

## **CONSULTING AGREEMENT**

**THIS AGREEMENT** made this 19<sup>th</sup> day of February 2010.

Between:

**UTIL-ASSIST**

(hereinafter referred to as the "Consultant")

OF THE FIRST PART

- and -

**HEARST POWER DISTRIBUTION CO. LTD.**

(hereinafter referred to as the "Corporation")

OF THE SECOND PART

**WHEREAS** the Corporation wishes to retain the Consultant to provide consulting services in connection with the business of the Corporation;

**AND WHEREAS** the Consultant wishes to provide such services to the Corporation, on the terms and subject to the conditions herein set out;

### **ARTICLE 1 – CONSULTING SERVICES**

1.1 Retainer. The Corporation hereby agrees to retain the Consultant to provide the Corporation with consulting services regarding the Ontario Smart Meter Initiative, and such other consulting services as the Corporation and the Consultant may from time to time agree upon (the "Services"), and the Consultant hereby agrees to provide such Services to the Corporation.

1.2 Term of Agreement. This Agreement shall remain in full force and effect from January 1, 2010 and subject to earlier termination as hereinafter provided.

1.3 Provision of Services. The Services to be provided hereunder to the Corporation by the Consultant shall be provided by the Consultant. It is agreed and acknowledged that the Consultant may from time to time provide services to other persons, firms, and corporations.

1.4 Remuneration. In consideration for the Consultant being retained, the Corporation shall pay to the Consultant the fees described in Schedule "A" for services rendered during the contract period (January 1, 2010 to June 30, 2011). The consulting fees shall be paid upon receipt of invoice and subject to applicable taxes.

1.5 Expenses. The Consultant shall be reimbursed from time to time for out-of-pocket expenses, including meals, actually and properly incurred by the Consultant in connection with providing the Services hereunder. The expenses of the Consultant shall be paid upon receipt of invoice.

## **ARTICLE 2 – CONFIDENTIALITY AND NON-COMPETITION**

2.1 Confidential Information. The Consultant covenants and agrees that he shall not disclose to anyone any confidential information with respect to the business or affairs of the Corporation except as may be necessary or desirable to further the interests of the Corporation.

2.2 Return of Property. Upon expiry or termination of this Agreement, the Consultant shall return to the Corporation any property, documentation, or confidential information which is the property of the Corporation.

2.3 Promotion of Corporation's Interests. The Consultant shall and will faithfully serve and use his best efforts to promote the interests of the Corporation, shall not use any information he may acquire with respect to the business and affairs of the Corporation or its affiliates for his own purposes or for any purposes other than those of the Corporation or its affiliates.

## **ARTICLE 3 – TERMINATION**

3.1 Termination of Agreement. Either party may terminate this Agreement at any time after the 1st year without cause upon thirty (30) days prior written notice.

## **ARTICLE 4 – CAPACITY**

4.1 Capacity of Consultant. It is acknowledged by the parties hereto that the Consultant is being retained by the Corporation in the capacity of independent contractor and not as an employee of the Corporation. The Consultant and the Corporation acknowledge and agree that this Agreement does not create a partnership or joint venture between them.

## **ARTICLE 5 – GENERAL CONTRACT PROVISIONS**

5.1 Notices. All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one party to any other party, or to any other person shall be given in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party as follows:

To the Consultant at:                   UTIL-ASSIST  
Per James Douglas, President  
17705 Leslie Street, Suite 103  
Newmarket, ON L3Y 3E3  
jdouglas@util-assist.com

To the Corporation at:                   HEARST POWER DISTRIBUTION CO. LTD.  
Nicole Leduc, General Manager  
925 Alexandra Street, P.O. Bag 5000  
Hearst, ON P0L 1N0  
EMAIL: [nleduc@ntl.sympatico.ca](mailto:nleduc@ntl.sympatico.ca)

or at such other address as may be given by such person to the other parties hereto in writing from time to time.

All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, forty-eight (48) hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received forty-eight (48) hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted all Notices shall be given by personal delivery, via facsimile transmission or via email.

5.2 Additional Conditions. The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

5.3 Counterparts. This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts together shall be but one and the same instrument.

5.4 Time of the Essence. Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

5.5 Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to all of the matters herein, and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

5.6 Currency. Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

5.7 Headings for Convenience Only. The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

5.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

5.9 Gender. In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

5.10 Calculation of Time. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a business day, then the time period in question shall end on the first business day following such non-business day.

