



October 6, 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.
("E.L.K.") (OEB File No. EB-2016-0155)

E.L.K. has identified certain errors and corrections that are necessary to the evidentiary record in respect of its Service Area Amendment application in EB-2016-0155 (the "SAA").

Enclosed with this letter is updated evidence amending the SAA evidence.

Specifically:

1. Hydro One correctly noted at page 7 of its intervenor evidence filed on September 22, 2016 that \$8,432.49 was a cost that was incorrectly included within E.L.K.'s Offer to Connect ("OTC") that was given to Sellick Equipment Ltd. ("Sellick"). E.L.K. arrived at this conclusion after discussing this matter with external legal counsel, in consideration of its obligations under the Distribution System Code and the facts provided in E.L.K.'s response to the Ontario Energy Board ("OEB") interrogatories #5, #9 and Hydro One interrogatories #4, #5 and #6. The pole re-locate was not done in response to or in direct connection with the Sellick connection request. On October 4, 2016, E.L.K. issued a revised offer to connect to Sellick to reflect this correction. Included with this letter is the updated OTC attached as Exhibit 1. E.L.K. would like to thank Hydro One for drawing our attention to this error.

Hydro One notes at page 3 of its intervenor evidence filed on September 22, 2016 that it was notified by Sellick of an additional amendment to its connection requirements. Hydro One explains "the Customer informed Hydro One that the load break switch would be situated on a customer load break pole." This change resulted in a reduction in Hydro One's cost estimate from \$18,494.38 to \$16,103.17. Similarly, on July 26, 2016, E.L.K. received updated loading information from the customer. With the newly forecasted peak demand of 1.2 MW Sellick's load exceeded the 1 MVA transformer that E.L.K. was going to supply, and as a result the customer would now be responsible for their own transformation (which caused a significant reduction in E.L.K.'s forecasted costs). The demarcation point also moved from the secondary at the pad mount transformer for the 0.65 MW peak demand to the high voltage connection on E.L.K.'s existing dead end pole currently sitting within the area subject of the SAA application. This resulted in a reduction in E.L.K.'s original cost estimate to \$17,135.16. With the removal of the relocation costs of \$8,432.49 plus HST as described in paragraph 1 above, E.L.K.'s total costs are now \$8,702.67.

2. On page 6 of the Hydro One evidence, Hydro One states that "E.L.K has unilaterally met with city officials to assess the relocation of E.L.K infrastructure into Hydro One service territory, and E.L.K unilaterally decided on the location of assets required to service this Customer. Hydro One was not privy to the conversations between the municipality and E.L.K." There are several assertions contained in this 'evidence' which is truly argument, and which E.L.K. will address at the appropriate phase of this proceeding. However, to complete the evidentiary record E.L.K. has included with this letter as Exhibit 2, email correspondence between E.L.K. and Hydro One regarding the need to move the existing pole within Hydro One's service area, and the rationale for moving it to the nearby lights. Specifically, included in Exhibit 2 is email correspondence from John Boldt from Hydro One on May 27, 2016 confirming discussions with E.L.K. regarding the pole relocation and confirming, among other matters:

"E.L.K.'s existing pole needs to stay on the west side of the road as it is currently supplying power on Clark St and the electrical configuration at this corner was designed the way it currently is due to large truck traffic at that corner."

3. If E.L.K. had not moved the pole as requested by the developer and instead utilized the existing pole to service Sellick, E.L.K.'s connection cost for Sellick would remain at \$8,702.67 as currently included in the OTC. This is because the connection costs for Sellick cover the termination of the Customer supplied high voltage connection on E.L.K.'s existing pole, supply and install of the secondary metering and commissioning the customer supplied distribution system. These costs remain static regardless of the location of the E.L.K. pole.

