

MASTER SERVICES AGREEMENT

THIS AGREEMENT made effective as of January 1, 2018, (the "Effective Date")

BETWEEN:

THE CORPORATION OF THE TOWN OF TILLSONBURG

(Hereinafter referred to as the "Town")

~~OF THE FIRST PART~~

~~-and~~

- And -

TILLSONBURG HYDRO INC.

~~(hereinafter)~~ Hereinafter referred to as ~~the~~ "Utility" "THI"

~~OF THE SECOND PART~~

WHEREAS ~~the Utility~~ THI is a duly incorporated ~~electric Utility and licensed electricity distributor~~ pursuant to the law of the Province of Ontario;

AND WHEREAS both the Town and ~~the Utility~~ THI are separate corporate entities;

AND WHEREAS the Parties have agreed that the Town will provide services as listed in Schedule A to ~~the Utility~~ THI on a fee-for-service basis and the Town shall provide such further and other products and services as may be agreed to in writing, by the Parties from time to time;

AND WHEREAS the Town has the knowledge and expertise to provide the Services to the required standards;

AND WHEREAS the Parties acknowledge and agree that in providing goods and services contemplated herein the Town acts as an independent contractor and not as an agent, partner, or servant of ~~the Utility~~ THI;

AND WHEREAS the Parties shall consult as frequently as may be desirable to ensure that ~~the Utility~~ THI receives adequate, economical and effective services as listed in Schedule A as attached to this document.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and ~~Agreements~~ agreements set forth, and for other good valuable consideration and the sum of two (\$2.00) dollars of lawful money of Canada now paid by each of the Parties to the other (the receipt and sufficiency of which is hereby expressly acknowledged), the Parties covenant and agree, and with each other, as follows:

1. Definitions

1.01 "ARC" means the Affiliate Relationships Code for Electricity Distributors and Transmitters, Revised March 10, 2015, as such may be amended by the Ontario Energy Board;

~~1.01~~ 1.02 "Board" means the board of directors of the Utility THI;



~~1.02~~1.03 “Customer Service Costs” means the cost incurred by a Party to bill and collect and to provide related ~~customer services~~ Customer Services.

~~1.03~~1.04 “Customer Services” means all services related to customer services, which without limiting the generality of the foregoing shall include ~~customer billing-  
collections~~ services identified in Section 6 of unpaid accounts, and customer relations,  
etc. Schedule A;

~~1.04~~1.05 “Direct Costs” means the costs incurred directly by ~~the Utility~~ THI for its own operations including but not limited to electrical power costs for Standard Supply Services, IESO costs, Hydro One Transmission costs, Competition Transition Charge, Retail/Wholesale Settlement costs, Ministry of Finance ~~OEB Regulatory~~ costs, OEB costs, Electricity Distributors Association (EDA) dues, property taxes, Municipal Electricity Association Reciprocal Insurance Exchange (MEARIE) insurance and other insurance premiums, legal, accounting and audit fees, etc. (3<sup>rd</sup> party costs that are paid on behalf of THI by the Town)

~~1.05~~ “Effective Date” means January 1, 2016.

~~1.06~~ “Distribution System Plan” means a distribution system plan meeting OEB requirements.

~~1.06~~1.07 “ESA” or “Electrical Safety Authority” means the Electrical Safety Authority or any successor entity thereto;

~~1.07~~1.08 “Extraordinary Costs” means those unusual and unanticipated costs as more particularly described in Section 9.

~~1.08~~1.09 “Fully Allocated Cost” means the sum of ~~direct costs~~ Direct Costs plus a proportional share of ~~indirect costs~~ Indirect Costs.

~~1.09~~1.10 “Independent Electricity System Operator” or “IESO” means the Independent Electricity System Operator or any successor entity thereto;

~~1.10~~1.11 “Independent Director” means an Independent Director as defined by the ~~Affiliate Relationship Code~~ ARC;

~~1.12~~ “Indirect Costs” means costs allocable costs of equipment and labour such as overhead;

~~1.13~~ “Joint Committee” means a committee consisting of the Chief Administrative Officer of the Town, General Manager Hydro Operations, and two Board appointed independent directors and the Chair of the Board as an ex-officio member.

~~1.11~~1.14 “Ontario Energy Board” or “OEB” means the Ontario Energy Board or any successor entity thereto;

~~1.12~~ “Joint Board of Management” means a committee that shall meet on a regular basis in order to ensure proper consultation and involvement by the Utility in the performance of services under this Agreement. The committee shall consist of the Chief Administrative Officer of the Town, General Manager of the Utility, and two Board appointed independent directors.

~~1.13~~ “Services” means the services described in Schedule A;

~~1.14~~1.15 \_\_\_\_\_ “Parties” means the Town and the ~~Utility~~THI; and “Party” means either one as the context requires;

~~1.15~~1.16 \_\_\_\_\_ “Person” means any other businesses or persons with which the Town chooses to establish a business relationship;

1.17 “Services” means the services required by a typical electrical distribution company, including but not limited to, the list contained in Schedule A.

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1.18 “Standards” means the guidelines, regulations, laws and/or policies as set out by:

- Electricity Safety Authority (ESA),
- Independent Electricity System Operator (IESO),
- Infrastructure Health and Safety Association (IHSA),
- Minister of Energy (MoE),
- Minister of Finance (MoF),
- Minister of Labour (MoL),
- Minister of Transportation (MoT),
- Measurement Canada (MC),
- Occupational Safety and Health Administration (OHSA),
- Ontario Business Corporations Act (OBCA),
- Ontario Energy Board (OEB),
- Ontario Municipal Board (OMB),
- Or other regulatory bodies not identified

2. Term

- 2.01 Unless terminated in accordance with Section 22, the term of this Agreement shall be from January 1, 2018 to and including December 31, 2022 **2019**. ~~The term shall be extended~~



~~for a further period of two years unless either Party gives the other notice in writing not less than ninety (90) days prior to the end of the term that the Agreement is not to be extended.~~

2.02 In providing ~~regulatory, market participation, business, customer service support, maintenance~~any and ~~construction services~~all Services as identified in Schedule A for ~~the Utility~~THI, the Town shall be responsible for maintaining regulated and non-regulated performance ~~standards~~Standards as determined by ~~the Utility, the IESO, the ESA and the OEB, as the case may be~~various industry regulators, and shall not discriminate in its performance and delivery of identified services. The Town shall periodically provide sufficient evidence to THI to demonstrate compliance with both regulated and non-regulated Standards. If the Town fails to meet a performance Standard, the Town shall (i) inform THI of the failure; (ii) provide information as to how the performance Standard will be met in the future; and (iii) identify any potential liabilities or repercussions from failing to meet the performance Standards.

### 3. Force Majeure

3.01 It shall not be a breach of this Agreement if the Parties to this Agreement fail to perform their obligations to provide services, work, or the supply of goods or materials to either Party by reason of war, insurrection, tempest, or any other event beyond the reasonable control of the Parties. The foregoing shall not apply to an obligation to pay money. The Party seeking to invoke force majeure shall provide written notice to the other party of the event, the cause of the event, steps being taken to remedy the event and estimated duration of the event of force majeure.

### 4. Covenants of the Town

4.01 Subject to being able to fulfill the obligations of the Town to THI hereunder, the Town shall be free to offer ~~services~~Services to any other person.

