

CUSTOMER SERVICE AGREEMENT – NET METERING

WHEREAS QEC generates and distributes power and is the owner of the Distribution System serving the area in which the Customer's Equipment is situated;

AND WHEREAS the Customer owns or operates or intends to operate Customer Equipment generating renewable power or energy;

AND WHEREAS the Customer has connected or wishes to connect Customer Equipment to QEC's Distribution System and QEC has connected or has agreed to connect the Customer's Equipment to QEC's Distribution System and to implement the Net Metering program;

AND WHEREAS QEC has previously reviewed and accepted the Customer's application to connect and related materials that may have been submitted to QEC; and

AND WHEREAS QEC has agreed to offer, and the Customer has agreed to accept, enrolment in the Net Metering program.

NOW THEREFORE in consideration of the foregoing, and of the mutual covenants, agreements, terms and conditions herein contained, the Parties, intending to be legally bound, hereby agree as follows:

1. Definitions

For the purposes of this agreement:

Approved Customer Equipment: means equipment that bears CSA certification mark

Customer: means any person, partnership, corporation, or any other entity, whether public or private, who obtains distribution service at a customer delivery point and who is a customer of record of QEC for its own electricity consumption. Where applicable, the singular incorporates the plural.

Customer Equipment: includes any and all of the customer's power/electrical energy equipment apparatus situate at the location or premises where the customer is generating power or energy including, but not limited to, solar panels, generators, meters, switches, isolating or protective devices, inverters, arc-fault detectors and cables.

Disconnect: means to disconnect, shut-off or isolate the Customer Equipment from QEC's Distribution System.

Distribution System: means a system for distributing electricity, including any structures, equipment, property or other things used for that purpose. A Distribution System is comprised of the main system capable of distributing electricity to many customers and the connection assets used to connect a Customer to the main Distribution System.

Eligible Customer: means the Customer generates electricity solely from wind, a drop in water elevation, solar radiation, an agricultural bio-mass resource or any combination of the foregoing primarily for the Customer's own use;

Net Metering: means the process of measuring the difference between power/electricity delivered by Customer's Equipment and fed back to QEC's Distribution System. Net Metering

measures the quantity of electricity used by a Customer against the quantity of electricity generated by that Customer resulting in a “net” total from which the Customer’s bill is calculated. The excess generation credits can be carried forward to fiscal year end (March 31) of any given year to offset future electricity costs. At the end of the 12 months, any credits on the Customer’s account are reduced to zero.

Other Binding Documents: means the applicable territorial and federal statutory provisions, policies, guidelines, completed application forms, related agreements, directives given to QEC by the Government of Nunavut that have a bearing on how QEC operates, generates, distributes power and relate with its customers especially with respect to the implementation of the Net Metering program including, but not limited to, provisions of the *QEC Act*, the *Utility Rates Review Act* and or any regulations made thereunder, QEC’s Technical Interconnection Requirements, QEC’s Grounding and Bonding Guidelines, and QEC’s Terms and Conditions of Service (as these documents maybe amended from time to time).

Parties: means QEC and the Customer or Customers, if there is more than one.

QEC: means Qulliq Energy Corporation or its successors.

URRC: means Utility Rates Review Council (or its successor), an entity tasked with the responsibility of approving utility rates in Nunavut.

2. Purpose

The main purpose for this agreement is to allow Eligible QEC Customer to operate and maintain Customer Equipment to generate renewable power/energy and to connect to QEC’s Distribution System, secondary side, in a safe and reliable manner. As well, that the customer connection does not endanger or jeopardize the reliability and safety of QEC’s power generation and Distribution System, the safety of QEC personnel, other customers and or members of the general public.

3. Prohibition Against Selling Power

For the avoidance of doubt, this agreement shall not be construed as in any way permitting the Customer to sell or permit/cause the resale of power, services or supplies received from QEC or the power produced by the Customer.

4. Application

This agreement and QEC’s Net Metering program shall apply to micro renewables where the total nominal (nameplate) generation is 10 kilowatt (kW) or less.

5. Capacity to Contract

Where the Customer is not a natural person, in entering into this agreement, it represents and warrants to QEC and acknowledges that QEC will rely on such representations and warranties without independent inquiry that:

- (a) It is duly incorporated, formed or registered under the laws of Nunavut and or the federal laws applicable therein;
- (b) It has all necessary power, authority and capacity to enter into this agreement and to perform its obligations set out herein;

- (c) This agreement constitutes legal, binding and enforceable obligations on both Parties; and
- (d) Any individual signing this agreement on its behalf has been duly authorized to sign this agreement and has the full power and authority to bind the organization.

6. Eligibility

To be eligible to enter into this agreement with QEC, an interested Customer shall complete an appropriate application form first which QEC shall use to screen for eligibility. QEC shall not be bound to enter into this agreement solely on account of a Customer having completed the required form. QEC reserves the right to refuse to connect a customer to its Distribution System on reasonable grounds.