5.11 Legislation References. Any references in this Agreement to any law, by-law, rules, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

5.12 Severability. If any article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement, and such unenforceable or invalid article, section or portion thereof shall be severed from the remainder of this Agreement.

5.13 Transmission by Facsimile. The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

IN WITNESS WHEREOF, the parties have duly executed this Consulting Agreement this 19<sup>th</sup> day of February, 2010.

SIGNED, SEALED, DELIVERED

) in the presence of

)

) HEARST POWER DISTRIBUTION CO. LTD.

)

) 

) Per Jacques Lecours

) Chair

) I have the authority to bind the corporation.

)

)

) UTIL-ASSIST INC.

)

)

)

) Per James Douglas, President

) I have the authority to bind the corporation.



Per Nicole C. Leduc

General Manager

I have the authority to bind the corporation.

## SCHEDULE "A" FEES

The fees outlined below are for the District 9 Group that HEARST POWER DISTRIBUTION CO. LTD. is a member of and are based on a sliding scale relative to the number of utilities that opt to contract Util-Assist to provide AMI Consulting Services. Fees have then been pro-rated according to the size of the utility.

The 2007 fees are being held for the group for the 2010 and 2011 services. Please note that the for the 2007 contract, the District 9 group was made up of eight utility members, as this included Fort Albany. With Fort Albany no longer participating with the group on this initiative, their portion of the fees (\$9,000.00) has been divided equally amongst the remaining seven members.

### Category

#### Pricing for 18 Month Consulting Contract for all 7 District 9 Members

<b>Member</b>	<b>Jan1, 2010 to Dec 31, 2010</b>	<b>Jan 1, 2011 to June 30, 2011</b>
Algoma Power Inc.	\$26,800.00	\$13,400.00
Chapleau Public Utilities Corporation	\$9,800.00	\$4,900.00
Espanola Regional Hydro Distribution Corp.	\$9,800.00	\$4,900.00
Hearst Power Distribution Co. Ltd.	\$9,800.00	\$4,900.00
Northern Ontario Wires Inc.	\$9,800.00	\$4,900.00
North Bay Hydro Distribution Ltd.	\$30,000.00	\$15,000.00
PUC Distribution Inc. (Sault Ste. Marie)	\$30,000.00	\$15,000.00
Sub-Total	\$126,000.00	\$63,000.00
Total for the 18 month period	\$189,000.00	

**Please note:**

- Applicable taxes not included.
- Eligible out of pocket expenses will be charged separately. (This includes costs associated with conference calling, meeting facilities, and any travel and/or accommodations required for Util-Assist services). Expenses will be accrued, divided amongst members, and billed quarterly.
- Mileage rate will be charged at \$0.50 per kilometre when used for approved travelling.
- Terms of Payment: Net 15 days.

## **Appendix “B”**

### **District 9 MDMR Integration Consulting Services Proposal**

# util-assist

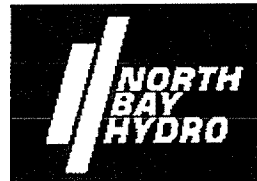
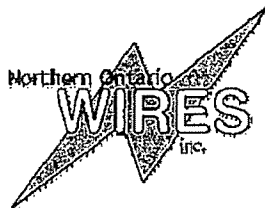
utility strategic operational assistance



CHAPLEAU PUBLIC UTILITIES  
CORPORATION  
CHAPLEAU, ONTARIO  
P0M 1K0



**Great Lakes Power**



## *MDMR Integration and Testing Scope Document*

Oct 02, 2009

Prepared By:  
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(w) [www.util-assist.com](http://www.util-assist.com)

## **Executive Summary:**

In follow up to the District 9 Smart Meter Project Meeting on August 19, 2009, Util-Assist is providing this document to summarize the ongoing services that will be provided to the group as part of the current Smart Meter consulting contract with Util-Assist. This detailed scope document provides an in depth description of both the services that will be provided as part of your existing contract, as well as optional services that are available at an additional fee in the event that you are interested in additional staffing from Util-Assist to perform the actual testing and tasks related to integrating with the IESO and billing on Time of Use. We have enjoyed working with the group over the past few years, value the relationship that we have built and look forward to continuing to provide services as we move forward through the back office and IESO integration phase of the project.