On pages 2 and 3 of the Hydro One evidence filed September 22, 2016, Hydro One provided an estimate of incremental sub-transmission delivery charges to E.L.K. In Attachments 1 – 4, Hydro One then claims that this incremental charge to E.L.K. greatly outweighs the savings to the customer. This is not factually accurate. To assist the Board, E.L.K. has updated its bill comparison after incorporating the incremental sub transmission charges that were provided in the Hydro One evidence. E.L.K. utilized its cost allocation and rate design models from its last Cost of Service to give an accurate reflection of the impact of Hydro One's incremental charges. E.L.K. specifically took into account all of the incremental ST charges. Exhibit 3 provides the details of this analysis for each of the 4 loading scenarios provided by Hydro One. Notably, the monthly savings to be received by Sellicks continues to range between \$873.66 and \$849.43 (depending on the loading scenario assumed).

4. In light of the changes to the Hydro One OTC, and the E.L.K. OTC, E.L.K. reached out to the customer to determine whether or not, in light of these new facts, the customer continues to support E.L.K.'s request for a SAA. Attached as Exhibit 4 is a revised letter of support from Sellick indicating continued support for E.L.K. in this SAA. E.L.K. continues to seek approval of the requested SAA in response to the preference of Sellick.

Sincerely,

Mark Danelon

Mark Danelon
Director, Finance & Regulatory Affairs

OFFER TO CONNECT



SELLICK EQUIPMENT LIMITED.

October 3, 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 \$54,994.70 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 were 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 3rd day of November 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, _____ Date: _____
Chief Executive Officer

Per: Ron McDermott, _____ Date: _____
Chairman of the Board

We have authority to bind the Corporation.

ACKNOWLEDGEMENT

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

E.L.K. Energy Inc.:

Sellick Equipment Limited:

Per: Michael J. Audet,
Chief Executive Officer

Per:

Per: Ron McDermott,
Chairman of the Board

Per:

172 Forest Avenue
Essex, ON N8M 3E4

Address

Telephone (519) 776-5291

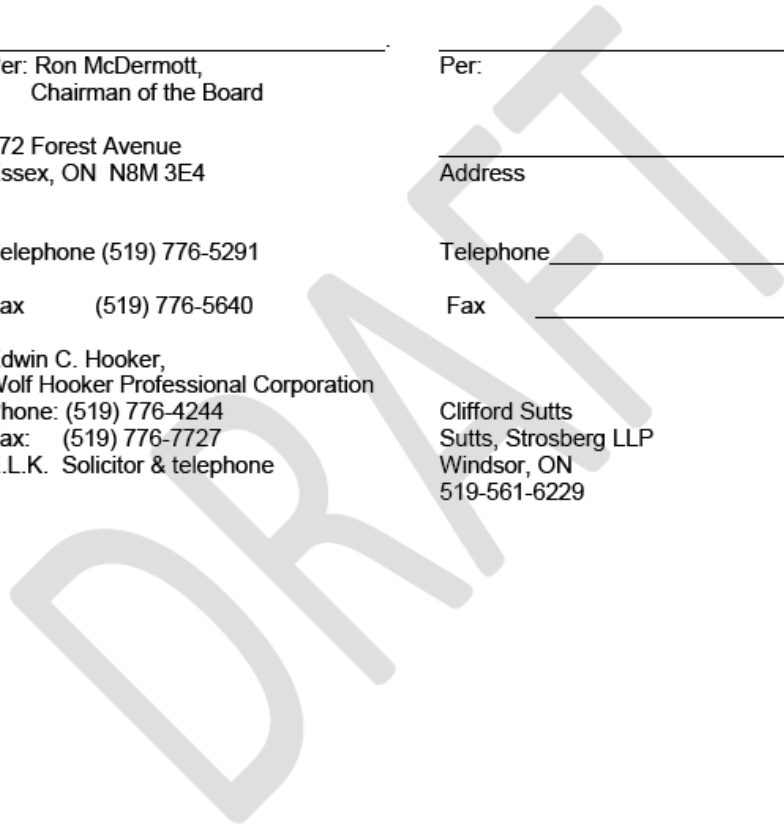
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E.L.K. Solicitor & telephone

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



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	Place new distribution assets into service inclusive of the supply and installation of secondary metering for the customer.	\$8,702.67	N	
2				
3				
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	\$ 2,691.11
Labour	\$ 1,856.92
Equipment	\$ 691.64
Administration	\$ 3,463.00
Total	<u>\$ 8,702.67</u>

