E.L.K. Energy Inc.

June 21, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli

Re: Electricity Distribution Service Area Amendment Application – E.L.K. Energy Inc. (O.E.B. Electricity Distributor Licence No. ED-2003-0015)

In response to the OEB's letter dated April 22, 2016, EB-2016-0155, E.L.K. has included all additional material requested as well as additional support with respect to the application to request the Ontario Energy Board make an amendment to our Distribution Licence No. ED-2003-0015 to include said lands within the application.

E.L.K. provides electricity distribution services to customers in the Towns of Essex, Lakeshore and Kingsville. The Town of Essex is the sole shareholder of the Applicant. Within those towns, which cover a large geographic area in southwestern Ontario, the applicant has six non-contiguous service areas, serving the former municipalities of Belle River, Comber, Cottam, Essex, Harrow and Kingsville. Hydro One Networks Inc. ("Hydro One") is the electricity distributor for customers located beyond the boundaries of these six service areas.

1710690 Ontario Inc. is in the process of developing a commercial subdivision located in the municipal boundaries of the Corporation of the Town of Essex. Within the commercial subdivision, Sellick Equipment Limited ("Sellick") is scheduled to commence construction of a new commercial facility on the 20th day of April 2016. Sellick requested an Offer to Connect from each E.L.K. and Hydro One. Sellick has made a written request that E.L.K. provide electricity service to their new commercial facility. 1710690 Ontario Inc has also provided written support for the E.L.K. service area amendment application.

This service area amendment should occur as it would be more economically efficient to the customers both in connection costs and in delivery charges. By way of this SAA, the applicant is looking to preclude the creation of a new settlement point. The proposed SAA neither enhances nor decreases the reliability of the infrastructure in the area that is subject of the SAA application. There will be no adverse impact on costs, rates, service quality, and reliability as a result of this proposed SAA.

E.L.K. Energy Inc.

Due to the construction timelines of the customer, Sellick, E.L.K., is respectively requesting that the Ontario Energy Board dispose of this matter in an expeditious manner.

Please find accompanying this letter our Service Area Amendment application for an Order bringing the lands on which the Property is located into the E.L.K. distribution service area.

Regards,

Mark Danelon

Mark Danelon
Director, Finance & Regulatory Affairs

Service Area Amendment Application

Hydro One Networks Inc.

And

E.L.K. Energy Inc.

June 21, 2016

7.0 Introduction

This application for a Service Area Amendment is structured and follows the minimum filing requirement for SAA assigned by the Ontario Energy Board. The section numbers follow the filing requirement of the base reference.

E.L.K. Energy (the "Applicant") hereby applies to the Ontario Energy Board (the "OEB") for an Order or Orders:

a) Amending Schedule 1 of its Electricity Distribution Licence (No. ED-2003-0015) by including the lands described at 7.1.3 to this Application, to permit the connection of these said lands located within the municipal boundaries of the Corporation of the Town of Essex, to the Applicant's electricity distribution system;
b) Excluding the lands on which these said lands are located from the licenced service territory of Hydro One Networks Inc. ("Incumbent Distributor"); and
c) Granting this relief in an expedious manner without a hearing, pursuant to Subsection 21(4) of the Ontario Energy Board Act, 1998 (the "OEB Act").

The Applicant is a local electricity distribution company (an "LDC") that distributes electricity to customers in the Towns of Essex, Kingsville and Lakeshore. The Corporation of the Town of Essex is the sole shareholder of the Applicant. Within those towns, which cover a large geographic area in southwestern Ontario, the Applicant has six non-contiguous service areas, serving the former municipalities of Belle River, Comber, Cottam, Essex, Harrow and Kingsville. Hydro One Networks Inc. ("Hydro One") is the electricity distributor for customers located beyond the boundaries of these six service areas.

7.1 Basic Facts

General

7.1.1 (a)

Provide the contact information for the applicant. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.

The Applicant:

Mark Danelon
Director, Finance & Regulatory Affairs
172 Forest Avenue
Essex, ON N8M 3E4
Canada
Telephone: 519-776-5291 ext 204
Fax: 519-776-5640
Email address: mdanelon@elkenergy.com

7.1.1 (b)

Provide the contact information for the incumbent distributor. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.

The Incumbent Distributor:

Pasquale Catalano
Regulatory Analyst, Major Projects and Partnerships, Regulatory Affairs
7th Floor, South Tower
483 Bay Street
Toronto, Ontario M5G 2P5
Telephone: 416-345-5405
Fax: 416-345-5866
Email address: regulatory@HydroOne.com

7.1.1 (c)

Provide every affected customer, landowner, and developer in the area that is the subject of the SAA Application. Contact information includes the name, postal address, telephone number, and, where available, the email address and fax number of the person.

There are two affected parties in the area that is the subject of the SAA Application. Provided below is the contact information of this affected customer and developer.

Sellick Equipment Limited (Customer)
358 Erie Street North
Harrow, Ontario
N0R 1G0
Tel: 519-738-2255
Fax: 519-738-3477

1710690 Ontario Inc. (Developer)
4955 Walker Road
Windsor, Ontario
N9A 6J3
Tel.: 519-737-1216
Fax: 519-737-6464

7.1.1 (d) & (e)

Provide any alternate distributor other than the applicant and the incumbent distributor, if there are any alternate distributors bordering on the area that is the subject of the SAA application; and any representative of the persons listed above including, but not limited to, a legal representative.

There are no alternate distributors other than the applicant and the incumbent distributor.

7.1.1 (f) & (g)

Indicate the reasons why this amendment should occur and identify any load transfers eliminated by the proposed SAA.

This amendment should occur as it would be more economically efficient to the customer both in connection costs and in delivery charges. By way of this SAA, the applicant is looking to preclude the creation of a new settlement point. Economic efficiency should be a primary principle in assessing the merits of a service area amendment application, as well as optimizing the use of existing system configurations; and ensuring that the amendment does not result in an unnecessary duplication or investment in distribution lines and other distribution assets and facilities. The details of the SAA will provide support to these points of fact. E.L.K. will demonstrate that it can provide the lowest cost connection, and that the proposed connection is consistent with existing networks, avoiding duplication.

DESCRIPTION OF PROPOSED SERVICE AREA

7.1.3

Provide a detailed description of the lands that are subject of the SAA application. For SAA applications dealing with individual customers, the description of the lands should include the lot number, the concession number, and the municipal address of the lands. The address should include the street number, municipality and/or county, and postal code of the lands.

For SAA applications dealing with general expansion areas, the description of the lands should include the lot number and the concession number of the lands, if available, as well as a clear description of the boundaries of the area (including relevant geographical and geophysical features).

The Applicant provides the following information in this regard:

Legal description of the lands that are subject of this application per Attachment 1.5;

Legal Description:	PART LOTS 3, 4 & 5, PL 202 & PART LOT 6, CONCESSION 2, COLCHESTER, DESIGNATED AS PARTS 1, 2 & 3, PLAN 12R-26189; EXCEPT PT 1, 26401; S/T EASEMENT OVER PART 2, PLAN 12R-26189 AS IN CS19391; TOWN OF ESSEX
PIN:	75204-0253 (LT)
OWNER:	1710690 Ontario Inc.
Legal Description:	PART OF LOTS 3 & 4 REGISTERED PLAN 202 (BEING A SUBDIVISION OF PART OF LOTS 7 & 8 CONCESSION 2) GEORGRAPHIC TOWNSHIP OF COLCHESTER SOUTH, NOW IN THE TOWN OF ESSEX PT. 1 12R-26401; TOWN OF ESSEX.
PIN:	75204-0252 (LT)
OWNER:	Sellick Equipment Limited

7.1.4

Provide one or more maps or diagrams of the area that is subject of the SAA application.

Attachment 1.1: Actual Lots Subject of the SAA Application
The area shaded in green depicts the actual lots which are subject of the SAA application.

Attachment 1.2: Existing Licensed Service Areas
The area shaded in green depicts the Applicants Harrow Service Area in the proximity of the area subject of the SAA application. The area shaded in red depicts the Incumbent Distributor's service area in the proximity of the area subject of the SAA application.

Attachment 1.3: E.L.K. Energy's Harrow Service Area in Relation to the Area Subject of the SAA Application
The area shaded in light green depicts the Applicants Harrow Service Area. The area shaded in dark green depicts the area subject of the SAA application. The Incumbent Distributor's service area is left white for ease of reference.

7.1.4 (a)

Borders of the applicant's service area

Please reference Attachment 1.2 and Attachment 1.3 as well as the detailed descriptions for both attachments provided in Section 7.1.4 of the application.

7.1.4 (b)

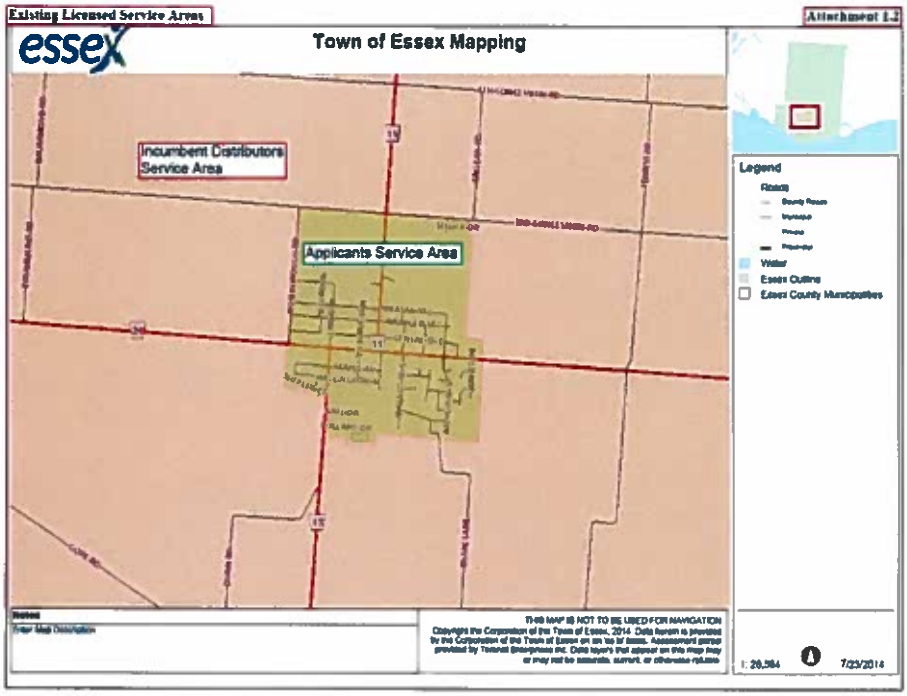
Borders of the incumbent distributor's service area

Please reference Attachment 1.2 and Attachment 1.3 as well as the detailed descriptions for both attachments provided in Section 7.1.4 of the application.

7.1.4 (c)

Borders of any alternate distributor's service area

Please see the diagram below that details the service area boundaries of E.L.K. and Hydro One.



7.1.4 (d)

Territory surrounding the area for which the applicant is making SAA application

As can be seen in Attachment 1.1
The area to the North is mixed commercial, residential and agricultural. To the South and West is mixed residential and agricultural. To the East is mainly commercial and industrial.

7.1.4 (e)

Geographical and geophysical features of the area including, but not limited to, rivers and lakes, property borders, roads, and major public facilities.

As can be seen in Attachment 1.1
The lot fronts onto Roseborough Road and the area is loosely bound by the following roads: County Road 20 and 3rd Concession Road.

7.1.4 (f)

Existing facilities supplying the area that is the subject of the SAA application, if applicable, as well as the proposed facilities which will be utilized by the applicant to supply the area that is the subject of the SAA application (Note: if the proposed facilities will be utilized to also provide for expansion of load in the area that is the subject of the SAA application, identify that as well)

Currently, the applicant has existing facilities located on or immediately adjacent to the area subject of the SAA. The existing facilities would be utilized to also provide for expansion of load in the area that is subject of this SAA application.

See Attachment 1.4, 1.6 and 1.7 which depicts the applicants existing facilities in relation to the lots that are subject of this SAA application. This represents the most effective use of existing resources.

7.1.5

Provide a description of the proposed type of physical connection (i.e., individual customer; residential subdivision, commercial or industrial development, or general service area expansion).

The proposed connection is a commercial or industrial development.

7.1.6

Provide a description of the applicant's plans, if any, for similar expansions in lands adjacent to the area that is the subject of the SAA application. Provide a map or diagram showing the lands where expansions are planned in relation to the area that is the subject of the SAA application.

Currently, the applicant has no plans for any similar expansions in lands adjacent to the area that is the subject of the SAA application.

7.2 EFFICIENT RATIONALIZATION OF THE DISTRIBUTION SYSTEM

The proposed SAA will be evaluated in terms of rational and efficient service area realignment. This evaluation will be undertaken from the perspective of economic (cost) efficiency as well as engineering (technical) efficiency.

Applicants must demonstrate how the proposed SAA optimizes the use of existing infrastructure. In addition, applicants must indicate the long term impacts of the proposed SAA on reliability in the area to be served and on the ability of the system to meet growth potential in the area. Even if the proposed SAA does not represent the lowest cost to any particular party, the proposed SAA may promote economic efficiency if it represents the most effective use of existing resources and reflects the lowest long run economic cost of service to all parties.

7.2.1 ECONOMIC AND ENGINEERING EFFECIENCY

In light of the above, provide a comparison of the economic and engineering efficiency for the applicant and the incumbent distributor to serve the area that is the subject of the SAA application. (NOTE: (a), (b), (c), (d), (e), (f), (g), (h),)

7.2.1 (a)

Location of the point of delivery and the point of connection

For the Lots depicted in attachment 1.1
The delivery point is located adjacent at the intersection of McLean Road and Sellick Drive which is consistent for both the applicant and the incumbent. The connection point for the applicant is 2.060 Km's South West of the delivery point immediately adjacent of the lot subject to the SAA amendment. The connection point for the incumbent is 2.035 km from the delivery point across the road from the lot subject to the SAA amendment

See Attachment 1.4, 1.6 and 1.7 which depicts the applicants existing facilities in relation to the lots that are subject of this SAA application. This represents the most effective use of existing resources.

7.2.1(b)

Proximity of the proposed connection to an existing, well developed electricity distribution system

Currently, the applicant has existing facilities located on or immediately adjacent to the area subject of the SAA. The incumbent is planning to install a new tangent pole, road crossing overhead primary conductor and a new riser pole in the road allowance to duplicate the applicants existing infrastructure.

See Attachment 1.4, 1.6 and 1.7 which depicts the applicants existing facilities in relation to the lots that are subject of this SAA application. This represents the most effective use of existing resources.

Attachment 1.6 specifically depicts the approximate locations of the applicants existing infrastructure and demarcation point as well as the incumbents proposed new infrastructure and their demarcation point.

7.2.1 (c)

The fully allocated connection costs for supplying the customer (i.e., individual customers or developers) unless the applicant and the incumbent distributor provide a reason why providing the fully allocated connection costs is unnecessary for the proposed SAA. (Note: the Board will determine if the reason provided is acceptable).

Per the applicants Offer to Connect there is no capital contribution required by the customer.

Section 7.5.3 provides E.L.K.'s Draft Offer to Connect. In comparison Section 7.5.4 is the incumbents Offer to Connect.

A comparison of the two Offer to Connects include the capital required to extend the distribution system where applicable, present value of OM & A, incremental taxes, incremental revenue and capital contribution. Both the applicants and incumbents Offer to Connect resulted in no capital contribution to the customer. However, it is important to note that the Incumbents offer does not include high voltage underground distribution system or the pad mount transformer which is inclusive of the applicants Offer to Connect. These costs would have to be borne by the customer in addition to. Estimated cost by the customer's engineer totalled an additional $90,000.

Additionally, included in the applicants Offer to Connect (OTC), with no capital contribution required, is a 3 phase primary underground extension inclusive of the 750 KVA pad mounted transformer and secondary metering. The customers demarcation point would be the secondary connections on the pad mount transformer. This is consistent with the applicants Conditions of Service and past practice.

Further, the customer has learned through their rates analysis that the incumbent is intending to primary meter the customer. As the incumbents OTC does not provide for any primary metering costs there would be an additional cost of $15,000 - $25,000 to the customer for the primary metering.

7.2.1(d)

The amount of any capital contribution required from the customer

Both the applicants and incumbents Offer to Connect resulted in no capital contribution to the customer. Please reference section 7.5.3. Section 7.5.4 details the incumbents Offer to Connect.

7.2.1(e)

Costs for stranded equipment (i.e., lines, cables, and transformers) that would need to be de-energized or removed

There would be no equipment stranded, and as a result no additional costs.

7.2.1(f)

Information on whether the proposed SAA enhances, or at a minimum does not decrease, the reliability of the infrastructure in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application over the long term.

The proposed SAA neither enhances nor decreases the reliability of the infrastructure in the area that is subject of the SAA application. Please also reference 7.5.6 regarding outage statistics and the reliability of existing lines.

7.2.1(g)

Information on whether the proposed infrastructure will provide for cost-efficient expansion if there is growth potential in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

The existing infrastructure, located on or immediately adjacent to, will provide for cost-efficient expansion if there is growth potential in the area that is subject of the SAA application and in regions adjacent to the area that is subject of the SAA application. The incumbent is planning to install a new tangent pole, road crossing overhead primary conductor and a new riser pole in the road allowance to duplicate the applicants existing infrastructure.

See Attachment 1.4, 1.6 and 1.7 which depicts the applicants existing facilities in relation to the lots that are subject of this SAA application. Please also reference 7.5.6 regarding outage statistics and the reliability of existing lines.

Attachment 1.6 specifically depicts the approximate locations of the applicants existing infrastructure and demarcation point as well as the incumbents proposed new infrastructure and their demarcation point.

7.2.1(h)

Information on whether the proposed infrastructure will provide for cost-efficient improvements and upgrades in the area that is the subject of the SAA application and in regions adjacent to the area that is the subject of the SAA application.

The existing infrastructure, located on or immediately adjacent to, would provide for cost-efficient improvements and upgrades in the area that is subject of the SAA application and in regions adjacent to the area that is subject of the SAA application. The incumbent is planning to install a new tangent pole, road crossing overhead primary conductor and a new riser pole in the road allowance to duplicate the applicants existing infrastructure.

See Attachment 1.4, 1.6 and 1.7 which depicts the applicants existing facilities in relation to the lots that are subject of this SAA application.

Attachment 1.6 specifically depicts the approximate locations of the applicants existing infrastructure and demarcation point as well as the incumbents proposed new infrastructure and their demarcation point.

7.3 IMPACTS ARISING FROM THE PROPOSED AMENDMENT

7.3.1

Identify any affected customers or landowners.

Please reference section 7.1.1 (c)

7.3.2

Provide a description of any impacts on costs, rates, service quality, and reliability for customers in the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

The proposed SAA neither enhances nor decreases the reliability of the infrastructure in the area that is subject of the SAA application. There will be no adverse impact on costs, rates, service quality, and reliability as a result of this proposed SAA. The applicant initially calculated the monthly charge of the customer using the current Tariff Rate Sheet and applicable rate class from both the applicant as well as the incumbent distributor. Further, the electricity charges, as well as the monthly regulatory component charges were removed from the analysis, due the fact, that these costs would be identical with both utilities.

Provided below is the analysis performed that clearly indicates the economic (cost) efficiency that would result to all parties. Table A below shows the monthly cost to the customer with the incumbent distributor totalling $7,010.63. Table B below shows the monthly cost to the customer with the applicant totalling $3,847.71.

The resultant monthly cost savings is $3,162.92

TABLE A

SUB TRANSMISSION - ST
BILLED
HYDRO ONE FEB 1, 2016 RATES

USAGE KW	LOSS FACTOR 1.02800000

KW 560

ELECTRICITY CHARGES

DELIVERY
SERVICE CHARGE
EFF FEB1/16 481.41 **PER MTH** 481.41

METER CHARGE (FOR HYDRO ONE OWNERSHIP)
EFF FEB1/16 741.21 **PER MTH** 741.21

FACILITY CHARGE FOR CONNECTION TO COMMON ST LINES (44 kV to 13.8 kV)
EFF FEB1/16 1.174 **KW** 657.44

FACILITY CHARGE FOR CONNECTION TO HIGH-VOLTAGE (>13.8 kV secondary)
DELIVERY HV DISTRIBUTION STATION
EFF FEB1/16 1.8315 **KW** 1025.64

RETAILER TRANSMISSION RATE NETWORK SERVICE RATE
EFF FEB1/16 3.3396 **KW** 1870.18

RETAILER TRANSMISSION RATE LINE & CONNECTION SERVICE RATE
EFF FEB1/16 0.7791 KW 436.30

RETAILER TRANSMISSION RATE- TRANSFORMATION CONNECTION SERVICE RATE
EFF FEB1/16 1.7713 **KW** 991.93

SUBTOTAL	**6204.10**
HST	**806.53**
TOTAL	**7010.63**

TABLE B

GENERAL SERVICE DEMAND
BILLED
ELK MAY 1, 2016 RATES

USAGE KW	LOSS FACTOR 1.08100000

KW 560

DELIVERY
SERVICE CHARGE
EFF MAY1/16 187.07 **PER MTH** $ 187.07
$ 187.07

DISTRIBUTION VOLUMETRIC RATE (DVC)
EFF MAY1/16 1.5827 **KW** $ 886.31
$ 886.31

LOW VOLTAGE SERVICE RATE (LVSR)
EFF MAY1/16 0.4332 **KW** **$ 242.59**
$ 242.59

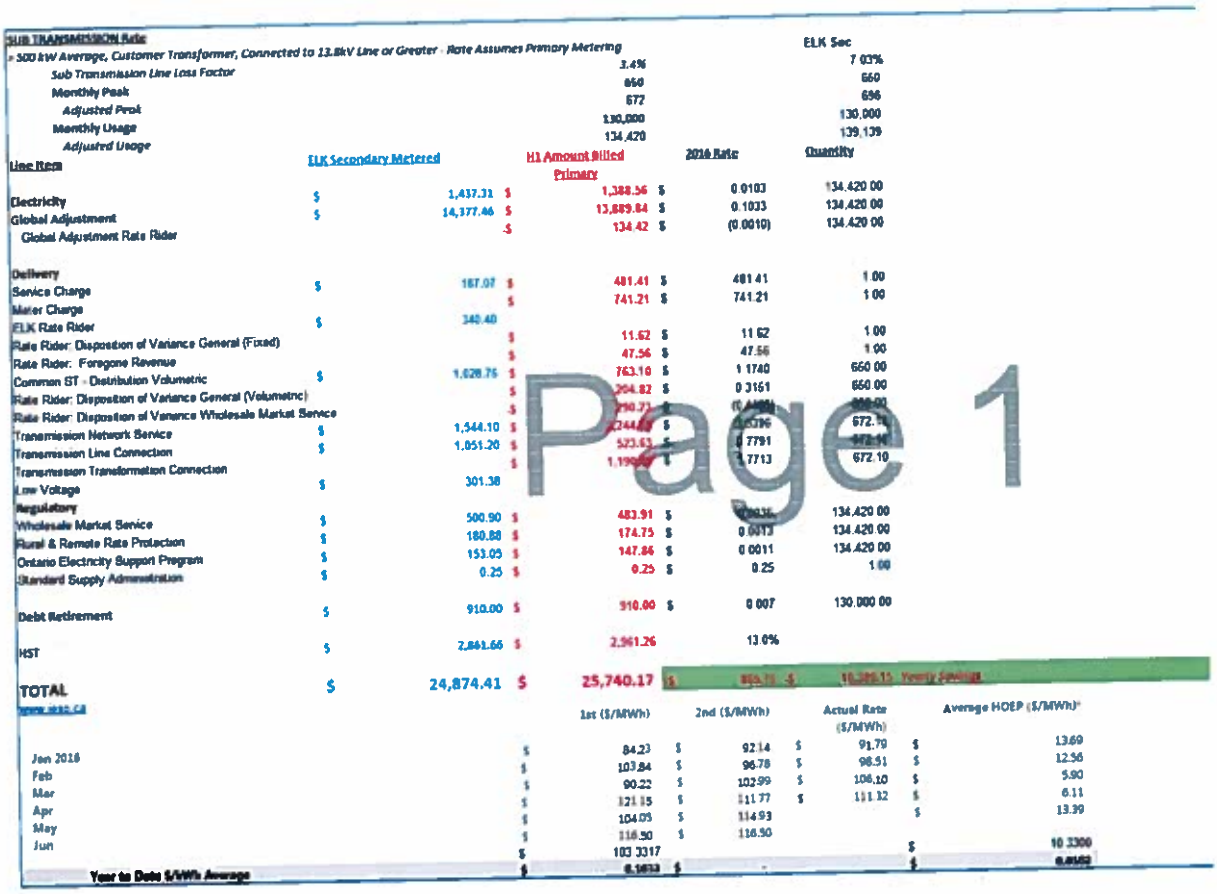
RETAILER TRANSMISSION RATE NETWORK SERVICE RATE (TNET)
EFF MAY1/16 2.2195 **KW** $ 1,242.92
$ 1,242.92

RETAILER TRANSMISSION RATE LINE & CONNECTION SERVICE RATE (TCON)
EFF MAY1/15 1.511 **KW** $ 846.16
$ 846.16

SUBTOTAL $ 3,405.05

HST $ 442.66
TOTAL $ 3,847.71

After receipt of the Incumbents Offer to Connect, E.L.K. performed some additional analysis regarding rates based on the Offer to Connect details, and information gathered, including a more granular look at the monthly rates for the customer. Below is additional analysis completed by E.L.K. The yearly savings to the customer with E.L.K. as its provider results in approximately an $11,000 savings.



