

TOWN OF SLAVE LAKE

BY LAW #11-1987

A BY-LAW OF THE TOWN OF SLAVE LAKE, IN THE PROVINCE OF ALBERTA, TO AUTHORIZE THE MAYOR AND SECRETARY TREASURER TO SIGN AND EXECUTE ON BEHALF OF THE TOWN OF SLAVE LAKE AN AGREEMENT WITH ALBERTA POWER LIMITED WHICH WILL RENEW A FRANCHISE AGREEMENT DATED THE 9TH DAY OF MARCH, 1977, FOR A FURTHER PERIOD OF TEN (10) YEARS WITH VARIATIONS AS SET FORTH THEREIN.

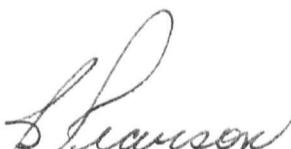
WHEREAS by agreement dated the 9th day of March, 1977, (the "Franchise Agreement") and made between the Town of Slave Lake and Alberta Power Limited, the Town granted to Alberta Power Limited a franchise to supply and distribute electric energy to the Town and its inhabitants for a period of ten years, subject to the right of renewal as therein provided;

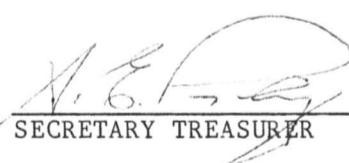
AND WHEREAS the Town and Alberta Power Limited deem it advisable to renew the Franchise Agreement.

BE IT THEREFORE ENACTED BY THE COUNCIL OF THE TOWN:

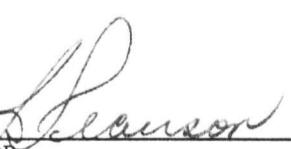
1. That the Agreement, a copy of which is set forth in Schedule "A" hereto annexed, be and the same is hereby ratified, confirmed and approved, and the Mayor and Secretary Treasurer of the Town are hereby authorized to sign and execute said Agreement for and on behalf of the Town and to affix the Seal of the Town thereto.
2. That said Agreement as set forth in said Schedule "A" is hereby embodied in and made part of this By Law.
3. That application be made to the Public Utilities Board for its approval of said Agreement.

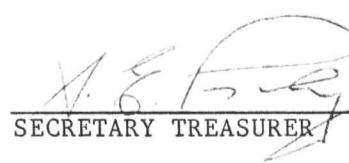
The above By Law and said Agreement, as part thereof, was read by the Council of the Town of Slave Lake at a meeting of the Council held on the 11th day of February, 1987.


MAYOR

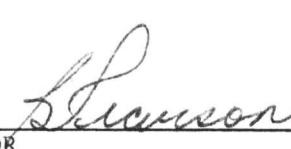

SECRETARY TREASURER

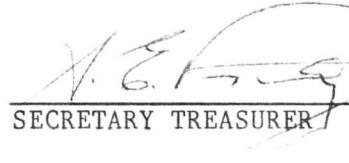
The above By Law, and said Agreement, as part thereof, was read a second time at a meeting of the Council of the Town of Slave Lake held on the 27th day of May, 1987.


MAYOR


SECRETARY TREASURER

The above By Law, and said Agreement, as part thereof, was read for a third time and finally passed by the Council of the Town of Slave Lake at a meeting of the Council on the 27th day of May, 1987.


MAYOR


SECRETARY TREASURER



ALBERTA POWER LIMITED

87 06 25

Town of Slave Lake
P.O. Box 1030
Slave Lake, Alberta
T0G 2A0

Attention: Mr. I.E. Procyshyn
Secretary-Treasurer

Dear Sir:

RE: Electric Franchise Agreement

Enclosed for your files is one fully executed copy of the franchise renewal agreement between the Town of Slave Lake and Alberta Power Limited, dated May 27, 1987.

We thank you and the Mayor and Council of the Town of Slave Lake for your efforts and cooperation in completing this agreement with Alberta Power.

Yours very truly,

ALBERTA POWER LIMITED

G.J. Downey
Contracts & Regulatory Asst.

GJD/fmm
SLAVE.LTR

cc: H. Werden

SCHEDULE "A"

ELECTRIC FRANCHISE AGREEMENT

TOWN OF SLAVE LAKE

Dated May 27, 1987

87 02 11

RENEWAL FRANCHISE AGREEMENT

SCHEDULE "A" to BYLAW NO. 11-1987 of the TOWN OF SLAVE LAKE.

