

THIS AGREEMENT made in duplicate the 19th day of August, 1957.
BETWEEN:

THE CITY OF PRINCE ALBERT, a
municipal corporation in the
Province of Saskatchewan,
hereinafter called "the City"

of the first part;

- and -

SASKATCHEWAN POWER CORPORATION,
a body corporate, having its head
office in the City of Regina, in
the Province of Saskatchewan, here-
inafter called "the Corporation"

of the second part;

WHEREAS the City desires to purchase electrical energy from
the Corporation and whereas the Corporation is willing to supply electrical
energy to the City and to the inhabitants of the City on the terms and con-
ditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration
of the premises, the parties hereto mutually covenant, promise and agree one
with the other as follows:

- (1) The Corporation agrees, on, from and after the date hereof:
 - (a) To maintain plant and apparatus for the generation and transmission of electrical energy reasonably sufficient for the needs of the City and the inhabitants thereof.
 - (b) To maintain in the City apparatus and equipment for the distribution of electrical energy reasonably sufficient for the needs of the City and such of the inhabitants thereof as can, in the judgment of the Corporation, be economically served.
 - (c) To use at all times first class, modern, standard, commercial plant apparatus and equipment and to exercise all due care and diligence in the operation of the same.
 - (d) To deliver in the City commercially continuous 24 - hour electrical energy every day of the year except as otherwise provided for herein.
- (2) The City agrees on, from and after the date hereof:
 - (a) That it will take electrical energy exclusively from the Corporation.
 - (b) That it will not generate or distribute electrical energy.

(c) That it will not grant any right, privilege or franchise to any person, firm or Corporation for the generation of electrical energy within the City or for the distribution or sale of electrical energy within the City or for the use of highways, roads, streets, lanes or other public places in the City for any such purpose or for the transmission of electrical energy.

(3) The electrical energy to be supplied shall as regards voltage, frequency and other characteristics conform to the requirements from time to time prescribed under the regulations made with the approval of the Lieutenant Governor in Council under the Power Commission Act or any amendments thereto.

(4) In case the Corporation shall at any time or times be prevented from supplying the said electrical energy or any part thereof by strike, lockout, riot, fire, invasion, explosion, hurricane, flood, Act of God, the Queen's enemies or other cause or causes reasonably beyond the control of the Corporation, the Corporation shall not be liable for the non-supply of electrical energy during such time and in construing this provision the rule of ejusdem generis shall not apply. The Corporation shall be prompt and diligent in removing the cause of such interruption and as soon as the cause of such interruption is removed the Corporation shall, without delay, supply the said electrical energy. Such interruption shall not release the City from any obligation under this Agreement.

(5) This Agreement shall supercede any and all agreements heretofore entered into between the parties hereto with reference to the supply of electrical energy to the City and its inhabitants and such agreements are hereby terminated; without prejudice, however, to any existing monetary claims of the Corporation arising under such agreements.

(6) This Agreement shall be in force for an initial term of ten (10) years from the date hereinbefore set out, and thereafter from year to year unless either party to this Agreement shall, not less than three (3) months prior to the expiration of the said initial term of ten (10) years, or any succeeding yearly term,

request the other party to enter into negotiations for a new Agreement, and unless such negotiations shall be concluded by the adoption of a new Agreement prior to the expiration of the said initial term of ten (10) years or any yearly term thereafter.

(7) (1) The Corporation shall pay to the City out of the Corporation's revenues a sum in lieu of taxes, equal to five per cent of the monthly accounts of customers in the City, the said payment to be made yearly, half yearly, or monthly, as may be mutually agreed. For the purpose of the said payment of five per cent of customers accounts to be hereafter made the actual amount of customers accounts shall be considered.

(2) The Corporation shall give effect to the provisions of Section 34 (2) of the Power Corporation Act, Chapter 35, R.S.S. 1953, so long as the provisions of the said Section 34 (2) are not amended or repealed.

(3) For the purpose of Subclauses (1 and 2) of this Clause, the expression "customer accounts" or "accounts of customers" means accounts of customers in respect of electrical energy supplied to them by the Corporation, and does not include accounts of the City in respect of electrical energy supplied to it by the Corporation.

(8) (1) The City shall operate its existing high pressure pumps and water treating facilities heretofore operated by the Corporation and any extensions thereto, and the Corporation shall be relieved of and have no further responsibility for such operation. The Corporation shall operate and maintain its low pressure pumping equipment including suction facilities, screens, and other such equipment ordinarily used in and necessary to the cooling operations incidental to the operation of the Corporation's Plant located at the City of Prince Albert hereinafter called "the Corporation's pumping equipment", at an intake capacity not in excess of 15,000 imperial gallons per minute.

(2) The Corporation agrees to maintain the high pressure pumping and water treating equipment belonging to the City,

10%
Surcharge
N: w: read
Sec 35 (2)
in present
SPC Act
Electric
Exclusions

required from time to time at the request of the City, and to render to the City an itemized account upon completion of each of such necessary repairs, which account shall include the cost of supervision and labour, but not materials or parts which shall be supplied by the City to the Corporation's employees as required for effecting such necessary repairs, which accounts shall be promptly paid by the City to the Corporation.

(3) It is understood and agreed between the parties hereto that the ownership and responsibility for operation and maintenance of "the Corporation's pumping equipment" as set out in subclause (1) of this Clause extends to and includes the maintaining of the water level in the City's reservoir, and the City's ownership and responsibility for operation of its said high pressure pumping and water treating equipment includes all such facilities beyond the point of delivery of water from "the Corporation's pumping equipment" to the City's reservoir, which point is at the valve or valves regulating the water flow to the City's said reservoir.