SUB TRANSMISSION Rate

> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater - Rate Assumes Primary Metering

									ELK Sec
Sub Transmission Line Loss Factor					3.4%				7.03%
Monthly Peak					650				660
Adjusted Peak					672				696
Monthly Usage					130,000				130,000
Adjusted Usage					134,420				139,139
Line Item		**ELK Secondary Metered**		**H1 Amount Billed Primary**		**2016 Rate**		**Quantity**	
Electricity	$	1,437.31	$	1,388.56	$	0.0103		134,420.00	
Global Adjustment	$	14,377.46	$	13,889.84	$	0.1033		134,420.00	
Global Adjustment Rate Rider			-$	134.42	$	(0.0010)		134,420.00	
Delivery									
Service Charge	$	187.07	$	481.41	$	481.41		1.00	
Meter Charge			$	741.21	$	741.21		1.00	
ELK Rate Rider	$	340.40							
Rate Rider: Disposition of Variance General (Fixed)			$	11.62	$	11.62		1.00	
Rate Rider: Foregone Revenue			$	47.56	$	47.56		1.00	
Common ST - Distribution Volumetric	$	1,028.76	$	763.10	$	1.1740		650.00	
Rate Rider: Disposition of Variance General (Volumetric)			$	204.82	$	0.3151		650.00	
Rate Rider: Disposition of Variance Wholesale Market Service			-$	[illegible]	$	[illegible]		[illegible]	
Transmission Network Service	$	1,544.10	$	[illegible]	$	[illegible]		672.10	
Transmission Line Connection	$	1,051.20	$	523.63	$	0.7791		672.10	
Transmission Transformation Connection			$	[illegible]	$	1.7713		672.10	
Low Voltage	$	301.38							
Regulatory									
Wholesale Market Service	$	500.90	$	483.91	$	[illegible]		134,420.00	
Rural & Remote Rate Protection	$	180.88	$	174.75	$	0.0013		134,420.00	
Ontario Electricity Support Program	$	153.05	$	147.86	$	0.0011		134,420.00	
Standard Supply Administration	$	0.25	$	0.25	$	0.25		1.00	
Debt Retirement	$	910.00	$	910.00	$	0.007		130,000.00	
HST	$	2,861.66	$	2,961.26		13.0%			
TOTAL	$	24,874.41	$	25,740.17	$	[illegible]	-$	[illegible]	Yearly Savings

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		1st ($/MWh)		2nd ($/MWh)		Actual Rate ($/MWh)		Average HOEP ($/MWh)*
Jan 2016	$	84.23	$	92.14	$	91.79	$	13.69
Feb	$	103.84	$	96.78	$	98.51	$	12.56
Mar	$	90.22	$	102.99	$	106.10	$	5.90
Apr	$	121.15	$	111.77	$	111.32	$	6.11
May	$	104.05	$	114.93			$	13.39
Jun	$	116.50	$	116.50				
	$	103.3317					$	10.3300
Year to Date $/kWh Average	$	[illegible]	$	-			$	[illegible]

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As well, please reference section 7.5.6 that describes a comparison of outage statistics and reliability.

7.3.3

Provide a description of any impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA. If an assessment of service quality and reliability impacts cannot be provided, explain why.

There are no impacts on costs, rates, service quality, and reliability for customers of any distributor outside the area that is the subject of the SAA application that arise as a result of the proposed SAA.

7.3.4

Provide a description of the impacts of each distributor involved in the proposed SAA. If these impacts have already been described elsewhere in the application, providing cross-references is acceptable.

See section 7.2 and 7.3.2 of this application.

7.3.5

Provide a description of any assets which may be stranded or become redundant if the proposed SAA is granted.

There will be no assets stranded or become redundant if this application is granted.

7.3.6

Identify any assets that are proposed to be transferred to or from the applicant. If an asset transfer is required, has the relevant application been filed in accordance with section 86 of the Act? If not, indicate when the applicant will be filing the relevant section 86 application.

There are no assets that are proposed to be transferred to or from the applicant.

7.3.7

Identify existing customers that are proposed to be transferred to or from the applicant.

There are no existing customers that are proposed to be transferred to or from the applicant.

7.3.8

Provide a description of any existing load transfers or retail points of supply that will be eliminated.

There will be no existing load transfers or retail points of supply that will be eliminated by this SAA application, however by way of this SAA, the applicant is looking to preclude the creation of new load transfers or new retail points of supply.

7.3.9

Identify any new load transfers or retail points of supply that will be created as a result of the proposed SAA. If a new load transfer will be created, has the applicant requested leave of the Board in accordance with section 6.5.5 of the distribution System Code ("DSC")? If not, indicate when the applicant will be filing its request for leave under section 6.5.5 of the DSC with the Board. If a new retail point of supply will be created, does the host distributor (i.e. the distributor who provides electricity to an embedded distributor) have an applicable Board approved rate? If not, indicate when the host distributor will be filing an application for the applicable rate.

There will be no new load transfers or retail points of supply created as a result of the proposed SAA application, however by way of this SAA, the applicant is looking to preclude the creation of new load transfers or new retail points of supply.

EVIDENCE OF CONSIDERATION AND MITIGATION OF IMPACTS

7.3.10

Provide written confirmation by the applicant that all affected persons have been provided with specific and factual information about the proposed SAA. As part of the written confirmation, the applicant must include details of any communications or consultations that may have occurred between distributors regarding the proposed SAA.

This application provides in writing that all affected persons have been provided with specific and factual information about the proposed SAA. Please refer to Attachment 2.1 and 2.2 for a letter of consent from the customer and the developer respectively. Please also refer to Attachment 3.1, the applicant's notification to the incumbent distributor. The incumbent distributor replied to said email by phone at which time the applicant advised that they would be pursuing the SAA. Additionally, as part of a local planning meeting held on March 8th the applicant advised the incumbent distributor that they would be pursuing the SAA.

7.3.11

Provide a letter from the incumbent distributor in which the incumbent distributor indicates that it consents to the application.

E.L.K. has not received a letter to date.

7.3.12

Provide a written response from all affected customers, developers, and landowners consenting to the application, if applicable.

Please refer to Attachment 2.1 and 2.2 for letters from the customer and the developer requesting service from the applicant respectively.

7.3.13

Provide evidence of attempts to mitigate impacts where customer and/or asset transfers are involved (i.e., customer rate smoothing or mitigation, and compensation for any stranded assets).

No customer and/or asset transfers are involved.

7.4 CUSTOMER PREFERENCE

7.4.1

An applicant who brings forward an application where customer choice may be a factor must provide a written statement signed by the customer (which includes landowners and developers) indicating the customer's preference.

Please refer to Attachment 2.1 and 2.2 for letters from the customer and the developer requesting service from the account respectively.

7.5 ADDITIONAL INFORMATION REQUIREMENTS FOR CONTESTED APPLICATIONS

If there is no agreement among affected persons regarding the proposed SAA, the applicant must file the additional information set out below.

7.5.1

If the application was initiated due to an interest in service by a customer, landowner, or developer, evidence that the incumbent distributor was provided an opportunity to make an offer to connect that customer, landowner, or developer.

Attachment 3.3 contains the Customers Emails that were sent to the incumbent requesting their Offer to Connect. The Email chain commenced on February 5, 2016 with the latest one being April 6, 2016. At the time of completing this application the Customer has not received a response or an Offer to Connect from the incumbent. In addition to the Emails the Customer:

- Met with the incumbent at the local area office to discuss the connection requirements to service their new facility on February 1, 2016.
- The incumbent Offer to Connect was received by the customer June 10, 2016.
- The incumbents Offer to Connect is now included in section 7.5.4 below

7.5.2

Evidence that the customer, landowner, or developer had the opportunity to obtain an offer to connect from the applicant and any alternate distributor bordering on the area that is the subject of the SAA application.

Attachment 3.2 is the applicants email to the customer advising that the incumbent is their current geographic distributor and they would need to request an Offer to Connect from them.

Attachment 3.3 contains the Customers Emails that were sent to the incumbent requesting their Offer to Connect. The Email chain commenced on February 5, 2016 with the latest one being April 6, 2016. At the time of completing this application the Customer has not received a response or an Offer to Connect from the incumbent. In addition to the Emails the Customer:

- Met with the incumbent at the local area office to discuss the connection requirements to service their new facility on February 1, 2016.
- The incumbent Offer to Connect was received by the customer June 10, 2016.
- The incumbents Offer to Connect is now included in section 7.5.4 below

7.5.3

Actual copies of, as well as a summary of, the offers(s) to connect documentation (including any associated financial evaluations carried out in accordance with Appendix B of the Distribution System Code). The financial evaluations should indicate costs associated with the connection including, but not limited to, on-site capital, capital required to extend the distribution system to the customer location, incremental up-stream capital investment required to serve the load, the present value of incremental OM & A costs and incremental taxes as well as the expected incremental revenue, the amount of revenue shortfall, and the capital contribution requested.

Please see attached the applicants Draft Offer to Connect which includes a zero capital contribution, and takes into consideration the present value of incremental OM & A and incremental taxes as well as the revenue. The incumbent Offer to Connect is referenced in Section 7.5.4.

OFFER TO CONNECT

E.L.K. Energy Inc.

SELLICK EQUIPMENT LIMITED.

March 14, 2016

E.L.K. Energy Inc. (hereafter identified as E.L.K. or the Board) makes this Estimated Offer to construct the distribution system upgrade/expansion required for supplying electrical service to

Customer/Developer, Sellick Equipment Limited., at the following Property known municipally as (Registered Plan Details) in the Town of Harrow in the County of Essex as indicated in the single line drawing of Schedule A in accordance with the following terms:

1. The Customer/Developer, along with the signing of this agreement, submits $0.00 CDN Dollars including HST in cash/cheque payable to E.L.K. as an estimated capital contribution for the engineering design and upgrading/expansion construction costs as detailed in Schedule B.

2. The Customer/Developer submits $141,607.13 CDN Dollars including HST in cash, letter of credit from a bank as defined in the *Bank Act*, or surety bond as an expansion deposit against the load forecast and as security for those items referenced in Schedule B.

3. The Customer/Developer agrees to pay any increase in the capital contribution amount to E.L.K. and, E.L.K. agrees to refund any reduction in the capital contribution amount to the Customer/Developer that results from a re-calculation of the capital contribution prior to connection of the electrical service. This re-calculation will reflect the actual project costs incurred and include any cost adjustments due to the Alternative Bid Process, using the Economic Evaluation Model of Schedule B.

4. Schedule(s) A, B, C, D, E and F herewith attached will form part of this agreement.

5. Customer/Developer and E.L.K. hereby agree to be bound by, and act at all times in accordance with E.L.K.'s Conditions of Service (on Expansions/Offer To Connect, Connection Denial, Inspection Before Connection, Customer Rights, E.L.K. Rights, Disputes, Easements, etc.) and the Distribution System Code of the Ontario Energy Board. A copy of the Conditions Of Service is available from E.L.K. and a copy of the Distribution System Code is available at www.oeb.gov.on.ca.

6. Customer/Developer hereby agrees to enter into a Connection Agreement, if requested by E.L.K., prior to the termination of this Agreement. Customer/Developer hereby agrees to enter into a Development Agreement, prior to commencement of any work for the installation of any assets required to fulfill this Agreement. A copy of the draft format of the Development Agreement is attached as Schedule F, which shall be completed with necessary information and changes by E.L.K.'s solicitor.

Requirement for Drawings and Specifications

7. Customer/Developer hereby agrees to submit to E.L.K. for final written approval, detailed plans, specifications and drawings, in paper format and digitized AutoCad version 14, and such other material and information that E.L.K. may reasonably require. All design and construction is to be in accordance with the Electrical Safety Authority and E.L.K. Underground Standards (available from E.L.K.). Any changes, modifications, or revisions to the Plans required by E.L.K. shall be made at the expense of the Customer/Developer. After all necessary changes, modifications or

revisions have been made, the Customer/Developer shall furnish E.L.K. with a complete set of paper and digitized format Plans as revised. Upon completion of the installation, the Customer/Developer shall provide a further complete set of "as built" paper and digitized format Plans, to the satisfaction of E.L.K.

Payment of E.L.K. Costs and Expenses

8. Whenever this Agreement shall refer to the payment of costs or expenses for services provided by E.L.K., it is agreed and understood that such costs and expenses shall include all direct and indirect costs of E.L.K. including administrative charges, markup charges and burden calculated in accordance with the policies and directives of E.L.K. in effect at the time such costs and expenses where incurred. E.L.K. may invoice, including interim invoicing, from time to time for all services, materials, or costs and expenses incurred by it pursuant to this Agreement and such invoices shall be due as provided therein.

9. Customer/Developer agrees that no contract shall be awarded under the Alternative Bid Process (which term is defined under the Distribution System Code) and no work shall commence for the installation of any assets required to fulfill this Agreement or portion thereof in respect of which E.L.K. is to bear any portion of cost, without approval in writing of E.L.K. in accordance with the Distribution System Code.

Timing, Access, Easements and Ownership

10. E.L.K. agrees that this Estimated Offer shall be irrevocable by E.L.K. until 4:30 pm. on the 14th day of April 2016, after which time if not accepted this Estimated Offer shall be null and void.

11. E.L.K.'s obligations with respect to accounting for and applying the expansion deposit place under paragraph 2 of this Agreement against sums owing to E.L.K. pursuant to this Agreement shall be completed and satisfied subsequent to a final review of the 5 year Connection Horizon and once the adjusted Capital Contribution amount has been established as agreed in Item #2 of the main body of this Agreement.

12. E.L.K. shall be allowed to inspect, test and commission, at the Customer/Developer's expense, any distribution system assets constructed under the Alternative Bid Process by a pre-qualified contractor. The Customer/Developer shall provide unimpeded access at all times for all employees, contractors, subcontractors and agents of E.L.K. and for their equipment to perform installations, inspections, tests and commissioning works contemplated by this Agreement.

    12.1. Provided that if any such inspection, testing or commissioning discloses any valid objection to nonstandard construction, registering of easement(s) on title, or any outstanding work order or deficiency notice, or the fact that the assets in their present state are unacceptable, E.L.K. shall advise the Customer/Developer in writing, If within 20 days of written notice, the Customer/Developer is unable or unwilling to remove, remedy or satisfy the objection, E.L.K., may elect in writing to terminate this Agreement, and upon so electing and notwithstanding any intermediate acts or negotiations in respect of such objection, this Agreement shall be

at an end, and all money therefore paid to E.L.K. shall remain with E.L.K. to the extent of its damages (which damages shall include, without costs on a solicitor and client basis respecting this agreement and its furtherance of this agreement. The Customer/Developer hereby consents to the municipality releasing to E.L.K. details of all outstanding work orders or deficiency notices affecting the expansion assets installed under the Alternative Bid Process and, Customer/Developer agrees to execute and deliver to E.L.K. or E.L.K.'s solicitor such further authorizations in this regard as E.L.K. may reasonably require.

12.2. Provided that the distribution system assets constructed under the Alternative Bid Process meet the distribution standards of E.L.K. and free from all restrictions, charges, liens, claims and encumbrances, except as otherwise specifically provided in this Agreement and, providing that where an easement is required, the easement will be acquired, at no cost to E.L.K. (i.e. reference plan, registration on title, etc. and the width and extent of the easement shall be determined by E.L.K.). The Customer/Developer is responsible for the costs of registering the easement on title, and the Customer/Developer shall prepare and deliver a reference plan and associated easement documents to the satisfaction of E.L.K.'s solicitor prior to commencement of the work.

12.3. Provided title to and ownership of all distribution system assets constructed under the Alternative Bid Process shall upon, and not earlier than, the Board's written notice of acceptance of the work and services and at all times thereafter be vested in and automatically transferred to the Board and said notice shall in conjunction with this agreement operate as a good and valid transfer effective as of the date of said notice. Provided that and without detracting from the foregoing, the Developer agrees to execute and deliver to the Board, without cost, any transfers, conveyances and other assurances in connection with the foregoing and transferring and conveying title thereto to the Board free and clear of any and all encumbrances and shall do so prior to energizing if called upon, or as may be further required under the Development Agreement, unless otherwise provided for as follows:

(a) Street Lighting Services revert to (Town of Harrow)
(b) .....

12.4. Where any of the distribution system assets are constructed under the Alternative Bid Process by a pre-qualified contractor, the Developer hereby agrees to construct within 180 days of signing this agreement at his own expense, including where applicable a complete underground electrical distribution system for the Subdivision, including pad-mounted transformers, all trenching and backfilling in earth and also install service conductors to the right-of way limits. The system shall be designed and installed in accordance with the Board's specifications which are in effect at the time of installation of the system and as more specifically illustrated on Schedule C. The Developer agrees to maintain the system in accordance with the Board's specifications in effect from time to time until termination of the maintenance period as identified herein provided that

the Board reserves the right to complete said maintenance work as agent on behalf of and at the cost of the Developer. The installation of the electrical distribution system shall be subject to inspection by the Board from time to time. If the Developer fails to cause the distribution system assets to be constructed within the required 180 days, the Developer acknowledges this Offer to Connect shall be void and E.L.K. shall be at liberty to make the capacity allocated for the Offer to Connect available for other customers. Upon electing to do so in writing to the Developer, E.L.K. will refund the amounts called for in paragraphs 1 and 2 of this Offer to Connect less any and all expenses or costs incurred by E.L.K. under this Offer to Connect up to the date of making its election.

12.5. Where any of the distribution system assets are not constructed under the Alternative Bid Process and are to be constructed by E.L.K., the Developer hereby agrees and undertakes to complete such pre-servicing site work as is necessary within 120 days of acceptance of this Offer to Connect to allow E.L.K. to complete underground electrical distribution system for the subdivision, including pad mount transformers, all trenching and backfilling in earth and also install service conductors to the right of way limits .

Liability and Default of this Agreement

13. The Customer/Developer agrees to indemnify and save harmless E.L.K. from and against all loss or damage, expense, claims, suits and liability on account of any and all damage to or loss or destruction of any property (including without limitation, the work hereby covered and all property of the Customer/Developer and E.L.K.), or injury to or death of any person (including without limitation, employees of the Customer/Developer and E.L.K.) arising directly or indirectly out of or in connection with any willful or negligent act or unlawful or non-performance of any obligation of the Customer/Developer, its contractors, employees and invitees under this Agreement or on any lands of the Customer/Developer or on any lands, easements or rights-of-way conveyed or to be conveyed to E.L.K.

13.1. During the construction of the expansion or during any other construction or attendance on lands, easements or rights-of-way to be conveyed to E.L.K., pursuant to this Agreement, the Customer/Developer shall maintain a policy of public liability insurance in the amount of not less than $5,000,000.00 and containing endorsements showing E.L.K. as an additional named Insured and having a cross-liability clause and in a form satisfactory to E.L.K. or the Solicitors for E.L.K. Before commencing construction of assets contemplated by this Agreement or entering upon any lands, right-of-ways, easements or municipal road allowance, the Customer/Developer shall provide E.L.K. with a certified copy of such an insurance policy.

14. The Customer/Developer acknowledges that in the event of default by the Customer/Developer in performing its obligations under this Agreement, E.L.K. may elect, in addition to any other remedies available at law, including but not limited to those remedies provided to E.L.K. under the Development Agreement, to vigorously pursue realization of all security to ensure that the work under this Agreement is

completed. The Customer/Developer agrees that any persons or other entities, including E.L.K., may make use of all installations constructed by the Customer/Developer to complete the work and that ownership of all assets installed by the Customer/Developer revert to E.L.K. except for any Street Lighting Services which revert to the (Town of Harrow) upon completed installation.

Notice

15. Any notice, acceptance or other communication required or permitted to be given in this agreement shall be in writing and may be sufficiently given by personal notice, or by sending same by facsimile or other prepaid recorded communication, or by ordinary mail, to the other party at the addresses set out herein, or by leaving it at the addresses set out herein. All such notices, acceptances or other communications shall be deemed to have been validly and effectively given at the time and date of service, where personally served, or at the time and date of delivery, where left at the party's address, or on the third day following sending, where sent by ordinary mail, or on the next business day following sending, when sent by other means set out herein.

Successors and Assigns

16. This Agreement and its attached Schedules shall extend to and be binding upon and inure to the benefit of the Customer/Developer and E.L.K., and to their respective successors and assigns. In the event of a successor or assign, the Customer/Developer or E.L.K. is required to give written notice to the other Party to this Agreement, identifying the name of the successor or assign and the date that the change comes into effect.