(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 not applicable

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.	Not Applicable
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, \$5,499.47, will be retained for the two year warranty period set forth in Schedule E of this Agreement.	\$54,994.70

Capital contribution calculation:

Present value of operating cash flow	\$ 315,276
Present value of taxes	\$ (83,548)
Present value of operating cash flow	\$ 231,728
Present value of capital	\$ (8,500)
Present value of CCA tax shield	\$ 27,561
Net present value	\$ 250,789
HST	\$ 32,603
Capital contribution	\$ 283,392

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, 2016
New facilities/investments/capital	As per Schedule B of the Offer to Connect dated October 3, 2016
Annual operating, maintenance and administration	Utility/customer class specific historical, range of \$2,478.56 to \$2,841.72 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
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): Yes
 No

Customer's Forecast of Electric Load:

	Month	kW Demand	kWh
1	JAN	900	180,000
2	FEB	700	140,000
3	MAR	700	140,000
4	APR	700	140,000
5	MAY	1,050	210,000
6	JUN	1,200	240,000
7	JUL	1,200	240,000
8	AUG	1,200	240,000
9	SEP	1,200	240,000
10	OCT	1,050	210,000
11	NOV	900	180,000
12	DEC	900	180,000
	Average	1,025	205,000

Design Peak demand 1.02 MW

Forecasted Plant Power Factor 92%

Customer's Forecasted Load Growth (% of Above Average Demand):

Year 1 0%
 Year 2 0%
 Year 3 0%
 Year 4 0%
 Year 5 0%

Service Voltage (check appropriate one): 600/311 volts

single phase
 three phase

Generator on Site (check yes or no):

Yes - 50kW
 No

List Large Motors

Type	HP	Voltage
<u>PHS COMP. (x2)</u>	<u>50</u>	<u>600</u>

I acknowledge that:

- 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.
- 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):

Date: _____

Customer (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.

DRAFT

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

Exhibit 2 – E-mail Regarding Notification of Reloaction

Mark Danelon

From: john.boldt@HydroOne.com
Sent: June-15-16 11:18 AM
To: Norm MacAulay; john.siebert@HydroOne.com
Cc: angela.yorgiadis@HydroOne.com; d.fraser@HydroOne.com; Mark Danelon; phil.mckee@HydroOne.com
Subject: RE: Sellick - Clark Street and Roseborough Rd design request

Hi Norm,

I am currently working on our Final Reply submission to an OEB case. It is due on Friday and I unfortunately will have to ask John Seibert to reply to this. It is my understanding that the customer asked Hydro One to prepare an offer to connect directly off of Roseborough road and not be part of the subdivision. They gave us an updated customer information form on Wed last week and we gave them an OTC for both the temporary and permanent services on Friday. The NCCI form was for a 1200amp service and they updated their motor load I believe. The subdivision will have to be dealt with separately, as the road is not started yet and the subdivision estimate and any work associated with that development should be charged to the developer, which I understand is someone different than Mr. Sellick.

We should have a discussion about it and when it will be ready to have service, as I don't think I have anything on that.

thanks

John Boldt

Manager Program Integration | Hydro One Networks Inc. | Distribution Asset Management | Planning and Operating
Address : 99 Drummond St. W. | Perth, ON | K7H 3E7
Tel: 888-332-2249 ext 3214
Cell: (613) 264-2557
Fax: (613) 267-5406
Email: john.boldt@hydroone.com
External site: www.HydroOne.com

From: Norm MacAulay [mailto:nmacaulay@elkenenergy.com]
Sent: Tuesday, June 14, 2016 9:57 AM
To: BOLDT John
Cc: YORGIADIS Angela; FRASER Doug; Mark Danelon; MCKEE Phil; SIEBERT John
Subject: RE: Sellick - Clark Street and Roseborough Rd design request

John,

It is our understanding that Sellick has now received their Offer to Connect form HONI.

Per your email below:

- 1- I met John Siebert May 31st at 10:30 am on site to verify there was adequate clearances with the existing poles.
- 3- It was my understanding that John Seibert was meeting HONI's contractor at 11:30 am, immediately after our meeting to receive the estimate for an apples to apples comparison.
- 4- As you have issued the OTC June 10th, per Sellick, are you not now prepared to complete the cost comparison in your effort to expedite this on the HONI side?

