

**Westario Power Inc.**  
**ELECTRICAL SERVICING CONDITIONS (OFFER TO CONNECT)**  
**East Ridge Business Park Phase 1**  
**Possible 7 General Service Connections**  
**November 3, 2021**

These Electrical Servicing Conditions are applicable to the project known as East Ridge Business Park Phase 1. The Developer of the project is the Municipality of Brockton. There are a possible 8 General Service connections in this project. Details pertaining to this development can be found on the associated drawing with a Drawing ID of 900####-2021-ED01-1.

All inquiries pertaining to this planning and design for this project shall be directed to the Line Superintendent, Chris Haslam ([chris.haslam@westariopower.com](mailto:chris.haslam@westariopower.com)). All inquiries pertaining payment options and finance amounts shall be directed to the Manager of Accounting, Ethan Kittel ([ethan.kittel@westariopower.com](mailto:ethan.kittel@westariopower.com)). Please refer to East Ridge Business Park Phase 1 in any inquiries.

## **1.0 Introduction**

The Developer is advised that provided the project requires a capital contribution from the customer, and construction work will not involve work with existing circuits, the Developer has the choice to obtain alternative bids for the connection and expansion facilities ("alternative bid") from qualified contractors. The Offer to Connect includes lot servicing costs.

If the Developer is interested in obtaining an alternative bid, all construction of the electrical distribution system may be obtained through an alternative bid except for the following components:

- Design of the electrical distribution system.
- Any construction involving work with existing circuits

The Developer may choose among the contractors that have been pre-qualified by Westario Power Inc. to perform the work eligible for an alternative bid.

If the Developer chooses to pursue an alternative bid and elects to obtain the services of an alternative contractor for an aspect of the expansion project, Westario Power Inc. will:

- Require the Developer to hire the alternative contractor and pay the contractor's costs for the work eligible for the alternative bid and to assume full responsibility for the construction of that aspect of the expansion project.
- Require the Developer to be responsible for administering the contract or to have the Developer pay the distributor to do this activity on a fee for service basis. Administering the contract includes acquisition of all required permissions, permits, and easements.
- Reserve the right to inspect, approve and test all aspects of the constructed facilities, as part of a system commissioning activity, prior to connecting the constructed facilities to the existing distribution system, and be reimbursed on a fee for service basis.
- Require the Developer to provide Westario Power Inc. with the cost of all work performed under the alternative bid. (These costs are required by Westario Power Inc. for the purpose of accurately reflecting the value of contributed capital within its asset base.)

Westario Power Inc. will charge the Developer that chooses to pursue an alternative bid any costs incurred by the distributor associated with the expansion project, including but not limited to the following:

- Costs for additional design, engineering, or installation of facilities required to complete the project that were made in addition to the original offer to connect.

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- Costs for inspection, approval or testing of the work performed by the contractor hired by the customer.

Westario Power Inc.'s Conditions of Service apply to this project. A copy may be obtained by contacting Westario Power Inc. at the address below, or by from Westario Power's website ([www.westario.com](http://www.westario.com)).

Westario Power Inc.  
24 Eastridge Road, R.R. #2  
Walkerton, ON N0G 2V0  
(519) 507-6937  
(519) 507-6887