Miscellaneous

17. Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Customer/Developer and E.L.K. or by their respective solicitors.
18. If there is a conflict between any provision written or typed in this agreement (including any Schedule to this Agreement and the Development Agreement in its executed format) and any provision in the printed portion hereof, the written or typed provision shall supercede the printed provision to the extent of such conflict. This agreement including any Schedules attached hereto, shall constitute the entire Agreement between the Customer/Developer and E.L.K.

19. Where Harmonized Sales Tax (H.S.T.) is applicable, then such H.S.T. shall be in addition to and not included in the amounts quoted in this Agreement and services provided to the Customer/Developer by E.L.K. unless otherwise stated to be inclusive of H.S.T. (such as paragraphs 1. And 2. Above)

20. It is intended that, without in any way varying the express terms of this agreement, the Policy Statement regarding Customer and Complaint Dispute Resolution shall be of application to this agreement.

21. Definitions: The following words and terms shall have the following meanings where used throughout this document and the schedules attached to it:

a) "DSC" shall mean the Distribution System Code set forth by the Ontario Energy Board as amended or replaced from time to time and any numbers after such term shall represent the section of the DSC being referenced;
b) "EEM" shall mean the Economic Evaluation Model used to calculate the Developer's Capital Contribution for the purposes of this document;

SIGNED BY THE AUTHORIZED OFFICERS AND COPIES RECEIVED

DATED at the Town of Essex in the County of Essex and Province of Ontario on this _____ day of _____2016.

Sellick Equipment Limited.:

_____.
Per:

_____.
Date:

_____.
Per:

_____.
Date:

We have authority to bind the Corporation.

E.L.K. Energy Inc.:

_____.
Per: Michael J. Audet,
Chief Executive Officer

_____.
Date:

_____.
Per: Ron McDermott,
Chairman of the Board

_____.
Date:

We have authority to bind the Corporation.

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ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement For Construction Of Distribution System Expansion.

E.L.K. Energy Inc.:

_____.
Per: Michael J. Audet,
Chief Executive Officer

_____.
Per: Ron McDermott,
Chairman of the Board

172 Forest Avenue
Essex, ON N8M 3E4

Telephone (519) 776-5291

Fax (519) 776-5640

Edwin C. Hooker,
Wolf Hooker Professional Corporation
Phone: (519) 776-4244
Fax: (519) 776-7727
E.L.K. Solicitor & telephone

Sellick Equipment Limited:

_____.
Per:

_____.
Per:

_____.
Address

Telephone_____.

Fax _____.

Clifford Sutts
Sutts, Strosberg LLP
Windsor, ON
519-561-6229

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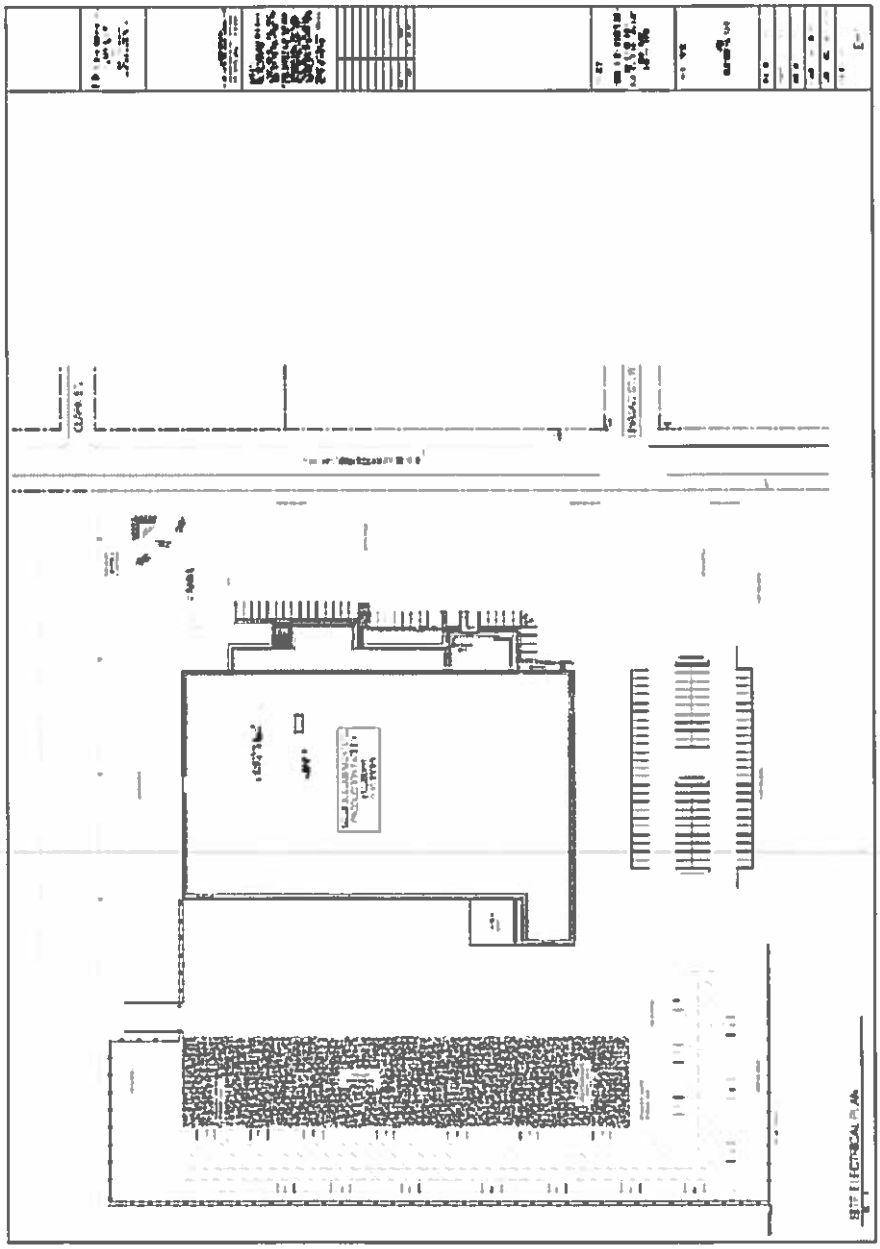
Schedule A: Associated Drawings



Schedule B: Estimate of Work

The following capital contribution amount for the construction work associated with the distribution system upgrade/expansion was calculated using the E.L.K. Economic Evaluation Model as noted in Schedule D. The input quantities to the E.L.K. EEM came from the Customer/Developer's forecast of load to be connected over a 5 year connection horizon as detailed in Schedule C and the associated revenues and costs resulting from the connected load as determined by E.L.K..

The E.L.K. Economic Evaluation Model calculates that a Capital Contribution of $0.00 is to be paid by the Customer/Developer to E.L.K. for the engineering design and construction of the upgrade/expansion to the main distribution system to supply the Customer/Developer's new electrical service. This Contributed Capital amount will be recalculated using the actual costs and connections over the 5-year connection horizon as noted in Items #3 & #11 in the main body of this agreement.

Listed below is a description of all the items associated with this upgrade/expansion work. Shown also is the estimated costs for each item and whether the item is eligible for the Alternative Bid Process which is described in Schedule E.

Item	Description	E.L.K. Estimated Cost	Eligible for Alter. Bid option (Y/N)	Initial to select Alter. Bid Item
1	Supply & install 750KVA 600/347 Volt padmounted transformer, transformer vault, high voltage duct structure, high voltage cable and ancillary equipment.	$48,217.68	Y	
2	Install 2 new 45' poles into existing overhead line at the intersection of Roseborough and Clark to facilitate new connection.	$20,619.35	N	
3	Place new distribution assets into service	$14,958.77	N	
4				
5				
Etc.				

(1) The breakdown of the total engineering and design, materials, labour, equipment and administration costs for E.L.K. to complete the project are as follows:

Engineering and Design	
Materials	$ 46,674.52
Labour	$ 18,443.96
Equipment	$ 10,019.82
Administration	$ 8,657.50
Total	$ 83,795.80

(2) If the Customer/Developer uses the Alternative Bid Process as described in Schedule E, the additional E.L.K. costs to service the Alternative Bid Process is $ 3,230.00

These E.L.K. services costs, to be paid by the Customer/Developer through periodic invoicing by E.L.K., may include but not be limited to, the following:

a) Analysis of alternatives bid submissions,
b) Supervision of work by pre-qualified contractor, and
c) Costs of inspection and commissioning by E.L.K. staff.

If the Customer/Developer uses the Alternative Bid Process security shall be required as outlined below:

Description	Estimated Cost
Capital contribution as stated in Item #1 in the main body of this Agreement.	$0.00
Additional E.L.K. costs to service the Alternative Bid Process in Schedule B (2) of this Agreement.	$3,230.00
Expansion deposit securing: a) shortfalls in the load forecast as stated in Item #2 in the main body of this Agreement and b) failure of the i) Developer to construct the expansion to the proper design and technical standards and specifications and ii) the facilities to operate properly when energized 10% of the Expansion deposit, $14,160.71, will be retained for the two year warranty period set forth in Schedule E of this Agreement.	$141,607.13

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Capital contribution calculation:

Present value of operating cash flow	$	135,634
Present value of taxes	$	(35,943)
Present value of operating cash flow	$	99,691
Present value of capital	$	(81,844)
Present value of CCA tax shield	$	12,079
Net present value	$	29,926
HST	$	3,890
Capital contribution	$	33,816

Assumptions (as required by Appendix B of the Distribution System Code):

Customer connection horizon	5 years
Customer revenue horizon	25 years
Customer additions	As provided by customer/developer in Schedule C
Average energy/demand per added customer	Energy is utility/customer class specific historical and demand is as provided by customer/developer in Schedule C
Approved rates	E.L.K. Energy Inc. Tariff of Rates & Charges Effective and Implementation Date May 1, 2015
New facilities/investments/capital	As per Schedule B of the Offer to Connect dated March 14, 2016
Annual operating, maintenance and administration	Utility/customer class specific historical, range of $2,225.46 to $3,091.74 per year.
After tax weighted average cost of capital	Based on the prospective capital mix, debt and preference share cost rates, and the latest approved rate of return on common equity.
Marginal income tax rate	Current "substantively enacted" rates

Schedule C: Customer/Developer Information
Residential Subdivision

Total Number of Lots (this Phase only): _____

Planned Connection Schedule (# lots/yr.):
Year 1 _____
Year 2 _____
Year 3 _____
Year 4 _____
Year 5 _____

Average size of Home: _____ sq. ft

I acknowledge that:

1. The above information will be used by E.L.K. to make me an offer for the connection of my electrical service(s) to their distribution system.
2. If I change the above information after signing this form, E.L.K. can charge me for additional costs they incur as a result of my changes.

Customer: _____ Date: _____

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Schedule C: Customer/Developer Information
General Service

Number of Connections: _____

Planned Connection Schedule (# lots/yr.):
Year 1 _____
Year 2 _____
Year 3 _____
Year 4 _____
Year 5 _____

Customer's Forecast of Electric Load:

Month		kW Demand	KWh
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
	Average		

Design Peak demand _____kW Forecasted Plant Power Factor ____ %

Service Voltage (check appropriate one):
____ volts
____ single phase
____ three phase

Generator on Site (check yes or no):
____ Yes
____ No

List Large Motors

Type	HP	Voltage

I acknowledge that:
1. The above information will be used by E.L.K. to make me an offer for the connection of my electrical service(s) to their distribution system.
2. If I change the above information after signing this form, E.L.K. can charge me for additional costs they incur as a result of my changes.

Customer: _____ Date: _____

Schedule C: Customer/Developer Information
General Service Greater Than 500 kW

Substation Owned By (check appropriate one): X Yes (ELK)
___ No

Customer's Forecast of Electric Load:

	Month	kW Demand	kWh
1	JAN	500	[illegible]
2	FEB	500	[illegible]
3	MAR	500	[illegible]
4	APR	500	[illegible]
5	MAY	550	[illegible]
6	JUN	650	130 000
7	JUL	650	130 000
8	AUG	650	[illegible]
9	SEP	650	[illegible]
10	OCT	550	[illegible]
11	NOV	500	[illegible]
12	DEC	500	[illegible]
	Average	560	112 000

Design Peak demand 0.65 MW Forecasted Plant Power Factor 90 %

Customer's Forecasted Load Growth (% of Above Average Demand).
Year 1 Ø
Year 2 Ø
Year 3 Ø
Year 4 Ø
Year 5 Ø

Service Voltage (check appropriate one) 600/347 volts
single phase
X three phase

Generator on Site (check yes or no): X Yes
___ No

List Large Motors

Type	HP	Voltage
AIR COMP (2)	60	600
CRANE	10	600
MAKE UP AIR (3)	10	600
WELDERS (15)	15A	600
SAW (2)	10	600
MILL (2)	40	600

I acknowledge that:
1. The above information will be used by E.L.K. to make me an offer for the connection of my electrical service to their distribution system.
2. If I change the above information after signing this form, E.L.K. can charge me for additional costs they incur as a result of my changes.

Customer (please print): David Sollick Date: March 9, 2016

Customer (signature): [signature] Date: _____

Schedule D: Expansion Deposit Annual Review

The expansion deposit will be returned in accordance with the *Ontario Energy Board's Distribution System Code* including paragraph 3.2.23:

> Once the facilities are energized and subject to sections 3.2.22 and 3.2.25, the distributor shall annually return the percentage of the expansion deposit in proportion to the actual connections (for residential developments) or actual demand (for commercial and industrial developments) that materialized in that year (i.e. if twenty percent of the forecasted connections or demand materialized in that year, then the distributor shall return to the customer twenty percent of the expansion deposit). This annual calculation shall only be done for the duration of the customer connection horizon as defined in Appendix B. If at the end of the customer connection horizon the forecasted connections (for residential developments) or forecasted demand (for commercial and industrial developments) have not materialized, the distributor shall be allowed to retain the remaining portion of the expansion deposit.

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Schedule E: Alternative Bid Process

Step #1
E.L.K. shall calculate the Contributed Capital requirement of the asset upgrade/expansion using the Economic Evaluation Analysis as identified in Schedule D. The data input into the model for calculation was provided by the Customer/Developer (note Schedule C Customer/Developer Information) and by E.L.K.'s forecast of expected revenues and operational maintenance costs over the 5 year connection horizon.

Step #2
The Customer/Developer shall solicit bids, at their own expense, from pre-qualified contractors to construct the assets and perform the work identified in Schedule B as eligible for alternative bids. The Customer/Developer has the prerogative to select all or some of those eligible for alternative bids.

E.L.K. maintains a list of pre-qualified contractors for all services that are eligible for the Alternative Bid Process. The Customer/Developer shall request and obtain this listing of pre-qualified contractors from E.L.K. staff. Only contractors from this list shall be acceptable to construct the eligible items identified for alternative bids in Schedule B.

Step #3
The Customer/Developer shall take into consideration the estimated additional costs of the E.L.K. services for engineering and managing the Alternative Bid Process for constructing the expansion assets under the Alternative Bid Process. An estimate of these costs are detailed in Schedule B.

These E.L.K. services costs, to be paid by the Customer/Developer through periodic invoicing by E.L.K. may include, but not be limited to, the following:

a) Analysis of alternatives bid submissions,
b) Supervision of work by pre-qualified contractor, and
c) Costs of inspection and commissioning by E.L.K. staff.

Step #4
The Customer/Developer shall evaluate the costs of those items eligible for the alternative bid in Steps #2 plus the additional costs of Step #3 and then decide whether to proceed with the Alternative Bid Process.

If the Customer/Developer chooses to proceed with the Alternative Bid Process then he should go to Step#6.

If the Customer/Developer chooses to have E.L.K. build the expansion assets then go to Step #5.

Step #5
Two Customer/Developer representatives with corporate binding authority shall:
(a) Initial the attached Schedules to acknowledge their inclusion as a part of this Agreement.
(b) Sign this Agreement.
(c) Sign acknowledgement of receipt of a signed copy of this Agreement.

(d) Submit payment, in cash/cheque payable to E.L.K., as a capital contribution for the construction costs in the amount noted in Item #1 of the main body of this Agreement and the expansion deposit called for in Item #2 of the main body of this Agreement.
(e) Submit proof of a policy of public liability insurance as outlined in Item #12.1 of the main body of this Agreement.

Two E.L.K. representatives with corporate binding authority shall:
(a) Initial the attached Schedules to acknowledge their inclusion as a part of the Agreement.
(b) Sign this Agreement.
(c) Sign acknowledgement of receipt of signed copy of this Agreement.

This terminates the Alternative Bid Process because of the Customer/Developer's choice to have E.L.K. construct the expansion. Do not proceed to Step #6.

Step #6
Two Customer/Developer representatives with corporate binding authority shall:
(a) Initial the items on Schedule B for which the Customer/Developer will seek bids from pre-qualified contractors.
(b) Initial the remaining Schedules to acknowledge their inclusion as a part of the Agreement.
(c) Sign this Agreement.
(d) Sign acknowledgement of receipt of signed copy of this Agreement.
(e) Submit proof of a policy of public liability insurance as outlined in Item 12.1 of the main body of this Agreement.
(f) Submit payment, in cash/cheque payable to E.L.K., as a capital contribution for the construction costs in the amount noted in Item #1 of the main body of this Agreement and the expansion deposit called for in Item #2 of the main body of this Agreement.

Two E.L.K. representatives with corporate binding authority shall:
(a) Initial the items on Schedule B for which the Customer/Developer will seek bids from pre-qualified contractors.
(b) Initial the remaining Schedules to acknowledge their inclusion as a part of the Agreement.
(c) Sign this Agreement.
(d) Sign acknowledgement of receipt of signed copy of this Agreement.

Step #7
Customer/Developer shall submit to E.L.K. for final written approval, detailed plans, specifications and drawings, in paper format and digitized AutoCad version 14, and such other material and information that E.L.K. may reasonably require.
The Customer/Developer must provide E.L.K. with original bid documents for review. The costs of the selected Alternative Bid will be borne directly by the Customer/Developer and all costs associated with the electrical distribution servicing shall be separately shown in all tenders and shall be monitored throughout the work by E.L.K. staff to ensure proper cost assignment.

Step #8
E.L.K. shall inspect, test and commission, at the Customer/Developer's expense, any distribution system assets constructed under the Alternative Bid Process. The Customer/Developer shall provide unimpeded access at all times for all employees,

contractors, subcontractors and agents of E.L.K. and for their equipment to perform installations, inspections, tests and commissioning works contemplated by this Agreement.

Step #9
Re-calculate the costs to identify the amount to be refunded or the increased cost to the Customer as per Item #2 of the main body of the Agreement. The settlement shall be refunded to the Customer/Developer on or before the completion of this Agreement as noted in Item #10, but not before the date and time of Item #11, in the main body of this Agreement.

Step#10
The initial demand or connections proposed by the Customer, as submitted in Schedule C, for the EEM, must be reasonable and shall be subject to acceptance by E.L.K. The Customer and E.L.K. agree that on the one year anniversary of the first dollars spent by E.L.K., the average demand and or customer connections for the period will be compared to the forecasted demand or customer connections as provided in Schedule C of this Agreement. E.L.K. shall, subject to Step #11, return annually the percentage of the expansion deposit in proportion to the actual demand or connections that materialized in that year. (*i.e.* if twenty percent of the forecasted connections or demand materialized in that year, then E.L.K. shall return to the customer twenty percent of the expansion deposit) This annual calculation shall only be done for the duration of the customer connection horizon, not to exceed five years. If at the end of the customer connection horizon the forecasted connections (for residential developments) or forecasted demand (for commercial and industrial developments) have not materialized, E.L.K. shall be allowed to retain the remaining portion of the expansion deposit.

After the five year Connection Horizon, E.L.K. is not obligated to provide any re-evaluation of the proposed development.

Step #11
E.L.K. reserves its right to retain up to ten percent of the expansion deposit for a warranty period of two years. This portion of the expansion deposit can be applied to any work required to repair the expansion facilities within the two year warranty period. The two year warranty period begins:

(a) when the last forecasted connection in the expansion project materializes (for residential developments) or the last forecasted demand materializes (for commercial and industrial developments); or

(b) at the end of the customer connection horizon, five years from the energization date of the facilities, which ever is first. E.L.K. shall return any remaining portion of this part of the expansion deposit at the end of the two year warranty period.

Step #12
When the Customer/Developer transfers the expansion facilities that were constructed under the alternative bid option to E.L.K., and provided that E.L.K. has inspected and approved the constructed facilities, E.L.K. shall pay the Customer/Developer a transfer

price. The transfer price shall be the lower of the cost to the Customer/Developer to construct the expansion facilities, which is the sum of;

a) Additional E.L.K. costs to service the Alternative Bid Process in Schedule B (2) of this Agreement.
b) The Customer/Developer's contractor costs to construct the expansion facilities.

or the amount set out in Schedule B of this offer to do the contestable work. If the Customer/Developer does not provide E.L.K. with the Customer/Developer's cost information in a timely manner, then E.L.K. may use the amount for the contestable work as set out in this offer for the transfer price instead of the Customer/Developer's cost.

Step #13
A settlement of the Capital Contribution amount may require the Customer/Developer to pay E.L.K. or it may be necessary for E.L.K. to refund the Customer/Developer the settlement amount depending on the results of the Economic Evaluation Analysis as identified in Schedule D. Where E.L.K. is required to pay a transfer price, the transfer price shall be considered a cost to E.L.K. for the purposes of completing the final Economic Evaluation Analysis.

DRAFT

Schedule F: Development Agreement

THIS AGREEMENT made in duplicate this ___the day of _____. 20___.

BETWEEN:

_____

hereinafter called the DEVELOPER
OF THE FIRST PART

- and-

E.L.K. Energy Inc.

hereinafter called the BOARD
OF THE SECOND PART

Where, in this agreement, the following words are used, it shall be used to refer to and to mean:

Board	E.L.K. Energy Inc.
Town	The Corporation of the Town of _____
Engineer	The Engineer of E.L.K. Energy Inc. or such other person(s) as may be duly authorized and appointed by the Board.
Expansion Deposit	Shall mean the Expansion Deposit called for in the Offer to connect
Developer	The Developer and/or person(s) who have entered into an agreement with the Town and/or the Board for the development or subdivision of the lands included in those lands shown in schedule "A" attached hereto and more particularly described in Schedule "B" attached hereto and installation of services therein.
Land	Shall mean those lands described in Schedule B to this agreement.
Maintenance Period	Shall mean the warranty period for the expansion facilities as outlined in the Offer to Connect covering a two year period from the earlier of: (a) the date when the last forecasted connection in the expansion project materializes (for residential developments) or the last forecasted demand materializes (for commercial and industrial developments) or (b) the date which represents the end of the customer

connection horizon being five years from the energization date of the facilities;

Offer to Connect Shall mean an Offer to Connect between the Board and Developer dated the ____ day of _____, 20___ by the Developer and dated the ____ day of _____, 20___ by the Board

WHEREAS the Developer intends to develop a subdivision on the lands shown as _____, in Schedule "A" attached hereto (the "Subdivision") and described more particularly in Schedule "B" attached hereto;

AND WHEREAS the Developer is desirous of purchasing electrical utilities from the Board;

THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants hereinafter expressed and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), it is agreed by and between the parties as follows:

1. EXTENT OF WORK

1.1 The extent of the work shall be construed to consist of the labour and material necessary for the construction in a good, substantial, workmanlike manner of all the items required for the completion of the entire work consisting of all the items shown on the project drawings as it relates to Phase _____ indicated thereon (see Schedule "C") as approved by the Board, and which shall be installed according to the Board's specifications; also consisting of all excavations, drains, sheathing, shoring, false-work, forms, tools, appliances and material necessary to the safe, expeditious and effective execution of all temporary and permanent work in connection with the foregoing. Schedule C is not attached hereto but is part of this agreement and is incorporated herein by reference and is filed with the Chief Executive Officer of the Board and is identified by the signatures of the signing officers of the Developer and the Board. Schedule C does not constitute approval of drawings as it relates to other lots not part of Phase _____ and not described in Schedule B.