(4) In the event that the Corporation shall dismantle and cease operation of its electrical generating Plant within the first five years of this Agreement, the Corporation shall continue to operate "the Corporation's pumping equipment" at an intake capacity not in excess of 15,000 imperial gallons per minute as provided for in subclause (1) of this Clause and to maintain the water treating equipment belonging to the City as set out in subclause (2) of this Clause, up to but not beyond a period of five years from the date of this Agreement after which time the Corporation shall turn over to the City such portion of "the Corporation's pumping equipment" and water mains as may be required by the City in order to maintain the City's water supply, for a nominal consideration, and the Corporation shall be relieved of and have no further responsibility for the operation and maintenance of its pumping equipment as set out in subclause (1) of this Clause and maintenance of the City's high pressure pumping and water treating equipment as set out in subclause (2) of this

(5) In the event that the Corporation shall dismantle and cease operation of its electrical generating Plant after the first five years of this Agreement, the Corporation shall turn over to the City such portion of the Corporation's pumping equipment and water mains as may be required by the City to maintain the City's water supply, for a nominal consideration, and the Corporation shall be relieved of and have no further responsibility for the operation and maintenance of its operating equipment, as set out in Subclause (1) of this Clause and maintenance of the City's high pressure pumping and water treating equipment, as set out in Subclause (2) of this Clause.

(9) The Corporation shall, without cost to the City, furnish all steam required for the operation of the steam pumps used in connection with the City's high pressure pumping equipment and water treating facilities, but such steam will be used by the City only when electricity is not available or for fire protection purposes.

(10) The City shall have the right to attach fire alarm circuits, call boxes, and control equipment on poles forming part of the Corporation's distribution system in the City, provided that the prior approval of the Corporation's District Superintendent to the location and manner of such proposed attachments be obtained and provided further that the manner of installing such attachments shall be in accordance with the provisions set out in "The Rules and Requirements and Specifications for the Joint Use of Poles to Support and Supply Communication Circuits" as issued by the Canadian Standards Association, and further provided that any and all expenses involved in any such attachment shall be borne by the City.

(9) "provided that in the event that the Corporation shall dismantle or cease operation of its said electrical generating plant at any time during the initial term of this agreement, or during any subsequent continuation of this agreement according to the provisions of clause (6) hereof, then from and after the date of commencement of any such dismantling or the date upon which operation of the said electrical generating plant is discontinued by the Corporation, whichever shall first occur, the Corporation shall be relieved of and shall have no further responsibility for the supply of steam to the City, either for the aforesaid steam pumps or for any other purpose."

J. M. Adams
CITY OF PRINCE ALBERT
Mayor

J. M. Adams
Clerk Clerk
Notary

(11) The city and the Corporation agree that the rates and charges for the supply of electrical energy which the Corporation shall charge the City and consumers within the corporate limits of the City shall be those fixed from time to time by the Corporation, subject to the provisions of Section 35 of the Power Corporation Act, 1950, and any amendments thereto.

(12) This Agreement shall enure to the benefit of and be binding upon the City, its successors and the Corporation, its successors and assigns.

IN WITNESS WHEREOF the City and the Corporation have executed these presents the day and year first above written.

SEALED with the Corporate Seal of
the City of Prince Albert, attested
by the signatures of the Mayor and
City Clerk, respectively.

D. Stewart
Mayor
D. M. McIntyre
City Clerk

SEALED with the Corporate Seal of
Saskatchewan Power Corporation,
attested by the signatures of the
Chairman and Secretary, thereof.

R. Brown
Chairman
L. G. Ganne
Secretary

THIS INDENTURE made the 1st day of January, A.D. 1965,

BETWEEN:

SASKATCHEWAN POWER CORPORATION, a Crown Corporation duly incorporated and existing according to the provisions of The Power Corporation Act, being Chapter 35 of the Revised Statutes of Saskatchewan, 1953, as amended, with head office at the intersection of Scarth Street and Victoria Avenue, in the City of Regina, in the Province of Saskatchewan (hereinafter called "the Corporation")

OF THE FIRST PART

- and -

THE CITY OF REGINA, a municipal corporation duly incorporated and existing under the provisions of The City Act, being Chapter 137 of the Revised Statutes of Saskatchewan, 1953, (hereinafter called "the City")

OF THE SECOND PART

Approved as to form this 29th day of March 1965
M. B. Shulz
City Solicitor

WHEREAS the City has heretofore owned and operated an electrical generating plant and electrical distribution and transmission system within the City of Regina;

AND WHEREAS the City has agreed to sell to the Corporation and the Corporation has agreed to purchase from the City the said

electrical generating plant and distribution and transmission system together with certain other assets utilized in respect thereof as are hereinafter more particularly described;

AND WHEREAS the City is indebted under and by certain debentures and other indebtedness incurred in respect of the said electrical generating plant and electrical distribution system;

AND WHEREAS it is a condition of the sale of the said electrical generating plant and distribution system by the City to the Corporation that the Corporation shall, from and after the effective date as herein-after referred to, supply electrical energy to the said City and the inhabitants thereof, within the limits of the City as they may exist from time to time, at the rates and on the terms and conditions hereinafter set forth;