-5- I requested and have confirmation that you received the current CAD files for this subdivision on May 31st.

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

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

From: john.boldt@HydroOne.com [<mailto:john.boldt@HydroOne.com>]
Sent: May-27-16 3:53 PM
To: Norm MacAulay; john.siebert@HydroOne.com
Cc: angela.yorgiadis@HydroOne.com; d.fraser@HydroOne.com; Mark Danelon; phil.mckee@HydroOne.com
Subject: RE: Sellick - Clark Street and Roseborough Rd design request

Hi Norm,

Thanks for the call today as it has helped to sort some issues out and I hope this email captures the actions.

-1- I have spoken to John Siebert and he is going to contact you early in the week to field review where you are placing your new pole and you need to come to agreement that the existing fly tap, if relocated, will satisfy both or clearance requirements. If poles need to be changed, those costs need to be added to your costs for us to compare costs for economic efficiency.

-2- as discussed, the customer contribution does not play into our comparison of costs between each of our OTCs. We need to compare "apples to apples" labour and material. Basically true costs to connect as per the OEB rules.

-3- to do a apples to apples comparison, Hydro One has to re-do the existing design where we have designed to build an overhead pole line as you informed me that this industrial subdivision is to be underground, but we are not comparing the total park for economic efficiency, but only what I have captured here:

(a) Each company will get across the road and create a 27.6kV dip into a kiosk, which will then allow for Sellick to be fed, but also allow the serving LDC to take off and continue at a later date throughout the rest of the lots

(b) ELK will remove the 750kva transformer from their design as HONI does not supply the transformer, but HONI will get contractor costs to do all civil work to dig and back fill trench to Sellick, install pad complete with all wire and terminations

-4- neither company wants to delay this connection, and based on the OEB rules, our companies have to compare costs to serve prior to application to the board. I am going to expedite this on the HONI side so that we are able to sit down once both of us prepare the OTC for cost comparison and then determine who should serve this new connection. The costs to build is what determines who should serve.

-5- Hydro One has not received the final approved plan for this subdivision and final design of the intersection, so Norm is to run that down and supply it to Hydro One. WE need to meet on site and discuss where each company will place their poles for design as ELK's existing pole needs to stay on the west side of the road as it currently is supplying power on Clark st and the electrical configuration at this corner was designed the way it currently is due to large truck traffic at that corner.

John S., please reach out to Norm next week and also confirm back to me if there is anything else required.

Norm, have I missed anything? If so, let me know and I will adjust this email so we are all on the same page as to what needs to happen in a timely manner so that our companies can proceed to a comparison of costs.

Thanks and please keep me informed how this is proceeding or if there is any snags.

John Boldt

Manager Program Integration | Hydro One Networks Inc. | Distribution Asset Management | Planning and Operating
Address : 99 Drummond St. W. | Perth, ON | K7H 3E7
Tel: 888-332-2249 ext 3214
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Email: john.boldt@hydroone.com
External site: www.HydroOne.com

From: Norm MacAulay [<mailto:nmacaulay@elkenenergy.com>]
Sent: Friday, May 27, 2016 12:58 PM
To: SIEBERT John
Cc: BOLDT John; YORGIADIS Angela; FRASER Doug; Mark Danelon
Subject: RE: Sellick - Clark Street and Roseborough Rd design request

John,

Under existing conditions the fly tap does not have to meet current standards as it is existing. When and if the fly tap is addressed per Reg. 22/04 E.L.K. will rebuild their assets to our current approved standards declaring our compliance to the Reg.

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

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

From: john.siebert@HydroOne.com [<mailto:john.siebert@HydroOne.com>]
Sent: May-27-16 12:39 PM
To: Norm MacAulay
Cc: john.siebert@HydroOne.com; john.boldt@HydroOne.com; angela.vorgiadis@HydroOne.com; d.fraser@HydroOne.com
Subject: Sellick - Clark Street and Roseborough Rd design request

Norm

I am trying to assist our DX Asset Management Group to compare the ELK and Hydro One OTCs so they determine Hydro One's course of action.