## **Introduction: Back Office Integration**

The integration of the data being acquired from the chosen AMI system(s) into daily processes is a critical component in ensuring that operational efficiencies are maximized where possible. Clearly the Meter Data Management/Repository (MDM/R) will become an integral piece of technology; interfacing with the CIS for the purposes of billing as well as to other authorized entities that may be interested in using the information acquired from the AMI network. The challenge that utilities are faced with is acquiring a comprehensive understanding of the exceptions that new systems will create. Util-Assist's goal is to focus on these exceptions for the purpose of implementing automation to minimize the need for manual intervention. Our understanding of these new systems, and experience with the exceptions they create has made Util-Assist the consultant of choice for over 40 utilities including PowerStream in their workflow design, testing and the ongoing performance of such daily operations as sync file creation and MDM/R exception handling.

### **IESO Integration and Testing Services Included in Current Contract**

Util-Assist is excited to work with District 9 as they prepare for the next stage of their Smart Meter deployment. With the field installations of smart meters completed or in progress for the majority of members, District 9 must begin to consider the integration of their back office systems with those of the IESO; more specifically, with the provincial MDM/R. MDM/R integration will require input from all utility departments, as the processes which will result in synchronization between these systems will affect all components of the utility's daily meter-to-cash process. As with previous projects, Util-Assist will act as the facilitator to the process. The MDM/R is a "new" system, and the impact of this integration needs to be understood. We will create a forum for discussion regarding the requirements (i.e functional design, interface requirements, exception handling, reports, etc), which will allow for the utility personnel to make the decisions that will be required to modify District 9's existing processes.



A significant amount of work is required in order to properly prepare for testing with IESO. There is an expectation that District 9 will have created their business processes to accommodate the manner in which MDM/R handles meter data. Testing with IESO will occur on multiple levels, including System Integration Testing (SIT) as well as Qualification Testing (QT). Business process development needs to occur prior to engaging with IESO in the required test scenarios. These test situations will have as much value for District 9 in testing the business processes which have been developed, as they will hold value for IESO in demonstrating District 9's preparation for the live environment. Util-Assist has experience in this testing, and can provide guidance and resources to District 9 to allow them to find the maximum value in this important learning experience.

Upon integration with IESO, Util-Assist will continue to work with District 9 to ensure the learning experience continues. No amount of testing can prepare District 9 for every exception that will be encountered in the day-to-day processing of meter data. Util-Assist can provide suggestions on how to track IESO reports, as well as integrate AMI reports to ensure continued optimization of the network.

Once stability is achieved on the MDM/R Util-Assist will work with District 9 on the final stage of this initiative Time-of-Use (TOU) billing. We have worked with Newmarket Hydro and PowerStream on the design and development of their customer education packages for the cutover to TOU. We are a strong believer that the success of this mandate will come down to the customer experience with education and a smooth transition to TOU a critical component of this. Our team will work with you to create a TOU strategy that will include work flow development, testing and bill print design.

Finally, during this process Util-Assist will provide insight on how the Operational Data Storage (ODS) system can be utilized to assist with the daily tasks, and ensure AMI optimization continues to occur and be used as a valuable tool to help clear exceptions from the MDM/R. This analysis is required in order for District 9 to fully comprehend the impact to their daily resource requirements.

#### **IESO Integration and Testing Deliverables Included in Current Contract:**

- Budget development (October; including resource allocation requirements)
- 4 – 6\* presentations to review functional requirements
  - MDM/R Design and Functionality
  - MDM/R Interfaces
    - USDP ID
    - P/I Sync
    - Meter Read
    - BQR
  - VEE
  - IESO testing
  - Cutover, (etc)
- Assistance with IESO Registration
- Business Process review/analysis (Util-Assist will provide business process templates related to MDM/R daily process integration including Visio diagrams to illustrate the process, with an accompanying User Guide which