- 4.02 The Town shall be responsible for obtaining and maintaining all necessary approvals, ~~licences~~licenses and permits and for complying with all applicable federal, provincial and municipal laws, regulations, codes, orders, decrees and directives in connection with the provision of the Services hereunder ~~and the~~. The Town shall, at least annually and when requested by THI, provide ~~the Utility~~THI with adequate evidence of its compliance with this Section.
- 4.03 The Town shall comply, ~~while on the premises used by the Utility~~, with ~~the Occupational Health and Safety Act and all Municipal laws~~, rules, regulations, codes, and THI policies ~~of the Utility~~ from time to time in force which are brought to its notice or of which it should reasonably be aware.
- 4.04 The Town shall pay for and maintain for the benefit of ~~the Utility~~THI, appropriate insurance concerning the operations and liabilities of the Town relevant to this Agreement.
- ~~4.05 The Town shall indemnify and save the Utility, its officers, directors, agents and employees, if any, harmless from and against all claims, which the Utility or its officers, directors, agents or employees may suffer as a result of the negligence of the Town in the performance or non-performance of this Agreement.~~
- 4.064.05 The Town shall be entitled to retain competent and properly qualified consultants, contractors and other third parties ~~as required~~in accordance with procurement policies, where practical unless otherwise directed by the Board, in order to deliver the Services-  
(Schedule A). Management of any THI vendor contracts will be the responsibility of the Town. The Town shall follow any Standards and applicable laws and by-laws in securing the services of such consultants, contractors or third parties.
5. Confidentiality and Ownership of Information
- ~~5.01~~ Subject to the requirements of the *Municipal Freedom of Information and Protection of Privacy Act* and the ~~OEB's Affiliate Relationships Code for Electricity Distributors and~~



5.025.01 ~~Transmitters~~ARC and any other legal requirement to disclose information, it is agreed that confidential information of ~~the Utility~~THI shall be kept in strict confidence by the Town.

5.035.02 The Town shall take such measures as are necessary in order to comply with the confidentiality obligations under subsection 5.01 above. The Town shall ensure its employees are properly informed of the requirements of the ARC. The Town shall provide an annual update to the Board regarding the measures taken to maintain the confidentiality of THI's information and the training provided to employees in respect of the ARC and the Municipal Freedom of Information and Protection of Privacy Act.

5.045.03 Information stored or produced by any Party to this Agreement on the sole behalf of any other Party to this Agreement, shall be the property of the Party on whose sole behalf such information is stored or produced. Where such information consists of an original report, computer program, information, or intellectual property produced by a Party to this Agreement for the sole purpose of supplying services to that other Party and the cost of producing such report is included in the remuneration payable by such other Party, the property (including copyright and moral rights) to such original report, computer program, information, or intellectual property shall belong to such other Party. The foregoing shall not apply where information is stored or produced by a Party to this Agreement on behalf of a third Party to this Agreement, or where the information is stored and produced by a Party to this Agreement for the mixed benefit of another Party and the Party which produced the information.



## 6. Costs

- 6.01 ~~The Utility~~THI shall pay the Town the fees and charges for the Services more particularly described in Schedule A and as specified in Schedule B as attached.
- 6.02 Unless specifically stated applicable taxes are not included.
- 6.03 The costing provisions are set out in Schedule "~~A~~" and Schedule "~~B~~" and includes a fixed management fee of \$140,000 for each of the years of the ~~agreement~~Agreement. The costing for each year of operations and capital costs shall be directly incurred costs. Services not rendered during any given year shall be reported to the ~~board~~Board annually. The ~~town~~Town and ~~utility~~THI shall review the appropriateness of the management fee level as provided in the OEB's most recent Cost of Service rate decision in proceeding EB-2008-0246 and any subsequent OEB decision, which stipulated that such a review should either involve, at a minimum include an opinion by, a reputable third party on such matters.
- ~~6.04 The Town shall be entitled to additional remuneration, including a management fee, if:~~
- ~~(a) It has agreed to provide, or has been required by law to provide, services which exceed those described in Schedule "A";~~
- ~~(b) It has agreed to provide, or has been required by law to provide, Services at a level that exceeds the level described in Schedule "A";~~
- 6.04 The Town shall provide to the Board, at least once annually, a plan for how the Services will be performed and a financial plan for such services. The financial plan shall include a monthly forecast of expenditures suitable to the Board. The Town shall track its performance and report to THI any significant variances from the approved financial plan.
- 6.05 Where the Town provides Services to ~~the Utility~~THI, it shall use its best efforts to minimize the actual costs of providing such ~~services~~Services while still complying with all applicable regulated and non-regulated performance standards;.
- 6.06 It is acknowledged that there will be some duplication in the description of ~~services~~Services. Such duplication in the description is insignificant, does not imply that there is multiple costing for those ~~services~~Services, and the Parties agree that no such multiple costing is present.
- 6.07 The Parties agree that a reasonably competitive market does not exist for the total ~~services~~Services that ~~the Utility~~THI acquires from the Town and therefore ~~the Utility~~THI agrees to pay no more than the affiliate's fully-allocated cost to provide ~~that service. The Utility~~the Services. THI shall obtain from the Town a detailed breakdown of the ~~affiliate's~~ allocated cost of providing the ~~services~~Services as part of the annual business plan process.
- 6.08 Upon renewal of the term of this Agreement, the Town may adjust their fees upon ninety (90) days prior notice in writing to ~~the Utility~~THI provided that if ~~the Utility~~THI does not accept the adjusted costs and the Parties are unable to agree after negotiating in good faith, the adjusted costs may be submitted to arbitration pursuant to Section ~~1211~~ of this Agreement.

6.09 ~~The Utility~~ THI agrees to reimburse the Town for any unanticipated events over and above normal customer service costs to which the Town may be put resulting from extraordinary unanticipated events such as fire, major storms, tornadoes, equipment failures, and the like provided such equipment failures are not caused by negligence on the part of the Town to perform services as outlined in Schedule "A" of this Agreement.

7. Remuneration

7.01 ~~The Utility~~ THI shall pay the Town in accordance with the actual costs incurred by the Town in performing the Services ~~as set forth in the Schedules.~~