The DX AM Group really needs to compare apples to apples to make a proper decision.

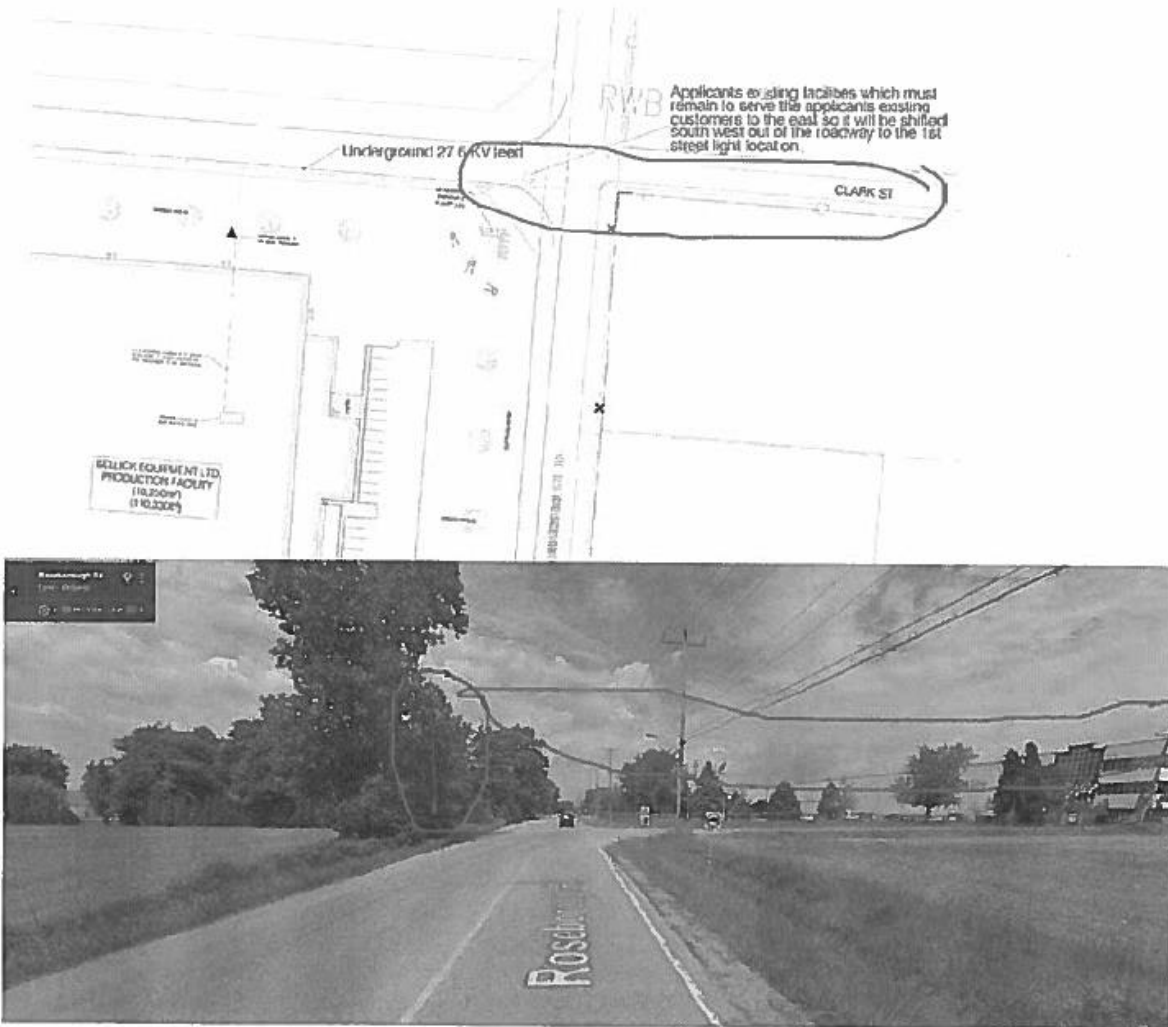
An email was received today references the existing 'flying tap' to our M7 feeder at the intersection of Clark and Roseborough, and that the only thing that needed to do is to relocate the pole to allow for the planned road expansion of Clark to the west of Roseborough.