## **2.0 Westario Power Inc.'s Responsibilities**

1. Westario Power Inc. will complete the planning and design of the electrical distribution system and supply a list of the materials and labour supplied by Westario Power Inc.
2. Westario Power Inc. will do an economic evaluation to calculate the Developer's and Westario Power Inc.'s share of the electrical distribution system costs. This evaluation will conform to the requirements of the Ontario Energy Board's Distribution System Code, Section 3, Appendix B. The economic evaluation will include the internal electrical servicing costs for the project consisting of planning, design, administration and installation. Also included are upstream costs (transformation, sub-transmission and distribution costs) and appropriate external costs. Streetlighting costs will not be included in the economic evaluation.
3. Westario Power Inc. may reimburse the Developer an apportioned share of the total shared servicing cost as calculated in the economic evaluation. The Developer is entitled to an annual economic evaluation on the anniversary date of energization of the proposed development.
4. Westario Power Inc.'s share of the electrical distribution system costs, if any, will be reimbursed to the Developer based upon the proportion of permanently occupied general service connections of the first five years in relation to the total number of general service units in the proposed development.
5. Westario Power Inc. will determine the easements required for electrical servicing. Costs related to the registration of required easements, including but not limited to legal and survey costs shall be the responsibility of the Developer as per Section 3.0, Item 3 of this agreement.
6. Westario Power Inc. will calculate the Capital Contribution requirement and the Revenue Guarantee requirement for servicing the internal/external electrical distribution systems based on the economic evaluation. If the total costs accumulated in the project exceed the Revenue Guarantee less forecasted income Westario will require additional Revenue Guarantee in order to proceed with servicing new connections.
7. Westario Power Inc. will obtain the necessary permits and approvals for the design and installation of the electrical distribution systems.

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8. Westario Power Inc. will reduce the Developer's Letter of Credit for the Revenue Guarantee upon request from the developer to the extent that there is still sufficient Revenue Guarantee to cover costs accumulated to date.

**3.0 Developer's Responsibilities**

1. The Developer shall provide an approved detailed plan and profile of "civil engineering" drawings in digital format indicating driveway locations. It is the Developers sole responsibility for the relocation of electrical and street lighting facilities that conflict with driveway locations.
2. The Developer shall provide a digital copy of the project survey plan indicating the property to be developed, complete with lot layouts.
3. The Developer shall dedicate the required easements for the installation of electrical equipment to Westario Power Inc. The Developer shall be responsible for all costs related to the registration of required easements,
4. The Developer shall be responsible for 100 percent of the cost for design and installation of the street lighting system within the development.
5. The Developer acknowledges and agrees that compaction is required when backfilling all excavations required to install underground electrical distribution systems. Compaction of 95 percent Standard Proctor in the boulevard and 98 percent Standard Proctor for road crossings is required for all excavations on road allowances.
6. The Developer shall ensure the boulevard is clear and free of obstructions and is graded to within (+/-) 6" (150 mm) of final grade and curb/asphalt installed prior to the installation of the electrical distribution system and trench.
7. The Developer shall be responsible for all associated charges **should the electrical contractor** have to leave and return to the site due to any conditions which will not allow installation of the electrical distribution system to continue in a timely matter.
8. The Developer acknowledges and agrees to have a surveyor verify the final installation grades, elevations and trench location for the electrical and street light distribution systems. The surveyor shall provide Westario Power Inc. with an approved written verification of this information.
9. The Developer acknowledges and agrees that servicing from property line to building will not be included in the economic evaluation. The Developer is responsible to inform the builders to comply with Westario Power Inc. standards for these services.
10. The Developer acknowledges and agrees to relocate, support or modify at their expense any existing utility service facilities as may be necessary by reason of the work as required by this project.
11. The Developer acknowledges and agrees that delays in returning the signed Electrical Servicing Conditions (Offer to Connect), providing the Capital Contribution deposit, posting the Letter of Credit, Registration of the Project (release of the Municipal Addresses), and/or the installation of curbs and asphalt will result in delays in the energization date of the Project and delay the closing dates.

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12. The Developer acknowledges and agrees that in order to provide proper and reliable electrical distribution system for this development, looping of this system shall be provided. Should additional costs be incurred due to maintaining looping as to the phasing of the project, the Developer agrees to be 100% financially responsible for these costs and these costs will not be included in the Economic Evaluation.
13. The Developer acknowledges and agrees to provide Westario Power Inc. with the cost of any works related to the installation of the electrical distribution system for which the Developer has directly contracted with a third party. Once the Developer forwards proof of payment and invoices from third parties to Westario Power Inc., Westario Power Inc. will include these amounts in the Economic Evaluation.
14. The Developer shall provide a list of the builder's initial closing date for the Project with this letter. Westario Power Inc. will determine if these dates are obtainable. Please attach a listing to include the total number of lots in the project, and the anticipated annual connections for the first five years of the project.