THIS MEMORANDUM OF AGREEMENT made this 27th day of
May, 1987.

BETWEEN:

THE TOWN OF SLAVE LAKE, a Municipal Corporation in
the Province of Alberta, (the "Town")

- and -

ALBERTA POWER LIMITED, a body corporate with its
head office at the City of Edmonton, in the Province
of Alberta, (the "Company")

WHEREAS by agreement dated the 9th day of March,
1977 ("the Franchise Agreement") and made between the Town and
Alberta Power Limited, the Town granted to Alberta Power
Limited a franchise to supply and distribute electric energy
to the Town and its inhabitants for a period of ten years,
subject to the right of renewal as therein provided;

AND WHEREAS the Town and the Company wish to renew
the Franchise Agreement for a further period of ten years,
with alterations as hereinafter provided;

NOW THIS AGREEMENT WITNESSETH THAT the Franchise
Agreement dated the 9th day of March, 1977, shall be and it
and all the terms, conditions and provisions thereof with
alterations therein as hereinafter provided are declared to be
renewed and extended for a period of ten (10) years from the
date of execution of this Agreement, the terms, conditions and
provisions thereof being amended and altered by deleting all
clauses thereof and substituting therefor the following:

1. Grant of Franchise - Ten Year Term

The Town hereby grants to the Company, its successors and assigns, subject to the terms and provisions hereinafter contained, a franchise, exclusive except as hereinafter provided, to supply and sell electric energy in the Town as is required from time to time and for any purposes for which electric energy is or may become suitable or adaptable, together with the exclusive right, authority and permission to construct, maintain and operate in, under, above, on or through any highway, road, street, lane or public place within the jurisdiction of the Town, including any such area or areas which may hereafter be added to or be incorporated within and with the Town (the "Town Facilities"), any poles, wires, pipes, conduits, buildings, erections, structures or other things for the purpose of conducting electric energy (the "Company Facilities"). The said franchise shall be in full force and effect for a period of ten (10) years from the date hereof with such alterations, if any, as may be agreed upon by the parties and approved by the The Public Utilities Board.

2. Location of System Facilities

The Company will, where reasonably convenient, construct its poles, wires, conduits and cables down, through and along lanes in preference to streets. Prior to extending the Company's electrical distribution system into areas within the Town not previously serviced, or in any case in which the Town specifically requests the same, the Company will submit to and obtain the approval of the Council of the Town, or its authorized officers, of the location or locations and plans of the proposed construction and shall file with the Town the as built plans of such construction. If the Town requires the Company to relocate any of the Company Facilities, and the Town has approved the existing location of such facilities, then the Town shall pay all reasonable costs incurred by the Company in so doing, and shall, if requested

by the Company, pay, in advance of the Company undertaking such relocation, the estimated cost thereof on the basis that the actual amount payable shall be accounted for and adjusted when the actual costs thereof are fully established.

3. Municipal Use of Poles

The Town may, for any reasonable purpose, make use of the poles of the Company for municipal purposes as long as the use thereof by the Company is not interfered with, and any extra or additional poles, crossarms, insulators or other fixtures, or any changes in any of the above, required by reason of the use of the said poles by the Town shall be supplied, erected or made by the Company at the expense of the Town, the Town covenanting and agreeing to be responsible for and to indemnify the Company against any loss, damage or injury suffered by or recovered from the Company as the direct or indirect result of the said use of the said poles by the Town.

4. Restoration of Streets and Lanes

The Company shall, during the progress of work carried on by or on behalf of the Company upon any Town Facilities, take such precautions as may be reasonably necessary to avoid injuries to persons lawfully using such Town Facilities and upon completion of any such work, to restore such Town Facilities, or portions thereof, which may be affected thereby, to a state of repair as nearly as is reasonably possible equal to their former state and in default of the same being done within a reasonable time after written notice from the Town to do so, the Town may cause such restoration to be made and the reasonable cost thereof shall constitute a debt due and payable by the Company to the Town. The Company shall be liable for and shall indemnify and save harmless the Town from all loss, costs, charges, damages, or expenses which may be incurred, suffered or sustained by the Town as a result of such work performed by

the Company, provided that, notwithstanding the foregoing, the aforementioned agreement to indemnify and save harmless the Town shall not apply to any liability incurred by the Town to a third party arising out of contract unless the Town has made the Company aware of the provisions of the same prior to the Company performing such work.