- 7.02 The aggregate remuneration, at a minimum, is payable quarterly to the Town in respect of the ~~services~~Services provided by the Town to ~~the Utility~~THI shall, so long as the Town continues to provide full treasury and financial services, be recovered from the applicable Party by direct transfers of funds from and to the appropriate accounts at times convenient to the Town Treasurer in accordance with proper principles of contract administration and IFRS and business principles. The Parties to this Agreement specifically authorize that such transfers may be performed by the Town Treasurer or his/her designate, and such authorization shall remain in effect during the full term of this Agreement. In the event that the Town ceases to provide full treasury and financial services, the aggregate remuneration payable to the Town in respect of the services provided by the Town shall be requested in periodic invoices delivered by the Town, such invoices to be delivered not more frequently than monthly. The terms of any such invoice, whether so marked or not, shall be net 30 days.
- 7.03 The presence of subsection 7.02 shall not be interpreted to mean ~~the Utility~~THI has unilateral ability, without the agreement of the Town, to terminate its use of full treasury and financial services from the Town.
- 7.04 The remuneration, payable to the members of the Board shall be an expense of ~~the Utility~~THI and shall be processed by the Town pursuant to ~~the Schedules~~Board resolutions.
8. Annual Review of Schedules
- 8.01 The Parties shall review the contents of each Schedule on an annual basis. The purpose of such review shall be to determine whether the activities described in each Schedule continue to be accurate.
- 8.02 In the event that during such a review, disagreement arises with respect to suggested amendments to any Schedule and such disagreement cannot be settled by the Parties, either Party may refer such to arbitration in accordance with Section ~~1211~~ of this Agreement.
- 8.03 The review described in 8.01 shall be commenced within sufficient time so that the Parties might reasonably have completed their review in time for the annual Town budget and estimates process.
9. Invoicing
- 9.01 The Town shall submit an invoice ~~or and~~ supporting documentation to ~~the Utility~~THI for payment for all costs incurred by the Town in performing its ~~services~~Services. All invoices shall provide sufficient detail of the costs incurred and the description of the ~~services~~Services undertaken by the Town. All invoices shall be paid by ~~the Utility~~THI within ~~thirty (30)~~ninety (90) days from the date of receipt. A charge of one and one-half (1.5%) per month ~~will~~may be levied against all late payments. In the event of a dispute regarding an invoice, THI shall pay the undisputed portion of the invoice within ninety (90) days and shall promptly inform the Town of the disputed amount and basis for such dispute.
- 9.02 The ~~town~~Town will pay all accounts payable in a timely manner in order to minimize any vendor late payment charges.
- 9.03 The Town will submit details of any unanticipated events to ~~the Utility~~THI for review



before invoicing. Invoices for unanticipated events will be paid by the ~~Utility within ten-~~  
~~(10) days from THI upon~~ approval by the Board.

## 10. Easements

10.01 ~~The Utility~~ THI represents that it has secured all requisite easements necessary for the delivery of electrical services for the distribution of electric power throughout ~~the Utility's~~ THI's service area.

10.02 ~~The Utility~~ THI shall indemnify and save the Town harmless from any claims, demands, actions and applications brought against the Town arising from the failure of the ~~Utility~~ THI to have secured easements or from any defect or deficiency in the easements secured by ~~the Utility~~ THI prior to the effective date of this Agreement.

10.03 After the effective date of this Agreement, the Town shall act on behalf of ~~the Utility~~ THI to secure all easements required for the performance of the expansion or upgrade of electrical distribution services pursuant to this Agreement. Any costs related to the acquisition of easements, including appraisal and legal costs, shall be paid by ~~the Utility~~ THI.

## 11. Customer Billing

11.01 The Town shall bill ~~the Utility's~~ THI's customers for electricity and distribution services supplied to them and such bills shall read "Tillsonburg Hydro Inc. Charges" and shall conform to the requirements of the OEB and any applicable laws.

11.02 ~~The Utility~~ Subject to 11.03, THI shall be responsible for all costs related to the bad debt associated with the non-payment of the electricity bills, provided the Town follows the Standards.

11.03 The Town shall assume responsibility for any billing errors arising after the commencement of this Agreement only to the extent that any such costs arising from the billing errors are unrecoverable from ~~the Utility's~~ THI's customer and only if the billing error is attributable to the Town's negligence or the negligence of its servants, agents or representatives.

## 12. Arbitration

12.01 The Parties agree to consult with each other and to negotiate in good faith to resolve any differences or disputes which either Party may have relating to the interpretation, application or implementation of this Agreement, or any dispute which may arise over any costs, fees or other costs incurred and failing Agreement the Parties agree to resolve their disputes by arbitration as provided in subsection 12.02.

12.02 Arbitration of a dispute shall be commenced by written notice by a Party requesting arbitration to the other, which notice shall identify the issue or issues it wishes to submit to arbitration. Within thirty (30) days of the date of the notice, the Parties shall agree upon a single arbitrator and failing Agreement then each Party shall appoint an arbitrator and the two appointees shall within 45 days of the date of the notice of arbitration appoint a third person who shall act as Chair of the Arbitration Panel, and failing Agreement the Chair shall be appointed by a Judge of the Superior Court of Ontario pursuant to the provisions of the *Arbitration Act, 1991*, S.O. 1991 c.A.17.

12.03 The commencement of the arbitration and all rules of procedure for the arbitration shall

be by Agreement of the Parties, or failing Agreement, as determined by the arbitrator or Chair of the arbitrator panel. The provisions of the *Arbitration Act, 1991*, SO 1991 c.A.17, as amended or any successor legislation shall apply to the arbitration.



12.04 All decisions of the arbitrator or arbitrators, as the case may be, shall be made in writing and shall be delivered to all Parties within ten (10) days, or within such other time as the Parties may agree, from the conclusion of the arbitration. Except for matters of law only, all decisions shall be final and binding upon the Parties, their respective successors and assigns, and shall not be subject to appeal.

12.05 Each Party shall pay its own costs incurred in respect of the arbitration including the payment of its appointee to the arbitration panel, and in the case of a three person panel the Parties agree to share the fees of the Chair and other related costs equally.

### 13. Insurance

13.01 ~~The Utility~~THI shall provide and maintain the following:

- (a) A Comprehensive General Liability Policy which shall name the Town as a Named Insured but only with respect to operations and services performed by the Town on behalf of ~~the Utility~~THI;
- (b) An Environmental Impairment Policy which shall name the Town as a named insured but only with respect to operations and services performed by the Town on behalf of ~~the Utility~~THI;
- (c) Directors and Officers liability insurance providing coverage for the directors of ~~the Utility~~THI;
- (d) The Errors & Omissions Liability Policy which shall be in the name of ~~the Utility~~THI with the Town added as a Named Insured but only with respect to claims for compensatory damage as a result of errors or omissions by the Town acting on behalf of ~~the Utility~~THI; and,
- (e) Such other insurance in keeping with good utility practice.

~~13.02 The Utility agrees to endorse its insurance coverage with the Town as a Named Insured to cover any liability of the Town resulting or arising from any claims of injury, including injury resulting in death, third Party property damage arising from the operations of the Named Insured and/or the operations and services performed by the Town on behalf of the Utility.~~

~~13.03~~13.02 The Town of Tillsonburg shall, at their expense obtain and keep in force during the term of the Master Service Agreement, Municipal Liability Insurance satisfactory to Tillsonburg Hydro Inc., and underwritten by an insurer licensed to conduct business in the Province of Ontario. The policy shall provide coverage for Bodily Injury, Property Damage and Personal Injury.

~~13.04~~13.03 The Town of Tillsonburg shall indemnify and hold harmless Tillsonburg Hydro Inc., its officers, Board Members and employees from and against any liabilities, claims, expenses, demands, loss, cost, damages, actions, suits or other proceedings by whomsoever made, directly or indirectly arising out of the Master Services Agreement attributable to bodily injury, sickness, disease or death or to damage to or destruction of tangible property including loss of revenue or incurred expense resulting from disruption of service and caused by any acts or omissions of the Service Provider, its officers, agents, servants, employees, customers, invitees or licensees, or occurring in or on the



premises or any part thereof and, as a result of activities under this agreement.

~~13.05~~13.04 All policies referred to in subsection 13.01, 13.02 and 13.03 shall contain a clause requiring each insurer to give the Town or ~~the Utility~~THI, as the case may be, ninety (90) days written notice prior to cancelling insurance coverage.