Connection by Year

Number of Connections

Year 1	Unknown
Year 2	Unknown
Year 3	Unknown
Year 4	Unknown
Year 5	Unknown

**4.0 Option 1 – Installation By Westario Power Inc.**

1. The Developer shall provide a cheque or irrevocable Letter of Credit from a Canadian Chartered Bank in the amount of **\$Nil** payable to Westario Power Inc. for the internal and external electrical design, administration and servicing costs based on the economic evaluation. The cheque or Letter of Credit should be dated to coincide with the date of signing of these Electrical Servicing Conditions (Offer to Connect). This amount is an approximation based on the information provided by the Developer. The actual costs will be trued up at the end of the development, and any amounts over the amount above will be owing to Westario Power Inc., and any amounts below the above amount will be refunded to the Developer.
2. The Developer shall provide a cheque or an irrevocable Letter of Credit from a Canadian Chartered Bank in the amount of **\$60,000** for the Revenue Guarantee. This letter is posted in the name of Westario Power Inc. If after five years the Revenue Guarantee is not met, Westario Power Inc. reserves the right to call the balance of the Letter of Credit. The Developer acknowledges that the Letter of Credit amount is valid for 30 days from the date of the Offer to Connect. If a letter of credit is not received within 30 days with all work being completed in the calendar year, Westario Power Inc. reserves the right to review the various costs and revise the Letter of Credit amount if necessary.

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3. The Developer acknowledges and agrees to make payment by cheque for Westario Power Inc.'s invoice for the supply and installation of the underground electrical distribution and street lighting systems certificates within 30 days of issue. Non-payment will result in Westario Power Inc. drawing on the Letter of Credit.
4. The Developer understands that the connection projection that has been provided is an estimate only. Upon completion of the development or at the end of the five year time horizon; whichever occurs first; a reconciliation of the actual connections will be performed. Should an additional contributed capital be owed by the Developer to the utility, the funds will be drawn from the Revenue Guarantee Letter of Credit. Should an additional credit be owed to the Developer by the utility, a cheque will be issued to the Developer at the time of the reconciliation.
5. The Developer acknowledges and agrees that material for this project will not be ordered prior to the signing of the Electrical Servicing Conditions (Offer to Connect), complete with builder closing dates, **AND** Westario Power Inc. is in receipt of capital contribution equal to the value of the material for the development. Once the above requirements are met, Westario Power Inc. will make arrangements to order the materials. Typical delivery dates are 6 weeks for cable and 24 weeks for transformers/switchgear. Westario Power Inc. will not schedule the work to be completed until it is in receipt of the entire capital contribution payment and the payment or letter of credit for the Revenue Guarantee.
6. The Developer acknowledges and agrees that the electrical distribution system pricing is based on frost free conditions. The Developer agrees to be 100% responsible for all additional costs to remove frost and all additional costs associated with winter work.

**Acceptance of Offer to Connect – Option 1**

\_\_\_\_\_  
Per: (Name): Malcolm McCallum  
Title: CFO/ VP Finance

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Per: (Name):  
Title:

\_\_\_\_\_  
Date:

(I/We have the authority to bind the corporation)

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**5.0 Option 2 – Installation By Developer (Alternative Bid) Unavailable at time of preparation of this document unless Developer directs pursuit of alternate bid.**