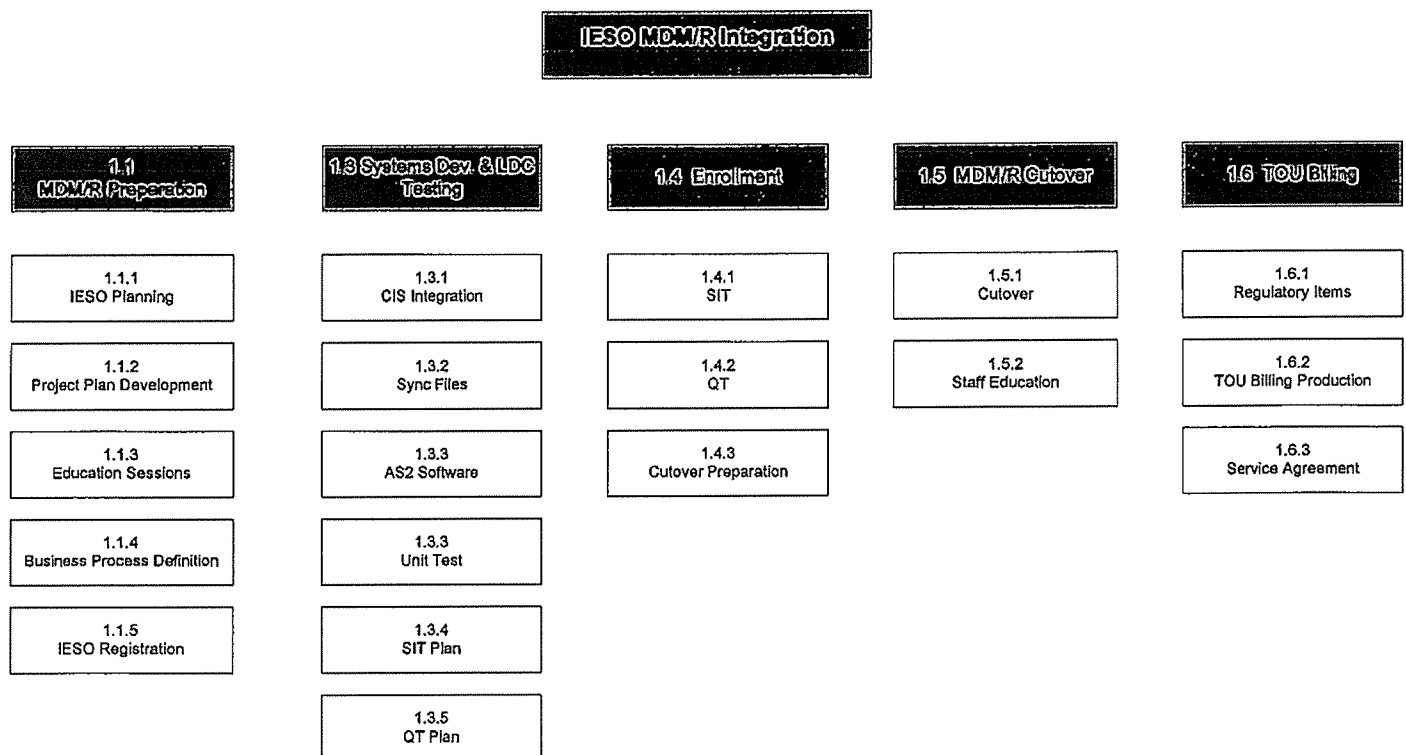
will both explain the process and educate the user as to why the process has been designed the way it was. The User Guide will be the foundation for the utility procedure manual which captures the specific task). Please note this template will be modified in meetings to meet the specific needs of the utility.

- Project Plan creation and maintenance which will capture preparation, testing, business process development, etc.
  - SIT Execution Plan
  - QT Execution Plan
  - Migration to live environment Planning
  - Implementation of business processes to accommodate VEE exceptions
  - Implementation of "workaround" (i.e. gap analysis of business processes will allow District 9 to implement manual workaround's to accommodate exceptions until such time as automation is implemented where possible)
  - TOU Implementation Planning

\*number will depend to some extent on speed of coverage, depth of coverage, current understanding, etc.

### High Level Project Plan:

The following high level view of the task groups outlined in our project plan is presented to aid District 9 in understanding our approach to this initiative. The details of this plan will be provided to District 9 over the coming weeks.



### Consulting Services Detailed Pricing:

The following budget has been presented based on the scope proposed by Util-Assist. We see the rest of 2009 being used for education and workshops with 2010 hosting business process development, testing and MDM/R Integration. The time quoted for 2011 is for TOU billing with this completed by mid 2011. Once all parties agree to the resource levels based on the end scope and time line, our pricing would be capped to control budgeting for any future cost projections.