~~13.06~~13.05 Both Parties will notify the Municipal Electric Association Reciprocal Insurance Exchange (MEARIE) of any occurrence, claim, suit and/or accident pertaining to the operations of the Named Insured and/or the operations performed by the Town on behalf of the Named Insured.

14. No Warranty or Guarantee

14.01 The Town provides no warranty or guarantee for any defective or deficient equipment or materials utilized except for the manufacturers or supplier's warranties or guarantees applicable to the defective or deficient equipment or materials.

14.02 The Town will use commercially reasonable efforts to ensure obtain proper warranties and guarantees are obtained and managed for the benefit of THI.

15. Notices

15.01 All notices required to be given to either of the Parties under this Agreement shall be in writing and shall be delivered by prepaid ~~unregistered~~registered post or hand delivery to the following:

(a) The Corporation of the Town of Tillsonburg

200 Broadway, 2<sup>nd</sup>  
Floor Tillsonburg,  
ON N4G 5A7

Telephone: (519) 842-6428  
Fax: (519) 842-9431

Attention: Town Clerk, copied to CAO

and

(b) Tillsonburg Hydro Inc.

10 Lisgar Ave  
Tillsonburg, ON N4G 5A5

Telephone: (519) 842-6428  
Fax: (519) 842-9431

Attention: ~~General Manager~~Board Secretary, copied to Board of Directors

or to such other address or individual as may be designated by written notice to the other Party. Any notice given by personal delivery shall be deemed to have been given on the

day of actual delivery hereof and if sent by prepaid post, on the third day after mailing.

16. Successors

16.01 This Agreement shall inure to the benefit of and be binding upon the Parties and their successors and assigns, respectively.

17. Regulatory Changes

17.01 The Parties acknowledge that substantial changes to legislation and regulations and government policies ~~are likely may~~ to occur during the term of this Agreement which ~~are likely to may~~ affect the nature of the relationship between them, ~~and as.~~ As a consequence thereof, the Parties hereby agree to consult and negotiate in good faith any amendments to this Agreement which may be necessitated by changes in the regulatory environment ~~and in keeping with to preserve, to the extent practicable,~~ the intent of the Parties, ~~and failing.~~ If after a reasonable period of negotiation the Parties are unable to conclude an amendment to this Agreement to, either Party may submit their differences to arbitration as provided in Section 12.

18. Entire Agreement

18.01 This Agreement, including Schedules A and B, constitutes the entire Agreement between the Parties.

19. Amendments

19.01 Amendments to this Agreement shall ~~be only be effective when~~ in writing and executed by the ~~Parties~~ duly authorized signing officers of the Parties.

20. Headings

20.01 The headings in this Agreement are for purposes of reference only and shall not be read or construed so as to abridge or modify the meaning of any provision in the main text of this Agreement.

21. Governing Law

21.01 This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

22. Termination

22.01 In the event of non-performance by either Party of any material obligation(s) under this Agreement, the other Party may at its sole option elect to terminate this Agreement provided that the defaulting Party shall be given written notice of the default and shall be given sixty (60) days to cure the default, and then only upon failure to cure the default within the cure period, the Agreement may be terminated. Termination shall not relieve a Party of any obligation, responsibility or amount payable under this Agreement up to and including the date of Termination.

23. ~~Responsibility~~Liability and Indemnification

~~23.01—While the Utility continues to be a wholly owned subsidiary of the Town:~~

~~(a) —The Town shall have no responsibility for any actions, causes of action, claims or~~



~~demands which may be advanced against the Utility even where the said action, cause of action, claim or demand arose partly or entirely out of any misfeasance or nonfeasance on the part of the Town in the performance of its operations pertaining to the distribution of electricity. The Utility shall indemnify, release and save harmless the Town in respect of any such action, cause of action, claim or demand save and except when operations pertain to the operations other than those pertaining to the distribution of electricity.~~

23.01 The Town shall indemnify and save THI, its officers, directors, agents and employees, if any, harmless from and against all any costs, courses of action, claims, demands, expenses or liabilities of any description incurred by THI or its officers, directors, agents or employees may suffer as a result of the omission, negligence or willful misconduct of the Town or those for whom the Town is legally responsible in the performance or non-performance of this Agreement.

(b) ~~—In situations where the Town and the Utility~~THI are jointly liable to ~~any~~any third person otherwise than in contract, ~~the Utility shall absorb all such liability pertaining to the distribution of electricity and shall indemnify and save harmless the Town; and~~

23.02 ~~The Utility~~THI shall reimburse, indemnify and save harmless the Town against any costs, courses of action, claims, demands, expenses or liabilities of any description incurred by the Town solely for the benefit of THI where the ~~Utility, whether such reimbursement and indemnification is complicit with this Agreement or otherwise~~Town has not been negligent.

#### 24. Joint ~~Management~~ Committee

24.01 It is a matter of importance to the Parties that there shall be proper consultation and involvement by ~~the Utility in the performance of services under this Agreement. For that reason, the following committee shall be formed and shall meet on a regular basis, the schedule thereof as determined by the members of the Joint Management Committee, in order to identify, resolve, and coordinate matters of common concern in relation to the services performed hereunder~~THI in the performance of Services under this Agreement:

(a) The Joint ~~Management~~ Committee shall ~~consist~~meet as required to identify discuss and resolve issues of mutual concern to the Chief Administrative Officer of the Town, General Manager of the Utility, and two Board appointed independent directors~~Parties~~ and if required, the Chair of the Board may attend as an ex-officio member;receive updates.;

(b) Either Party to this Agreement shall have the right to requisition a meeting of the said Joint ~~Management~~ Committee at any time upon five (5) days written notice to the other; and



- (c) Where a member is unable to be present at any meeting of the said Joint ~~Management~~ Committee, he or she may substitute another individual to attend and participate at any such meeting in his or her stead.

25. Relationship

- 25.01 Parties acknowledge and agree that the Town shall act as an independent contractor providing its services under this Agreement and the Parties further acknowledge and agree that nothing in this Agreement shall be deemed or construed to be the formation of a partnership between the Town and ~~the Utility~~ THI.

26. Survival

- 26.01 The following sections 5, 6, 7, 9 and 23 shall survive the termination of this Agreement.

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date first above written:

The Corporation of the Town of Tillsonburg

Tillsonburg Hydro Inc.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Chair

Per:

Per:

\_\_\_\_\_  
CAO

\_\_\_\_\_  
Secretary



- Maintain the appropriate meter database as required by Measurement Canada, the IESO, OEB or UtilityTHI;
- Identify all meters that have malfunctioned and assist in the necessary corrective actions required to address such malfunction;
- Recommend to UtilityTHI management any technological advances that should be implemented ~~at the Utility to comply with all rules and regulations set out by Measurement Canada or other legislation;~~
- Test or have tested all meters according to general accepted principals for an Utility meter shop as set out by the current courses for Meter Technicians;
- Provide technical assistance to customers and consultants on meter installation requirements;
- Provide regular reports to UtilityTHI management;
- Provide management and supervision;
- Provide safety training and ensure all employees work to IHSA safety standards;
- Provide necessary vehicles and equipment of a general nature;
- ~~• Meet any OEB required requirement set out by Utility;~~
- ~~• Promote public safety and awareness using external communication.~~

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED

- ~~• Meter readings to be accurate;~~
- ~~• Service provided to the schedule set out by the Utility;~~
- ~~• All OEB codes to be met;~~
- ~~• All Measurement Canada codes, guidelines or rules to be met;~~
- ~~• Meters to be purchased using industry standards including MEA, IHSA, CSA and UL;~~
- ~~• Supply and testing to meet Utility schedule and OMB OEB required requirements.~~
- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

~~(B) — LRIS.~~

~~(C) — Investigate GIS systems for the benefit of THI.~~

- Prepare and track the engineering budget and capital construction budget from concept to final estimates and provide variance explanations as required.
- Review and comment on plans for proposed developments submitted by property owners and the Town of Tillsonburg Planning Services and other agencies.
- Review and comment on plans for proposed new electrical services, over 150kVA, submitted by property owners.
- Plan revisions and extensions to the electrical distribution system.