5. Municipal Electric Energy Requirements

The Town agrees to purchase from the Company all the electric energy required by it for municipal purposes during the term hereof and the Company agrees, subject to the provisions hereinafter contained, to supply the electric energy requirements for the Town and the consumers therein. The Town may generate, for its use only, electric energy for emergency or standby purposes.

6. Monthly Rates

The maximum monthly rates which the Company will charge the Town and the consumers therein, shall be the rates approved by The Public Utilities Board and as set forth in the Company's Electric Service Tariff as the same may be varied from time to time with the approval of The Public Utilities Board, or such rates as may be in effect from time to time as accepted for filing by The Public Utilities Board.

7. Electric Service Regulations

The Company's Electric Service Regulations as revised or amended from time to time, shall apply to the Company's service practices insofar as the said Regulations do not conflict with any of the terms and conditions contained herein or with any lawful legislation pertaining to the Town.

8. Liability And Indemnification

The Company shall not be liable for any loss, damage, expense, charge, cost or liability of any kind

(excepting only direct physical loss, injury or damage to the Town or the consumers therein or their respective property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising out of or in any way connected with any failure, defect, fluctuation, reduction, discontinuance or interruption in the supply of electric energy hereunder, nor will such failure, defect, fluctuation, reduction, discontinuance or interruption in the supply of electric energy constitute a breach of this Agreement. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of profits, loss of earnings, or any other similar damage or loss whatsoever, arising out of or in any way connected with the failure, defect, fluctuation, reduction, discontinuance or interruption in the provision of electric energy hereunder.

In respect of loss, injury or damage suffered by any person other than the Town by reason of any negligent act or omission of the Company, its employees or agents, save for the exception contained in paragraph 4 hereof, the Company shall indemnify and save harmless the Town in respect thereof. The Town shall give the Company notice of all claims, loss, injury or damage for which the Company may be liable to indemnify the Town. The Company shall have the right to control all litigation or settlement of negotiations relating to such claims, loss or damage.

9. Discontinuance Of Service By Company

The Company reserves the right to interrupt, discontinue or reduce the supply of electric energy to any resident of the Town for any of the following reasons:

- (a) necessary repair or changes;
- (b) on account of or to prevent fraud or abuse;
- (c) on account of defective wiring or other condition which in the opinion of the Company

may become dangerous to life or property;

(d) want of supply of electric energy;

An interruption, discontinuance or reduction in the supply of electric energy for any of the foregoing reasons shall not constitute a breach by the Company of any of the provisions of this Agreement.

10. Company Unable To Supply

Should the Company at any time or times be prevented from supplying electric energy for any reason, the Company shall be prompt and diligent in removing the cause of any interruption and as soon as such interruption is removed, the Company shall, without delay, supply the said electric energy.

11. Force Majeure

Should the Company be rendered unable wholly or in part by force majeure to carry out its obligations under this Agreement, the Company's obligations hereunder so far as they are affected by force majeure shall be suspended during the continuance of any inability so caused, but for no longer period, and such cause shall, so far as is possible, be remedied with all reasonable dispatch. The Company shall, where practical, give notice of the occurrence of such force majeure event to the Town. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, highwater, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, and any other causes, whether of the kind herein enumerated or otherwise, not reasonably within the control of the Company.

12. Default By Company

In the event of the Company having failed to

implement and comply with any term, condition, or provision on its part to be done and performed, within three (3) months after receipt by the Company of written notice from the Town requiring the Company to cure any such default, the Town may, with the consent of the Public Utilities Board, give three (3) months' notice in writing of termination and at the expiration of the said period, unless the Company shall have made all reasonable efforts to remedy such default, all the rights, powers and privileges of the Company under this Agreement shall cease and terminate. The Company shall be deemed to have received written notice under this clause seven (7) days after the Town mails same by prepaid registered mail addressed to the Company at P.O. Box 2421, 10035 - 105 Street, Edmonton, Alberta, T5J 2V6.