AND WHEREAS the said electrical generating plant and electrical distribution and transmission system may only be sold and purchased hereunder in the event that the power to enter this agreement is granted by an Act of Her Majesty by and with the advice and consent of the Legislative Assembly of Saskatchewan and the provisions in certain other of the Acts of the Legislative Assembly of Saskatchewan are amended or abrogated insofar as they may relate to this agreement and schedules here-to, the payment of monies thereunder and the provision of services thereunder in the manner required by the City and acquiesced in by the Corporation;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto for and in consideration of the covenants herein contained, promise, covenant and agree with each other as follows:

1. (a) The City by these presents does hereby bargain, sell, assign, transfer and set over to the Corporation and the Corporation does by these presents purchase and accept;
 - (i) The electrical generating plant owned and operated by the City for the generation of electrical energy and all the parts and components thereof, including buildings; and
 - (ii) All the distribution equipment and facilities owned and operated by the City for the distribution and supply of electrical energy in and about the City of Regina, including street lighting but saving and excepting all festoon and decorative lighting and other property as hereinafter specified or referred to; and
 - (iii) The lands or interests in land described in the schedule hereto attached and marked "A"; and
 - (iv) All the rights and benefits held by the City in the easement agreements registered in Regina Land Titles Office as described in the schedule hereto attached and marked "B"; and
 - (v) The equipment, tools and instruments used in the repair, maintenance and operation of the said electrical generating plant and distribution system described in the schedule hereto attached and marked "C"; and
 - (vi) The inventory and supplies hereinafter referred to in clause 7 of this agreement; and
 - (vii) The benefit of all or any agreements subsisting at the effective date of this agreement for the purchase of

materials and equipment, fuel and services, or for the supply of electrical energy to customers of the City.

all of which shall hereinafter be referred to as "the System", unless the context shall otherwise clearly indicate.

PROVIDED, however, that the City shall permit the Corporation to use the building known as the Administration Building situate on Lot G, in Block 198 A, in the City of Regina, according to Plan No. 65R06514, for a period of five (5) years from the effective date hereof rent free, but said administration building shall remain the property of the City. The Corporation shall maintain and deliver up the said administration building upon the terms and conditions as are set out in a lease hereto attached and marked Schedule "D".

AND PROVIDED FURTHER that the Corporation shall allow the City for the purpose of its transit system to continue to use, rent free, the lands (and the sub-station situate thereon) known as Lot C 1, in Block 198 A, in the City of Regina, according to Plan No. 65R06514, in the same manner and to the extent that it is being used at the effective date in connection with the operation, maintenance and repair of the City's transit system for so long as the City may require its use.

(b) The Corporation shall accept such title as the City may have to the property and the System referred to in clause 1 hereof and shall not raise any objection in respect thereof. The deeds, documents and titles under which the City holds the said lands and interests in land included in said property having been produced to the Corporation or its solicitors, the Corporation shall be deemed to purchase the same with full knowledge of the contents. The System and said property are all sold subject to all rents, outgoings, rights, easements, covenants, conditions, obligations and restrictions vested by or affecting the same and the Corporation shall absorb and

perform any such covenants, obligations, conditions and restrictions and shall indemnify the City in respect thereof.

- (c) The City agrees to grant to Corporation the rights-of-way over all twelve (12') foot and twenty (20') foot utility parcels now or hereafter held in title in the name of the City, subject, however, to use thereof according to the terms and conditions of an agreement dated the 2nd day of January 1965 between the Corporation and the City relating to certain requirements for the construction and maintenance of the Corporation's distribution system as it may now or hereafter exist, hereto attached and marked Schedule "E".
- (d) The City shall grant to the Corporation such easements for rights-of-way as the Corporation may reasonably require for any portion of the system situate at the effective date on land owned by the City and the City shall execute all such documents as may be reasonably required therefor and which shall be prepared at the cost of the Corporation.
- (e) Subject to the provisions of said agreement referred to in clause 1 (c) hereof, in the event that the Corporation shall extend, modify or alter its distribution system the City shall grant to the Corporation at a cost to be agreed upon between the City and the Corporation, rights-of-way as the Corporation may reasonably require over land owned by the City, and the City shall execute all such documents as may be reasonably required therefor, all at the cost of the Corporation. In the event of disagreement in the application of this clause 1 (e) it shall be resolved by arbitration in the manner hereinafter provided.
- 2. The Corporation shall have and hold the System and every part thereof to the sole and exclusive use of the Corporation subject to legislation, regulations and the provisions of this Agreement herein contained.
- 3. The City covenants that except to the extent that the System or any part thereof is charged as security for debentures and/or general investment

loans issued or made by the City for the acquisition, construction or extension of the System, outstanding at the effective date of this Agreement, the City is now rightfully and absolutely possessed of and entitled to the subject matter of this Agreement and every portion thereof, and the Corporation shall from and after the said effective date have quiet enjoyment of the said subject matter of this agreement..

4.. The parties hereto mutually agree that the effective date of the within sale of the System by the City to the Corporation and the date upon which the Corporation shall take over the operation of the System shall be the 1st day of May 1965, hereinafter referred to as the "effective date" and that the said effective date shall be the date of all or any adjustments required according to the terms hereof unless otherwise expressly provided.

5.. The City agrees to continue to operate the System and to supply electrical energy to any customers who might be acquired prior to the effective date in the same manner and upon the same general terms and conditions of service as exist at the date hereof.