#### DESIGN SERVICES

- Plan, design and supervise the installation of all ~~new~~ electrical plant and equipment related to capital and operations work.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~The~~All Services provided in subsection (a) above ~~services will~~shall be provided in ~~an expedient manner~~accordance with Standards, best practices and ~~according to the codes, standards and guidelines of the ESA, OEB or the IESO as applicable~~procedures.

#### A.3 METER SERVICES

(a) FULL DESCRIPTION OF THE SERVICE:

~~On an as needed basis:~~

- Provide qualified Meter Technicians;
- Install/remove residential electric meters;
- Install/remove General Service Meters;
- Install/remove Data recorders;
- Install/remove CT and PT and prepare meter installations;
- Provide technical advice on the procurement of all meters required by ~~the~~UtilityTHI;
- Maintain, verify or re-verify all meters according to schedule;
- Install and maintain smart meters and implement smart grid technology in accordance with standards.



~~Transformer Installation and Repair~~

- ~~• Maintain voltage ranges to customer to CSA standards.~~

~~Service Installations~~

- ~~• Installations will be made to OEB requirements.~~

~~Service Repairs~~

- ~~• To OEB requirements.~~

~~Relocation Work~~

- ~~• Perform work to OEB requirements and good utility practice standards.~~

~~PCB Management~~

- ~~• All activity to within the Ministry of the Environment and any other legal requirements.~~

~~Billable Work~~

- ~~• Perform work to OEB requirements and good utility practice standards.~~

~~Customer Relations~~

- ~~• To OEB requirements to meet or exceed the top quartile in terms of customer service standards related Ontario LDC's.~~

~~Supervision~~

- ~~• To meet or exceed Ministry of Labour and IHSA's requirements. To meet OEB requirements.~~

~~Line Locate~~

- ~~• Locates will be done to meet the OEB requirements with Standards, best practices and procedures.~~

## A.2 ELECTRICAL ENGINEERING SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Maintain engineering files and records, both digital and hard copy.
- Writing and maintaining technical specifications and procedures.
- Installation, support and licensing of the following all engineering software:

(A) ~~AutoCad;~~

~~payment options including online methods for customers in order to pay their utility bills.~~

### ~~Supervision~~

### Switching Operations

- To arrange and facilitate all high voltage switching. To set standards and arrange all duties that crews require performing to standards and are done to EUSAESA, Ministry of Labour and Town of Tillsonburg rules and regulations.

### Memberships and ~~Licence~~License Fees

- Maintain memberships / licenses with / in OEB, IHSA, HSA, EDA ~~and ACORE~~.

### ~~Green Fleet Vehicles/Fleet~~, ESA, etc....

- Providing, maintaining and ~~fuelling~~fueling green fleet technology type vehicles owned by the Town as necessary to complete all maintenance and construction work as required to maintain service for the UtilityTHI.

### Line Locate

- Provide line locate to all requests ~~for line locates~~ within the Utility'sTHI's service area

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

### ~~Substation Maintenance~~

- ~~Create a standard monthly report of substation status.~~

### ~~Overhead Maintenance~~

- ~~Maintain system to OEB required standard or better~~All Services provided

### in ~~responding to calls~~. ~~Underground Maintenance~~

- ~~Maintain system to OEB required standard or better in responding to calls.~~

### ~~Inspection~~

- ~~Provide inspection reports for switches, vaults (3 year rotation), and poles (10 year rotation).~~

### ~~Emergency Response~~

- ~~Emergency response will~~subsection (a) above shall be provided in accordance to OEB required Guidelines and applicable law.



### Service Installations

- Provide qualified labour and supervision to install all types of services from 3 phase 27.6 KV primary to 120/240 volt single phase underground or overhead.

### Conservation Demand Management (CDM)

- To meet all CDM related regulations and license conditions
- Develop, maintain and monitor an approved CDM plan as required.

### Smart Grid

- Provide necessary services to implement, maintain and monitor a smart grid plan in accordance with regulations, standards and practices.

### Service Repairs

- Repair all secondary and primary services to re-establish power 24 hours 365 days a year.

### Relocation Work

- To provide the supervisory services, labour, equipment, materials and tools necessary to move, remove, shift, or build electrical plant for the purpose of road, sidewalk or any other project on Town streets.

### PCB Environmentally Hazardous Material Management

- Provide expertise in PCB Environmentally Hazardous Material Management, testing and reclassification of transformers when required.
- Provide the required supervision, labour, equipment to remediate, clean up, contain, control, transport and store all material until decommissioning or disposal in accordance with all applicable law.

### Billable Work

- To provide qualified crews and people and supervision to perform work to private individuals on behalf of the UtilityTHI. To provide customers of the UtilityTHI with expertise and knowledge and render service to customers on a 24 hours basis on behalf of the UtilityTHI.

### Customer Relations

- To provide help to the customers of the UtilityTHI with their concerns such as no power calls, eats-in-trees, kites in wires and all other similar instances on behalf of the UtilityTHI utilizing, where appropriate, the Town Active Citizen Response (ACR) technology. The town will provide web presentment technology in association with smart meter and smart grid technology. The Town provides additional payment options including online methods for customers in order to pay their utility bills.

## SCHEDULE A – LIST OF SERVICES

## A.1 HYDRO OPERATIONS

## (a) FULL DESCRIPTION OF THE SERVICE:

Provision of a (Full Time) General Manager of Tillsonburg Hydro Inc.

- Provision of a General Manager for the UtilityTHI who is a Town Employee. Substation Maintenance

- To provide supervision, labour, materials, equipment and tools to maintain all the substations, substation buildings and substation fixtures including any tests, inspections or monthly monitoring and record keeping.

## Overhead Maintenance

- To provide supervision, labour, materials, equipment and tools to maintain and repair all overhead lines, hardware, poles, switches, etc. To render repairs at any time to facilitate restoration or power with the least amount of inconvenience to the customer.

## Underground Maintenance

- To provide supervision, labour, materials, equipment and tools to maintain and repair all Underground Lines, hardware, and switches etc. To render repairs at any time to facilitate restoration or power with the least amount of inconvenience to the customer.

## Inspection

- Provide inspection and testing of the electrical plant to the present standards required by good utility practice, the UtilityTHI and all applicable laws.

## Emergency Response

- Provide 24 hour 7 day a week ~~trouble crew with the possibility of providing up to 4 people and supervision within 1 hour in emergency~~ response to all trouble calls. ~~To provide supervision on a 24-hour 7 day a week.~~

## Transformer Installation and Repair

- Provide qualified crews and supervision to install overhead, underground and pad mount transformers. To ensure proper voltage to customers.