District 9 Annual Costs for 2009 (8 Members)	
North Bay Hydro	\$28,000.00
PUC Sault Ste. Marie	\$28,000.00
Great Lake Power	\$25,000.00
Chapleau PUC	\$ 9,000.00
Hearst Power	\$ 9,000.00
Northern Ontario Wires	\$ 9,000.00
Espanola Regional Hydro	\$ 9,000.00
Fort Albany*	\$ 9,000.00
<b>Total Cost for District 9</b>	<b>\$126,000.00</b>

District 9 Annual Costs for 2010 & 2011 (7 Members)	
North Bay Hydro	\$30,000.00
PUC Sault Ste. Marie	\$30,000.00
Great Lake Power	\$26,800.00
Chapleau PUC	\$ 9,800.00
Hearst Power	\$ 9,800.00
Northern Ontario Wires	\$ 9,800.00
Espanola Regional Hydro	\$ 9,800.00
<b>Total Cost for District 9</b>	<b>\$126,000.00</b>

**Please note:**

- \* As discussed in the August 19<sup>th</sup> meeting, since Fort Albany is no longer part of the smart meter mandate any outstanding 2009 payments will be distributed to the other District 9 members based on the same allocation ratio presented in the 2010 fee model above.
- Applicable taxes not included.
- Eligible out of pocket expenses will be charged separately. (This includes costs associated with conference calling, meeting facilities, and any travel and/or accommodations required for Util-Assist services). Expenses will be accrued and billed quarterly.
- Mileage rate will be charged at \$0.50 per kilometre when used for approved travelling to LDC.
- Terms of Payment: Net 15 days.

### Optional Service Available: IESO Integration and Testing Assistance

Understanding the number of competing projects utilities have and the limited number of resources available to achieve all these initiatives, we are offering additional services to provide labour support for those utilities that require assistance.

Based on the plan presented above these additional resources will assist in the utility tasks related to the MDM/R, ODS and AMI testing portions to make sure this project is completed on time. A significant amount of work is required in order to properly prepare for testing with IESO. Our staff is prepared to interview and document the current utility processes and perform a gap analysis to implement the recommended new processes presented to the group. We are also prepared to perform and analyze the results from testing with IESO, including System Integration Testing (SIT) as well as Qualification Testing (QT). Util-Assist has experience in this testing, and can provide the resources to District 9 to enable them to gain the maximum value from this important learning experience.

#### Additional IESO Integration and Testing Services Deliverables:

- Document current utility business process and perform gap analysis to new business process recommendations.
- Provide staffing to perform the test scripts created for the following.
  - SIT Execution
  - QT Execution
  - Migration to live environment
  - TOU Implementation Support

### Optional Consulting Service Detailed Pricing:

The following budget has been presented based on the above scope proposed by Util-Assist. Once all parties agree to the resource levels based on the end scope and time line our pricing would be capped to control costs for any future cost projections.

#### Fee Schedule Per Utility (optional)

	Jan 2010 to Jan 2011	Jan 2011 to July 2011
<b>PM &amp; MDM/R Testing Resources</b>		
Hourly Rate	\$65.00	\$65.00
Hours Per Week	12	11
Number of Week	52	26
Sub Total	\$40,560.00	\$20,280.00

**Please note:**

- Applicable taxes not included.

- Eligible out of pocket expenses will be charged separately. (This includes costs associated with conference calling, meeting facilities, and any travel and/or accommodations required for Util-Assist services). Expenses will be accrued and billed quarterly.
- Mileage rate will be charged at \$0.50 per kilometre when used for approved travelling to LDC.
- Terms of Payment: Net 15 days.

## Conclusion

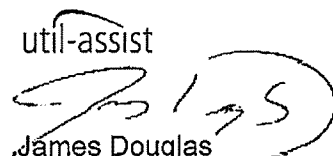
Working with over 40 Ontario utilities Util-Assist has demonstrated our expertise and efficiency within the AMI marketplace. Util-Assist would like District 9 to benefit from our experience by providing our assistance with the integration and design of new processes as they relate to MDM/R and other back office systems as described above.

Util-Assist's approach would be to combine our solid AMI knowledge base with our extensive hands-on experience with the centralized MDM/R to optimize District 9's integration; creating work flows that are applicable to the enduring processes.

Util-Assist enjoys working with District 9 and continued focus on all components of the SMI, from customer satisfaction to cost efficiency; are critical in forming your strategies. We look forward to assisting in their development through this initiative; by working together we can develop the best method of handling the forthcoming changes in the most time and cost effective manner possible.

Should you have any concerns or questions please do not hesitate to give me a call.

Yours truly,

James Douglas  
President