The design supplied and shown below shows a pole east on Clark St close to the intersection which is currently not there, and another on the Clark Street road expansion relocated a ways west of the intersection and south.

The current "fly tap" is sub standardly constructed, has inadequate reduced clearances and will need to be brought up to current standards.

If you haven't as of yet, please supply the engineered design for this location which affects the connection to the Hydro One Kingsville M7 Feeder, if you have already, please forward again to expedite the process.

Thanks



John Siebert

COM West Zone 1 Provincial Lines, Essex, ES1

Hydro One Networks Inc.

Tel: (519) 776-4173 ext. 3270

Cell: (519) 257-0296

Email: john.siebert@hydroone.com

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Exhibit 3 – Revised Cost Comparison

25% Load

SUB TRANSMISSION Rate					
<i>> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater - Rate Assumes Primary Metering</i>					
Sub Transmission Line Loss Factor			3.4%		7.03%
Monthly Peak			1,212		1,200
Adjusted Peak			1,253		1,284
Monthly Usage			265,428		262,800
Adjusted Usage			274,453		281,275
Line Item	ELK	H1	2016 Rate	Quantity	
Electricity	\$ 2,905.57	\$ 2,835.09	\$ 0.0103	274,452.55	
Global Adjustment	\$ 29,064.60	\$ 28,359.64	\$ 0.1033	274,452.55	
Global Adjustment Rate Rider		-\$ 274.45	\$ (0.0010)	274,452.55	
Delivery					
Service Charge	\$ 187.07	\$ 481.41	\$ 481.41	1.00	
Meter Charge		\$ 741.21	\$ 741.21	1.00	
ELK Rate Rider	\$ 628.44				
Rate Rider: Foregone Revenue		\$ 47.56	\$ 47.56	1.00	
Common ST - Distribution Volumetric	\$ 1,899.24	\$ 1,422.89	\$ 1.1740	1,212.00	
Rate Rider: Disposition of Variance General (Volumetric)		\$ 381.90	\$ 0.3151	1,212.00	
Rate Rider: Disposition of Variance Wholesale Market Service		-\$ 541.16	\$ (0.4465)	1,212.00	
Transmission Network Service	\$ 2,850.64	\$ 4,185.21	\$ 3.3396	1,253.21	
Transmission Line Connection	\$ 1,940.67	\$ 976.37	\$ 0.7791	1,253.21	
Transmission Transformation Connection		\$ 2,219.81	\$ 1.7713	1,253.21	
Low Voltage	\$ 563.58				
Regulatory					
Wholesale Market Service	\$ 1,012.59	\$ 988.03	\$ 0.0036	274,452.55	
Rural & Remote Rate Protection	\$ 365.66	\$ 356.79	\$ 0.0013	274,452.55	
Ontario Electricity Support Program	\$ 309.40	\$ 301.90	\$ 0.0011	274,452.55	
Standard Supply Administration	\$ 0.25	\$ 0.25	\$ 0.25	1.00	
Debt Retirement	\$ 1,839.60	\$ 1,858.00	\$ 0.007	265,428.00	
HST	\$ 5,663.75	\$ 5,764.26	13.0%		
TOTAL	\$ 49,231.04	\$ 50,104.71	\$ 873.66	-\$ 10,483.97	Yearly Savings
www.ieso.ca					
		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		
Year to Date \$/kWh Average	\$	0.1033	\$ -	\$	0.0103