The City shall be entitled to all amounts payable for electrical energy supplied to customers up to 12:00 o'clock midnight of the day before the effective date, which amounts shall be calculated on the basis of the rates charged by the City at that time for electrical energy. During this period the City shall be responsible for the payment of all operating expenses incurred or accrued prior to 12:00 o'clock midnight of the day before the effective date.

All amounts payable in respect of the sale of electrical energy from and after the effective date shall accrue to the Corporation and the Corporation shall from such date in all respects be responsible for the operation of the system and the payment of all expenses incurred or accruing due.

From and after the effective date the Corporation shall be responsible for billing the amounts payable to the City for electrical energy supplied by the City prior to the effective date and in respect of which the City has not rendered bills prior to the effective date. Said amounts shall be billed by the Corporation on each working day during the calendar month following the effective date and shall be apportioned between the City and the

Corporation according to the rates charged by the City in respect of electrical energy supplied by the City prior to the effective date and not billed by it and in accordance with the rates charged by the Corporation in respect of electrical energy supplied by it to the customer after the effective date. In order to determine the amount of billings accrued to the credit of the City at the effective date the following formula shall be used:

Number of days power supplied prior to effective date at City rates	X	Total billings at City of Regina rates	=	Amount payable to City of Regina
Total days between readings				

This calculation will be made meter book by meter book and shall be computed within forty-five (45) days after the effective date, by the Corporation subject to approval by the City. Accordingly, assuming an effective date of May 1, 1965, if meter book "X" was read on April 15th and again on May 15th, then the power consumed would be supplied for fifteen (15) days by the City of Regina and for fifteen (15) days by the Corporation, assuming consumption at the City of Regina rates for the full period, then 15/30 of this amount is due and payable to the City of Regina as its exclusive revenues.

If the calculation is made at Corporation rates a conversion factor must then be used to arrive at the same calculation using City of Regina rates and 15/30 of the converted total shall be paid to the City of Regina.

All amounts payable by the Corporation to the City by reason of this clause 5 shall be paid by the Corporation within forty-five (45) days from the effective date.

6. The City shall, on the effective date, deliver the System and the lands and goods referred to in clause 1 to the Corporation in the same condition as on the date hereof, reasonable wear and tear excepted, and having regard to the possibility of the loss, damage or destruction of any of the System or any part thereof by reason of theft, fire or other casualty occurring between the date hereof and the effective date, the City agrees to insure the said property from the date hereof to the

effective date, provided that it is the responsibility of the City to obtain such insurance in the City's name in such amounts as may reasonably be necessary to insure the System against such risk as the Corporation may reasonably see fit. It is understood and agreed that under such policy or policies of insurance any and all losses shall be payable to the Corporation provided that if the Corporation recovers or is entitled to recover any monies under the said insurance and if the sale of the System is not completed the monies so recovered or recoverable shall be forthwith paid by the Corporation to the City. In the event of failure to insure the said real property, goods and chattels, or any part thereof, against any loss occurring between the date hereof and the effective date, such loss shall be borne by the City.

7. The Corporation shall purchase from the City at the effective date City's stock of fuel, spare parts, material and supplies used in connection with the construction, operation, maintenance and/or repair of the System and classified as Inventory on the lists now produced and marked Schedule "F" and initialled on behalf of the parties for identification. Said Inventory is now situate on certain of the lands described in Schedule "A" hereto and delivery thereof shall be deemed to be made on the effective date. The value of the said Inventory shall be determined by the City and the Corporation at the effective date by reference to the prices for the items therefor set forth in Schedule "F" and the amount so found shall, in addition to all other amounts hereunder provided to be paid to the City by the Corporation, be paid within thirty (30) days of the effective date. The value of the Inventory shall be ascertained within thirty (30) days of the effective date and in the event that the Corporation and the City cannot agree upon the said Inventory or the value thereof, the matter shall be determined by arbitration in the manner hereinafter provided.

8. (a) Notwithstanding anything to the contrary herein contained, the equipment and facilities of the City used or required for use in connection with the operation, maintenance and repair of the City's transit system do not constitute part of the System sold and transferred by the City to the Corporation hereby, but

shall remain the absolute property of the City. The equipment and facilities of the City used as aforesaid in the City's said transit system shall be deemed to extend to and include the oil circuit breakers on the primary side of the transformers supplying electrical energy to the mercury arc rectifiers, including those indicated for the sake of clarity by the sketch of the lands (and sub-station situated thereon) known as Lot C 1, in Block 198 A, in the City of Regina, according to Plan No. 65R06514, hereunto attached and marked Schedule "G".

Said equipment and facilities used by the City for the transit system shall include all poles designated as Regina Transit System Poles or Regina Transit System Poles with St. Light on the plans now produced and marked Schedule "H" (sheets 1 to 14) and initialled on behalf of the parties hereto for identification. All of said poles shall remain the property of the City. At such time as the City has no further use for the said poles, the City shall advise the Corporation and the Corporation may, within fifteen (15) days of such advice, purchase the poles in respect of which the advice has been received from the City, at a price to be agreed upon between the parties.