1. The Developer shall hire an alternative contractor to select, hire and pay the contractor's costs for the work eligible for the alternative bid and assume full responsibility for the construction of that aspect of the expansion project.
2. The Developer shall be responsible for administering the contract. Administering the contract includes acquisition of all required permissions, permits, and easements.
3. All materials used by the alternative contractor in the construction of the development must be provided by Westario Power Inc. in order to ensure that the materials are compatible with the existing distribution system. The developer is responsible for the cost of purchasing these materials
4. Westario Power Inc. reserves the right to inspect, approve and test all aspects of the constructed facilities, as part of a system commissioning activity, prior to connecting the constructed facilities to the existing distribution system. The Developer agrees to reimburse Westario Power Inc. for all such work on a fee for service basis.
5. The alternative contractor must complete all work during Westario Power Inc.'s normal business hours of 7:30AM to 3:30PM Monday to Friday in order to ensure that Westario Power Inc. can complete inspections of the work being performed. No work is permitted to be completed after Westario Power Inc.'s normal business hours, on weekends, or holidays.
6. The Developer shall provide a cheque from a Canadian Chartered Bank payable to Westario Power Inc. in the amount of **\$XXX** plus HST (which includes \$XXX for design, \$XXX for inspections and \$XXX for non contestable work) for the internal and external electrical design, administration and servicing costs.
7. The Developer acknowledges and agrees to provide a cheque or irrevocable Letter of Credit, payable to Westario Power Inc. in the amount of **\$XXX** representing 10 percent of the estimated Revenue Guarantee, for financial responsibility for all repairs due to damage to the electrical system within the Development. The cheque or Letter of Credit should be dated to coincide with the date of signing of these Electrical Servicing Conditions (Offer to Connect). In the event a repair is necessary, the Developer will be informed of the works performed and the amount deducted from the cheque or Letter of Credit. If the original amount of this cheque or Letter of Credit should fall below 10%, an additional cheque or Letter of Credit will be required to bring the amount back up to the original total. This responsibility is in effect until the earlier of the two year anniversary of the last connection or two years after the connection horizon ends. After such time, the balance of the monies will be returned to the Developer.
- 6 The Developer shall provide a cheque or an irrevocable Letter of Credit from a Canadian Chartered Bank in the amount of **\$XXX** for the Revenue Guarantee. The cheque or Letter of Credit should be dated to coincide with the date of signing of these Electrical Servicing Conditions (Offer to Connect). This letter is posted in the name of Westario Power Inc. On an annual basis, the Letter of Credit may be reduced by an amount as determined by Westario Power Inc. through the recalculation of the economic evaluation. The amount of the reduction is approximately **\$XXX** per connection per year. If after five years the Revenue Guarantee is

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not meet, Westario Power Inc. reserves the right to call the balance of the Letter of Credit. The Developer acknowledges that the Letter of Credit amount is valid for 30 days from the date of these Electrical Servicing Conditions (Offer to Connect). If a letter of credit is not received within 30 days with all work being completed in the calendar year, Westario Power Inc. reserves the right to review the various costs and revise the letter of credit amount if necessary.

7. Upon energization of the Development, Westario Power Inc. will issue a cheque in the amount of **\$XXX** plus HST to the Developer. This amount is based on the total estimated cost to the Developer of **\$XXX** less contributed capital of **\$XXX**. The above information has been provided by the Developer. Please note that these amounts are subject to change based on proof of payment and invoices from third parties. Should the actual costs of the development be higher than the amounts quoted above, the lower of actual costs or quoted costs will be used in calculating the amount of contributed capital and the amount to be issued to the Developer.
8. The Developer understands that the connection projection that has been provided is an estimate only. Upon completion of the development or at the end of the five year time horizon; whichever occurs first; a reconciliation of the actual connections will be performed. Should an additional contributed capital be owed by the Developer to the utility, the funds will be drawn from the Revenue Guarantee Letter of Credit. Should an additional credit be owed to the Developer by the utility, a cheque will be issued to the Developer at the time of the reconciliation.

**Acceptance of Offer to Connect – Option 2**

\_\_\_\_\_  
Per: (Name):  
Title:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Per: (Name):  
Title:

\_\_\_\_\_  
Date:

(I/We have the authority to bind the corporation)