## A.4 METER DATA MANAGEMENT

## (a) FULL DESCRIPTION OF THE SERVICE:

- ~~• Read all residential and commercial meters except interval meters;~~
- ~~• Gather / Provide all meter readings;~~
- Handle all customer complaints regarding incorrect readings or performance of meter readers;
- ~~Provide~~Maintain meter reading software and ~~system owned by THI~~systems;
- ~~• Read all residential electric meters according to schedule using MVRS handheld provided by Town and provision of Smart Metering Services in accordance with applicable legislation and OEB requirements;~~
- ~~• Read all General Service meters and reset demand meters according to schedule using MVRS handheld provided by Town;~~
- ~~• Read all General Service or residential electric telemeters according to schedule using MV90 software;~~
- ~~• Read all wholesale meters using MV90 Standard;~~
- ~~• Read all embedded generation using MV90 Standard;~~
- ~~• Provide, maintain, administer and operate MV90 or similar software;~~
- ~~Provide standard (MVRS and MV90) file formats for all scheduled~~ Verified, Edited or Estimated readings ~~for import into Utility's to~~ THI's CIS/billing package, retail settlement package or service, and posting as required for retailer access;
- ~~• Provide Verified, Edited or Estimated readings to the Utility's CIS/billing package, retail settlement package or service, and posting as required for retailer access;~~
- Maintain backup copies for the periods scheduled by ~~the Utility~~THI;
- ~~• Ensure compliance with all OEB and OEB required requirements;~~
- Provide all supervision and management functions;
- Provide all required equipment and supplies for employees;
- ~~• Provide safety training and monitoring;~~
- ~~Provide regular~~regular reports to ~~Utility management~~adequately inform THI.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED

- ~~• Meter readings to be accurate to reasonable industry standards;~~

- ~~Service provided to the schedule set out by the Utility to reasonable industry standards;~~
- ~~All OEB codes to be met;~~
- ~~All Measurement Canada rules to be met;~~
- ~~Ensure that all readings are obtained as per schedule of the Town.~~
- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

#### A.5 TREE TRIMMING

##### (a) FULL DESCRIPTION OF THE SERVICE:

- Trim trees to ensure that distribution lines and plant are clear of any obstruction.
- Provide supervision and control to ensure that proper clearances are maintained.

##### (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- The Town will be cleared on a rotational basis once every three years.



## A.6 CUSTOMER SERVICES

## A.6.1 BILLING ADMINISTRATION

## (a) FULL DESCRIPTION OF THE SERVICE:

- Calculation of monthly bills for ~~existing customer base of +/- 6,800 customers;~~
- Answer all customer inquiries including inquiries regarding bill calculation, type and cost of services offered, high consumption and power outages. Provide for over the counter service at the Customer Service Centre;
- The Customer Service Centre is to operate between the hours of 8:00 a.m. and 5:00 p.m. Monday to Friday, excluding statutory holidays. These hours of operation are subject to change upon mutual Agreement between the Town and ~~the Utility~~ THI;
- Handle all customer requests for connection and disconnection of services, roll-outs, and spot services;
- Handle all customer complaints;
- Ensure proper update of the billing system of all information, concerning, rate, consumer, location and retailer information;
- Provide after-hours answering service to dispatch emergency calls;
- Monitor and report on telephone access, appointments and written responses to inquiries as required by the OEB to meet the Performance Based Regulations;
- Promote policies, and programs which encourage high levels of service;
- Notification to retailers of changes in customer accounts.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Maintain high levels of customer satisfaction;
- ~~Ensure Performance Based Regulations are met;~~
- ~~Enforce the Standard Application of Rates and/or policies of Regulator are followed;~~
- ~~Ensure all accounts are billed monthly as per schedule.~~

## A.6.2 DISPATCH

## (a) FULL DESCRIPTION OF THE SERVICE:

- Provide radio dispatch service and necessary record keeping for customer service

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~In~~ All Services provided in subsection (a) above shall be provided in accordance with ~~established policy~~ Standards, best practices and procedures.

A.6.3 GENERAL MAIL SERVICES

(a) FULL DESCRIPTION OF THE SERVICE:

- Provision of mail and courier services excluding invoice mailings and including pick-up or receipt, processing, distribution and delivery; includes daily pick-up and delivery to and from the Tillsonburg Customer Service Centre (CSC).

(b) STANDARDS TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Pick-up and delivery to and from the CSC Daily
- Delivery to work locations Daily by 10:00 a.m.
- Pick-up from work locations Daily by 3:30 p.m.

All mail will be processed by the end of the working day on which they have been received.

A.6.4 REMITTANCE PROCESSING

(a) FULL DESCRIPTION OF THE SERVICE:

- Processing of all payments, including opening/sorting mail, data capture, encoding and preparing deposit;
- Providing cashiering services at the Tillsonburg Customer Service Centre from 8:00 a.m. - 5:00 p.m. Monday to Friday, excluding statutory holidays. These hours of operation are subject to change upon mutual Agreement between the Town and ~~the Utility~~ THI;
- Daily reconciliation of monies collected to system records.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- All payments will be posted the day they were received;
- Bank deposits to be made daily;
- Reconciliation of posted amounts and cash received daily and monitored for



- All payment investigations to be done on a timely basis;
- Payment types to be accepted are Debit, Cash, and Cheque, Credit Card, Telebanking and bank payments.

#### A.6.5 BILL DESIGN, PRINTING, INSERTING AND MAILING INVOICES

##### (a) FULL DESCRIPTION OF THE SERVICE:

- Design of a customer driven bill and collection notices. The design of the bill will ensure that the customer is aware ~~the Utility~~ THI is the energy distribution provider, and distinct from charges for other services on the bill;
- Generate and/or print all monthly bills and notices for ~~existing customer base of customers;~~  
~~+/- 6,800 customers;~~
- Inserting and preparing bills/notices for mailing including up to 3 additional inserts and business return envelopes and delivery to post office, including postal charges, at current rates.

##### (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- All mail will be delivered to Canada Post daily;
- Mailing addresses will be verified for address accuracy;
- Bills will be responsive to the customers' needs and will conform to the requirements of the Regulator.

## A.6.6 COLLECTION SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Notify customers of overdue payments by telephone, mail and continue notification processes until payment is received or discontinuation of services, for consumer and miscellaneous receivable accounts;
- ~~Field Collection Services to~~ To obtain payment, notify of impending disconnection, and disconnection of hydro services when payment is not received;
- Recommend and co-ordinate legal actions where payment is not received;
- Trace and locate debtors on final accounts;
- Administer the contract and co-ordinate services with the Credit Bureau and external Collection Agency;
- Maintain accurate system records on all collection activity;
- Collect deposits and/or other forms of security as required by the policies of ~~the~~ UtilityTHI;
- Report on collection activity as required;
- Recommend Collection Policies to reduce bad debts;
- Recommend accounts to be written off. ~~The UtilityTHI~~ will assume the expense of bad debt write-offs relating to electricity charges and related administrative fees.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~Ensure regulations of Regulator and/or Standards Application of Rates are followed;~~
- ~~Ensure the collection and deposit policies of the Utility are followed.~~



- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

A.6.7 CUSTOMER RELATIONS, ADMINISTRATION, BRANDING AND MARKETING

(a) FULL DESCRIPTION OF THE SERVICE:

- Administration, customer relations, and marketing for all Utility functions not covered in other schedules;
- Provision and maintenance of a website for Utility information;
- Provision of teleconferencing services, as required, for some or all of the board members for meetings.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~The Town will take all reasonable steps to use the Utility's name, logo or other distinguishing characteristics, in a manner that would not mislead consumers as to the distinction between the Utility and the Town.~~
  - All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
-

## A.7 MANAGEMENT SERVICES

### A.7.1 MEETING MANAGEMENT SERVICES

#### (a) FULL DESCRIPTION OF THE SERVICE:

- Provision of a Recording Secretary to ~~the Utility~~THI;
- Preparation and distribution of agendas;
- Take minutes of board meetings;
- Minute preparation, distribution and retention;
- General administrative support to Board members including correspondence, reports, bookings and other related tasks arising from board meetings;
- Provision of suitable meeting room accommodations including a conference table and seating for Board members and other attendees.