(b) The City shall have the right without charge or cost to continue to use those parts of the System hereby sold and transferred to the Corporation (and not retained by the City for use in connection with the operation, maintenance and repair of its transit system) which are used for the support of wires installed by the City for trolley feeders and trolley lines, so long as the City shall continue to operate electrically powered trolleys as part of its transit system. Provided, however, that the Corporation shall have the right to change, alter, modify, remove or relocate any portion or portions of the said system, not owned by the City transit system, including poles, anchors, wires or any other part or parts thereof, but only after it shall have given the City reasonable notice of its intention to do so, and the City shall, upon being notified by the Corporation of any such proposed

changes, alterations, modifications, removal or relocation, take down and remove entirely from such portion or portions of the said distribution system, on or before the date specified by the Corporation in such notice, the trolley feeders and trolley lines belonging to the City which are attached thereto. In the event that the City shall after any such proposed changes, alterations, modifications, removal and relocation of such portion or portions of the said distribution system wish to use some portion or portions thereof as changed, altered, modified or relocated for the purpose of trolley feeders and trolley lines, it shall be entitled to do so if feasible, provided however that any and all costs involved in effecting any new attachments to the said distribution system shall be borne by the City.

(c) From and after the effective date the Corporation shall have the right without charge or cost to continue to use those transit system poles and facilities which remain the property of the City hereunder and which are utilized for the support of electrical distribution lines and other facilities, including street lighting, hereby transferred by the City to the Corporation; subject to the right of the City to change, alter, modify, remove or relocate any portion or portions of its said transit system, including poles, anchors, wires or any other part or parts thereof, and the Corporation shall upon being notified by the City of any such proposed changes, alterations, removal or relocation of any portion or portions of the said transit system which is or are in use for the support of electrical distribution lines or other facilities or street lighting, take down and remove entirely from such portion or portions of the transit system, by the date specified by the City in such notification, electrical distribution lines and other facilities or street lighting belonging to the Corporation attached thereto. In the event that the Corporation shall after any such proposed changes, alterations, modifications, removal or relocations of such portion or portions of the said transit system wish

to use some portion or portions of the said transit system as changed, altered, modified or relocated for the purpose of electrical distribution lines or other facilities or street lighting, any and all costs involved in effecting any such new attachments to the transit system shall be borne by the Corporation.

9. (a) Notwithstanding anything to the contrary herein contained or in any Act or regulations contained, the City shall retain sole and absolute ownership of its existing and future fire, police and traffic signal systems notwithstanding that the same may be connected to or attached to the system of the Corporation as it now exists or as it may exist in the future, within the boundaries of the City of Regina, as they may exist from time to time;
- (b) The City shall be entitled without charge or cost to use the system transferred to the Corporation hereby and any extensions thereto, and generally the system owned by the Corporation and serving the City of Regina as its boundaries may exist from time to time, for the purpose of maintaining, extending and providing for said fire, police and traffic signal systems and shall have the right to extend such systems utilizing the system of the Corporation as it may exist from time to time within the City of Regina provided that approval of the Corporation's appropriate electrical superintendent as to the location and manner of proposed extensions and attachments be first obtained (which approval shall not be unreasonably withheld) and provided further that the manner of connecting or installing such systems shall be in accordance with the provisions of the Canadian Standards Association specification covering "the joint use of poles to support supply and communication circuits", C22.3 No. 1(D)-1953, as may be amended or substituted from time to time, and further that the costs of effecting any new attachments or connections shall be borne by the City.
- (c) The rights reserved to the City under the provisions of clause

9 (b) hereof shall be subject to the rights of the Corporation to change, alter, modify, remove or relocate any portion or portions of the distribution system transferred to the Corporation hereby, including poles, anchors, wire or other part or parts thereof and the City shall, upon being notified by the Corporation of any such proposed changes, alterations, modifications, removal or relocation of any portion or portions of the said distribution system which is or are in use for the City's fire, police and traffic signal systems or any of them, take down and remove entirely from such portion or portions of the said distribution system, by the date reasonably specified by the Corporation in such notification, any fire, police and traffic signal systems or any of them belonging to the City and attached thereto.

In the event the City shall, after any such proposed changes, alterations, modifications, removal or relocation of such portion or portions of the said distribution system, wish to use such portion or portions of the said distribution system as changed, altered, modified, or relocated for the purpose of the City's said systems or any of them, the City shall be entitled to do so without charge or cost, provided any and all costs involved in effecting any attachments to such portion or portions of the said distribution system as changed, altered, modified or relocated (including any costs necessitated for the purpose of making such attachments consistent with underground construction in the event that such portion or portions of the said distribution system are placed underground) shall be borne by the City.

10. (a) The City insofar as it is empowered or permitted by law shall execute such further documents, transfers, deeds, assignments or other assurances reasonably required to vest the System in the Corporation or to perfect any right vested in the Corporation under the terms of this Agreement or to ensure the registerability of any document executed by the City in favor of the Corporation for the aforesaid purposes.

(b) The City on request shall deliver or make available to the Corporation on or before the effective date copies or originals of all records of the City relative to the construction, operation and maintenance of the system which, without limiting the generality of the foregoing, shall include all plans, work order records, repair and maintenance records relating to the construction, operation and maintenance of the system, customer records and copies of all agreements in force at the effective date relating to the supply of electrical energy to customers of the City, the purchase of fuel for the operation of the electrical generating plant and the purchase of equipment or parts in any way associated with the operation of the system.

(c) The Corporation shall have access at all reasonable times to the original documents, agreements and records retained by the City, and the City shall at such time as it no longer requires said original documents, records and agreements deliver the same to the Corporation.

11. Notwithstanding anything to the contrary herein contained or in any Act or regulations contained, the Corporation shall during the term of this agreement, provide, maintain and pay to the City in the manner hereinafter set out, the following monies in addition to all other sums payable to the City hereunder, that is to say:

(a) (i) Surcharge

The Corporation shall add to all accounts for the supply of electrical energy after the effective date within the City as its limits may exist from time to time and pay to the City a surcharge equal to 10% of said accounts.