13. Consent Of Town

This Agreement shall be deemed to operate as consent by the Town to the exercise by the Company of the powers which may be exercised by a Company with the consent of the Municipality under and pursuant to the provisions of the Water, Gas, Electric and Telephones Companies' Act.

14. Not Exclusive Against Her Majesty

It is a term of this Agreement that the rights conferred upon the Company shall not be deemed to be exclusive against Her Majesty in the right of the Province.

15. Exclusive Right

Subject to the last preceding clause, the Town will not during the term hereof grant to any other person, firm or corporation, the right to generate, distribute or sell electric energy in the Town for any purpose so long as the Company supplies the reasonable electric energy requirements of the Town and its inhabitants; provided further that any person other than the Town may generate and use electric

energy on his own property for his own use but not for sale or distribution to others.

16. Termination

On termination of this Agreement the Town will permit and the Company shall remove the Company Facilities used for the purpose of conducting electric energy, doing as little damage as possible; the Company will restore those portions of the Town Facilities affected by said removal, to a state of repair as nearly as is reasonably possible equal to their former state before such removal and with no unreasonable delay; provided however that the Town may, subject to the consent of the Public Utilities Board, purchase all the rights of the Company in all matters and things under this Agreement and in all apparatus and property used for the purposes thereof for such price and at such terms as may be agreed upon with the Company, or failing such agreement, then for such price and subject to such terms as may be fixed and settled by The Public Utilities Board on the application of either of the parties.

17. Franchise Fee

In the portion of the calendar year commencing with the month following the month in which the Company receives from the Public Utilities Board an Order authorizing the Company to recover from the consumers of electric energy within the Town such amount as the Company is required to pay to the Town in accordance with this clause 17, in each full calendar year thereafter during the term of this Agreement, and in the portion of the calendar year ending on the termination date of this Agreement (if this Agreement does not terminate at the end of a calendar year) the Company will pay the Town an amount equal to:

Two (2%) per cent on the first \$100,000;
Three (3%) per cent on the next \$200,000;
Four (4%) per cent on the next \$200,000;

Five (5%) per cent on all amounts in excess of \$500,000; of the gross revenue of the Company derived from the sale of electricity to the Town and the consumers therein during:

- the corresponding months of the previous calendar year in those situations where the percentage of revenue is payable for less than a full calendar year; or
- the previous calendar year in those situations where the percentage of revenue is payable for a full calendar year;

The Town accepts payments calculated in accordance with the foregoing in lieu of the levying of any taxes, assessments or other charges on the special franchise, lands, improvements, works and transmission lines, machinery, equipment and apparatus belonging to and used by the Company exclusively in the exercise of the franchise granted by this Agreement. For greater certainty, the Company shall, in addition to the payment of the franchise fee referred to above, pay taxes levied by the Town on any residential properties owned by the Company within the Town and on the lands, improvements, works and transmission lines, machinery, equipment and apparatus belonging to and used by the Company, but not used exclusively, in the exercise of the franchise granted hereby. The amount payable above is due and payable in the same manner as taxes and subject to penalties and discounts in accordance with the current bylaw in effect for the Town.

18. Successors And Assigns

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

TOWN OF SLAVE LAKE

ALBERTA POWER LIMITED

Per Blairson
Mayor

Per: Colvin
President

Per: N. G. G.
Secretary

Per: W. M. Anderson
Secretary

MKTNG.	WP
CUST SERV.	AM
LEGAL	JD

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THE PUBLIC UTILITIES BOARD, ALBERTA

ORDER E87038

Dated May 13, 1987

re:

TOWN OF SLAVE LAKE

and

ALBERTA POWER LIMITED

An application by the Council of the Town of Slave Lake for approval to renew an electric power supply contract with, to confer a special franchise on and to renew a revenue tax agreement with Alberta Power Limited.