7. Warranty of Information

The Customer warrants that the information on the application form completed by the Customer is true and correct and that QEC may rely on such information without any further enquiry.

8. Installation of Customer Equipment

The customer shall design, install, test, operate, protect, maintain and upgrade Customer Equipment at its own financial cost and risk. The Customer Equipment may be installed using the Technical Interconnection Requirement document and Step by Step installation guidelines provided by QEC. The following of these guidelines shall not in any way be construed or binding QEC to connect the customer to QEC's Distribution System. QEC does not and shall not accept responsibility for any damage to the Customer Equipment regardless of whether or not the Customer has followed the interconnection and step by step installation guidelines provided by QEC.

9. Prescribed Customer Equipment

The customer shall only install or use Approved Customer Equipment, operate, maintain or upgrade Customer Equipment in compliance with all applicable territorial and federal laws and standards, specific QEC connection requirements and service performance requirements, if any.

10. Permits and licenses

The Customer shall obtain, at its own expense, any and all authorizations, permits and licenses required for the construction or installation and operation of the Customer Equipment.

11. Inspection of Customer Equipment

Before applying for a connection to QEC's Distribution System, the customer shall produce documents to the satisfaction of QEC that certify that the Customer Equipment has been inspected by the relevant authorities and that it meets all applicable federal, territorial, and local construction, operation and maintenance related safety codes or requirements.

12. Inspection by QEC

QEC may also inspect the Customer Equipment to ensure that there are no threats that may cause damage to or compromise in anyway the safety and integrity of QEC's Distribution System, QEC personnel or members of the public. By inspecting the Customer Equipment, QEC does not

warranty that the Customer Equipment is fit for the purpose it was installed and shall not assume any liability or responsibility for any defects or damage to the Customer Equipment.

13. Changes to Customer Equipment

QEC may from time to time request the customer to make changes to Customer Equipment. The Customer shall make provision to accommodate such changes efficiently and within a reasonable time. The customer shall be responsible for the cost of any and all required changes, including those changes requested by QEC. Changes to Customer Equipment may also be required to correct unbalance or to protect QEC's Distribution System.

14. Other Binding Documents

In addition to this agreement, the Customer shall be bound by other Binding Documents as defined in Article 1 above (copies of some of these documents are readily available upon request and on QEC's website).

15. Compensation for Damage

The customer shall be liable to QEC should the Customer Equipment malfunction or the customer operate Customer Equipment negligently and resulting in damage or loss to QEC distribution system/equipment.

16. Disconnection of Customer Equipment

If QEC determines that the Customer Equipment has caused or threatens to cause damage to or compromise in anyway the safety and integrity of QEC's Distribution System, QEC personnel or members of the public, QEC may immediately and without prior warning isolate or Disconnect Customer Equipment. The Customer shall fully cooperate with QEC personnel or its agents to Disconnect Customer Equipment and hereby absolves QEC from any liability for any damages that may result directly or indirectly from the disconnection.

17. Other Grounds for Disconnection

Without derogation from the Customer's general obligations to comply with other terms of this agreement and the Other Binding Documents, QEC may Disconnect the Customer Equipment, without incurring any liability whatsoever, for other reasons including, but not limited to, lack of or poor maintenance of Customer Equipment and for public interest reasons, for example, to address concerns from other customers on voltage stability.

18. Disconnection due to Emergency

QEC may disconnect the Customer in the event of an emergency that threatens to cause or has caused harm to QEC's Distribution System, QEC personnel, members of the public, arises or to maintain the Distribution System. Where circumstances permit, QEC will notify the customer before the disconnection. QEC shall not incur any liability whatsoever for damages that the Customer may suffer directly or indirectly as a result of the disconnection.

In the event of disconnection, the Customer Equipment shall remain isolated or disconnected from QEC's Distribution System. QEC will reconnect, or permit the reconnection when it is reasonably satisfied that the emergency has ceased and that all other requirements of this agreement are met.

19. Disconnection by Customer

Where practical, the Customer shall notify QEC prior to temporarily isolating or disconnecting the Customer Equipment from QEC's Distribution System. If the disconnection is permanent, the Customer shall pay QEC for all reasonable costs including, but not limited to, the costs of removing any of QEC's equipment from the Customer's premises, that are directly attributable to the disconnection of the Customer Equipment.

20. Reconnecting Customer Equipment

Where the disconnection of the Customer Equipment is due to the Customer's fault, QEC will reconnect, or permit the reconnection of, the Customer Equipment to the Distribution System when QEC is reasonably satisfied that the reason for the disconnection no longer exists and QEC is reasonably satisfied the Customer has taken all necessary steps to prevent the circumstances that caused the disconnection from recurring and if required, has delivered binding undertakings to QEC that such circumstances shall not recur. Additionally, the Customer shall pay all URRC-approved reconnection costs charged by QEC if applicable.

