



Dennis Swanson
Director, Regulatory Affairs

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March 2, 2010

Via Email
Original via mail

Ms. Erica M. Hamilton
Commission Secretary
BC Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC V6Z 2N3

Dear Ms. Hamilton:

Re: FortisBC 2009 Rate Design and Cost of Service Application – Project No. 3698564

FortisBC provides the following supplemental filing to its 2009 Rate Design and Cost of Service Application and Information Request No. 1 Response to BCMEU Q34.3. Subsequent to the filing of the initial information request response, the Company was able to locate copies of the requested Wholesale Agreements.

Sincerely,

A handwritten signature in dark ink, appearing to be "DS" with a horizontal line underneath.

Dennis Swanson
Director, Regulatory Affairs



WEST KOOTENAY POWER

BCMEU Appendix A34.3 - Supplemental Filing

West Kootenay Power Ltd.
Waneta Plaza
P.O. Box 130
Trail, B.C. V1R 4L4
(604) 368-3321

G. K. Harper
Assistant to the President
and Secretary

May 12, 1989

B.C. Utilities Commission
4th Floor, 800 Smithe Street
Vancouver, B.C.
V6Z 2E1

Attention: Mr. Rob Pellatt
Commission Secretary

Dear Sirs:

In response to recent inquiries by Commission staff, this will confirm that all our Municipal Wholesale Customers have exercised the option to renew their power supply contracts with West Kootenay Power, in accordance with Section 2.02 of the contract. Copies of their notices of renewal are attached.

The Princeton Light and Power contract automatically renews itself and thus notice of renewal is not required.

Yours truly,

GKH:sm
Encl.

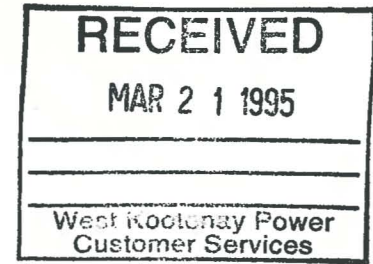
bc	SAAsh	}	(w/o encl.)
	JSBrook		
	JADrennan/JSMcKay		
	JBLoo/RWWatson		
	JMMWilson		



CITY OF KELOWNA

CITY HALL, 1435 WATER ST., KELOWNA, B.C. V1Y 1J4

TELEPHONE: (604) 763-6011 • FAX: (604) 862-3399



March 15, 1995

West Kootenay Power
P.O. Box 130
Trail, B.C.
V1R 4L4

Attention: G.D. Isherwood

Dear Mr. Isherwood:

Re: West Kootenay Power Wholesale Power Contract
Our File 2380-20-373

Original to RHD
CC GDI
RHT
BAP
✓ WKM
03.21.95

This is to advise that at the Regular Council Meeting held March 13, 1995 the Municipal Council of the City of Kelowna adopted the following resolution:

THAT the City of Kelowna extend the Wholesale Power Contract with West Kootenay Power & Light Co. Ltd. dated July 1, 1987 for a further two year term commencing July 1, 1997 and ending June 30, 1999.

Should you have any questions regarding this matter please contact our office.

Yours truly,

Laurie Taylor
Assistant City Clerk

LMT/

AGREEMENT FOR THE SUPPLY OF ELECTRICITY -
WHOLESALE SERVICE

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED

- and -

CITY OF KELOWNA

CITY OF KELOWNA
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THIS AGREEMENT is made as of the 1st day of July, 1987

BETWEEN:

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED
(the "Company")

AND:

CITY OF KELOWNA
(the "Customer")

WHEREAS the Company is a supplier of electricity in the southern interior region of the Province of British Columbia;

AND WHEREAS the Customer wishes to purchase electricity from the Company for its own use and for resale to customers within the Customer's service area as hereinafter described;

NOW THEREFORE this Agreement witnesses that in consideration of the terms and conditions hereinafter set forth the parties covenant and agree as follows:

1. DEFINITIONS

1.01 In this Agreement:

- (a) "Demand Limit" means the capability of the Company's facilities at each of the Points of Delivery, specified in Appendix A attached hereto.
- (b) "Maximum Demand" means the highest rate of taking of electricity by the Customer recorded in kilovolt-amperes by the Company from time to time.
- (c) "Point of Delivery" means the point or points at which the Customer's distribution system attaches to the Company's facilities, as specifically described in Appendix A attached hereto.

