at nominal voltage between phases equal to 5 kV but less than 50 kV for a contract at Rate D, DM or DT and the customer uses it at this voltage or transforms it at no cost to the Distributor, this customer is entitled, for this contract, to a credit of 0.216 cents 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 14.61¢ is granted on the demand charge:

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

Power-factor improvement **10.5**

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

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

The adjustment is made by reducing the minimum billing demand by the number of kilowatts of billing demand corresponding to the effective improvement of the said ratio, without such reduction involving a decrease in the minimum billing demand based on the real-power demand during the last 12 monthly periods.

This adjustment does not alter the effective 12 monthly periods the customer has to reduce the minimum billing demand or the contract power of a medium-power or large-power contract.

Conditions for supply of electricity at high voltage **10.6**

In cases where the Distributor supplies electricity at high voltage and the conditions of supply have not been specified in another Hydro-Québec Bylaw, such conditions of supply shall be stipulated in a written agreement between the Distributor and the customer.

This Tariff does not oblige the Distributor to grant contracts for contract power greater than 175,000 kilowatts.

Section 2

Restrictions

Restrictions concerning short-term contracts 10.7

This Tariff does not oblige the Distributor to accept short-term contracts for a power demand of more than 100 kilowatts.

Adaptation of rates to length of contract 10.8

- a) A customer holding an annual small-power or medium-power contract who leaves the premises covered by this contract before having taken delivery of electricity for at least 12 consecutive monthly periods must pay for all the electricity delivered in accordance with the provisions regarding rates for short-term contracts, unless the said customer assumes the financial obligations of the annual contract or another customer enters into a contract covering the same premises from the time the previous contract was terminated.
- b) A customer holding a short-term small-power or medium-power contract which, since the beginning of the contract, is subject to the provisions regarding rates for short-term contracts may, if the contract is extended beyond 12 consecutive monthly periods, obtain from the Distributor the applicable annual rate as of the beginning of the contract, notwithstanding Article 10.1.

Available power 10.9

The provisions of this Tariff may in no case be interpreted as allowing the customer to exceed the available power stipulated in the contract.

Section 3

Billing Conditions

Adjustment of rates to consumption periods 10.10

The monthly rates described in this Tariff apply as such when the consumption period is 30 consecutive days.

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

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

Section 4

Provisions Regarding Tariff

Amendment of Tariff 10.11

The provisions of this Tariff may be amended at any time with the approval of the Régie de l'énergie.

Abrogation 10.12

The Distribution Tariff effective April 1, 2005 is abrogated as of the effective date of this Distribution Tariff.

Rate for Visilec Service

Effective date 10.13

This Tariff becomes effective on April 1, 2006. The rates and conditions established herein apply to electricity consumption and services provided as of that date, and afterwards, until they are modified or replaced.

For consumption periods that overlap April 1, 2006, consumption and services shall be billed according to the previous rates and the rates of this Tariff prorated to the number of days in the consumption period prior to April 1, 2006 and to the number of days in the period beginning after this date.

Contracts entered into before the effective date of this Tariff 10.14

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

This Tariff, as of its effective date, applies to all contracts which give the Distributor termination or modification rights or which allow the rates and conditions to be changed and approved by the Régie de l'énergie.

When notice must be given before the Distributor can terminate a contract or modify the rate and conditions, this Tariff applies after the notice period has expired.

Application 11.1

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

Description of service 11.2

The service offers a customer, via the Internet, access to the load profiles of one or more of his delivery points, presented in the form of graphs and reports. The load profiles are based on consumption data recorded every 15 minutes. Graphs and reports based on daily consumption data are available from 0800 hours 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, as well as the possibility of downloading the data in a spreadsheet.

Rate 11.3

A monthly amount of \$89 per delivery point.

Eligibility provisions 11.4

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

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

Conditions of admission**11.5**

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

The customer must also sign a written agreement with the Distributor in which he commits to subscribing to the service on a monthly basis for a minimum term of 6 consecutive months. If the customer has to end his commitment before the end of the minimum term of 6 months, he will be obliged to pay the rate for the duration of this initial term.

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

Date of admission**11.6**

Subject to the signing of a written agreement between the customer and the Distributor, the service is available within 10 working days of the signing of the written agreement. The service is subject to the rate starting with the first complete consumption period that follows the signing of the written agreement.

Responsibility**11.7**

The Distributor may under no circumstances be held responsible for the accuracy of the data and reports, for the availability of information, or for the decisions a customer may make based on the information provided by the service.

Charges Related to the Supply of Electricity**Application****12.1**

The charges established in this chapter are applied in accordance with the provisions of the Bylaw respecting the conditions governing the supply of electricity.

Charges related to the electricity service contract**12.2**

- **File administration charges**

An amount of \$20.

- **New file charges**

An amount of \$50.

- **Cost of establishing service following a request for termination of service**

A minimum amount of \$130.

Charges related to the modes of supplying electricity**12.3**

- **Unit amount for a two-winding transformer**

An amount of \$2 per kilovoltampere of installed transforming capacity.

Charges related to the connection to the system**12.4**

- **Costs for the permanent connection of the service loop**

An amount of \$200.

- **Special service loop costs for off-grid systems**

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

- **Amount allocated for domestic use**
An amount of \$2,000 for each dwelling unit.
- **Rate of interest applicable to instalment payments**
1.493% bi-monthly, i.e. 9.3% annually.
- **Annual credit per dwelling unit**
An amount of \$520 per dwelling unit.
- **Deferral factor**
A deferral factor of 0.26 over 5 years.
- **Annual credit based on power**
An amount of \$85 per kilowatt.
- **Annual credit based on energy**
An amount of \$7.05 per kilowatthour.
- **Amount allocated for non-domestic use**
An amount of \$325 per kilowatt.
- **Temporary connection costs**
An amount of \$100.
- **Disconnection costs at the connection point**
An amount of \$100.
- **Annual rate for calculating the present value of the cost of operations, upkeep of the installations and reinvestment in the equipment**
An annual rate of 9.3%.
- **Administration charges for work to extend or modify the system and the service loop**
Administration charges of 30%.

Charges related to the conditions for the sale of electricity

12.5

- **Rate applicable to deposits**

The rate applied is the rate fixed on April 1 of each year on 1-year guaranteed deposit certificates of the National Bank of Canada.
- **Administration charges applicable to electricity bills**

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

Reference ranges: National Bank of Canada prime lending rate	Administration charges
% per annum	% per month
7.99 or less	1.2 (15.38%/year)
8 to 9.99	1.4 (18.16%/year)
10 to 11.99	1.6 (20.98%/year)
12 to 13.99	1.7 (22.42%/year)
14 to 15.99	1.9 (25.34%/year)
16 to 17.99	2.1 (28.32%/year)
18 or more	2.2 (29.84%/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 administration charges presently applied. The new rate is applied as of the 61st day.
- **Charge for cheques returned by a financial institution because of insufficient funds**

An amount of \$10.
 - **Costs of re-establishing service**

A minimum amount of \$50.

Charges related to net metering option

12.6

- Inspection fee for customer-generator facilities

An amount of \$400.

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