21. Operating Voltage Range

The Customer operating voltage range shall be compatible with the standard service voltage range and be matched with existing power connection to the Customer. The total connected renewable power generated by the Customer Equipment shall not cause the voltage rise on the secondary service conductor to exceed 1% of operating voltage. If required, the Customer shall re-route or replace the service drop.

22. Limits on Renewable Energy Generated

In order to meet the power generation limits for each community and or to protect QEC's Distribution System, QEC shall impose limits on the amount of renewable power or energy that the Customer may generate.

23. Access to Customer Premises

The Customer shall ensure that its premises are secured at all times. The Customer shall permit and, if the land on which the premises is located is not owned by the Customer, cause such landowner to permit, QEC's employees or agents to enter the premises where Customer Equipment is located at any reasonable time. Such access shall be provided for the purposes of inspecting, disconnecting and/or testing the Customer Equipment as and when required to ensure the continued safe and satisfactory operation of the Customer Equipment, accuracy of the meters, to establish work protection, or to perform work.

24. Access to QEC Property

If the Customer has been given access to QEC's property, and the Customer causes damage to the QEC's property, equipment or Distribution System, the Customer shall pay QEC reasonable costs of repairing such property or if such property cannot be repaired, replacing such property.

25. Compensation

QEC will not pay the Customer for any power that the Customer may generate but will apply credits to the Customer's account based on the amount that the Customer generates and perform net billing calculations in accordance with QEC's Net Metering program.

26. Payment for Fixed Charges

Notwithstanding that the Customer's net consumption for a billing period is zero or a credit, QEC will charge and the Customer will incur a fixed monthly distribution service charge and any other charges approved by the URRC that are not based on power consumption in accordance with the Net Metering program and Other Binding Documents.

27. Connection Costs

The customer shall pay for the actual cost of any modifications and upgrades to the Distribution System necessitated by or required to connect and incorporate the Customer Equipment in addition to the actual cost associated with the meter. QEC will provide the Customer with an estimate of such costs, if any, prior to the signing of this agreement.

28. Charges and Tariffs

The Customer shall pay, if required, any current or future charges and tariffs, including those that are chargeable because of the connection of the Customer Equipment to QECs' Distribution System or those charges that may be levied by virtue of the participation of the Customer in the Net Metering program.

29. Billing Errors

The Customer shall bring any billing errors to QEC's attention as soon as possible but in any event not later than 90 days from the date of receiving a bill. QEC and the Customer shall use their best efforts to resolve any billing issues.

30. Insurance

Throughout the term of this agreement, the Customer shall carry general liability insurance for third party bodily injury, personal injury, and property damage in an amount of \$1,000,000.00. Prior to execution of this agreement, the Customer shall provide QEC with a valid certificate of insurance. The Customer shall provide QEC with prompt notice of any cancellation of the Customer's insurance by the insurer.

31. Indemnification

The customer shall indemnify and hold QEC harmless in the event that there are claims or litigation against QEC arising out of or related to the Customer's operation of Customer Equipment or if the customer operates in a manner that interferes with or negatively QEC's other customers.

32. Termination of Agreement

The Customer may terminate this agreement at any time by providing QEC with 90 days prior written notice. Termination of this agreement for any reason shall not affect the liabilities of either party that were incurred or arose under this agreement prior to the time of termination nor shall it prejudice the right of the terminating party to pursue all other legal and equitable remedies that may be available including, but not limited to, injunctive relief.

Upon termination of this agreement, the Customer shall disconnect the Customer Equipment from QECs' Distribution System in a timely fashion and to QECs' satisfaction.

33. Decommissioning

Where the agreement has been terminated and the Customer Equipment has been disconnected, the Parties shall be entitled to decommission and remove their assets associated with the connection. The Parties shall, for that purpose, ensure that each has all necessary access to the other's site at all reasonable times.

34. Cancellation of Power Account

If the Customer cancels the electricity account with QEC for the premises where the Customer Equipment is located, this agreement will automatically terminate on the date that QEC issues the final bill for the account. If the Customer opens a new electricity account with QEC for another premise or if the Customer already has an electricity account with QEC for another premise, QEC will transfer any remaining excess credits that have not been depleted in accordance with the Net Metering program to that other electricity account after issuing a final bill.

35. Customer Equipment Account Take Over

If QEC has not discontinued the Net Metering program and a new owner/occupant of the premises where the Customer Equipment is located wishes to participate in and is Eligible for QECs' Net Metering program, QEC may enter into an agreement like this one with the new owner/occupant prior to the date that QEC issues the final bill for the account, the Customer Equipment need not be disconnected from QECs' Distribution System upon the termination of this agreement.