- (d) "Power Factor" means the percentage determined by dividing the Customer's demand measured in kilowatts by the same demand measured in kilovolt-amperes.
- (e) "Service Area" means the Customer's service area, the boundaries of which are shown by the red line on the map identified as City of Kelowna Electrical Service Boundaries, attached hereto as Appendix B.

2. TERM OF AGREEMENT

Term

- 2.01 This Agreement shall be effective as of July 1, 1987, and shall continue for a term of five years thereafter, terminating on June 30, 1992 unless renewed in accordance with subsection 2.02.

Extension of Term

- 2.02 Prior to the expiration of the first year of the term of this Agreement or the first year of any renewal hereof, the ~~Customer~~ ^{either party} shall have the option to renew this Agreement, or any renewal hereof, for a further term of five years from and after the termination of the five-year term then in effect. The Customer shall exercise this option to renew by giving notice in writing to the Company within the said one-year period.

Exclusive Right

- 2.03 The Customer shall, during the term hereof and any renewal, purchase electricity exclusively from the Company for its own use and the use of its customers, but the Customer shall not be precluded from obtaining electricity through generation by its customers in accordance with the provisions of section 10, or through generation owned and operated by the Customer, provided that the Customer shall provide the Company with at least five year's advance notification where such generation or changes in generation capacity will exceed 10 megawatts.

3. CONDITIONS OF SERVICE

Supply of Electricity

- 3.01 During the term of this Agreement, subject to the provisions of section 8, the Company shall supply up to the Demand Limit electricity required by the Customer solely for its own use and for supplying the needs of its customers within the Service Area. The Company shall supply electricity to the Points of Delivery through suitable plant and equipment in accordance with good utility practice on a continuous basis, except as provided in this Agreement. The responsibility of the Company for the delivery of electricity to the Customer shall cease at the Points of Delivery.

Indemnity

- 3.02 (a) The Company will indemnify and save harmless the Customer from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Customer by reason of any damage or injury to any person or property, including property of the Customer, resulting from any electrical facilities owned by the Company located within the Service Area.
- (b) The Customer will indemnify and save harmless the Company from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Company by reason of any damage or injury to any person or property, including property of the Company, resulting from any electrical facilities owned by the Customer.

Voltages Supplied

- 3.03 The electricity to be supplied to the Customer shall be three-phase alternating current, having a nominal frequency of 60 hertz and the nominal voltages designated in Appendix A for the Points of Delivery, unless the voltage levels are changed by mutual agreement.

Obligation of the Company

- 3.04 The maintenance by the Company of approximately the agreed frequency and voltage at the Points of Delivery shall constitute delivery of electricity under this Agreement, whether or not any electricity is taken by the

Customer, and shall constitute the complete discharge by the Company of its obligations to the Customer for delivery under this Agreement.

Use by the Customer

- 3.05 The Customer shall not use or sell any electricity outside of the Service Area. However the Customer may use or sell electricity within an area brought within the Customer's municipal boundaries after the date hereof so long as the Company does not have distribution facilities in or in close proximity to the area. In such circumstances, the parties will mutually agree to revise Appendix B accordingly.

Exceeding Demand Limit

- 3.06 The Customer shall not take electricity in excess of the Demand Limit of a Point of Delivery without the prior written consent of the Company, unless an emergency condition requires that the Customer take in excess of the Demand Limit, and then only for the duration of the emergency condition. The Customer shall immediately advise the Company when such an emergency condition occurs. The Customer shall reduce immediately its use of electricity to the Demand Limit for that Point of Delivery or to a specified limit above the Demand Limit upon the oral or written request of the Company.
- 3.07 If the Customer fails to comply with the request of the Company pursuant to subsection 3.06, the Company may, when necessary in the opinion of the Company, restrict or suspend the supply of electricity to the Customer at the Point of Delivery to the Demand Limit summarily without further notice.
- 3.08 If at any time, except in an emergency condition described in subsection 3.06, the Customer notifies the Company that it has taken electricity in excess of 95% of the Demand Limit of a Point of Delivery, the Company shall take appropriate measures at no cost to the Customer to increase the supply capability at the Point of Delivery to bring the Customer's anticipated future demand to or below 95% of the Demand Limit. By mutual agreement increased capacity may be provided through another point of delivery.

Joint Use of Facilities

- 3.09 Each party shall cooperate with the other to secure the most beneficial use of the plant and equipment of the other party, which may include wheeling power through the other party's distribution circuits to facilitate supply.