1.2 The Developer will be responsible for obtaining the location of all utilities (other than utilities of the Board) such as electric underground cables, water pipes, Bell Telephone conduits, sewer catch basins, farm drainage tiles, gas mains, and all other related municipal services from the Utility or other Authority concerned and must protect and/or repair same subject to the regulations of the particular Utility or other Authority involved. The Developer agrees to indemnify and save harmless the Board from any liability, costs, expenses, claims, demands arising out of the Developer's failure to protect and/or repair same.

1.3 Excavations, backfilling and all work on Municipal streets by the Developer must have the approval of the Engineer and/or Board and Municipality.

1.4 Pavements, driveways, entrances to property, lawns, and landscaping must be replaced or restored by the Developer in as good condition as found and developer agrees to fill in all excavations and as far as practicable restore the surface to the same condition as prior to the commencement of construction or of any subsequent work to it

1.5 Barricades and regulation lighting must be installed by the Developer on all works for the protection of vehicles and pedestrians and all precautions taken to minimize risk of damage and inconvenience to others.

1.6 All work shall be carried out by the Developer so that it conforms with the regulations of the Construction Safety Act and the Workplace Safety & Insurance Board as pertains to the safe working conditions of the men employed on the job.

1.7 The Developer shall take full responsibility for pavement breaks which must be approved in advance by the Engineer and/or Board and restored to the regulations applicable.

1.8 In the absence of the Developer from the job (whether permanent or temporary) he shall provide and leave a competent and reliable agent or foreman in charge for him and this person shall be considered as acting in his place and all notices, communications, instructions or orders given, sent or served upon this person shall be taken as served upon the Developer.

2. ELECTRICAL DISTRIBUTION SYSTEM

2.1 The Developer hereby agrees to construct within 180 days of signing this agreement at his own expense, a complete underground electrical distribution system for the Subdivision, including pad-mounted transformers, all trenching and backfilling in earth and also install service conductors to the right-of way limits. The system shall be designed and installed in accordance with the Board's specifications which are in effect at the time of installation of the system and as more specifically illustrated on Schedule C. The Developer agrees to maintain the system in accordance with the Board's specifications in effect from time to time until termination of the maintenance period as identified herein provided that the Board reserves the right to complete said maintenance work as agent on behalf of and at the cost of the Developer. The installation of the electrical distribution system shall be subject to inspection by the Board from time to time.

2.2 The Board consents to the connection of the electrical distribution system proposed by the Developer to the Board's system at such time that the Board is satisfied that the construction of the Subdivision is within the Board's specifications. The Developer will be responsible for all cost associated with the Board making the connection of the developers electrical distribution system to that of the Board's.

2.3 The Developer agrees that he will pay to the Board upon demand, in cash or by certified cheque all inspection fees in respect of the installation and connection of the electrical distribution system.

2.4 Notwithstanding anything contained herein to the contrary, the title to and ownership of the electrical distribution system and all parts thereof, constructed pursuant to this agreement shall upon, and not earlier than, the Board's written notice of acceptance of the work and services and at all times thereafter be vested in and automatically transferred to the Board and said notice shall in conjunction with this agreement operate as a good and valid transfer effective as of the date of said notice. Provided that and without detracting from the foregoing, the Developer agrees to execute and deliver to the Board, without cost, any transfers, conveyances and other

assurances in connection with the foregoing and transferring and conveying title thereto to the Board free and clear of any and all encumbrances and shall do so prior to energizing if called upon.

3. ELECTRICAL DISTRIBUTION SYSTEM PAYMENT

The Developer agrees that he is responsible for all costs associated with the construction of the required electrical distribution system within the lands to be developed. Developer shall be also responsible for all costs associated with this agreement including but not limited to the connections as mentioned in Section 2.2 hereof, the inspections as mentioned in Section 2.3 hereof, including but not limited to the Board's engineering, legal and other costs associated with preparation, negotiation, and enforcement of this agreement and inspection of the system. All payments due the Board will be paid upon demand.

4. WORKS TO BE INSTALLED

4.1 The Developer shall at its expense complete:

a) Supply and installation of an electrical distribution system including underground service to the street line located in road allowances in front of the properties receiving services and/or side lot;

b) Electrical secondary services in accordance with all Board regulations of 120/240 volts from transformer locations to the street line; primary voltage power supplies to all other land areas within the subdivision as illustrated on the project drawings as approved by the Board.

c) A street lighting system meeting the requirements of the Board and the Town.

5. REQUIRED MINIMUM CONDITIONS FOR INSTALLATIONS

5.1 The Developer acknowledges that the said works shall be installed in accordance with the following required minimum conditions applying to the installation of an underground electrical distribution system to residential subdivisions:

a) Gravel road base must be completed and boulevards must be level and graded to within 100 mm of finished grade with finished grade indicated to the requirement of the Board;

b) Underground wiring cannot be economically installed in inclement weather. Areas requiring electrical power during the winter must be ready to receive the underground system in early fall. Extra costs resulting from inclement weather shall be the responsibility of the Developer;

c) The electrical distribution system layout is based on the subdivision as laid out according to Registered Plan (schedule "A"). Any deviation from this or any changes in lots could necessitate a complete new layout. The Developer acknowledges that the Board approval be obtained before any changes are implemented. Should any changes occur after any or all of the electrical plant is installed, alterations to the electrical distribution system layout will be made at the expense of the party applying for such change;

d) The Board is unable to guarantee any date on which power will be available to any specific area. The condition of the subdivision and weather play a much more critical part in underground construction as compared to overhead. Developer shall ensure the building trades keep the boulevards and rear lot easements clear of construction shacks, materials and debris;

e) Requests for temporary building power or temporary full capacity service must be made as soon as possible. These facilities when available will be provided at the cost of the party requiring such service. Labour and unrecoverable material will be charged for erection and dismantling;

f) Developer shall make best efforts to locate poles, pedestals, vaults and other portions of the plant in such a manner as to not hinder the future intended use of the property involved. It is contemplated that some error in the location of the plant is inevitable or that future owners may request relocation of some portions of the plant. The Board does not assume any responsibility in relocation of any of the plant which may be hindering the use of a particular portion of the property to which this agreement applies and relocation of plant will require the consent of the Board, the cost of which will become the responsibility of the owner of the property involved at the time the issue of relocation arises or request for relocation is made;

g) Where underground fixtures are to be installed which will be required to be at or near the finished grade, such as transformer vaults, pads, junction boxes, switching compartments and the like, the Developer assumes the responsibility and agrees that he will provide at no cost to the Board, the necessary Ontario Land Surveyor (herein "surveyor") to supervise the setting of the fixtures at the proper grade as established by the Board prior to setting of the fixtures. Said surveyor shall provide a certificate to the Board certifying that the said fixtures are at the required grade.

5.2 Following completion of the installation of the underground electrical distribution system, but prior to the acceptance of the system by the Board, no excavation will be carried out in the development without the Developer or contractor or sub-contractors or future owner of the property requesting locations from the Developer or his engineer as to the whereabouts of the underground wiring. This covenant is also required from and shall be deemed to bind any future owners including lot purchasers from the Developer.

6. EASEMENTS

6.1 Where easements, rights of way, and any other rights of entry, access or otherwise (hereinafter "the Easements"), are required by the Board for the purpose of carrying out the distribution of electricity or other work or services hereunder or are otherwise required by the Board in relation to the system, to be provided hereunder, the Developer agrees to provide the Easements, for one (1) dollar to the Board prior to the completion and acceptance by the Board of construction of the services, works and systems, mentioned herein, and as reflected on the approved project drawings free and clear of any prior encumbrances.

6.2 No work shall be commenced until the Easements are provided and the documents associated with the Easements are properly registered, at the cost of the Developer which documents may include, without limitation, any postponements and/or subordination of encumbrances to the Easements. The Easements shall be approved as to form and content by the Board's solicitor. The Board may request that the Developer

provide to the Board an opinion from a duly qualified solicitor in Ontario as to the Developer's title to the lands and any encumbrances affecting title to the lands and no work shall be accepted by the Board until any requested opinion shall have been delivered to the Board in such form and verified in such manner as the Board's solicitor may require.

7. BACKFILL AND COMPACTION

All trenches, regardless of their location, whether they be in the roadways, in the boulevards, or under sidewalks, lawns, etc. are to be backfilled with suitable material and properly compacted. Mechanical compactors are to be used where possible and compaction is to be done at least every 150 mm. No wet, frozen or unsuitable materials are to be used for backfilling, and, all cases, the requirements of the Town Engineer will be met. Where excavations are made in roadways where roadway bases have been laid, new materials will be installed in the top of the trench in accordance with the requirements of the Engineer.

8. SPECIFICATIONS

The installation of the electrical distribution system is to be carried out within 180 days of signing this agreement in accordance with the specifications previously referred to as supplied by the Board. These specifications are considered to be a part of this agreement and the Developer acknowledges having a copy of said specifications.

9. ROAD GRADES

Before actual construction begins, proof must be furnished by the Developer or his agents that the road grades have been approved by the Engineer and/or Board in order that all plant as required by this agreement will be laid to the proper grade.

10. PROPERTY STAKES

Sufficient property stakes shall be available and placed so that the proper and locations limits for all plant to be constructed as required by this agreement and in accordance with the project drawings can be readily determined.

11. ENGINEERING AND INSPECTIONS

11.1 The Developer shall employ the proper Engineers registered with the Association of Professional Engineers of Ontario to design and supervise the construction of all works required to be installed by the Developer pursuant to this agreement at the cost of the Developer.

11.2 All of the works installed in connection with the electrical distribution system shall be constructed and installed under the supervision of Inspectors employed by the Board, and the Developer hereby agrees to pay all accounts of the Board in connection with the services of the said Inspectors. No work specified in the agreement or in the specifications shall be carried out unless there is an Inspector to insure that all work is being completed in accordance with the specifications approved by the Board.

11.3 The Board will issue to the Developer a monthly invoice for the cost of inspection performed in the subdivision during the immediately preceding month. The Developer shall pay such invoices within ten (10) days of receipt thereof.

12. UNCOMPLETED OR FAULTY WORK

If, in the opinion of the Engineer and/or Board the Developer is not executing or causing to be executed the work required in connection with this agreement or is improperly performing the work or shall the Developer neglect or abandon before the completion, or unreasonably delay the same, so that conditions of this agreement are being violated or carelessly executed or in bad faith; or shall the Developer neglect or refuse to renew or again perform such work as may be rejected by the Engineer and/or Board as defective or unsuitable by the Developer, in any manner; or if in the opinion of the Engineer and/or Board the Developer defaults in the performance of the terms of this agreement, then in any such case, the Engineer and/or Board shall promptly notify the Developer, in writing, of such default or neglect and, if such default or neglect is not corrected to the satisfaction of the Board within seven clear days after notice, the Board shall thereupon have full authority and power to exercise its option, hereby granted, to purchase materials and employ workmen and machines for proper completion of the said work at the cost and expense of the Developer and to enter upon the lands to perform the work. In case of an emergency, in the opinion of the Engineer and/or Board such work may be done without notice. The cost of such work shall be calculated by the Engineer and/or Board whose decision shall be final. The cost of this work, together with an Engineering fee of 5% of the cost of materials and work if applicable shall forthwith be paid to the Board by the Developer on demand. It is further understood and agreed between the parties hereto that such exercise of option and entry upon the lands to perform such work shall be as an agent for the Developer and shall not be deemed for any purpose whatsoever as an acceptance of the said services by the Board and shall not serve as a notice of acceptance within the meaning of this agreement .

13. DAMAGE CLAIMS

13.1 The Developer shall be responsible for the total costs associated with the repair of any damage to the said works which damage is caused during the course of construction of buildings within the subdivision. The Developer shall indemnify the Board from and against all damage caused by the Developer, his employees, servants, agents and contractors to the works installed.

13.2 The Board shall give to the Developer notice of any claims arising under the above paragraph upon the report of any such damage to the Board and shall assist the Developer in determining the person or corporation responsible for such damage and in recovering compensation therefore without prejudice or derogating from the indemnity of the Developer.

14. AS-BUILT DRAWINGS AND DOCUMENTATION

Immediately upon completion of the works required by this agreement, and as constructed by the Developer, the Developer will prepare and forward to the Board, as-built drawings and associated documentation which accurately reflect the locations and grades of all the works constructed. Same drawings and documentation will be prepared by the Developer in accordance with the requirements of the Board and at no expense to the Board.

15. LIABILITY INSURANCE

The Developer shall, at its own expense and prior to construction of the works, obtain and lodge with the Board a policy or policies of insurance satisfactory to the Board, indemnifying the Board with cross-liability endorsement against any claim for public liability, personal injury including death, and/or property damages to limits of

$5,000,000 for any one accident arising in any way out of the construction, installation, repair or maintenance of all works and services required to be done under this agreement. The said policy shall be maintained in full force and effect at the expense of the Developer until the termination of the Maintenance Period outlined herein.

16. PERFORMANCE BOND

The Developer shall, prior to commencing any servicing work, deposit with the Board an irrevocable and unconditional letter of credit of a Schedule 1 chartered bank of Canada to satisfy the Capital Contribution and expansion deposit called for in items #1 and #2 of the Offer to Connect. The Board expressly reserves the right to retain up to 10% of the expansion deposit (herein "the Security") to guarantee the load forecast set forth in the Offer to Connect, the installation of all services required for the expansion, and to otherwise perform the Developer's maintenance obligations under paragraph 17 below and as otherwise required under the DSC. The letter of credit shall be in form and substance satisfactory to the Board. The Security shall not secure the cost of construction of any of said services which are installed by the Board pursuant to an Awarded Contract or otherwise (herein "Board Work"). The Developer acknowledges that the Board may require pre-payment of the costs of Board Work prior to commencement of that particular work in addition to the Capital Contribution and expansion deposit.

17. MAINTENANCE BOND

During the Maintenance Period, the Developer shall be responsible for all the materials, equipment and work until all construction and installation has been completed as described herein .

The Developer shall be responsible during the Maintenance Period for all of the services installed upon the lands and the maintenance thereof, and correct any deficiencies in workmanship, materials and labour installed by the Developer pursuant to this agreement, all to the satisfaction of the Board and the Board's Engineer in the manner outlined in article 2.1 above.

In connection with the foregoing, it is acknowledged that the Board may (without any obligation to do so) bid on and be awarded a contract or contracts (the "Awarded Contract(s)") to perform or provide for the Developer certain workmanship, materials and/or labour in connection with the services to be installed by the Developer under this Agreement. During the maintenance period, the Developer shall not be required to correct any deficiencies in workmanship, materials or labour performed or provided by the Board pursuant to an Awarded Contract so long as and to the extent the Board is required to rectify such deficiencies pursuant to the terms of such Awarded Contract.

18. LIENS OR CLAIMS

The Developer agrees that upon applying for acceptance of the electrical system in the said subdivision, to supply the Board with a Statutory Declaration that all accounts for work and material have been paid or provided for, that there are no claims for liens or otherwise, in connection with such work done or material supplied on behalf of the Developer in connection with the Subdivision and such other proof of compliance with the Construction Lien Act as may be required by the Board, the Engineer and /or the Board's solicitor. And provided further, that should there be any outstanding liens or claims for work and materials from time to time, the Developer shall indemnify the Board from any such liens or claims, including without limitation all liens whatsoever under the Construction Lien Act, R.S.O. 1990.

19. ACKNOWLEDGEMENT

The Developer acknowledges having been given a reasonable and sufficient opportunity to review this agreement and the offer to connect and to obtain independent legal, technical, and business advice as to the developer's rights and obligations under those documents. The person(s) executing this document on behalf of the Developer warrant and represent that they have authority to bind the developer to this agreement and that it is enforceable against the developer.

20. GENERAL

20.1 This agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, administrators, successor, and assigns.

20.2 Notices and other correspondence given pursuant to the agreement, if required to be given to the Board shall be delivered or mailed by prepaid post to:

E.L.K. Energy Inc.
172 Forest Avenue
Essex, Ontario
N8M 3E4

and if required to be given to the Developer, shall be delivered or mailed by prepaid post to:

_____

20.3 Each party has the right to change its address for the purpose of notices hereunder by a notice to the other at the address then in force hereunder. All invoiced or notices shall be deemed to have been received on the date of delivery where the invoice or notice is in fact delivered, or on the second day following the day on which the invoice or notice was mailed.

20.4 Notwithstanding anything hereinbefore mentioned where there is an interpretation of the provisions of this Agreement or of the plans and specifications herein referred to, the Board's interpretation shall be binding on the parties hereto.

20.5 This Agreement is without prejudice to any right, power or authority given to the Board under any statute as that statute may be amended from time to time and the rights of the Board under this agreement are in addition to any of said rights, powers, or authority.

20.6 For greater certainty it is specifically acknowledged and agreed that the burden of this Agreement shall run with the Land. The Developer agrees that this agreement may be registered upon the title to the Land both before and after registration of the Plan of Subdivision or any Reference Plan outlining how the property is to be subdivided. Such registration shall be at the sole discretion of the Board and paid for by the Developer. In the event of registration, the Board may call for the agreement to be registered free and clear of any prior encumbrances in like manner as the Easements. The Board or its solicitor are hereby authorized to add to this agreement the registration number and date of the Plan of Subdivision or Reference Plan after it is registered.

20.7 This agreement and the provisions hereof do not give to the Developer or any person acquiring any interest in the Land (each hereinafter in this clause called "such person") any rights against the Board or the Engineer with respect to the failure of any such person to perform any obligations under this agreement or the failure of the Board to force any such person to perform any obligations under this agreement or any negligence of any such person in the performance of the said obligations. Further, the only duty and responsibility of the Engineer arising out of this agreement is to the Board and this agreement and any work or services done or performed by the Engineer under this agreement do not in any way create any liability on the part of the Engineer to the Developer or any person acquiring any interest in the Land.

20.8 The Developer shall not assign the benefits of this agreement or any interest herein without the written consent of the Board.

20.9 This agreement shall be read with any change of gender or number required by the context.

20.10 It is agreed that interest shall accrue at the rate of eighteen (18%) percent per annum calculated monthly on any moneys payable to the Board under this agreement from the date default in payment of such moneys occurs. All moneys payable to the Board under this Agreement and all interest accruing on moneys in default shall be a charge on the Land. The Board may also claim against any bond, letter of credit or other security field with the Board with respect to any moneys or interest owing to the Board hereunder.

IN WITNESS WHEREOF the Parties have hereunto set their corporate seals attested by the hands of its proper officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED in the presence of:

Developer

Per:_____
, President
I have authority to bind the Corporation

E.L.K. Energy Inc.

Per:_____
(Chairman)

Per:_____
(Chief Executive Officer)

We have authority to bind the Corporation

Schedule B

Part Lot ____, Concession _____,

Or Lots ____ on Plan 12M-_____

Town of _____, County of Essex
Province of Ontario

Now designated as Parts/Lots _____ , All On Plan _____
(delete/amend as necessary)

DRAFT

7.5.4

If there are competing offers to connect, a comparisons of the competing offers to connect the customer, landowner, or developer.

Section 7.5.3 provides E.L.K.'s Draft Offer to Connect. Below is also a copy of the Incumbents Offer to Connect.

A comparison of the two Offer to Connects include the capital required to extend the distribution system where applicable, present value of OM & A, incremental taxes, incremental revenue and capital contribution. Both the applicants and incumbents Offer to Connect resulted in no capital contribution to the customer. However, it is important to note that the Incumbents offer does not include high voltage underground distribution system or the pad mount transformer which is inclusive of the applicants Offer to Connect. These costs would have to be borne by the customer in addition to. Estimated cost by the customer's engineer totalled an additional $90,000.

Additionally, included in the applicants Offer to Connect (OTC), with no capital contribution required, is a 3 phase primary underground extension inclusive of the 750 KVA pad mounted transformer and secondary metering. The customers demarcation point would be the secondary connections on the pad mount transformer. This is consistent with the applicants Conditions of Service and past practice.

Further, the customer has learned through their rates analysis that the incumbent is intending to primary meter the customer. As the incumbents OTC does not provide for any primary metering costs there would be an additional cost of $15,000 - $25,000 to the customer for the primary metering.

June 10, 2016

Sellick Equipment Limited
358 Erie St N
Harrow, ON
N0R 1G0

Dear Sellick Equipment Limited:

Re: Offer to Connect – Distribution Lines Construction Information Package
Expansion # TBD

Here is the engineering data for the construction of the line expansion needed to provide service to your property at 2131 Roseborough Rd, Colchester Township. Please find enclosed several documents required for the successful completion of this project.

For the construction details of the expansion, please refer to the following:

- Customer Service Contract
- Layout (Schedule A)
- Terms and Conditions (Schedule B)
- Distribution Line Standards Drawings (DL)
- 5 Critical Steps
- Trenching Guidelines

As the person requesting the line expansion, you are required to sign, date and return the following documents:

- Customer Service Contract for New Connections, Service Upgrades and Embedded Generation

The "Customer Service Contract for New Connections, Service Upgrades and Embedded Generations" provides contract pricing and details. Please indicate on page one of this contract your choice of **Option A** or **Option B**, and the date you require service, as accurately as possible.

As part of the service provided to you by Hydro One, we will monitor for new unforecasted Customers connecting to this new section of line ("Expansion") for five years from the date the Line Expansion was energized (the "Customer Connection Horizon"). During this time if a new unforecasted Customer benefits from the Expansion, we will calculate their fair share contribution of the Line Expansion costs based on relative load and relative line length. Hydro One will collect payment from the new unforecasted Customer and provide a rebate (without interest) to you as an initial contributor. No rebates will occur after the Customer Connection Horizon has expired. If you move from the address that will be specified in your Customer Service Contract for New Connections and Service Upgrades, you will need to notify Hydro One of your change in address in order to be able to receive any potential rebates.