#### (b) STANDARDS TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Agendas will be prepared and distributed two working days prior to meetings;
- Minutes will be prepared and distributed within five working days following the meeting;
- Minutes and all related documentation will be retained in secured storage.



## A.7.2 INSURANCE &amp; RISK MANAGEMENT SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Placement and management of: (a) Liability and Property Insurance; (b) Directors and Officers liability insurance providing coverage for the directors of ~~the~~ UtilityTHI; (c) insurance claims administration and adjusting services; (d) assistance to the Board of Directors in the development of risk management procedures.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Town of Tillsonburg to be an additional named insured on all policies where such coverage is available;
- Liability and property insurance will be obtained with the level of coverage to be determined by the Board of Directors. ~~The Town's Director of Finance shall~~ Shall provide in consultation with the Insurance Company(s), advice and assistance to the Board in connection with such policy limits;
- Claims administration will be undertaken by the ~~Town's Director of Finance or his or her designate~~ Town;
- Adjusting Services for Claims will be provided when necessary;
- Timely updates on matters of risk management, events, and occurrences.

## A.7.3 TELEPHONE SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Provision of the necessary telephones for all staff involved in ~~Utility~~ electricity services, including required telephone lines, voice mail, cell phones where necessary, and specialized telephone equipment (i.e. headsets) for customer service personnel as may be required.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~A fully functional telephone system with voice mail will~~ All Services provided in subsection (a) above shall be provided ~~including system support~~ in accordance with Standards, best practices and repair ~~procedures.~~

## A.7.4 ACCOUNTS PAYABLE PROCESSING

## (a) FULL DESCRIPTION OF THE SERVICE:

- Accounts payable processing.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Invoices are paid within their due dates. Discounts should be taken when possible;
- Any late payment charges on invoices paid by the Town will not be passed on to THI.

## A.7.5 PAYROLL FUNCTIONS

## (a) FULL DESCRIPTION OF THE SERVICE:

- Payroll functions.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Employee(s) paid/filings (WSIB, Rec. General &c.) all done on a timely basis;

## A.7.6 MISCELLANEOUS ACCOUNTS RECEIVABLE ADMINISTRATION

## (a) FULL DESCRIPTION OF THE SERVICE:

- Miscellaneous (non-consumer) accounts receivable administration.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Billings completed on a timely basis.
- Collection of Accounts Receivable in accordance with legislative standards.



### A.7.7 RECORDS MANAGEMENT SERVICES

#### (a) FULL DESCRIPTION OF THE SERVICE:

Provision of records management services using records management software to:

- Maintain file plans and retention schedules;
- Transfer and store of inactive records;
- Destroy records;
- Retrieve and deliver inactive records;
- Train Records Coordinators and other records service users;
- Customize reports.

#### (b) STANDARDS TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~File plans and retention schedules reviewed with Records Coordinator and revised annually~~All Services provided in subsection (a) above shall be provided in accordance with OEB and town policy Standards, best practices and procedures.

### A.7.8 FINANCIAL STATEMENT PREPARATION

#### (a) FULL DESCRIPTION OF THE SERVICE:

- Financial Statement Preparation.
- Annual audit.

#### (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~Quarterly~~All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Minimum quarterly statements presented to the Board on a timely basis;
- Audited financial statements to be completed on a timely basis.
- Annual review of internal controls by third party (auditor).

## A.7.9 OTHER FINANCIAL SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Other financial services including rate applications, business plans, reports to the regulator and others as needed;
- Includes provision of a Treasurer to ~~the Utility~~ THI, which Treasurer shall either be or, shall report to and, receive direction from the President of THI in accordance with established board policy...

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All ~~rate applications/budgets and submissions will~~ Services provided in subsection (a) above shall be prepared provided in accordance with ~~the requirements of the Regulator and the Boards of Directors~~ Standards, best practices and procedures.

## A.7.10 TREASURY SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Treasury services including financial systems integrity, internal controls, investment and banking administration, cheques and disbursement of funds, financial management and analysis, payroll and accounting administrative functions, purchasing services and hydro collection administrative services.
- Bank reconciliations should be completed on a timely basis

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All ~~treasury services to~~ Services provided in subsection (a) above shall be provided to standards in accordance with ~~Town policy~~ Standards, best practices and ~~those of the Regulator and the Utility~~ procedures.

## A.7.11 LEGAL SERVICES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Consultants and outside solicitors engaged as deemed necessary but supervised and instructed by the General Manager ~~as per board policy~~ or the THI Board of Directors;
- Also provides outside legal representation and advice to ~~municipal~~ Town departments which perform electricity services, whether directly or indirectly.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Basic legal services, including minute book and sign off on an as-needed basis;
- matters Matters will be referred to outside solicitors ~~with supervision performed~~



~~by the General Manager as per board policy.~~

#### A.7.12 HUMAN RESOURCE SERVICES

(a) FULL DESCRIPTION OF THE SERVICE:

- Services will be supplied in respect of Town employees performing THI-related services;
- Payroll and benefit management;
- Salary Administration & Pay equity;
- Labour Relations management;
- Health and Safety. OHSa compliance. Injury and loss prevention. WSIB management including modified and related work programs;
- Employment Services. Job Descriptions and job evaluations. Recruitment, interviewing, selection.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~• Consistent with service level provided to all Town departments.~~

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

#### A.7.13 MISCELLANEOUS SERVICES

(a) FULL DESCRIPTION OF THE SERVICE:

- Miscellaneous services, not specified as services in any schedule, but provided to any of the foregoing at ~~the Utility's~~ THI's request and upon the Agreement of the Town.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~Legislative and industry standards and guidelines.~~
- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

#### A.7.14 SENIOR MANAGEMENT SERVICES

(a) FULL DESCRIPTION OF THE SERVICE:

- Senior Management Services not necessarily included within any other service schedule.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- ~~As required, when required.~~
  - All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
-



## A.7.15 MANAGEMENT ADMINISTRATION

## (a) FULL DESCRIPTION OF THE SERVICE:

- Management, administrative services and customer service and support using current industry standard technology:

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

~~As required when required.~~

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.

## A.7.16 INVENTORY MANAGEMENT - STORES

## (a) FULL DESCRIPTION OF THE SERVICE:

- Maintain inventory levels to satisfy hydro operations and engineering needs;
- distribution of materials and costs to hydro operations as released;
- reconciliation of physical count v. book value;
- provide purchasing needs for hydro stores & inventory;
- provide purchasing needs for hydro operations external to stores.