FILE E6.97.3

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

A P P E A R A N C E S

For Alberta Power Limited and the - G. J. Downey, Esq.
Town of Slave Lake Contracts and Regulatory
Assistant
Alberta Power Limited

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

O R D E R

The Public Utilities Board (the Board) adopts, as an Order of the Board, this report of A. Calista Barfett, the Member authorized pursuant to Section 18 of the Public Utilities Board Act, R.S.A. 1980, c. P-37 to report on the matter;

UPON THE APPLICATION of the Council of the Town of Slave Lake (the Town) for the approval of the Board:

- (1) To renew a contract, with and to confer a special franchise on Alberta Power Limited (the Company) with respect to the supply of electric power to the Town and its residents for a period of 10 years from the effective date of the proposed Renewal Supply and Franchise Contract (the Renewal Supply and Franchise Contract), as filed with the Board;
- (2) To renew, with the Company, an agreement (the Renewal Revenue Tax Agreement) made pursuant to section 14(7) of the Municipal Taxation Act, R.S.A. 1980, c. M-31, which agreement is contained in Clause 17 of the Renewal Supply and Franchise Contract filed with the Board, and whereby the Town accepts payment of an amount equal to the percentage of the gross revenue

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

(2) (Continued)

of the Company derived from the sale of electricity to the customers within the corporate limits of the Town during the previous calendar year as follows:

2% on the first \$100,000 of gross revenue

3% on the next \$200,000 of gross revenue

4% on the next \$200,000 of gross revenue

5% on all gross revenue in excess of \$500,000, in lieu of taxing the special franchise, lands, improvements, pipelines, works and transmission lines, machinery, equipment and apparatus belonging to and used by the Company in the exercise of the franchise;

AND UPON READING:

- (1) the Application of the Town dated February 12, 1987;
- (2) By-Law No. 11-1987, read the first time on February 11, 1987;
- (3) the Renewal Supply and Franchise Contract;
- (4) the submission of the Company dated February 24, 1987;
- (5) the Notice of the matter dated February 13, 1987 served and published in accordance with the directions of the Board;
- (6) other material filed in support of the Application;

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

AND UPON HEARING a representative of the Company who appeared on behalf of the Company and the Town;

AND IT APPEARING THAT:

- (1) the Application of the Town was made to the Board forthwith after the first reading of By-Law No. 11-1987;
- (2) by an agreement in writing dated March 9, 1977 between the Town and Alberta Power Limited, the Company agreed to supply electric power to the Town and its residents, and the Town agreed to confer a special franchise on the Company for the period of 10 years;
- (3) the written consent of the Company and the Town has been filed with the Board whereby each consents to the Board determining the matter without holding a public hearing;
- (4) no other interested person has made any submission or objection with respect to the matter;

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

- (5) the Company is financially and otherwise able to furnish safe, adequate and proper electric power service to the Town and its residents as provided in the Renewal Supply and Franchise Contract;
- (6) the privilege or franchise granted by the Renewal Supply and Franchise Contract is necessary and proper for the public convenience and properly conserves the public interests;
- (7) with respect to the supply of electric power to the Town and its residents, the Company has provided and is prepared to provide, for the term of the Renewal Supply and Franchise Contract, the construction, equipment, maintenance, service or operation as the public convenience and interests reasonably require;
- (8) the scheme of the Company for the supply of electric power under the provisions of the Renewal Supply and Franchise Contract is reasonable and sufficient, having regard to the general circumstances;

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

(9) having regard to the availability of any other source of supply of electric power in the area in which the Town is situated and to any other circumstances, the Town entering into the Renewal Supply and Franchise Contract with the Company is to the general benefit of the Town and its residents;

THEREFORE IT IS ORDERED THAT the approval of the Board be and the same is hereby given to the Town:

- (1) To renew an electric power supply contract with, and to confer a special franchise on the Company, in accordance with the terms and conditions of the Renewal Supply and Franchise Contract;
- (2) To renew a revenue tax agreement with the Company in accordance with the Renewal Revenue Tax Agreement;

IT IS A CONDITION of this Order that the rights conferred by the Town in the Renewal Supply and Franchise Contract are not exclusive as against the Crown in right of Alberta;

THE TOWN IS HEREBY DIRECTED to file with the Board the following documents:

- a) upon third reading, a copy of By-law No. 11-1987; and
- b) a copy of the executed agreement;

PUBLIC UTILITIES BOARD, Alberta

ORDER NO.: E87038

AND IT IS HEREBY DECLARED that nothing in this Order shall bind, affect or prejudice the Board in any way in its consideration of any other matter or question relating to the Town or the Company.

Dated at Edmonton, Alberta this 13th day of May, 1987.

PUBLIC UTILITIES BOARD

CERTIFIED A TRUE COPY

Joyce Dieder (SIGNED) A. CALISTA BARFETT

ACTING SECRETARY

MEMBER