Should you be entitled to have a contractor perform some of the Expansion work as will be identified in your Customer Service Contract for New Connections and Service Upgrades, we will require that you provided detailed information on the amounts spent by you in order to be able to collect amounts from new unforecasted Customers and provide such amounts to you as rebates. Please note that we will require a statement of the total cost of the expansion construction in a form that is acceptable to us before we are able to connect the line.

Hydro One will need to commission the expansion if constructed by a contractor. Notify us when the construction is completed. If subsequent inspections are required for commissioning the line, Hydro One will charge for each additional inspection.

Hydro One will not order material or begin construction of the expansion until all requested signed documents and full payment is received in our office. Please note that material deliveries can take several weeks from the time the order is placed. No work should commence by Hydro One, the customer or customer's contractor until all documents are signed and returned to Hydro One. The engineering data contained in this package is valid for 180 days from the date of this letter.

If you have any questions please call our office at 800-957-7756 x 3230.

Yours truly,

Elizabeth Hass
Lines Customer Support Clerk
Beachville Field Business Centre

Enc

Hydro One Networks, Inc. ("Hydro One")
Hydro One, 56 Embro Street Box 130, Beachville
ON, N0J 1A0
Phone: 800-667-7766

CUSTOMER SERVICE CONTRACT

NEW CONNECTIONS, SERVICE UPGRADES & EMBEDDED GENERATION

ECRA/ESA Lic 7002572 Date Prepared: 10/Jun/2016

SECTION 1.0 CUSTOMER INFORMATION

Name: SELLICK EQUIPMENT LIMITED
Address: 358 ERIE ST N
HARROW, ON, N0R1G0
Phone: 5197352255
Alt Phone:
Fax:

Service Location: 301010343
Lot 4 Con 2 RP# Sublot#
Twp Colchester
2131 ROSEBOROUGH RD, COLCHESTER SOUTH, ON,

CUSTOMER: Please complete all shaded areas

SECTION 2.0 STANDARD BASIC REGULATED WORK (MUST BE PERFORMED BY HYDRO ONE)

Net Revenue Credit Applied To This Section	$	-2031.50
Other Related Work	$	2031.50
Cost of Service Wire	$	0.00
Credit for up to 30m of Overhead Service Wire	$	0.00
Easement and Associated Costs	$	0.00
Standard Service Charges (ex. Additional Layout Fee)*	$	0.00
Misc Charges (ex. 400 Amp Self Contained rebate)*	$	0.00
Incremental Cost for Transformer*	$	0.00
Deposit Paid	$	0.00
SUB TOTAL	$	0.00

Description of Other Related Work:

Please sign and return

* Items Excluded from Receiving Revenue Support

SECTION 3.0 CONNECTION WORK (MAY BE PERFORMED BY EITHER HYDRO ONE or CONTRACTOR as per customer's choice)

	HYDRO ONE		CONTRACTOR	
Other Related Work	$	0.00	$	
Net Revenue Credit Applied To This Section	$	0.00	$	0.00
Incremental Cost for Pad-Mounted Transformer*	$	0.00	$	0.00
SUB TOTAL	$	0.00	$	0.00

Description of Other Related Work:

* Items Excluded from Receiving Revenue Support

SECTION 4.0 CUSTOMER OWNED EQUIPMENT (MAY BE PERFORMED BY EITHER HYDRO ONE or CONTRACTOR as per customer's choice)

Cost of Work Described	$	0.00
Electrical Safety Authority Permit	$	0.00
SUB TOTAL	$	0.00

Description of Work

SECTION 5.0 EXPANSION WORK

	5.0A HYDRO ONE		5.0B HYDRO ONE OR CONTRACTOR	
5.1 Engineering Design	$	0.00	N/A	
5.2 Material	$	3859.35	$	0.00
5.3 Labour	$	7297.18	$	0.00
5.4 Equipment	$	4096.66	$	0.00
5.5 Administrative Activities	$	1408.23	$	0.00
5.6 Easement and associated Costs	$	0.00	N/A	
5.7 Unforeseen Connection Costs (From Earlier Expansion)	$	0.00	N/A	
5.8 Engineering Design (paid)	$	0.00	N/A	
5.9 Net Revenue Credit or Cost	$	-16461.42	$	0.00
SUB TOTAL	$	0.00	$	0.00

5.0A Description of Work:
Supply and install 8m largest pole, supply and install O/H primary conductor, supply and install riser pole on road allowance, supply and install primary terminations and connect.

5.0B Description of Work:

SECTION 6.0 LINE EXPANSION COMMISSIONING

Commissioning Work On Contractor Built Line — Note: Only Applies to Option B — $ 0.00

SECTION 1.0 CUSTOMER INFORMATION

Name: SELLICK EQUIPMENT LIMITED
Address: 358 ERIE ST N
HARROW, ON, N0R1G0
Phone: 5197382255
Alt Phone:
Fax:

Service Location: 301010343
Lot 4 Con 2 RP# Sublot#
Twp Colchester
2131 ROSEBOROUGH RD, COLCHESTER SOUTH, ON,

CUSTOMER: Please complete all shaded areas

COST SUMMARY

Service Connection And Expansion Work Required To Connect You (Section Details On Page 1)

The Customer has the option of having Hydro One Or the Customers contractor complete the work described under Sections 3.0 and 5.0B below.

Select Option 'A' If the Customer wants Hydro One to complete work described in Sections 2.0, 3.0, 5.0A and 5.0B

Select Option 'B' If the Customer wants Hydro One to complete work described in Sections 2.0 and 5.0A only.
The Customer agrees to hire a contractor to complete the work described in Sections 3.0 and 5.0B

Please indicate your selection by placing an "X" in the appropriate box.

☐ I, the Customer, elect to choose Option 'A' and have Hydro One complete Sections 2.0, 3.0, 5.0A and 5.0B

☐ I, the Customer, elect To Choose Option 'B' and have Hydro One complete Sections 2.0 and 5.0A Only.
I agree to hire a contractor to complete work described in Sections 3.0 and 5.0B.

	Option 'A'	OR	Option 'B'
(Section 2.0) Service Connection work that must be done by Hydro One	$ 0.00		$ 0.00
(Section 5.0A) Expansion work that must be done by Hydro One	$ 0.00		$ 0.00
(Section 3.0) Service Connection work that can either be done by Hydro One, or customer's contractor.	$ 0.00		$ 0.00
(Section 5.0B) Expansion Work that can be done by either Hydro One, or customer's contractor.	$ 0.00		$ 0.00
(Section 6.0) Line Commissioning work that must be done by Hydro One	$ 0.00		$ 0.00
SUB TOTAL	$ 0.00		$ 0.00
HST	$ 0.00		$ 0.00
TOTAL DUE	$ 0.00		0.00

COST SUMMARY

Work on Customer Owned Equipment (Section Details On Page 1)

Please indicate your choice with an "X" in the appropriate box

☐ I, the Customer elect to have Hydro One complete the work described in Section 4.0

	Hydro One
(Section 4.0) Work on Customer Owned Equipment	$ 0.00
HST	$ 0.00
* Section 4.0 NOT part of the DCF calculation — TOTAL DUE	$ 0.00

hydro one

Hydro One Networks, Inc. ("Hydro One")
Hydro One, 56 Embro Street Box 130, Beachville ON, N0J 1A0
Phone: 800-667-7768

CUSTOMER SERVICE CONTRACT
NEW CONNECTIONS, SERVICE UPGRADES & EMBEDDED GENERATION
ECRA/ESA Lic 7002572 Date Prepared: 10/Jun/2016

SECTION 1.0 CUSTOMER INFORMATION

Name: SELLICK EQUIPMENT LIMITED
Address: 358 ERIE ST N
HARROW, ON, N0R1G0
Phone: 5197382255
Alt Phone:
Fax:

Service Location: 301010343
Lot 4 Con 2 RP# Sublot#
Twp Colchester
2131 ROSEBOROUGH RD, COLCHESTER SOUTH, ON,

CUSTOMER: Please complete all shaded areas

Acceptance of Terms and Conditions

This Customer Service Contract (the "Contract") duly executed by the Customer, must be received by Hydro One at the above address within 180 days after the Date Prepared, failing which this Contract is null and void and Hydro One shall have no liability or obligations in respect thereof. The Customer and Hydro One agree that this document when signed by the Customer and accepted by Hydro One, by the signature of its authorized staff, shall be a contract and binding upon the Customer and Hydro One. The Electronic Layout set out in Schedule "A", the Terms and Conditions set out in Schedule "B" and any other Schedule attached hereto are to be read with and form part of the Contract. The parties acknowledge and agree that the above-noted fees are valid for a period of one hundred and eighty (180) days from the Date Prepared.

This Contract may be executed in counterparts and delivered by facsimile, and the counterparts together shall constitute an original

The Customer acknowledges that upon execution of the Contract, a Hydro One account will set up in the Customer's name for the Service Location identified on Page 1 (the "Account"). The Customer agrees to assume responsibility for charges for services provided to the Service Location and be bound by Hydro One's Conditions of Service, as amended from time to time.

Customer Name: (Print)
Customer Signature
Date:
DESIRED COMPLETION DATE:

Hydro One Networks Inc. HST# 870865121RT0001
Staff Signature:
FAX# 888-281-4589
Work will not be scheduled prior to return of signed contract.

PAYMENT METHOD: **AMOUNT $** _____ (Total amount based on your choices)
Payment or confirmation of payment must accompany signed contract.

☐ Money Order ☐ Cheque ☐ Visa ☐ MasterCard

If payment by Credit Card, please contact 1-877-554-7344 to provide the Credit Card number, you will be asked to reference the Work Order and Customer ID number below.

Design Work Order#: 81295269

Customer ID:

Confirmation#:

Please record the confirmation number provided when paying by Credit Card.

SCHEDULE "B" – TERMS AND CONDITIONS

REPRESENTATIONS AND WARRANTIES

1. The Customer represents and warrants that:
   (a) it is the sole absolute beneficial and legal owner of any and all poles, anchors, wires and other electrical equipment utilized for the distribution of electrical power and energy located on the Service Location (identified in Section 1.0 of the Customer Service Contract) and not owned by Hydro One (collectively, the "Electrical System"), free and clear of any and all claims, interests and encumbrances and has the authority to enter into the Contract with respect thereto; and
   (b) it is in possession of the Service Location and is either the registered owner in fee simple of the Service Location or the registered owner of a leasehold interest in the Service Location.

2. Hydro One represents and warrants that any Work performed by Hydro One shall be performed in a manner consistent with Good Utility Practice (as that term is defined in the Distribution System Code issued by the Ontario Energy Board (the "DSC"), in accordance with Hydro One's Conditions of Service and the terms of the Customer Service Contract (the "Contract"). Except as provided herein Hydro One makes no warranties, express or implied, and Hydro One disclaims any warranty implied by law, including implied warranties of merchantability or fitness for a particular purpose and implied warranties of custom or usage with respect to the work performed by Hydro One.

THE WORK

3.
   (a) The Customer agrees that it shall obtain all approvals from the Electrical Safety Authority and other approvals, including municipal consents, as may be requested by Hydro One or required for purposes of the work. Hydro One shall not be obligated to perform any work until such time that the Customer has satisfied and/or complied with its obligations in the Contract, paid requisite fees and the Customer has obtained the permits and approvals referenced in this clause (the "Customer's Work"). The Customer shall advise Hydro One when it has satisfied and/or complied with the obligations described herein.
   (b) Where padmount transformation is required, the Customer shall construct a transformer ground grid and thereafter shall obtain a ground grid inspection from the ESA. Once the ESA has approved the work, the Customer shall transfer ownership of the transformer ground grid to Hydro One.
   (c) The Customer acknowledges that it will have 180 days from the date Hydro One receives payment of the fees payable under the Contract. If the Customer does not complete the Customer's Work within the specified time frame then Hydro One shall have the option of reassessing the cost of the Contract. If the cost of the Contract exceeds what was originally quoted to the Customer then the Customer agrees to pay the increased costs.

4. Subject to clauses 3, 5, 8, and 9 hereof and provided Hydro One has received payment of the total fees payable as specified in the Contract, once the Customer has completed its obligations referenced in clause 3 above, Hydro One shall be obligated to perform the Work in accordance with the specifications outlined in Schedule "A" attached to the Contract and otherwise in accordance with the provisions of the Contract, and shall do so on a date to be established by Hydro One (the "Scheduled Work Date").

5. In the event that the work to be performed by the Customer's Contractor involves the construction and/or installation of an electricity distribution line at the Customer's Service Location, and the line is to be transferred to Hydro One,, upon completion of the said construction and/or installation, but prior to the connection of the line to Hydro One's distribution system, the Customer agrees to transfer ownership of the said line to Hydro One in accordance with Hydro One's standard transfer of ownership agreement. Hydro One shall not be obligated to connect the said line until such time that the Customer has executed the transfer of ownership agreement.

6. Hydro One shall own all facilities constructed by Hydro One under the terms of the Contract other than any Work performed by Hydro One under the terms of the Contract in respect of Customer Owned Equipment.

7. Where the Customer has chosen to have a Contractor perform Contestable Connection Work and/or expansion work that is identified as contestable in the Contract (collectively, the "Contestable Work"):
   (a) the Customer shall:
      (i) complete all of the Contestable Work;
      (ii) select and hire the Contractor;
      (iii) assume full responsibility for the construction of the Contestable Work;
      (iv) be responsible for administering the Contract including, the acquisition of all required permissions, permits and easements;
      (v) ensure that the Contestable Work is performed in accordance with Hydro One's design and technical standards and specifications;

   (b) Hydro One shall have inspected and have approved all aspects of the constructed facilities as part of a system commissioning activity prior to the connection of the Contestable Work to Hydro One's existing distribution system;

   (c) the Customer shall be responsible for paying the cost of the following work to be performed by Hydro One.
      (i) the design of the Contestable Work;
      (ii) the engineering or installation of facilities required to complete the project;
      (iii) administration of the contract between the Customer and the contractor hired by the Customer if asked to do so by the

Customer and Hydro One agrees, in writing, to do so; and

(iv) inspection or approval of the work performed by the Contractor hired by the Customer;

(d) by no later than fifteen (15) days prior to the date that the assets are to be transferred to Hydro One, the Customer shall provide Hydro One with a breakdown of the cost of the Contestable Work in a form acceptable to Hydro One, together with copies of all documents related to the Contestable Work including, but not limited to, all invoices, purchase orders and fixed price contracts related to the design and construction of the Contestable Work and the procurement of equipment.

(e) the Customer shall represent and warrant to Hydro One on the date that the Contestable Work is transferred to Hydro One that:

(i) the Contestable Work is free and clear of all mortgages, liens, demands, charges, pledges, adverse claims, rights, title, retention agreements, security interests, or other encumbrances of any nature and kind whatsoever;

(ii) the Contestable Work is free and clear of any work orders, non-compliance orders, deficiency notices or other such notices relative to the Contestable Work Assets or any part thereof which have been issued by any regulatory authority, police or fire department, sanitation, environment, labour, health or other governmental authorities or agencies;

(iii) there are no matters under discussion with any regulatory authority, police or fire department, sanitation, environment, labour, health or other governmental authorities or agencies relating to work orders, non-compliance orders, deficiency notices or other such notices pertaining to all or any part of the Contestable Work;

(iv) the Customer is the sole owner of the Contestable Work;

(vi) that the Contestable Work has been performed in accordance with Hydro One's design and technical standards and specifications; and

(vii) all deficiencies identified by Hydro One have been remedied;

(f) the Customer agrees that the representations and warranties in (e) above shall survive the transfer, and the execution and delivery of any easements or other land rights, bills of sale, assignments or other instruments of transfer of title to the Contestable Work and the payment of the transfer price;

(g) the Customer shall execute all documents necessary to evidence the transfer of the Contestable Work to Hydro One, including but not limited to bills of sale or similar documents and legal, binding and registrable easements from all legal and beneficial owners of lands traversed by the Contestable Work and/or land use permits for Crown lands traversed by the Contestable Work, satisfactory to and in favour of Hydro One;

(i) the Customer understands and agrees that Hydro One will not assume and shall not be liable or responsible for any and all liabilities, debts or obligations and demands, direct or indirect, absolute or contingent, of the Customer, whether or not related to, attributable to or in any way connected with the Contestable Work. The Customer shall pay, satisfy, assume, discharge, observe, perform, fulfil, release, and indemnify and save harmless Hydro One and its successors, its directors, officers, employees, representatives and agents from and against such liabilities, debts and obligations and all costs, expenses, debts, demands, proceedings, suits, actions, losses or claims in connection therewith. This obligation shall survive the termination of the Contract; and

(h) Hydro One shall pay the Customer a transfer price on the transfer date in accordance with the requirements of the DSC. The transfer price shall be considered a cost to Hydro One for the purposes of the final economic evaluation to be performed by Hydro One in accordance with the requirements of the DSC.

FEES PAYABLE

8. A late payment charge shall apply to all amounts that are overdue as a result of an invalid or declined credit card or an N.S.F. cheque, calculated from the date of execution of the Contract by the Customer to the date payment is actually received by Hydro One. In addition, a N.S.F. cheque charge shall be charged on returned cheques. The Customer shall pay any applicable late payment charges and N.S.F. cheque charges to Hydro One immediately upon demand by Hydro One.

ADDITIONAL FEES

9. In the event that Hydro One discovers that the Customer has failed to perform its obligations referenced in clause 3 above despite Hydro One being advised of said performance by the Customer or the Customer has breached its representations and warranties referenced in clause 1 above and/or in the event that the Customer has changed the condition of the Service Location or the Electrical System to the extent that, in Hydro One's opinion, the Work can no longer be performed in accordance with Schedule "A" of the Contract, the Customer shall reimburse Hydro One for all costs and expenses incurred by Hydro One in its preparation to perform the Work on the Scheduled Work Date, including, without limitation, Hydro One's restocking fee for returning material ordered for the Work to Hydro One's stores, facility removal expenses, the hourly rates payable to Hydro One's employees,

contractors and/or subcontractors where such employees, contractors and subcontractors are to perform the Work and have attended at the Service Location on the Scheduled Work Date and any other charges or expenses related to additional trips required to be made by the said employees, contractors and/or subcontractors to the Service Location. In the event that a new Schedule "A" is required as a result of any of the foregoing, the Customer shall also pay Hydro One's applicable fee for the new Schedule "A". The Customer shall pay all such costs, charges and expenses described herein in the same manner in which it has paid the total fees payable on the execution of the Contract, upon being notified of same by Hydro One.

RIGHT TO ENTER PROPERTY

10. The Customer hereby grants to Hydro One, its successors and assigns, the unrestricted right, privilege and easement, free of charge or rent, to use so much of the Service Location and to enter on, in, upon, along and over the Service Location at any time as Hydro One may deem it necessary or desirable for purposes of performing the Work and for its employees, agents, contractors and subcontractors to pass and re-pass with or without vehicles, supplies, machinery and equipment, on, in, upon, along and over the Service Location at any time to perform the Work and for all purposes necessary or convenient to the exercise and enjoyment of the right, privilege and easement hereby granted.

REQUIREMENT TO EXECUTE CAPITAL COST RECOVERY AGREEMENT

11. Hydro One may require the Customer to execute a Capital Cost Recovery Agreement ("CCRA") at any time where the amounts that would have been otherwise payable under the terms of the Contract in respect of the Work were reduced by the incremental revenue attributed to the Customer's load forecast. Hydro One shall have the right to refuse to continue performing Work under the terms of the Contract (including, but not limited, the right to refuse to connect the Customer) until such time as the Customer executes a CCRA.

LIMITATION OF LIABILITY

12. In addition to any amounts payable under the terms of the Contract, the Customer shall only be liable to Hydro One and Hydro One shall only be liable to the Customer for any damages that arise directly out of the willful misconduct or negligence in meeting their respective obligations under the Contract.

13. Despite clause 12 above, neither party shall be liable under any circumstances whatsoever for any loss of profits or revenues, business interruption losses, loss of contract or loss of goodwill, or for any indirect, consequential or incidental damages, including but not limited to punitive or exemplary damages, whether any of the said liability, loss or damages arise in contract, tort or otherwise.

14. The Customer shall release, defend, discharge and indemnify Hydro One, its successors and assigns and its employees, servants, agents, representatives, contractors and subcontractors from and against all loss, damage or injury to persons or property, claims, actions, suits, proceedings, charges, risks, debts, obligations, liabilities, costs, expenses and fees which may arise from, relate to, be based upon or connected in any way with the Electrical System, the Work and/or the Contract (except if due solely to Hydro One's negligence).

15. Notwithstanding any other provision in the Contract, Hydro One's total liability to the Customer for any and all claims for damages under the Contract whether it arises by contract, tort or otherwise, will not exceed in aggregate the amounts paid for the Work hereunder to the date of such negligent act or wilful misconduct.

16. Both parties acknowledge and agree that clauses 12, 13 and 14 shall survive the termination or expiration of the Contract.

FORCE MAJEURE

17. Save and except for the payment of any monies required under the Contract, neither party shall be deemed to be in default of the Contract where the failure to perform or the delay in performing any obligation is due wholly or in part to a cause beyond its reasonable control, including but not limited to an act of God, an act of any federal, provincial, municipal or government authority, civil commotion, strikes, lockouts and other labour disputes, fires, floods, sabotage, earthquakes, storms, epidemics, and an inability due to causes beyond the reasonable control of the party. The party subject to such an event of force majeure shall promptly notify the other party of its inability to perform or of any delay in performing due to an event of force majeure and shall provide an estimate, as soon as practicable, as to when the obligation will be performed. The time for performing the obligation shall be extended for a period equal to the time during which the party was subject to the event of force majeure. Both parties shall explore all reasonable avenues available to avoid or resolve events of force majeure in the shortest time possible.

18. Notwithstanding clause 17 above, the settlement of any strike, lockout, restrictive work practice or other labour disturbance constituting a force majeure event shall be within the sole discretion of the party involved in such strike, lockout, restrictive work practice or other labour disturbance and nothing in clause 17 above shall require the said party to mitigate or alleviate the effects of such strike, lockout, restrictive work practice or other labour disturbance.

SCHEDULE "B" – TERMS AND CONDITIONS

AMENDMENTS

19. Any amendment to the Contract shall be made in writing and executed by both parties.

ASSIGNMENT

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

GOVERNING LAW

21. The Contract shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario in the event of a dispute hereunder.

INCORPORATION OF DSC AND APPLICATION OF CONDITIONS OF SERVICE

22. The DSC is hereby incorporated in its entirety by reference into, and forms part of, the Contract. Unless the context otherwise requires, all references to "the Contract" include a reference to the Code. Hydro One hereby agrees to be bound by and at all times to comply with the Code, and the Customer acknowledges and agrees that Hydro One is bound at all times to comply with the Code in addition to complying with the provisions of the Contract. In the event of a conflict or an inconsistency between a provision of the Code or the Contract, the provision of the Code shall govern. The fact that a condition, right, obligation or other term appears in the Contract but not in the Code shall not be interpreted as, or deemed grounds for finding of a conflict or inconsistency.