(ii) Supplement to Surcharge

The Corporation shall pay to the City for each twelve month period computed from the effective date during the term of this agreement, the difference between the sum of \$2,000,000.00

and the sum which being less than \$2,000,000.00 is paid to the City under clause 11 (a)(i) above.

- (iii) In addition to the amounts payable in clauses 11 (a)(i) and (ii) the Corporation shall pay to the City for each twelve month period from the effective date, a sum equal to 5% of the accounts for the supply of electrical energy provided after the effective date by the Corporation within the City as its limits may exist from time to time as a payment in lieu of taxes.
- (b) (i) The amounts payable by the Corporation to the City pursuant to clauses 11 (a)(i) and (ii), being the surcharge and supplement to surcharge, shall be paid monthly on or before the 20th day of the month following that to which the payment relates, the first of such payments to be made on or before the 20th day of the month following that in which the effective date occurs.
- (ii) The amounts payable by the Corporation to the City pursuant to clause 11 (a)(iii), being the additional percentage of 5%, shall be paid half-yearly thirty (30) days following the end of each six month period, the first of such payments to be made within thirty (30) days of the end of the period of six months from the effective date.
- (iii) Notwithstanding anything to the contrary herein contained or in any Act or regulations contained, the surcharge and supplement referred to in clauses 11 (a)(i) and (ii) shall be payable at the rate of \$166,666.66 monthly during the term of this agreement, on or before the 20th day of each month, commencing with the 20th day of the month following that in which the effective date occurs. Such minimum sum of \$166,666.66 shall continue to be paid monthly during the full term hereof until the actual amount of the surcharge provided for in

clause 11(a)(i) hereof shall exceed the sum of \$2,000,000.00 for the twelve month period to which it relates. Thereafter such monthly payments shall be at the rate of 1/12th of the amount actually received from the said surcharge in the preceding twelve month period, provided however that at no time during the term hereof shall the monthly payments be less than \$166,666.66 or the amount received in each twelve month period from the effective date be less than \$2,000,000.00. Adjustments shall be made within one month after the end of the twelve month period and the difference between the amount of the total monthly payments in such year and the amount of the actual surcharge shall be paid by the Corporation to the City within one month of the expiration of said twelve month period.

- (iv) The Corporation's obligation to make payment of the supplement to surcharge, being the difference between the sum of \$2,000,000.00 and the sum which being less than \$2,000,000.00 is paid to the City by imposing the surcharge in accordance with clause 11 (a)(i), shall be maintained for a period of twenty-five (25) years from the effective date, the intent being that in each of the said twenty-five (25) years the City shall be guaranteed a minimum payment from the Corporation of \$2,000,000.00 and in addition thereto such further amounts as may be payable by the Corporation to the City whether under clause 11 (a)(iii) hereof or otherwise and all such amounts shall be paid to the City whether or not the Corporation shall supply electrical energy within the City during the said twenty-five (25) year period.
- (v) On or before the 1st day of January in each year the Corporation shall provide the City with an estimate of the amount of the payments to be made to the City pursuant to the provisions of this clause 11 and the Corporation shall forward to the City within one month after the same become available in each year during the term of this agreement audited statements relating

to the supply of electrical energy and the accounts rendered therefor or deemed to be rendered therefor, within the City during the preceding year.

- (vi) At all reasonable times the City's representatives shall have full and complete access to the records of the Corporation maintained with respect to the supply or sale of electrical energy within the City and the Corporation shall maintain all records and systems of accounting as may reasonably be necessary in order that the City's representatives may obtain the full, complete and true picture of the sale and supply of electrical energy within the City of Regina at all times.
- (vii) Notwithstanding anything to the contrary herein contained or in any Act or regulations contained, the payment of the said surcharge of ten (10%) per cent provided under clause 11 (a) (i) hereof shall, except as hereinafter provided in clause 27 hereof, continue until such time as the City requests termination of the same in whole or in part, provided however that should legislation or regulations or Corporation policy at any time provide the right to any City in Saskatchewan to request a greater percentage by way of surcharge as provided in clause 11 (a)(i) the provisions hereof shall be without prejudice to the City's rights to take advantage of and request and receive such additional amounts. The said surcharge shall be deemed to have been requested by the City pursuant to section 34 (2) of The Power Corporation Act, Chapter 35, Revised Statutes of Saskatchewan 1953, as it existed at the effective date.
- (c) The payments provided to be made hereunder by the Corporation to the City shall be in addition to and not in lieu of any other payments made by the Corporation to the City by reason of the following:

- (i) Payments made by the Corporation to the City under the terms of an agreement dated the 27th of June 1957 relating to the distribution and sale of natural gas within the City.
- (ii) Payment of water rates for water used by the Corporation.
- (iii) Local improvement rates levied against the Corporation's properties.
- (iv) Payments for other specific services rendered by the City to the Corporation from time to time.

(d) The City agrees that the amount of taxes which may be lawfully imposed by it against the Corporation or its property at any time during the term of this agreement shall be satisfied by the revenues agreed to be provided under this agreement or referred to in clause 11 (c)(i), (ii), (iii) and (iv) hereof provided however that should the City be authorized by legislation, regulations or Corporation policy to receive additional sums from the Corporation or to collect additional amounts from the Corporation, the City shall have all rights, powers and authorities to do whatever may be provided thereby.

(e) No rate reduction shall have the effect of reducing the minimum payment to be made to the City pursuant to clause 11 (a)(ii).