- Shall ensure scrap equipment and materials are properly handled and disposed of in accordance with applicable laws and regulations.

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Monthly cycle counts will be completed and an annual inventory to meet sufficient inventory levels to meet operating and emergency needs as required;
- Keep inventory value at a reasonable and manageable level.
- Timely purchasing and delivery to satisfy needs and maintain required levels of inventory.



## A.7.17 IT SERVICES

### (a) FULL DESCRIPTION OF THE SERVICE:

- Installation and maintenance of all hardware including servers, and mainframes necessary for ongoing operations;
- Installation, support, and licensing of all software applications;
- Provision of network, email, and Internet access;
- Programming support for custom applications. This includes design/implementation of new development as well as maintenance of current modules;
- Database installation, support and licensing;
- Security: Nightly, weekly, and monthly backups including disaster recovery. Firewall. Maintenance of employee profiles, access rights, and permissions;
- Technical guidance for meetings, committees and projects.
- Provision of Information Technology Security services
- Develop and maintain a disaster recovery plan
- Ensure outsourced service provides meet the same standards

### (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

#### Hardware, Software, Database, Communications Availability

- Available 24 hours a day 7 days a week except for scheduled backups, maintenance, month end and year-end procedures.

#### Problem Resolution

- Priority 1 - Hardware, software, database, or communication failure which causes 1 person to be unable to carry out their main job function. An IT support technician will respond within 1 working day.
- Priority 2 - Problems which do not cause an employee to be unable to carry out their main job functions are logged, prioritized and dealt with as soon as possible, depending on the availability of staff due to number of priority 1 and priority 2 problems.

#### Programming Requests

- All programming requests are submitted to IT through ACR, logged and prioritized. Small requests are handled on a combined priority and first in first out (FIFO) basis. Large requests are prioritized and scheduled after discussion with the Town.

Security / Information Technology Security / Disaster Recovery Plan

- All Services provided in subsection (a) above shall be provided in accordance with standards (as set out by the OEB), best practices and procedures.

**A.8 USE OF THE CUSTOMER SERVICE CENTRE, DISPATCH AND PROPERTY MANAGEMENT FACILITIES****(a) FULL DESCRIPTION OF THE SERVICE:**

- Buildings, property, equipment, or other depreciable assets used by the Town to provide services to ~~the Utility~~ THI;
- All aspects of Property Management relating to the Customer Service Centre, including janitorial, mechanical, electrical, plumbing, security systems, window cleaning, mats, pest control, fire plans;
- Project management for renovations and mechanical replacement;
- Cost of providing building/facility for stores, dispatch and hydro operation.

**(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:**

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Available during normal office hours and on call 24 hours a day, 7 days a week;
- Sufficient to house and provide necessary services.

## A.9 RETAIL/WHOLESALE SETTLEMENT &amp; ENERGY MANAGEMENT

## (a) FULL DESCRIPTION OF THE SERVICE:

- Retail /Wholesale Settlement;
- Receive inputs from MDMR, IESO, Utilismart and other vendors as required;
- Operate and maintain the Retail /Wholesale Settlement System ~~to meet the billing requirements of the Utility, OEB and Retailers~~;
- ~~Meet timelines established by the Utility, OEB, Retailers;~~  
Track and remit Debt Retirement Charge;
- Supply and maintain a modern settlement system or service;
- Retain and Maintain required records;
- Provide supervision and Management;
- Provide energy management advice to customers and staff;
- Inform UtilityTHI management of energy management trends and recommend programs;
- Perform, Managemanage and Investigate ~~Energyinvestigate~~ energy misappropriation providing ~~the UtilityTHI~~ with a proper Theft of Energy Program;
- Provide Customer Education including education in the schools;
- Maintain evidence and provide as needed support to prosecute energy theft to the full extent of the law;

~~• Meet all OEB, Utility or Ministry guidelines for Customer Education.~~

(b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
-



## A.10 CAPITAL SERVICES

## A.10.1 CAPITAL PROJECTS

## (a) FULL DESCRIPTION OF THE SERVICE:

- ~~Labour~~Provide labour, equipment and applicable materials to perform capital projects, the result of which will be to produce capital assets owned by ~~the Utility~~THI as well as developing and maintaining the Distribution System Plan as required.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- While the staff levels maintained by the Town permits a portion of that staff to be utilized for normal operating functions and for the performance of capital projects, the exact amount of in-house labour available to perform such capital projects will vary from time to time because of workload issues and other pertinent factors;
- Town ~~staff~~ will make appropriate recommendations to ~~the Utility~~THI from year to year and from time to time with respect to the capacity of Town staff to undertake projects on an in-house basis, and which projects (or which portions of projects) will need to be performed by contractors under contract to ~~the Utility~~THI. Where such outside forces are contracted by ~~the Utility~~THI, Town staff shall provide contract administration and management services in connection with such contracts to ~~the Utility~~THI.
- Town will track capital spending and provide regular reporting on level of expenditures and variances against budget and any approved Distribution System Plan.

## A.10.2 ACQUISITION &amp; DISPOSITION OF REAL PROPERTY

## (a) FULL DESCRIPTION OF THE SERVICE:

- ~~Estimate~~Where the acquisition of real property is required to provide distribution services, the Town shall estimate value, obtain appraisals, ~~declare surplus~~, negotiate, receive appropriate approvals and ensure closings for any required purchases on fee simple or easements;
- Negotiate the sale of any surplus properties through tender or listing. Obtain any necessary approvals for disposition.

## (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.
- Services available on request of the ~~Utility~~THI;

SCHEDULE B – ~~LABOUR ALLOCATION~~ Costs

Third Party Costs

Without markup, THI will pay directly, or the Town will pay for and be reimbursed for third party expenses including but not limited to the following:

Electrical power costs for Standard Supply Services, IESO costs, Hydro One Transmission costs, Competition Transition Charge, Retail/Wholesale Settlement costs, Ministry of Finance costs, OEB costs, Electricity Distributors Association (EDA) dues, property taxes, Municipal Electricity Association Reciprocal Insurance Exchange (MEARIE) insurance and other insurance premiums, legal, accounting and audit fees and similar reasonable fees.

Internal Direct costs

THI shall pay the direct labour, material and equipment cost of the Town utilized in providing the Services as follows:

Corporate Admin

Financial Admin

Operations Admin

~~SCHEDULE C – Annual Financial Plan~~

5186290.3 Indirect or Overhead

THI acknowledges that the Town is permitted to charge the fully allocated cost of labour used in providing the Services.

- ~~Service requirements expected to be minimal due to the fact that most plant is located within municipal road allowances.~~

#### A.11 HEALTH & SAFETY

##### (a) FULL DESCRIPTION OF THE SERVICE:

- Ensure all Town employees and sub-contractors are properly trained and qualified for any work they are assigned and aware of all requirements for completing the Services;
- Provide all required safety equipment in good working order;
- Provide safety training and ensure all employees work to IHSA, OHSA and any other applicable safety standards;
- Promote public safety and awareness using external communication.
- Ongoing measurement through audits of current programs and practices to ensure compliance
- Support ESA audits or other government inspections as required.

##### (b) STANDARD(S) TO WHICH THE SERVICE WILL BE PROVIDED:

- All Services provided in subsection (a) above shall be provided in accordance with Standards, best practices and procedures.