23. In addition to the Contract, the relationship between Hydro One and the Customer will also be governed by Hydro One's Conditions of Service that are in effect at the relevant time. In the event of a conflict or an inconsistency between a provision of the Contract and a provision of Hydro One's Conditions of Service, the provision of the Contract shall govern.

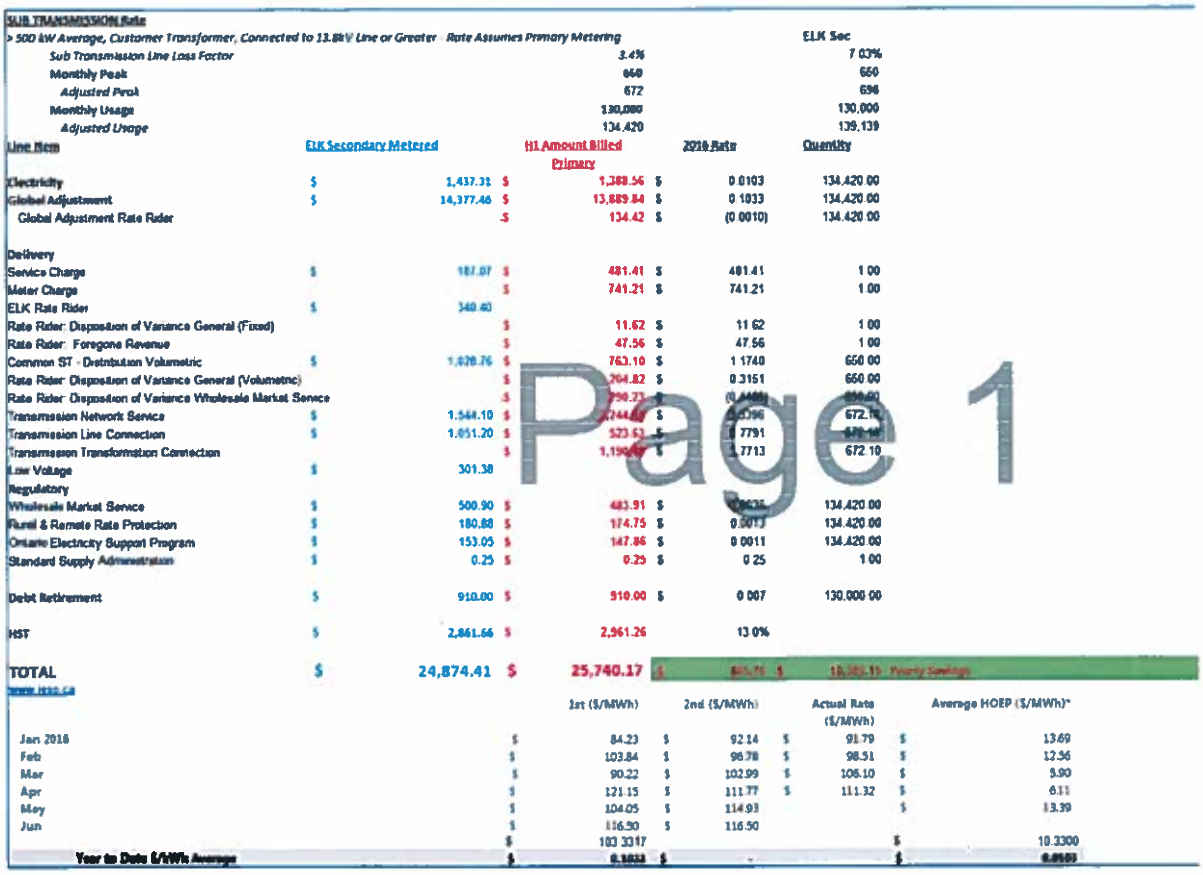
CONNECTION DENIAL

24. In addition to others reasons identified in Hydro One's Conditions of Service, Hydro One may deny connection to the Customer if the Customer owes Hydro One money regardless of whether or not all monies have been paid for under the Customer Service Contract.

ENTIRE AGREEMENT

25. The Contract represents the entire agreement between the parties hereto and supersedes all prior agreements, understandings, discussions, negotiations, representations and correspondence made by or between them with relating to the Work described in the Contract.

After receipt of the Incumbents Offer to Connect, E.L.K. performed some additional analysis regarding rates based on the Offer to Connect details, and information gathered, including a more granular look at the monthly rates for the customer. Below is additional analysis completed by E.L.K. The yearly savings to the customer with E.L.K. as its provider results in approximately an $11,000 savings.



SUB TRANSMISSION Rate

> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater — Rate Assumes Primary Metering

Sub Transmission Line Loss Factor			3.4%		ELK Sec 7.03%
Monthly Peak			668		650
Adjusted Peak			672		696
Monthly Usage			130,000		130,000
Adjusted Usage			134,420		139,139
Line Item	**ELK Secondary Metered**		**H1 Amount Billed Primary**	**2018 Rate**	**Quantity**
Electricity	$ 1,437.33	$	1,388.56	$ 0.0103	134,420.00
Global Adjustment	$ 14,377.46	$	13,889.84	$ 0.1033	134,420.00
Global Adjustment Rate Rider		$	134.42	$ (0.0010)	134,420.00
Delivery					
Service Charge	$ 181.07	$	481.41	$ 481.41	1.00
Meter Charge		$	741.21	$ 741.21	1.00
ELK Rate Rider	$ 340.60				
Rate Rider: Disposition of Variance General (Fixed)		$	11.62	$ 11.62	1.00
Rate Rider: Foregone Revenue		$	47.56	$ 47.56	1.00
Common ST - Distribution Volumetric	$ 1,020.76	$	763.10	$ 1.1740	650.00
Rate Rider: Disposition of Variance General (Volumetric)		$	204.82	$ 0.3151	650.00
Rate Rider: Disposition of Variance Wholesale Market Service		$	[illegible]	[illegible]	[illegible]
Transmission Network Service	$ 1,544.10	$	[illegible]	[illegible]	672.10
Transmission Line Connection	$ 1,051.20	$	523.63	$ 0.7791	[illegible]
Transmission Transformation Connection		$	1,196.[illegible]	$ 1.7713	672.10
Low Voltage	$ 301.38				
Regulatory					
Wholesale Market Service	$ 500.90	$	483.91	$ [illegible]	134,420.00
Rural & Remote Rate Protection	$ 180.88	$	174.75	$ 0.0013	134,420.00
Ontario Electricity Support Program	$ 153.05	$	147.86	$ 0.0011	134,420.00
Standard Supply Administration	$ 0.25	$	0.25	$ 0.25	1.00
Debt Retirement	$ 910.00	$	910.00	$ 0.007	130,000.00
HST	$ 2,861.66	$	2,961.26	13.0%	
TOTAL	**$ 24,874.41**	**$**	**25,740.17**	$ [illegible]	$ [illegible] Yearly Savings

www.ieso.ca

	1st ($/MWh)	2nd ($/MWh)	Actual Rate ($/MWh)	Average HOEP ($/MWh)*
Jan 2018	$ 84.23	$ 92.14	$ 91.79	$ 13.69
Feb	$ 103.84	$ 96.78	$ 98.51	$ 12.56
Mar	$ 90.22	$ 102.99	$ 106.10	$ 5.90
Apr	$ 121.15	$ 111.77	$ 111.32	$ 6.11
May	$ 104.05	$ 114.93		$ 13.39
Jun	$ 116.50	$ 116.50		
	$ 103.3317			$ 10.3300
Year to Date $/MWh Average	$ [illegible]	$ -		$ [illegible]

Page 1

7.5.5

A detailed comparison of the new or upgraded electrical infrastructure necessary for each distributor to serve the area that is the subject of the SAA application, including any specific proposed connections.

The applicant has an existing dead end pole with 27.6 KV circuit in the road allowance immediately adjacent the lot subject of the SAA which is capable of servicing the lot subject of the SAA and surrounding area.

The incumbent is planning to install a new tangent pole, road crossing overhead primary conductor and a new riser pole in the road allowance to duplicate the applicants existing infrastructure.

Included in the applicants Offer to Connect (OTC), with no capital contribution required, is a 3 phase primary underground extension inclusive of the 750 KVA pad mounted transformer and secondary metering. The customers demarcation point would be the secondary connections on the pad mount transformer. This is consistent with the applicants Conditions of Service and past practice.

The incumbent OTC includes the duplication of the applicants existing infrastructure with the customer's demarcation point being the primary terminations on the newly installed riser pole. As provided in the

customer support letter their engineers estimate to complete the remaining work that is included in the applicants OTC is $90,000. Additionally, the customer has learned through their rates analysis that the incumbent is intending to primary meter the customer. As the incumbents OTC does not provide for any primary metering costs there would be an additional cost of $15,000 - $25,000 to the customer for the primary metering.

See Attachment 1.6 which depicts the approximate locations of the applicants existing infrastructure and demarcation point as well as the incumbents proposed new infrastructure and their demarcation point.

7.5.6

Outage statistics or, if outage statistics are not available, any other information regarding the reliability of the existing line(s) of each distributor that are proposed to supply the area that is the subject of the SAA application.

Provided below is 2 years of SAIDI, SAIFI, CAIDI and momentary interruptions for the feeder, Kingsville M7, that will be servicing the area subject of the SAA, more specifically for the portion of the M7 between the applicants wholesale metering point and the incumbents retail point of supply. The area subject of the SAA would connect between these two points. The applicant is embedded to the incumbent.

The SAIDI, SAIFI and CAIDI stats are provided inclusive of Loss of Supply and Excluding Loss of Supply. All the momentary interruptions are loss of supply.

During the 2 years reviewed the applicant only experienced one single non loss of supply outage that impacted 6 customers.

The customer listed in both OTC's is currently a customer of the applicants and receive their service from the M7 feeder. They are connected approximately 450 m downstream of the applicants existing pole located immediately adjacent the lot subject of the SAA. The impact to the feeder is minimal as there is a marginal load increase from the existing site to the new location subject of the SAA.

SERVICE RELIABILITY INDICES_2014_INCLUDING LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER-HOURS OF INTERRUPTIONS	174	174	174	174	174	0 174	0 174	290 174	0 174	0 174	0 174	46 4 174	336 4 2088
(2) TOTAL # OF CUSTOMERS SERVED	0	0	0	0	0	0	0	1 666667	0	0	0	0 266667	16 11111
(3) SAIDI [(1)/(2)]													

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	174	174	174	174	174	0 174	0 174	174 174	0 174	0 174	0 174	174 174	348 2088
(5) TOTAL # OF CUSTOMERS SERVED	0	0	0	0	0	0	0	1	0	0	0	1	16 66667
(6) SAIFI [(4)/(5)]													

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
(7) CAIDI [(3)/(6)]	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1 666667	#DIV/0!	#DIV/0!	#DIV/0!	0 266667	0 969067

SERVICE RELIABILITY INDICES_2014_EXCEPT LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER-HOURS OF INTERRUPTIONS	174	174	174	174	174	0 174	0 174	0 174	0 174	0 174	0 174	0 174	0 2088
(2) TOTAL # OF CUSTOMERS SERVED	0	0	0	0	0	0	0	0	0	0	0	0	0
(3) SAIDI [(1)/(2)]													

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	174	174	174	174	174	0 174	0 174	0 174	0 174	0 174	0 174	0 174	0 2088
(5) TOTAL # OF CUSTOMERS SERVED	0	0	0	0	0	0	0	0	0	0	0	0	0
(6) SAIFI [(4)/(5)]													

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
(7) CAIDI [(3)/(6)]	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

MOMENTARY LOSS OF SUPPLY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
						2	4	8	2	0	2	1	19

SERVICE RELIABILITY INDICES_2016_INCLUDING LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER HOURS OF INTERRUPTIONS	1081 7	0	0	0	2 9	10 02	0	0	0	98 6	0	1510 9	2704 12
(2) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(3) SAIDI [(1)/(2)]	6 216666667	0	0	0	0 016667	0 057586	0	0	0	0 566667	0	8 683333	129 5077

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	174	0	0	0	174	6	0	0	0	174	0	348	876
(5) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(6) SAIFI [(4)/(5)]	1	0	0	0	1	0 034483	0	0	0	1	0	2	41 95402

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	
(7) CAIDI [(3)/(6)]	6 216666667	#DIV/0!	#DIV/0!	#DIV/0!	0 016667	1 67	#DIV/0!	#DIV/0!	#DIV/0!	0 566667	#DIV/0!	4 341667	3 088695

SERVICE RELIABILITY INDICES_2016_EXCEPT LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER HOURS OF INTERRUPTIONS	0	0	0	0	0	10 02	0	0	0	0	0	0	10 02
(2) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(3) SAIDI [(1)/(2)]	0	0	0	0	0	0 057586	0	0	0	0	0	0	0 479885

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	0	0	0	0	0	6	0	0	0	0	0	0	6
(5) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(6) SAIFI [(4)/(5)]	0	0	0	0	0	0 034483	0	0	0	0	0	0	0 287356

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	
(7) CAIDI [(3)/(6)]	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1 67	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1 67

MOMENTARY LOSS OF SUPPLY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
	1	0	1	3	2	5	2	5	4	1	2	1	27

SERVICE RELIABILITY INDICES_2016_INCLUDING LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER-HOURS OF INTERRUPTIONS	0	2 9	66 7	0	0	130 5	0	0	0	0	0	0	200 1
(2) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(3) SAIDI [(1)/(2)]	0	0 016666667	0 3833333	0	0	0 75	0	0	0	0	0	0	9 583333

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	0	174	174	0	0	174	0	0	0	0	0	0	522
(5) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(6) SAIFI [(4)/(5)]	0	1	1	0	0	1	0	0	0	0	0	0	25

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
(7) CAIDI [(3)/(5)]	#DIV/0!	0 016666667	0 3833333	#DIV/0!	#DIV/0!	0 75	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0 383333

SERVICE RELIABILITY INDICES_2016_EXCEPT LOSS OF SUPPLY

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(1) TOTAL CUSTOMER-HOURS OF INTERRUPTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0
(2) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(3) SAIDI [(1)/(2)]	0	0	0	0	0	0	0	0	0	0	0	0	0

SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
(4) TOTAL CUSTOMER INTERRUPTIONS	0	0	0	0	0	0							0
(5) TOTAL # OF CUSTOMERS SERVED	174	174	174	174	174	174	174	174	174	174	174	174	2088
(6) SAIFI [(4)/(5)]	0	0	0	0	0	0	0	0	0	0	0	0	0

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
(7) CAIDI [(3)/(5)]	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

MOMENTARY LOSS OF SUPPLY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	ANNUAL TOTAL
	0	3	7	1	2	3							15

7.5.7

Quantitative evidence of quality and reliability of service for each distributor for similar customers in comparable locations and densities to the area that is the subject of the SAA application.

Provided above in 7.5.6 is 2 years of outage information for the feeder that would service the area subject of the SAA. As the M7 feeder is the incumbents and the applicant is connected sporadically along the portion of the feeder between applicant's wholesale metering point and the incumbent's retail point of supply, the evidence provided is therefore applicable to both the applicant and the incumbent with the exception of the one event that impacted 6 of the applicant's customers and did not impact the incumbent's customers.

See Attachment 1.8 all occurrences of Loss of Supply on the M7 feeder. Extended outages have been highlighted while momentary outages have not.

7.6 OTHER

It is the sole responsibility of the Applicant to provide all information that is relevant and that would assist the Board in making a determination in this matter. Failure to provide key information may result in a delay in the processing of the application or in the denial of the application.

7.7 WRITTEN CONSENT

E.L.K. Energy Inc. consents to all the statements made in this application

_____
Mark Danelon, Director, Finance & Regulatory Affairs
E.L.K. Energy Inc.
Dated:_____

7.8 REQUEST FOR NO HEARING

Does the applicant request that the application be determined by the Board without a hearing? If yes, please provide:

a) An explanation as to how no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding AND
b) The proposed recipient's written consent to the disposal of the application without a hearing

c) There will be no adverse impacts on existing customers as this application.
d) E.L.K. Energy Inc. requests that the Board dispose of this proceeding without a hearing under Section 21(4)(b) of the Act.

The applicant requests that the Board dispose of this proceeding without a hearing under Section 21(4)(b) of the Act as no person, other than the applicant and the proposed recipient, will be adversely affected in a material way by the outcome of the proceeding. This amendment should occur as it would be more economically efficient to the customers both in connection costs and in delivery charges. By way of this SAA, the applicant is looking to preclude the creation of new load transfer connections or new retail points of supply. The proposed SAA neither enhances nor decreases the reliability of the infrastructure in the area that is subject of the SAA application. There will be no adverse impact on costs, rates, service quality, and reliability as a result of this proposed SAA.

Further, the incumbent distributor is to give proper consideration to rational and efficient service area realignment, even where it results in the loss of some territory. Amendments should not be resisted where the proponent is clearly the most efficient service provider for the affected customer. The creation of new points of supply to facilitate the distribution of electricity to an existing or new customer by an incumbent distributor, when a bordering and contiguous distributor can provide the same distribution service more efficiently should be discouraged. A service area amendment would facilitate the more efficient use of existing infrastructure, and avoid passing on to the customer the metering costs associated with the new retail point of supply.

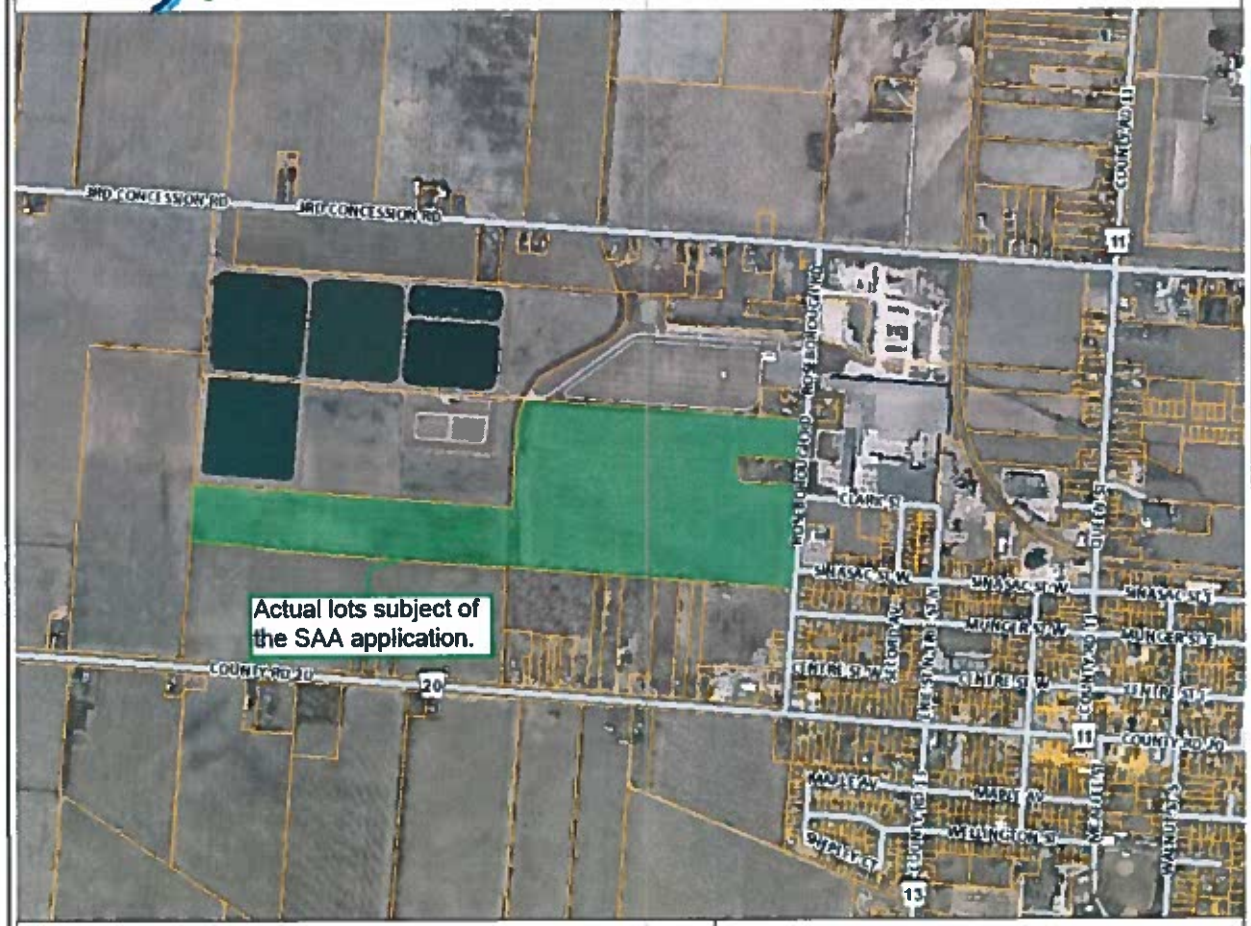
Mark Danelon

Mark Danelon, Director, Finance & Regulatory Affairs
E.L.K. Energy Inc.
Dated: June 21, 2016

Actual Lot Subject of the SAA Application

Attachment 1.1

Town of Essex Mapping



Legend

- Roads
  - County Roads
  - Municipal
  - Private
  - Provincial
- Essex Assessment
- Water
- Essex County Municipalities

1: 14,282

7/23/2014

Notes

Enter Map Description

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Copyright the Corporation of the Town of Essex, 2014. Data herein is provided by the Corporation of the Town of Essex on an "as is" basis. Assessment parcel provided by Teranet Enterprises Inc. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

Existing Licensed Service Areas

Attachment 1.2

Town of Essex Mapping

Legend

- Roads
  - County Roads
  - Municipal
  - Private
  - Provincial
- Water
- Essex Outline
- Essex County Municipalities