(f) Notwithstanding anything herein contained the Corporation shall not be deemed a consumer, user or customer for the purposes of this agreement.

(g) Notwithstanding anything to the contrary herein contained or in any Act or regulations contained, accounts for electrical service shall be rendered to all users, consumers and customers within the City supplied by the Corporation and to the extent of such supply, whether or not the Corporation intends to enforce payment of accounts so rendered

and the Corporation shall not under any circumstances fail to render accounts in the normal course to all users, consumers and customers of electrical energy or power within the City and all users, consumers and customers shall be charged for the purpose of the accounts rendered to them, on the basis of the rates applicable to the classification within which they fall.

12. (a) The amount of outstanding debenture debt of the City and other indebtedness described by the City as general investment loans, all of which was incurred by the City for the purpose of financing the system or for producing, transmitting and distributing electrical energy as at April 30, 1965 will be \$7,325,000.00 of debenture debt, and \$305,466.67 of general investment loans, for a total indebtedness of \$7,630,466.67 at that date.
- (b) To provide for repayment of some of the debentures issued under the authority of City Bylaws in respect of some of the above indebtedness; sinking funds (hereinafter sometimes called "the City Sinking Fund") have heretofore been established and accumulated by the City. The contribution by the City to these sinking funds together with accumulated interest calculated at the rate of three (3%) per cent per annum will be \$1,530,815.37 as at the 30th day of April 1965.
- (c) In addition to all other amounts payable by the Corporation to the City by this agreement the Corporation shall pay to the City the amounts set forth in Schedule "S1" attached hereto, at least seven (7) clear banking days prior to the date set forth in said schedule. Said amounts on being received by the City shall be deposited in a separate sinking fund bank account, hereinafter sometimes called "the Corporation Sinking Fund Account". The sinking fund trustees of the City shall invest the monies deposited to the Corporation Sinking Fund Account in accordance with Section 427 of The City Act, record the investment so made in such a manner that the investment shall be identifiable as having been paid for by funds

withdrawn from the Corporation Sinking Fund Account, deposit the cash proceeds from maturing interest coupons on said investment in said account and shall reinvest such coupon funds as expeditiously as possible. The investments by City Sinking Fund trustees hereunder are hereinafter sometimes called "the Corporation Sinking Fund".

(d) (i) The Sinking Fund trustees shall from time to time as may be required by the bylaws authorizing the debentures to which the sinking funds referred to in clauses 12 (b) and 12 (c) hereof relate, pay when due all amounts payable in respect of the indebtedness thus created. The payments to be made from the sinking funds to which said clauses 12 (b) and 12 (c) relate shall be as set forth in Schedule "S5" attached hereto.

(ii) The said trustees shall provide the Corporation with such information as may reasonably be requested by the Corporation in respect of the investments made in the "Corporation Sinking Fund".

(iii) To the extent that the sum of the cost of investments in the Corporation Sinking Fund, the interest accrued thereon, and the cash on deposit in said Corporation Sinking Fund Account after the payment therefrom in any year of the amounts payable in such year in respect of the debentures to which said Corporation Sinking Fund relates, exceeds the requirements set forth in Schedule "S2" attached hereto at the end of any year as therein set forth, such excess will be paid by the City to the Corporation as soon as possible after the Local Government Board has approved withdrawal from the Corporation Sinking Fund of such excess. To the extent that the amounts in the Corporation Sinking Fund are less than the requirements set forth in Schedule "S2" at the end of any year, such deficiency shall be paid by the Corporation to the City on demand for

investment in said Corporation Sinking Fund.

- (iv) Such safekeeping and coupon clipping charges as may reasonably be assessed against the administration of the Corporation Sinking Fund and Corporation Sinking Fund Account shall be billed by the City to the Corporation annually and shall be paid by the Corporation within thirty (30) days of the receipt of such billing.
- (v) The said Sinking Fund trustees shall have all powers and responsibilities set forth in The City Act in respect of the administration of the said sinking funds referred to in clauses 12 (b) and 12 (c) hereof.
- (e) In order to repay the debenture issues and general investment loans for which sinking funds are not required or have not been established and to meet interest payments on all debenture issues (whether of the sinking fund or serial nature or otherwise) and general investment loans, the Corporation agrees to make payment to the City of the amounts set out in Schedules "S3" and "S4" attached hereto at least seven (7) clear banking days prior to the dates set out therein.
- (f) Where interest payments or repayments of debenture indebtedness of whatever kind, are required to be made in United States Funds or funds other than those of Canada, the Corporation shall on demand make payment to the City in equivalent Canadian Funds of the amounts required in excess of the amounts set forth in Schedules "S3" and "S5" attached hereto, determined by the City on the basis of the foreign exchange rate effective on the date each interest coupon or debenture is presented for payment and such adjustments shall be made between the Corporation and the City from time to time on demand by the City, whether or not the City at the time of any such demand has fully repaid or redeemed all interest, or coupons or debentures outstanding in respect of the particular issue

concerned.