50% Load

SUB TRANSMISSION Rate					
<i>> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater - Rate Assumes Primary Metering</i>					
<i>Sub Transmission Line Loss Factor</i>			3.4%		7.03%
Monthly Peak			1,212		1,200
<i>Adjusted Peak</i>			1,253		1,284
Monthly Usage			265,428		262,800
<i>Adjusted Usage</i>			274,453		281,275
Line Item	ELK	H1	2016 Rate	Quantity	
Electricity	\$ 2,905.57	\$ 2,835.09	\$ 0.0103	274,452.55	
Global Adjustment	\$ 29,064.60	\$ 28,359.64	\$ 0.1033	274,452.55	
Global Adjustment Rate Rider		\$ -274.45	\$ (0.0010)	274,452.55	
Delivery					
Service Charge	\$ 187.07	\$ 481.41	\$ 481.41	1.00	
Meter Charge		\$ 741.21	\$ 741.21	1.00	
ELK Rate Rider	\$ 628.44				
Rate Rider: Foregone Revenue		\$ 47.56	\$ 47.56	1.00	
Common ST - Distribution Volumetric	\$ 1,899.24	\$ 1,422.89	\$ 1.1740	1,212.00	
Rate Rider: Disposition of Variance General (Volumetric)		\$ 381.90	\$ 0.3151	1,212.00	
Rate Rider: Disposition of Variance Wholesale Market Service		\$ -541.16	\$ (0.4465)	1,212.00	
Transmission Network Service	\$ 2,850.64	\$ 4,185.21	\$ 3.3396	1,253.21	
Transmission Line Connection	\$ 1,940.67	\$ 976.37	\$ 0.7791	1,253.21	
Transmission Transformation Connection		\$ 2,219.81	\$ 1.7713	1,253.21	
Low Voltage	\$ 570.90				
Regulatory					
Wholesale Market Service	\$ 1,012.59	\$ 988.03	\$ 0.0036	274,452.55	
Rural & Remote Rate Protection	\$ 365.66	\$ 356.79	\$ 0.0013	274,452.55	
Ontario Electricity Support Program	\$ 309.40	\$ 301.90	\$ 0.0011	274,452.55	
Standard Supply Administration	\$ 0.25	\$ 0.25	\$ 0.25	1.00	
Debt Retirement	\$ 1,839.60	\$ 1,858.00	\$ 0.007	265,428.00	
HST	\$ 5,664.70	\$ 5,764.26	13.0%		
TOTAL	\$ 49,239.32	\$ 50,104.71	\$ 865.39	\$ 10,384.70	<i>Yearly Savings</i>
www.ieso.ca					
		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		
Year to Date \$/kWh Average		\$ 103.3317	\$ -	\$	10.3300
		\$ 0.1033	\$ -	\$	0.0103

75% Load

SUB TRANSMISSION Rate					
<i>> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater - Rate Assumes Primary Metering</i>					
<i>Sub Transmission Line Loss Factor</i>			3.4%		7.03%
Monthly Peak			1,212		1,200
<i>Adjusted Peak</i>			1,253		1,284
Monthly Usage			265,428		262,800
<i>Adjusted Usage</i>			274,453		281,275
Line Item	ELK	H1	2016 Rate	Quantity	
Electricity	\$ 2,905.57	\$ 2,835.09	\$ 0.0103	274,452.55	
Global Adjustment	\$ 29,064.60	\$ 28,359.64	\$ 0.1033	274,452.55	
Global Adjustment Rate Rider		-\$ 274.45	\$ (0.0010)	274,452.55	
Delivery					
Service Charge	\$ 187.07	\$ 481.41	\$ 481.41	1.00	
Meter Charge		\$ 741.21	\$ 741.21	1.00	
ELK Rate Rider	\$ 628.44				
Rate Rider: Foregone Revenue		\$ 47.56	\$ 47.56	1.00	
Common ST - Distribution Volumetric	\$ 1,899.24	\$ 1,422.89	\$ 1.1740	1,212.00	
Rate Rider: Disposition of Variance General (Volumetric)		\$ 381.90	\$ 0.3151	1,212.00	
Rate Rider: Disposition of Variance Wholesale Market Service		-\$ 541.16	\$ (0.4465)	1,212.00	
Transmission Network Service	\$ 2,850.64	\$ 4,185.21	\$ 3.3396	1,253.21	
Transmission Line Connection	\$ 1,940.67	\$ 976.37	\$ 0.7791	1,253.21	
Transmission Transformation Connection		\$ 2,219.81	\$ 1.7713	1,253.21	
Low Voltage	\$ 577.96				
Regulatory					
Wholesale Market Service	\$ 1,012.59	\$ 988.03	\$ 0.0036	274,452.55	
Rural & Remote Rate Protection	\$ 365.66	\$ 356.79	\$ 0.0013	274,452.55	
Ontario Electricity Support Program	\$ 309.40	\$ 301.90	\$ 0.0011	274,452.55	
Standard Supply Administration	\$ 0.25	\$ 0.25	\$ 0.25	1.00	
Debt Retirement	\$ 1,839.60	\$ 1,858.00	\$ 0.007	265,428.00	
HST	\$ 5,665.62	\$ 5,764.26	13.0%		
TOTAL	\$ 49,247.30	\$ 50,104.71	\$ 857.41	\$ 10,288.91	Yearly Savings
www.ieso.ca					
		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	\$	0.1033	\$ -	\$	0.0103