Notes

Enter Map Description

THIS MAP IS NOT TO BE USED FOR NAVIGATION

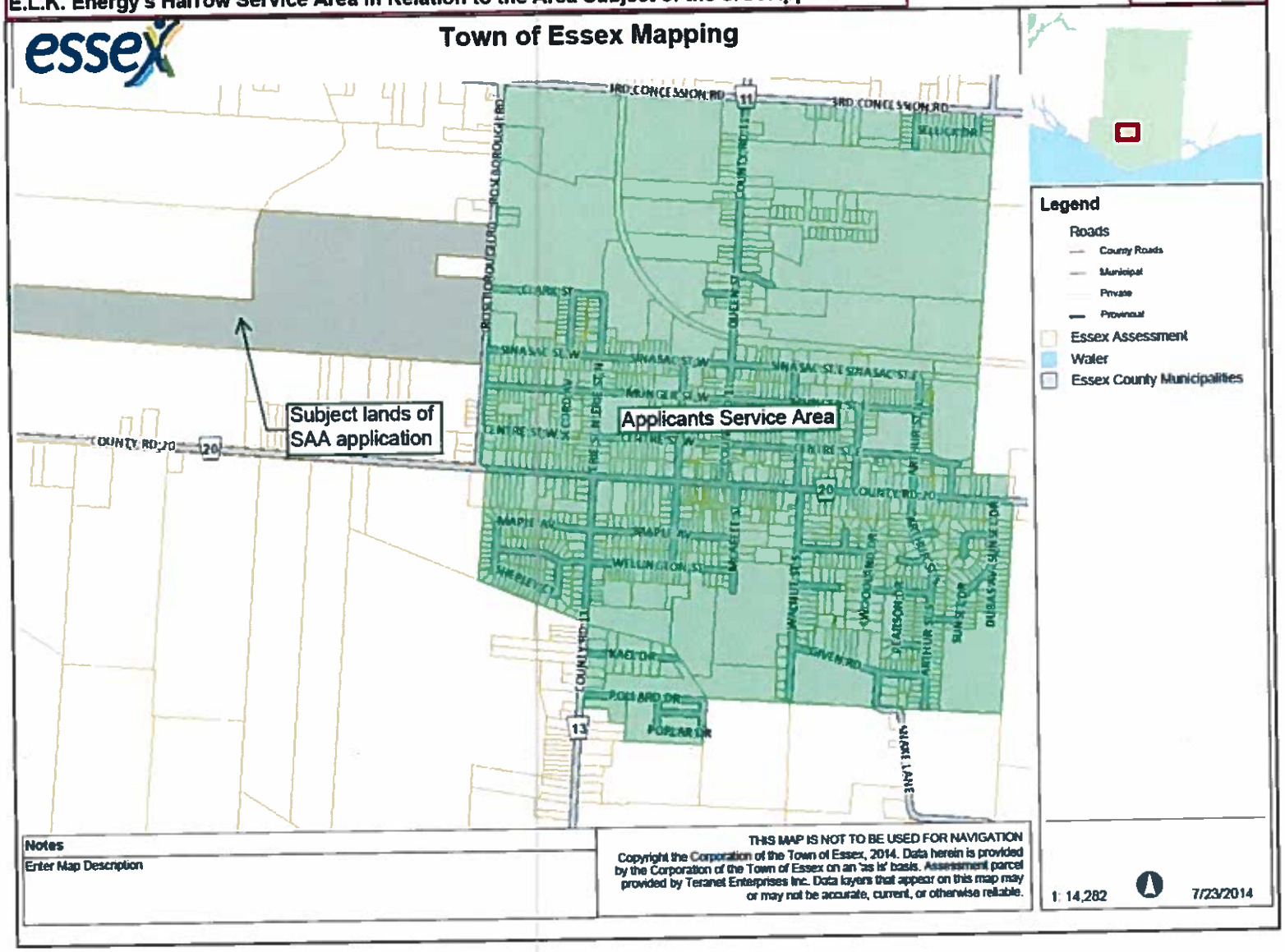
Copyright the Corporation of the Town of Essex, 2014. Data herein is provided by the Corporation of the Town of Essex on an 'as is' basis. Assessment parcel provided by Teranet Enterprises Inc. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

1: 28,564

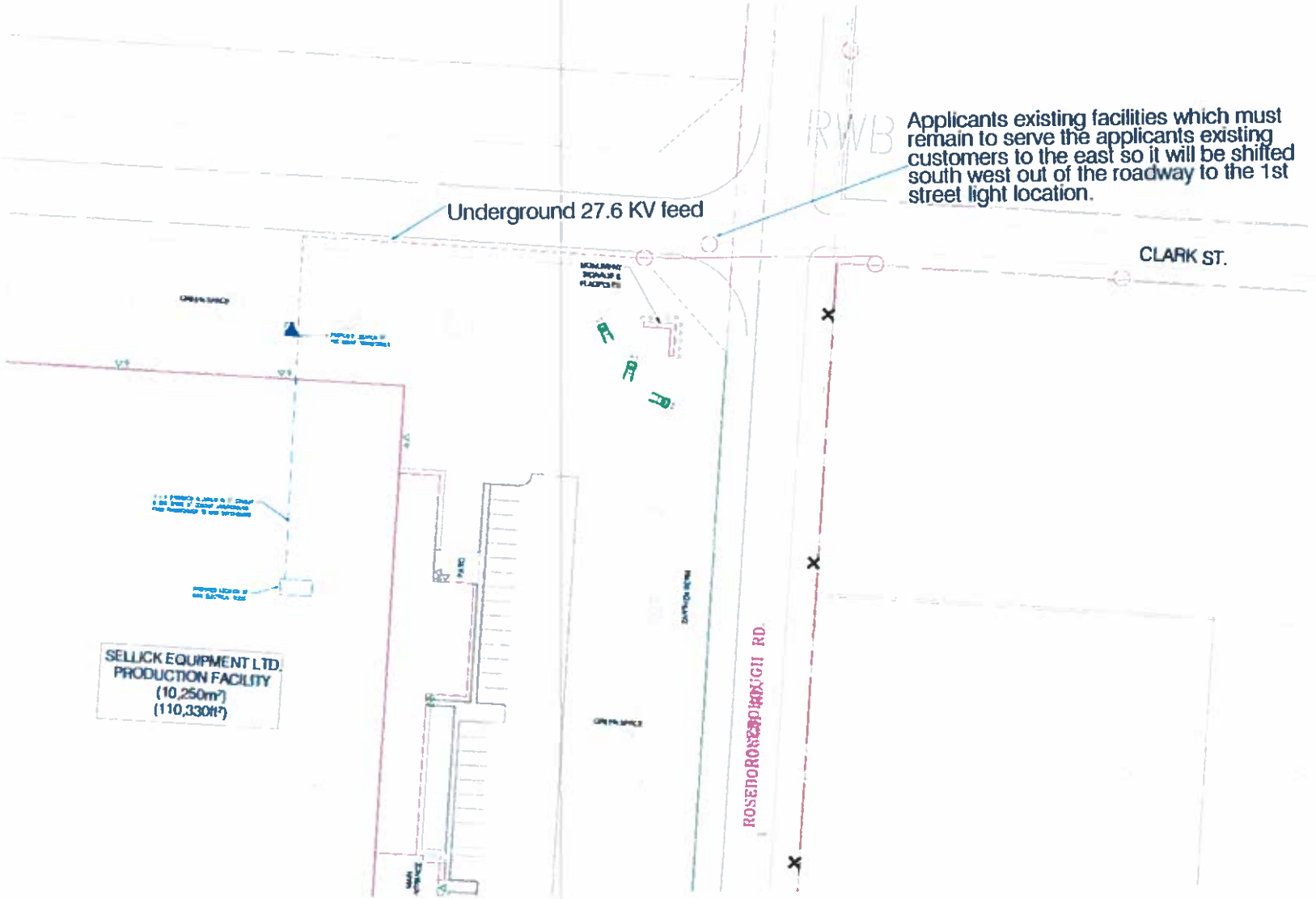
7/23/2014

E.L.K. Energy's Harrow Service Area in Relation to the Area Subject of the SAA Application

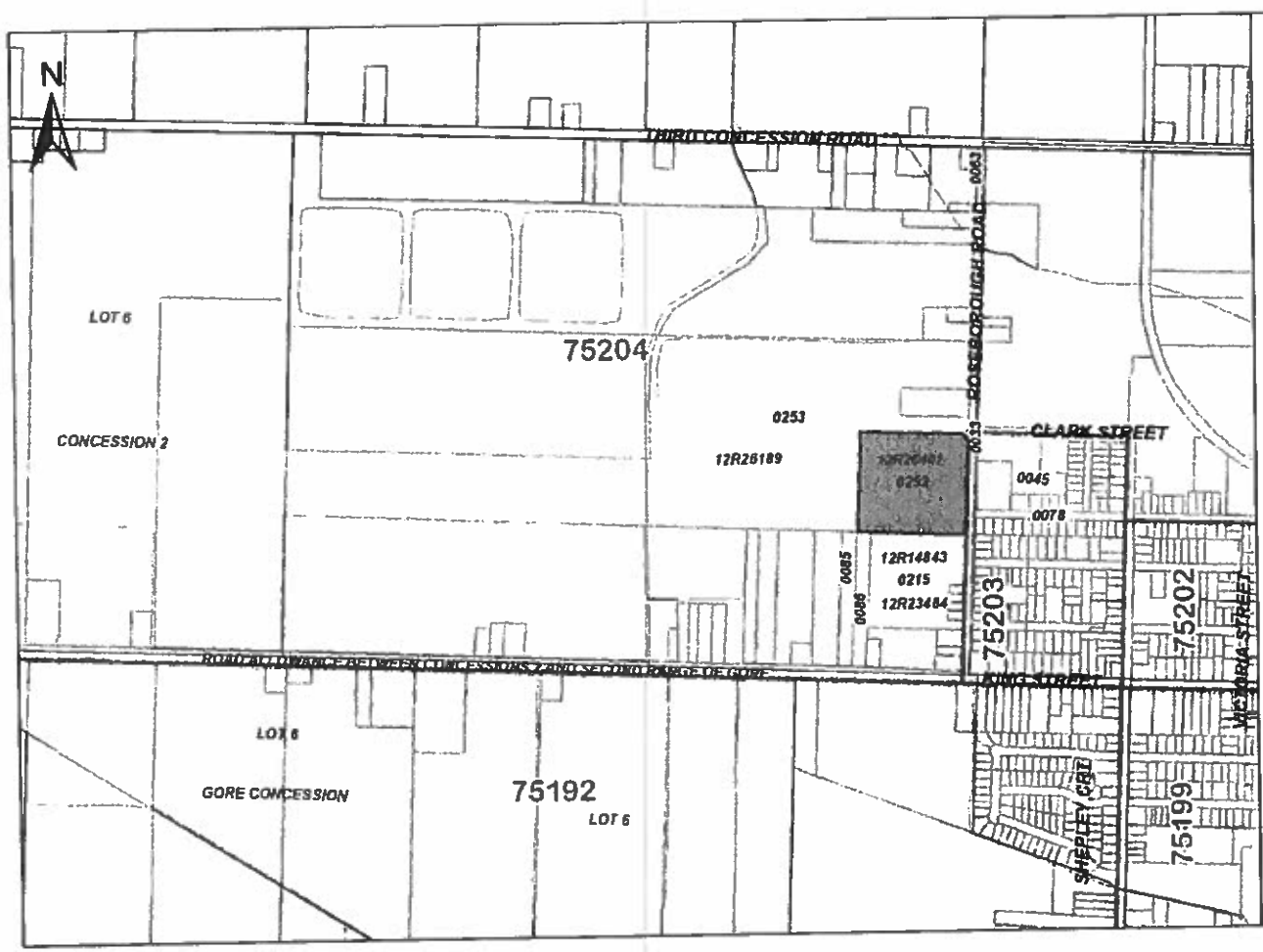
Attachment 1.3



Attachment 1.4


Underground 27.6 KV feed
Applicants existing facilities which must remain to serve the applicants existing customers to the east so it will be shifted south west out of the roadway to the 1st street light location.
CLARK ST.
SELLICK EQUIPMENT LTD.
PRODUCTION FACILITY
(10,250m²)
(110,330ft²)
ROSEBOROUGH RD.

Attachment 15



ServiceOntario

PRINTED ON 04 APR, 2016 AT 15:09:54
FOR DRAINVILLE

SCALE

0 120 240 360 480 meters

PROPERTY INDEX MAP
ESSEX(No. 12)

LEGEND

FREEHOLD PROPERTY
LEASEHOLD PROPERTY
LIMITED INTEREST PROPERTY
CONDOMINIUM PROPERTY
RETIRED PIN (MAP UPDATE PENDING)
PROPERTY NUMBER 0449
BLOCK NUMBER 08050
GEOGRAPHIC FABRIC
EASEMENT

THIS IS NOT A PLAN OF SURVEY

NOTES

REVIEW THE TITLE RECORDS FOR COMPLETE PROPERTY INFORMATION AS THIS MAP MAY NOT REFLECT RECENT REGISTRATIONS

THIS MAP WAS COMPILED FROM PLANS AND DOCUMENTS RECORDED IN THE LAND REGISTRATION SYSTEM AND HAS BEEN PREPARED FOR PROPERTY INDEXING PURPOSES ONLY

FOR DIMENSIONS OF PROPERTIES BOUNDARIES SEE RECORDED PLANS AND DOCUMENTS

ONLY MAJOR EASEMENTS ARE SHOWN

REFERENCE PLANS UNDERLYING MORE RECENT REFERENCE PLANS ARE NOT ILLUSTRATED

Ontario

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Ontario ServiceOntario

LAND REGISTRY OFFICE #12

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

75204-0252 (LT)

PREPARED FOR DRainville
ON 2016/04/06 AT 09:41:46

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART OF LOTS 3 & 4, REGISTERED PLAN 203 (BEING A SUBDIVISION OF PART OF LOTS 7 & 8, CONCESSION 2) GEOGRAPHIC TOWNSHIP OF COLCHESTER SOUTH, NOW IN THE TOWN OF ESSEX, PT 1, 12R26401; TOWN OF ESSEX

PROPERTY REMARKS: *FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2015/06/10*. PLANNING ACT CONSENT IN DOCUMENT CE703414.

ESTATE/QUALIFIER: FEE SIMPLE LT ABSOLUTE PLUS

RECENTLY: DIVISION FROM 75204-0238

PIN CREATION DATE: 2016/03/10

OWNERS' NAMES: BELLICK EQUIPMENT LIMITED

CAPACITY SHARE: ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
R449586	1969/09/10	ORDER				C
R1119576	1990/02/23	NOTICE				C
CE661697	2015/06/10	APL ABSOLUTE TITLE		1710690 ONTARIO INC.		C
12R26401	2015/12/03	PLAN REFERENCE				C
CE703414	2016/03/04	TRANSFER	$416,000	1710690 ONTARIO INC.	BELLICK EQUIPMENT LIMITED	C
REMARKS: PLANNING ACT STATEMENTS						

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

Ontario ServiceOntario

LAND REGISTRY OFFICE #12

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

75204-0253 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PREPARED FOR DHainville
ON 2016/06/06 AT 09:43:07

PROPERTY DESCRIPTION: PART LOTS 3, 4 & 5, PL 202 & PART LOT 6, CONCESSION 2, COLCHESTER, DESIGNATED AS PARTS 1, 2 & 3, PLAN 12R-26189; EXCEPT PT 1, 26401; S/T EASEMENT OVER PART 2, PLAN 12R-26189 AS IN CS19391; TOWN OF ESSEX

PROPERTY REMARKS: *FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2015/06/10*. PLANNING ACT CONSENT IS DOCUMENT CE703614.

ESTATE/QUALIFIER: FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY: DIVISION FROM 75204-0238

PIN CREATION DATE: 2016/03/10

OWNER'S NAMES: 1710690 ONTARIO INC

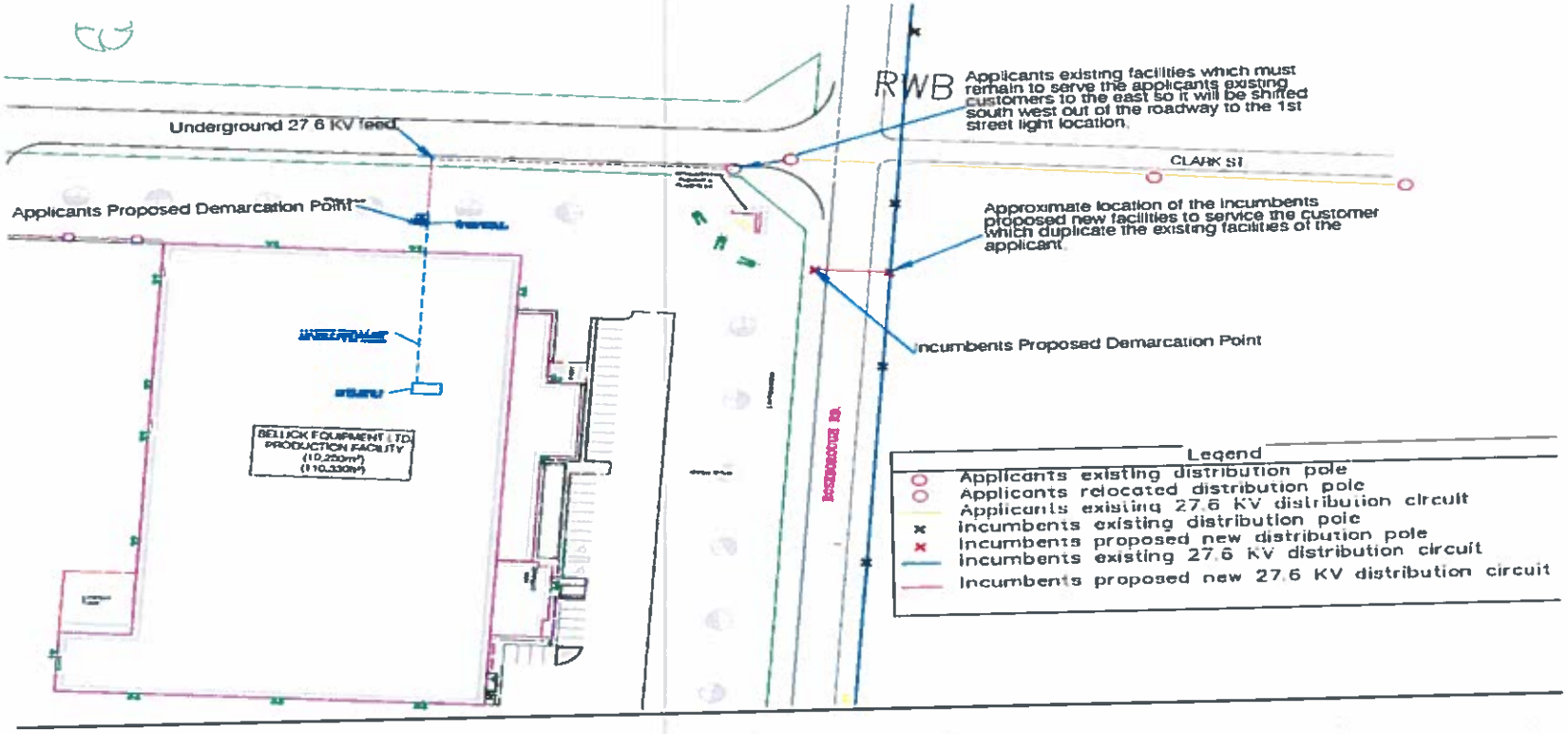
CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
CS19391	1950/12/06	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA	C
R449586	1969/09/10	ORDER				C
R1119576	1990/02/23	NOTICE				C
CE658646	2015/05/21	TRANSFER	$1,062,180	Z-COL WINDSOR LIMITED	1710690 ONTARIO INC	C
REMARKS: PLANNING ACT STATEMENTS						
12R26189	2015/06/10	PLAN REFERENCE				C
CE661697	2015/06/10	APL ABSOLUTE TITLE		1710690 ONTARIO INC.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

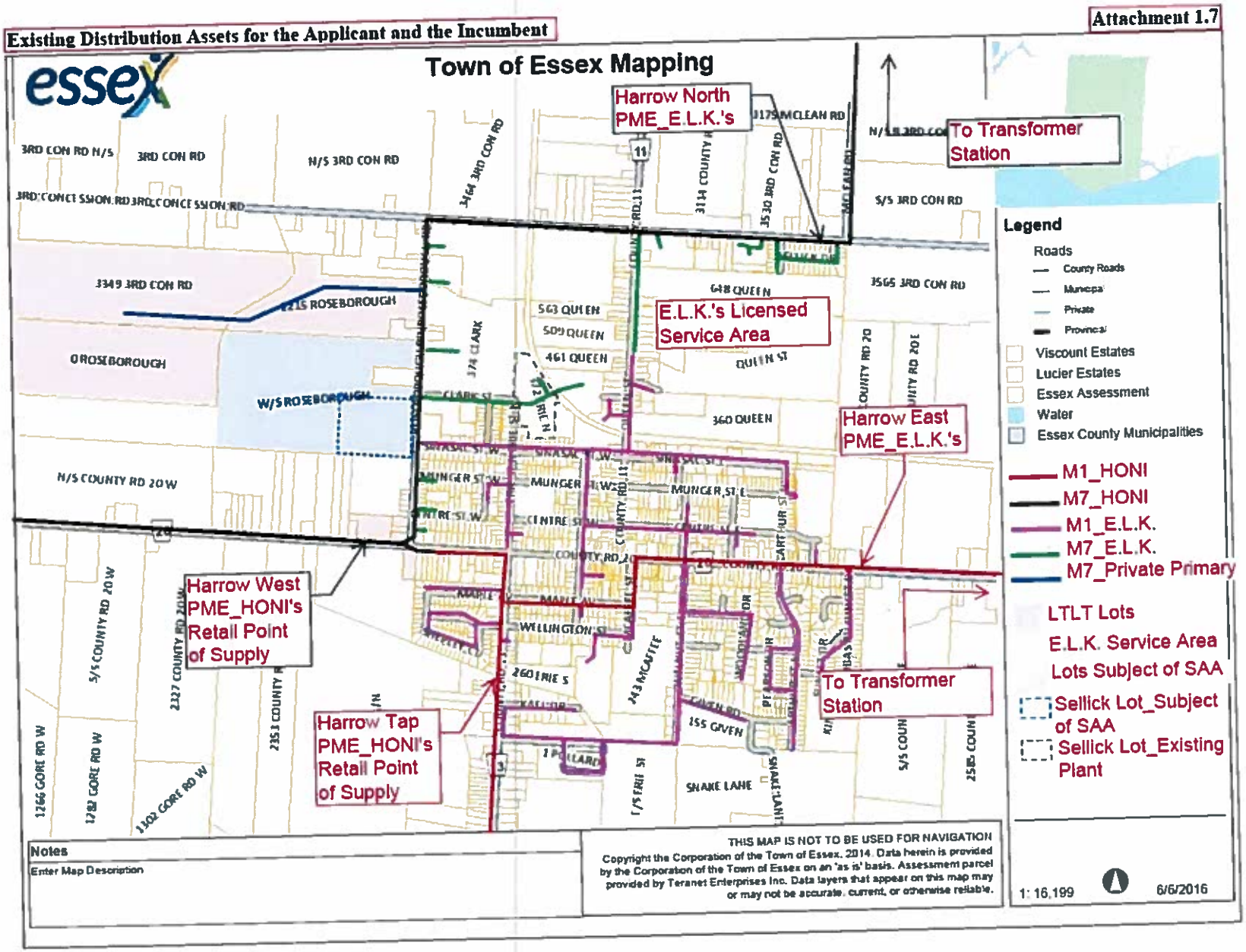
Applicants and Incumbents Existing/Proposed Assets and Proposed Demarcation Points

Attachment 1.6



Existing Distribution Assets for the Applicant and the Incumbent

Attachment 1.7



Loss of Supply Records for the M7

Attachment 1.8

Your Search Returned 70 records.