- (g) The Corporation shall pay to the City on demand all amounts which the City from time to time has been called upon to pay in respect of bank handling charges relating to the redemption of debentures or payment of interest or coupons.
- (h) Notwithstanding anything to the contrary herein contained the Corporation may at any time pay to the City the full amount from time to time outstanding in respect of general investment loans plus the accrued interest payable in respect thereof to date of payment without notice or bonus.
- (i) The Corporation shall indemnify the City and save it harmless in respect of the repayment of all amounts in respect of debenture debt or general investment loans herein referred to and relating to the system together with any and all interest accruing thereon as from and inclusive of the effective date and the City shall not at any time be called upon to make payment of any of said debt except to the extent of the sum of \$1,530,815.37 (referred to in clause 12 (b) hereof) together with accumulated interest at the rate of three (3%) per cent per annum compounded annually from the 30th day of April 1965 on the balance of said sum as may from time to time be in said City Sinking Fund after such payments as are set forth in Schedule "S5" are made by the City Sinking Fund Trustees in the redemption of debentures.
- (j) Should disagreement arise at any time in respect of the repayment of said debenture debt of the City by the Corporation, the

same shall be determined by arbitration in the manner hereinafter provided.

13. Additions to the fixed assets of the system since the 1st day of January 1964 have been primarily for the future operation of the utility and the cost of purchasing and installing such assets to the extent that they do not represent monies covered by the debenture debt or general investment loans referred to in clause 12 hereof, shall be paid for by the Corporation in addition to any and all other payments due from the Corporation to the City on that date. In fixing the cost of such assets and the amount payable by the Corporation to the City on the effective date, said assets shall be depreciated at the rate of 4% per annum for the period from the date they were first placed into service until the effective date. Where such period is more or less than one (1) year, depreciation shall be increased or reduced accordingly having regard to the number of months less or more than one year as the case may be.

Notwithstanding anything to the contrary herein contained the amount payable by the Corporation to the City for the period January 1, 1964 to December 31, 1964 shall be the sum of \$557,059.80 and such amount shall be paid by the Corporation to the City on the effective date. The amount payable by the Corporation to the City for the period January 1, 1965 to the effective date shall be agreed upon within thirty (30) days of the effective date and the Corporation shall pay such amount to the City on demand. In the event that the City and the Corporation are unable to agree upon the amount payable for the said period of January 1, 1965 to the effective date within thirty (30) days thereof the same shall be determined by arbitration in the manner hereinafter provided.

14. (a) Notwithstanding anything to the contrary in any Act or regulations contained, the rates to be charged by the Corporation for the supply of electrical energy within the City as its limits may exist from time to time for the period of three (3) years from the effective date hereof, shall be the rates set out in Schedule I hereto attached and forming part of this agreement.

(b) The Corporation may, during the period that the rates set out in Schedule I are applicable, reclassify any customer who, in its opinion, has been wrongly assigned to the residential or commercial classification of the rate schedule or wrongly assigned to a sub-classification within the residential portion of the rate schedule or wrongly assigned to a sub-classification within the commercial portion of the rate schedule. The Corporation may redetermine connected loads for billing purposes. In making such reclassification, re-assignment or redetermination, the Corporation's actions shall be fair and reasonable, in the public interest, and shall not be discriminatory.

(c) The Corporation may, at any time after the third year of the term of this agreement, make effective a rate schedule that shall be the Corporation's rate schedule (hereinafter referred to as "the revised rate schedule") that will be applicable to its service in all cities of a population reasonably comparable to Regina. Any revised rate schedule shall be such that the price per kilowatt-hour averaged over a 12-month period paid by each of the two classes of customers set out in Schedule I, Residential customers and Commercial customers, shall not exceed the price per kilowatt-hour that would have been paid if they had been billed on the rates set out in Schedule I. For greater clarity it is stipulated that if all revenue from residential customers over a 12-month period were divided by the kilowatt-hours delivered to residential customers over the same period the quotient of the division, when they are billed under the rates that will be applicable in a revised rate schedule, shall not be greater than if they had been billed under the rates that are applicable in Schedule I, and if all revenue from commercial customers over a 12-month period were divided by the kilowatt-hours delivered to them over the same period the quotient of the division, when they are billed under the rates that will be applicable in a revised rate schedule, shall not be greater than if they had been billed under the rates that are applicable

in Schedule I.

- (d) During the term of this agreement there shall be no increase of rates over the rates that will be effective in any revised rate schedule except in the event that the Corporation will find it necessary to implement a general increase of rates to one or more classes of customers or consumers it serves throughout the Province of Saskatchewan in which event the increase of rates as it relates to customers or consumers in the City of Regina shall be fair and reasonable and shall not subject such customers or consumers or the City generally, to any undue or unreasonable prejudice, disadvantage or discrimination.
- (e) As long as the number of customers, consumers and the population in the City of Regina is not exceeded by the number of customers, consumers and the population in any other city supplied with electrical energy by the Corporation or is reasonably comparable thereto, the Corporation shall not make available to customers or consumers in any other city rates or classes of rates that are lower than those applicable to customers or consumers in the City of Regina. Certain classes of commercial rates are universal over the Corporation's system without regard to the size of the community in which the customer or consumer is located and for which the Corporation's published rate schedule specifically states that rates are net and do not include provision for any taxes or surcharge that may be imposed or agreed to by the Corporation. The rates presently in force that contain this provision are the Corporation's Général Industrial (Small) Rate Code IX-511-XX, General Industrial Rate Code IX-512-XX, Small Mining and Manufacturing Rate Code IX-551-XX and Large Mining and Manufacturing Rate Code IX-552-XX. These rates will be made available to customers or consumers in Regina contingent upon the customer or consumer agreeing to accept the surcharge provided for in clause 11 (a)(i) of this agreement and agreeing to accept a rate that is increased by five (5%) per cent over the rate set out in the applicable rate schedule to provide for the percentage of Corporation revenue