36. Termination of Agreement by QEC

Notwithstanding other provisions in this agreement on disconnection, QEC may, on 90 days prior written notice, Disconnect the Customer Equipment at any time if:

- (a) QEC discontinues the Net Metering program; or
- (b) The Customer breaches a material term or condition of this agreement and does not remedy the breach within 30 days of receiving written notice from QEC of the breach.

37. Moratorium

The Customer shall not, if this agreement is terminated for any reason, be eligible to participate in QEC's Net Metering program for 12 months after the termination unless the Customer, at the time of termination, notifies QEC in writing a future date, acceptable to both Parties, on which the Customer will return to participate in QEC's Net Metering program.

38. Applicable Law

This agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of Nunavut and the laws of Canada applicable therein.

39. Waiver

No delay or failure on the part of QEC in the exercise of any right or remedy arising from a breach of this agreement shall operate as a waiver of any subsequent right or remedy arising from a subsequent breach of this agreement.

40. Conflicting Terms

If there is any conflict between a term of this agreement and any term or part of the Other Binding Documents, this agreement shall be deemed to be amended to comply with the terms of the Other Binding Documents.

41. Force Majeure

Neither party shall be considered in default or be liable for any failure to perform any obligation under this agreement (other than a payment obligation) in the event and to the extent that such failure is caused by a condition of *force majeure*. A condition of *force majeure* shall arise from any circumstances beyond the reasonable control of the affected party which prevents or impedes the execution of this agreement, including without limitation, labour disruptions, war, hostilities, or military mobilization, riot, insurrection, seizure by non-governmental groups, or civil disturbance, earthquake, flood, fire or other natural physical disaster, embargo, act of terrorism or epidemics.

The party claiming force majeure shall give notice in writing to the other party of the occurrence of any *force majeure* event which causes or is likely to cause any failure to perform any obligation hereunder. Such notice shall include the nature of the event, the expected duration and any anticipated impact on performance of this agreement.

42. Amendment

No amendment to this agreement nor any statement, representation or warranty not contained in this agreement shall be binding on QEC unless made in writing by an authorized person at QEC.

43. Assignment

The Customer shall not assign its rights or obligations under this agreement in whole or in part without the prior written consent of QEC, which consent shall not be unreasonably withheld or unduly delayed. QEC may withhold its consent to any proposed assignment until the proposed assignee assumes, in writing, all of the Customer's obligations contained in this agreement. However, QEC may assign this agreement in whole upon written notification to the Customer.

44. Successors and Assigns

This agreement shall be binding upon and accrue to the benefit of QEC or the Customer and their respective successors and permitted assigns.

45. Notices

Any notice, demand, consent, request or other communication required or permitted to be given or made under or in relation to this agreement shall be given or made by courier or other personal form of delivery, by registered mail, by facsimile or by electronic mail.

Notices to the Customer shall be addressed to:

(insert title, mailing address, e-mail address and fax number).

Notices to QEC shall be addressed to:

A notice, demand, consent, request or other communication shall be deemed to have been made as follows:

- (a) Where given or made by courier or other form of personal delivery, on the date of receipt;
- (b) Where given or made by registered mail, on the 14th day following the date of mailing;
- (c) Where given or made by facsimile, on the day and at the time of transmission as indicated on the sender's facsimile transmission report; and
- (d) Where given or made by electronic mail, on the day and at the time when the notice, demand, consent, request or other communication is recorded by the sender's electronic communications system as having been received at the electronic mail destination.

The parties may change their respective addresses and addressees for delivery by delivering notices of such changes as provided above.

46. Electronic Communication

The Parties acknowledge that electronic communication may not be a secure means of communication. The Parties assume responsibility for the risks of using electronic communications including, without limitation, the possibility that electronic communication may be intercepted by or sent to an unauthorized person, misunderstood, lost, delayed, or not received

at all. QEC will be entitled to rely upon any electronic communication from or purporting to be from the Customer. However, QEC may choose not to act upon electronic communication if it believes that the electronic communication is unauthorized, incorrect or unclear. QEC shall not be liable for, any claims, losses, damages, liabilities and expenses that the Customer may incur due to QEC acting or declining to act on any of the Customer's electronic communications.

47. Execution of Agreement

If the Customer's account is in two or more names, all account holders must execute this agreement in order to participate in QEC's Net Metering program.

The Customer agrees to participate in the Net Metering program offered by QEC on this _____ (date) day of _____ (month) _____ (year) and accept the terms and conditions set out above.

Customer Signature: _____

Customer Name: _____

Customer Account Number:

Signed by and on behalf of QEC this _____ (day) of _____ (month) _____ (year)

Signature: _____

Name: _____

Designation: _____