Print Results

View	Incident	Delivery Point	Equip.	Delivery Point Interrup	Date Time Out	Date Time In	Est. Load Loss (MW)	Remarks
Details	AUTO RECLOSURE	NW3B	3M7	N	10-06-2016 23:14	10-06-2016 23:14	0.72	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	04-06-2016 07:14	04-06-2016 07:14	0.63	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	Y	04-06-2016 03:18	04-06-2016 03:18	1	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	26-05-2016 05:02	26-05-2016 05:02	1.65	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	04-05-2016 09:23	04-05-2016 09:23	1.26	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	01-04-2016 03:07	01-04-2016 03:07	0.76	UNKNOWN EQUIP. TRIP LINE
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	31-03-2016 20:25	31-03-2016 20:48	1.7	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	31-03-2016 20:12	31-03-2016 20:12	1.52	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	31-03-2016 17:39	31-03-2016 17:39	1.52	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	31-03-2016 17:38	31-03-2016 17:38	1.52	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO RECLOSURE	NW3B	3M7	N	26-03-2016 12:07	26-03-2016 12:07	0.52	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO RECLOSURE	NW3B	3M7	N	17-03-2016 13:31	17-03-2016 13:31	1.04	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO RECLOSURE	NW3B	3M7	N	16-03-2016 06:47	16-03-2016 06:47	1.75	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	14-03-2016 09:41	14-03-2016 09:41	1.57	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO RECLOSURE	NW3B	3M7	N	28-02-2016 12:02	28-02-2016 12:02	0.55	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO/RECLOSE/AUTO	NW3B	3M7	N	26-02-2016 02:09	26-02-2016 02:10	1.07	WEATHER WIND LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	08-02-2016 11:02	08-02-2016 11:02	1.61	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	23-12-2015 22:17	23-12-2015 22:29	0.77	UNKNOWN EQUIP. TRIP LINE
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	07-12-2015 06:38	07-12-2015 15:07	--	FOREIGN PUBLIC/OTHER LINE COND. BROKEN
Details	AUTO RECLOSURE	NW3B	3M7	N	07-12-2015 06:39	07-12-2015 06:39	1.46	WEATHER WIND LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	21-11-2015 14:09	21-11-2015 14:09	1.01	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	14-11-2015 08:54	14-11-2015 08:54	1.08	WEATHER WIND LINE STRUCTURE
Details	AUTO RECLOSURE	NW3B	3M7	N	16-10-2015 07:17	16-10-2015 07:17	1.24	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	N	08-10-2015 13:44	08-10-2015 14:18	2	EQUIPMENT FAILURE LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	18-09-2015 14:07	18-09-2015 14:07	0.69	WEATHER WIND LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	03-09-2015 17:00	03-09-2015 17:00	1.88	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	02-09-2015 17:43	02-09-2015 17:43	1.97	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTO RECLOSURE	NW3B	3M7	N	02-09-2015 17:40	02-09-2015 17:40	2.3	UNKNOWN EQUIP. TRIP BREAKER
Details	AUTOMATIC OUTAGE	NW3B	3M7	Y	31-08-2015 15:18	31-08-2015 15:18	10	EQUIPMENT FAILURE SWITCH MECHANISM
Details	AUTO RECLOSURE	NW3B	3M7	N	10-08-2015 15:39	10-08-2015 15:39	4.82	WEATHER WIND LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	04-08-2015 07:34	04-08-2015 07:34	3.68	CUSTOMER EQUIPMENT LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	03-08-2015 03:03	03-08-2015 03:03	2.37	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	03-08-2015 03:00	03-08-2015 03:00	2.67	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	14-07-2015 02:57	14-07-2015 02:57	2.6	UNKNOWN EQUIP. TRIP LINE
Details	AUTO/RECLOSE/AUTO	NW3B	3M7	N	08-07-2015 05:12	08-07-2015 05:12	3.39	UNKNOWN EQUIP. TRIP LINE
Details	AUTO RECLOSURE	NW3B	3M7	N	27-06-2015 09:36	27-06-2015 09:36	4.24	WEATHER RAIN LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	25-06-2015 05:15	25-06-2015 05:15	3.17	WEATHER WIND LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	23-06-2015 01:37	23-06-2015 01:37	2.51	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	23-06-2015 01:32	23-06-2015 01:32	2.77	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	23-06-2015 01:24	23-06-2015 01:24	3.2	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	30-05-2015 15:35	30-05-2015 15:35	3.65	WEATHER LIGHTNING LINE OTHER

Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 15:39	12-08-2014 15:39	2.69	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 08:19	12-08-2014 08:19	1.68	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 08:09	12-08-2014 08:09	1.57	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 08:08	12-08-2014 08:08	1.59	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 08:01	12-08-2014 08:01	2	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	12-08-2014 07:38	12-08-2014 07:38	2.82	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	27-07-2014 17:42	27-07-2014 17:42	1.87	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	27-07-2014 17:27	27-07-2014 17:27	2.26	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	23-07-2014 01:45	23-07-2014 01:45	2.3	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	Y	06-07-2014 22:32	06-07-2014 22:32	2.11	WEATHER LIGHTNING LINE OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	18-06-2014 05:21	18-06-2014 05:21	2.97	WEATHER LIGHTNING BREAKER OTHER
Details	AUTO RECLOSURE	NW3B	3M7	N	08-06-2014 08:01	08-06-2014 08:01	1.39	UNKNOWN EQUIP. TRIP BREAKER

ATTACHMENT 2.1 CUSTOMER REQUEST LETTER FOR E.L.K. TO SERVICE

SELLICK

April 6, 2016

Norman D MacAulay
Operations Manager
E.L.K. Energy Inc.
172 Forest Avenue
Essex ON N8M 3E4

Dear Mr. MacAulay,

Re: Sellick Equipment Limited, Town of Harrow.

This letter is to advise you, Sellick Equipment Limited recently acquired the commercial building lot at 2131 Roseborough Road, Harrow, ON. The lands in question are loosely bound by Essex County Road 20 and 3rd Concession Road in the Town of Essex immediately adjacent the former municipality of Harrow. Attached for your reference is a map depicting the subject lands and the 12R plan.

It is Sellick Equipment Limited's intention to construct a new manufacturing facility on said lot and relocate our current operations to the new facility. Currently E.L.K. Energy Inc. (E.L.K.) provides electrical servicing to our existing facility located in the former municipality of Harrow. As part of the new commercial build we will require electrical servicing to these yet to be serviced lands.

An Offer to Connect (OTC) was requested from both Hydro One and E.L.K. The OTC received from E.L.K. was inclusive of the high voltage underground distribution system and pad mount transformer. There was no Capital Contribution required in E.L.K.'s OTC.

We have yet to receive an OTC from Hydro One though we have been informed that Hydro One's offer will or would not include the high voltage underground distribution system or the pad mount transformer. These costs would be borne by the customer, Sellick Equipment Limited, in addition to any capital contribution required in the OTC. An engineer's estimated costs for this work is $90,000.

After considering the additional costs noted above, the fact that E.L.K. has existing infrastructure on the North East corner of the lot and E.L.K.'s distribution rates are economically beneficial Sellick Equipment Limited is therefore requesting that E.L.K. be the electrical service provider for the commercial building lot at 2131 Roseborough Road, Harrow, ON as it promotes economic efficiency, the most effective use of existing resources and reflects the lowest long run economic cost of service.

Sellick Equipment Limited understands that a Service Area Amendment will be required with the Ontario Energy Board and are requesting E.L.K. to proceed with making the necessary application.

Trusting you will find the above satisfactory.

Respectfully,

David Sellick
Vice President

Ken Thoman
Projects Manager

ATTACHMENT 2.2 DEVELOPER REQUEST LETTER FOR E.L.K. TO SERVICE

1710690 Ontario Inc.

"A company of Loricon Holdings Ltd."

4955 Walker Rd.
Windsor, Ontario
N9A 6J3
Office: 519-737-1216
Fax: 519-737-6464

April 12, 2016

E.L.K. Energy Inc.
172 Forest Avenue
Essex ON N8M-3E4

Attention: Norm MacAulay, Operations Manager

Dear Mr. MacAulay,

Re: **E.L.K. Energy Inc. Application for a Service Area Amendment – 1710690 Ontario Inc. Letter of Consent**

This is to confirm that 1710690 Ontario Inc. ("Developer") supports your application to amend E.L.K. Energy Inc.'s ("E.L.K.") Distribution License as proposed in E.L.K.'s service area amendment application for the lands in the Town of Essex as legally described below:

- PART LOTS 3, 4 & 5, PL 202 & PART LOT 6, CONCESSION 2, COLCHESTER, DESIGNATED AS PARTS 1, 2 & 3, PLAN 12R-26189; EXCEPT PT 1, 26401; S/T EASEMENT OVER PART 2, PLAN 12R-26189 AS IN CS19391; TOWN OF ESSEX

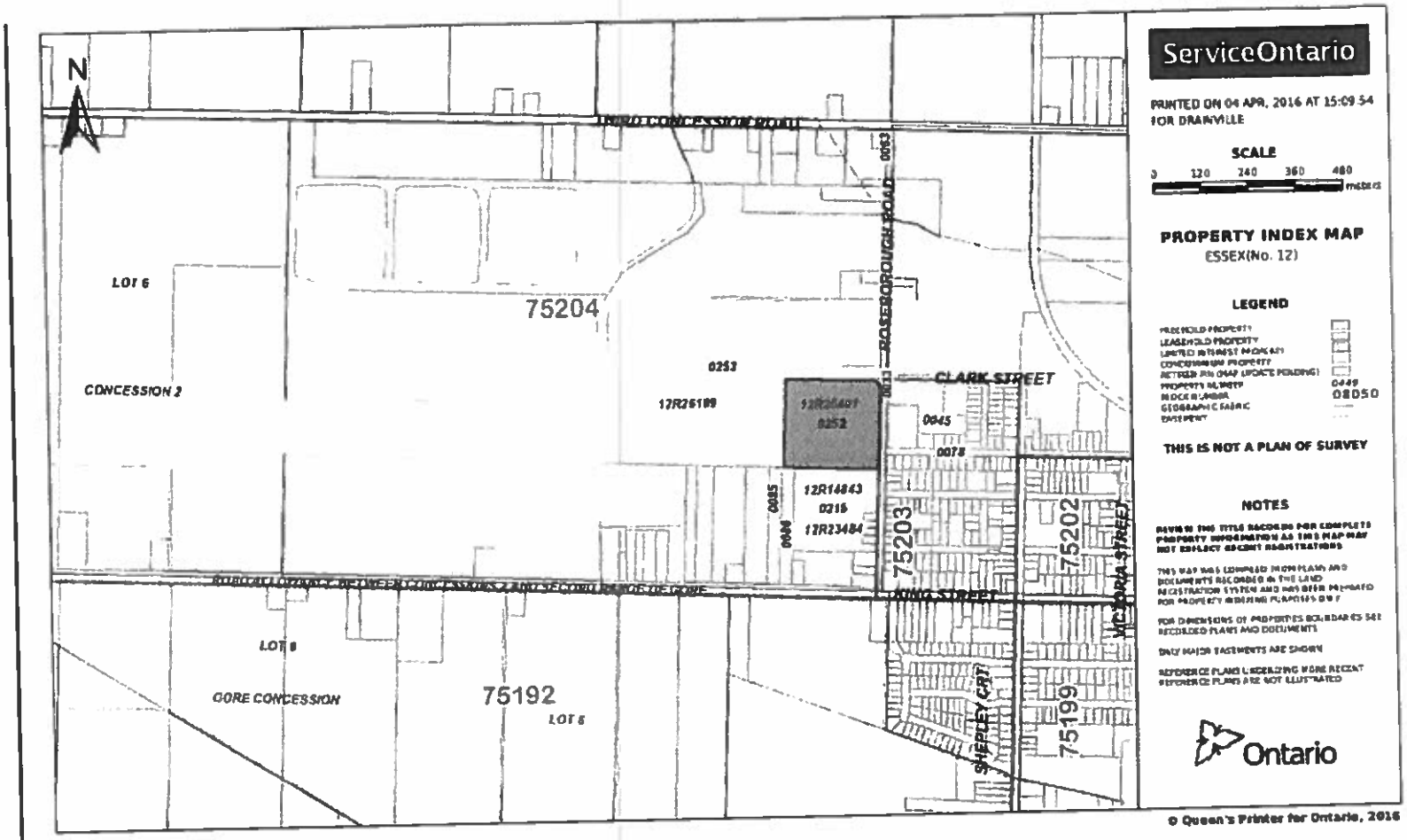
- PART OF LOTS 3 & 4, REGISTERED PLAN 202 (BEING A SUBDIVISION OF PART OF LOTS 7 & 8, CONCESSION 2) GEOGRAPHIC TOWNSHIP OF COLCHESTER SOUTH, NOW IN THE TOWN OF ESSEX, PT 1, 12R26401; TOWN OF ESSEX

In addition, the Developer is requesting that E.L.K. be the electrical service provider for the lands subject of the service area amendment application as it promotes economic efficiency, the most effective use of existing resources and reflects the lowest long run economic cost of service to our customer, namely Sellick Equipment Limited.

Furthermore, the Developer supports E.L.K.'s request to proceed with this service area amendment without a hearing.

Thank you and regards,

Loris Collavino, P. Eng.
C.E.O.



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ATTACHMENT 3.1 E.L.K.'s EMAIL TO HYDRO ONE

Norm MacAulay

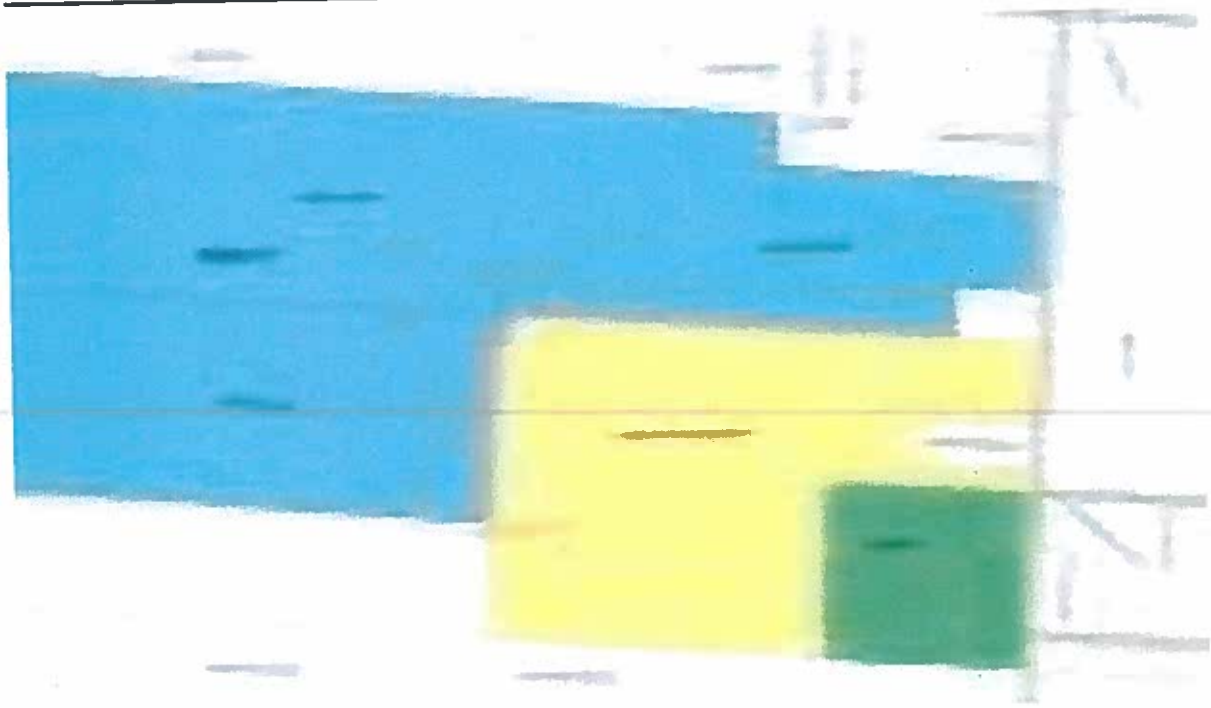
From: Norm MacAulay
Sent: February-16-16 3:36 PM
To: d.fraser@HydroOne.com
Subject: LTLT

Doug,

Below is a diagram showing some of the properties along Roseborough Road in our Harrow service area. The area in blue is the LTLT that we had been discussed previously including the solar farm. The area in yellow is a new proposed industrial park currently with 3 lots and only 1 tenant. The tenant is a current customer of ours who's operation is located in Harrow. Our customer has approached us about the possibility of servicing them and we have had a brief discussion. I was advised that they had met with Hydro One and as they understood Hydro One was intending to connect them to the existing 27.6 line which would create another LTLT as it is E.L.K.'s metered electrons. E.L.K. does have 27.6 currently on the NE corner of the lot.

With all the LTLT's being addressed now and no new LTLT's to be connected can this be dealt with quickly to minimize the impact to the customer?

Thanks,
Norm



ATTACHMENT 3.2 E.L.K.'s EMAIL TO CUSTOMER ADVISING THEM TO CONTACT HYDRO ONE

From: Norm MacAulay
To: Ken Thoman
Cc: "Mike Ryan (ryanbros2014@gmail.com)"; Colin Sellick; Howard Sellick; David Sellick
Subject: RE: Offer to Connect
Date: February-24-16 9:50:00 AM
Attachments: Developer Package- USE THIS ONE FOR 2014.doc

Ken,

Please see the attached Developers Package which we will have to be completed and returned to us. It is our understanding that you are working with Ron Shaw from Poirier Electric. Ron is familiar with this package and as always I am available should there be any questions or clarifications required. Once we have received the completed package we will prepare and forward a draft Offer to Connect for discussion purposes. Time permitting I would like to sit down with you to explain the values in the draft Offer to Connect.

As we have discussed previously the current geographic provider for your new build site is Hydro One. The Distribution System Code requires us to advise you that you would need to request an Offer to Connect from them as well to compare the connection costs for your new facility.

Regards,
Norm MacAulay
Operations Manager
E.L.K. Energy Inc.
172 Forest Avenue
Essex, ON N8M 3E4

Phone: 519-776-5291 Ext. 209
Email: nmacaulay@elkenergy.com

From: Ken Thoman [mailto:kenthoman@sellickequipment.com]
Sent: February-24-16 9:16 AM
To: Norm MacAulay
Cc: 'Mike Ryan (ryanbros2014@gmail.com)'; Colin Sellick; Howard Sellick; David Sellick
Subject: Offer to Connect

Good Morning Norm,

I would like to send Sellick Equipment an offer to connect package. We would like to review the package and complete the documents.

Thanks,

Ken Thoman

ATTACHMENT 3.3 CUSTOMERS EMAILS REQUESTING AN OFFER TO CONNECT FROM HYDRO ONE

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: February 05 16 9:27 AM
To: Jerry Martin
Subject: Loris Colavino Contact Information
Attachments: Loris Collavino.vcf

Hi Jerry,

Here is Loris Colavino contact information.

Loris Collavino
THE PRESTRESSED GROUP
CEO

(519) 737-1216 Work
(519) 796-5619 Mobile
1 519-737-1154 Home
lcollavino@theprecaster.com

From: Ken Thoman
To: Jerry Martin
Cc: "Mike Ryan (ryanbros2014@gmail.com)"
Subject: Sellick Equipment Limited -Connection Information - 2131 Roseborough Road Harrow , ON N0R 1G0
Attachments: Sellick Site Electrical FEB 26.pdf
151216 - 15-074 Sellick Equipment Servicing Plans.pdf
Sellick 12826401 - 2131 Roseborough.pdf
Sellick Site Electrical FEB 26.pdf

Hi Jerry,

I am closing some of the information I know you will be asking for. Please let me know what forms need to be completed and any other information you may require.

Best Regards,

Ken

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: March-01-16 7:40 AM
To: Jerry Martin
Cc: 'Mike Ryan (ryanbros2014@gmail.com)'
Subject: Offer to Connect

Hi Jerry,

I am back not a 100% but, much better. I would like to ask you for an Offer to Connect form. Along with the form can you answer the questions below?

- What is the rate class. which we will fall into the Urban or General Service Demand?
- Outline, How we will be service? and where the connection will be?
- What does Hydro One include in the scope of work?

Once I have received the Offer to Connect I will send all the required information on the size of service which Mike Ryan has been working on with Ron Shaw.

Regards,

Ken Thoman

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: March-04-16 10:33 AM
To: Jerry Martin
Cc: 'Mike Ryan (ryanbros2014@gmail.com)'
Subject: FW: Offer to Connect

Hi Jerry,

I left you a voicemail earlier today on the office phone. Just wondering where you might be with the information I requested? Also I have the Sellick address on Roseborough it will be 2131 Roseborough Road.

Give me a call when you get a chance.

Regards,

Ken

From: Ken Thoman
Sent: March-01-16 7:40 AM
To: Jerry Martin <Jerry.martin@hydroone.com>
Cc: 'Mike Ryan (ryanbros2014@gmail.com)' <ryanbros2014@gmail.com>
Subject: Offer to Connect

Hi Jerry,

I am back not a 100% but, much better. I would like to ask you for an Offer to Connect form. Along with the form can you answer the questions below?

- What is the rate class, which we will fall into the Urban or General Service Demand?
- Outline, How we will be service? and where the connection will be?
- What does Hydro One include in the scope of work?

Once I have received the Offer to Connect I will send all the required information on the size of service which Mike Ryan has been working on with Ron Shaw.

Regards,

Ken Thoman

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: March-11-16 10:28 AM
To: Jerry Martin
Cc: 'Mike Ryan (ryanbros2014@gmail.com)'
Subject: Sellick Equipment Limited -Connection Information - 2131 Roseborough Road Harrow , ON N0R 1G0
Attachments: Sellick Site Electrical FEB 26.pdf; 151216 - 15-074 Sellick Equipment Servicing Plans.pdf; Sellick 12R26401 - 2131 Roseborough.pdf; Sellick Site Electrical FEB 26.pdf

Hi Jerry,

I am closing some of the information I know you will be asking for. Please let me know what forms need to be completed and any other information you may require.

Best Regards,

Ken

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: March-30-16 9:32 AM
To: Jerry Martin
Cc: 'Mike Ryan (ryanbros2014@gmail.com)'
Subject: Offer to Connect

Good Morning Jerry,

I have provided you with some information so we may obtain and Offer to Connect. If you are missing any information or require clarification please do not hesitate to call, or email me.

Thanks,

Ken

Norm MacAulay

From: Ken Thoman <kenthoman@sellickequipment.com>
Sent: April 06 16 7:45 AM
To: Jerry Martin
Subject: Hydro One Offer to Connect

Good Morning Jerry,

Sellick Equipment has planned a ground breaking for April 20th. Construction is scheduled to start immediately after the 20th. We have sized the service and have sent the information to you along with other additional information. We must know if Hydro One is interested in providing us service by noon on Friday. The lead time on transformers is long and we would like to get our order in.

Please let me know what Hydro One intensions are.

Thanks,

Ken Thoman