100% Load

SUB TRANSMISSION Rate					
<i>> 500 kW Average, Customer Transformer, Connected to 13.8kV Line or Greater - Rate Assumes Primary Metering</i>					
			3.4%		7.03%
			1,212		1,200
			1,253		1,284
			265,428		262,800
			274,453		281,275
Line Item	ELK	H1	2016 Rate	Quantity	
Electricity	\$ 2,905.57	\$ 2,835.09	\$ 0.0103	274,452.55	
Global Adjustment	\$ 29,064.60	\$ 28,359.64	\$ 0.1033	274,452.55	
Global Adjustment Rate Rider		-\$ 274.45	\$ (0.0010)	274,452.55	
Delivery					
Service Charge	\$ 187.07	\$ 481.41	\$ 481.41	1.00	
Meter Charge		\$ 741.21	\$ 741.21	1.00	
ELK Rate Rider	\$ 628.44				
Rate Rider: Foregone Revenue		\$ 47.56	\$ 47.56	1.00	
Common ST - Distribution Volumetric	\$ 1,899.24	\$ 1,422.89	\$ 1.1740	1,212.00	
Rate Rider: Disposition of Variance General (Volumetric)		\$ 381.90	\$ 0.3151	1,212.00	
Rate Rider: Disposition of Variance Wholesale Market Service		-\$ 541.16	\$ (0.4465)	1,212.00	
Transmission Network Service	\$ 2,850.64	\$ 4,185.21	\$ 3.3396	1,253.21	
Transmission Line Connection	\$ 1,940.67	\$ 976.37	\$ 0.7791	1,253.21	
Transmission Transformation Connection		\$ 2,219.81	\$ 1.7713	1,253.21	
Low Voltage	\$ 585.03				
Regulatory					
Wholesale Market Service	\$ 1,012.59	\$ 988.03	\$ 0.0036	274,452.55	
Rural & Remote Rate Protection	\$ 365.66	\$ 356.79	\$ 0.0013	274,452.55	
Ontario Electricity Support Program	\$ 309.40	\$ 301.90	\$ 0.0011	274,452.55	
Standard Supply Administration	\$ 0.25	\$ 0.25	\$ 0.25	1.00	
Debt Retirement	\$ 1,839.60	\$ 1,858.00	\$ 0.007	265,428.00	
HST	\$ 5,666.54	\$ 5,764.26	13.0%		
TOTAL	\$ 49,255.28	\$ 50,104.71	\$ 849.43 - \$	10,193.12	<i>Yearly Savings</i>
www.ieso.ca					
		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		\$ 0.1033	\$ -	\$	0.0103

Exhibit 4 – Updated Letter of Support Sellick Equipment



Mark Danelon
Director, Finance and regulatory Affairs
E.L.K. Energy Inc.
172 Forest Ave
Essex, ON N8M 3E4

This letter is to advise E.L.K., Sellick Equipment Limited is in receipt of your revised Offer to Connect dated October 4, 2016. Sellick Equipment Limited has considered the revised OTC issued by HONI dated September 21, 2016, as well as the revised OTC issued by E.L.K. In light of that information, Sellick continues to support ELK's request for a service area amendment, and request to be granted a customer of E.L.K.

Thank you,

A handwritten signature in blue ink that reads 'Ken Thoman'.

Ken Thoman
Projects Manager
Sellick Equipment Limited
358 Erie St. North
Harrow, ON N0R 1G0

Tel: 519-738-2255 Ext. 230
Fax: 519-738-3477