Underground Facilities

- 3.10 When the Customer requests the construction or installation of underground facilities, the Customer shall be responsible for the difference between the cost of constructing or installing the facilities underground and the cost of constructing or installing similar standard facilities above ground.
- 3.11 Notwithstanding the payment of any contribution by the Customer toward the cost of facilities pursuant to subsection 3.10, the Company shall retain full title to all facilities.

Revenue Guarantee

- 3.12 The Customer may be required to provide a revenue guarantee if the Company's facilities must be upgraded significantly to meet a proposed increase in the Customer's load in excess of 5000 KVA resulting from either a new customer or the increased load of an existing customer. The revenue guarantee will be equal to the cost of upgrading the facilities and will be refunded to the Customer, with interest at the average interest rate quoted by the Bank of Montreal for daily interest savings accounts, in equal installments over a period of five years at the end of each year of continued service to that customer at the increased load. The revenue guarantee shall be in the form of cash, surety bond or other form of security satisfactory to the Company.

Customer's Facilities

- 3.13 All electrical facilities owned by the Customer from the Points of Delivery up to and including the Customer's overload and overcurrent isolation devices shall be approved and installed in a manner satisfactory to both parties, and may be inspected by the Company from time to time.

4. LOAD CHANGES

Increases in Maximum Demand

- 4.01 The Customer shall notify the Company in writing of any anticipated additional single load in excess of 5000 KVA resulting from a new customer or the increased load of an existing customer, providing as much advance notice of the increase as can be given in the circumstances. The Company shall endeavour to provide the service requested by the date the increase is intended to become effective, or as soon thereafter as is practicable.

Records and Forecasts

- 4.02 Each party shall retain and make available upon request for the other party log sheets, records of recording meters, and any other readily available information of an operational character relating to the electricity supplied under this Agreement, excluding non-public records of a financial or business nature relating to the Customer's municipal utility undertaking.
- 4.03 Before the end of February in each year, the Customer shall provide the Company with a record of the number of customers and load by customer class for the previous year, and a forecast of its Maximum Demand at each Point of Delivery normalized for average weather conditions and annual energy consumption for each year of the subsequent five year period.

5. METERING

Installation

- 5.01 The Company shall furnish, install and maintain and the Customer may furnish, install and maintain, each at their own expense, appropriate meters and associated equipment at the Points of Delivery, which shall accurately measure and record electricity within the limits prescribed by the federal Department of Consumer and Corporate Affairs (the "Prescribed Limits").
- 5.02 The Customer may, at its expense, install totalizing metering to compensate for demand diversity at different Points of Delivery. The totalizing metering may be inspected by the Company.

- 5.03 The meters and connecting equipment and facilities to be furnished by the Customer shall be satisfactory to the Company, and shall be installed in a manner satisfactory to the Company, acting reasonably.

Meter Tests and Adjustments

- 5.04 Unless otherwise agreed by the parties, each party shall, at its own expense, arrange to have its meters tested by an inspector or accredited meter verifier authorized pursuant to the federal Electricity and Gas Inspection Act and regulations, as amended from time to time.
- 5.05 Notwithstanding subsection 5.04, either party may, after giving two days' notice, inspect in the presence of the other party the metering equipment installed in accordance with this section by the other party, and may request that that metering equipment be tested by an inspector or authorized meter verifier.
- (a) If the result of any test performed pursuant to this subsection shows that any of the metering equipment is not recording within the Prescribed Limits, then the owner of that metering equipment shall pay for the costs of testing.
- (b) If after testing the metering equipment is found to be recording within the Prescribed Limits, the party that made the request shall pay for the costs of testing.
- 5.06 If totalizing metering has been installed pursuant to subsection 5.02, the measurements recorded by the totalizing meter shall be used for calculating the amount to be paid for the electricity delivered to the Customer, except in the following circumstances:
- (a) if a totalizing meter is temporarily not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Company's meters shall be used to determine the total consumption and demand, taking into account established load diversity;

- (b) if the Company's meter is not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Customer's meter shall be used for calculating the amount to be paid for electricity delivered to the Customer;
- (c) if neither the Company's nor the Customer's meters are in service or are found after testing to be not recording within the Prescribed Limits then the amount of electricity delivered since the previous billing shall be estimated from the best information available.

5.07 If at any time the testing described in subsections 5.04 and 5.05 shows that the metering equipment was not recording within the Prescribed Limits, and if such recordings were used for billing purposes, then the billings shall be adjusted as prescribed by the Electricity and Gas Inspection Act.

6. METER READING AND BILLING

Meter Reading

6.01 Meters shall be read at the end of each billing period on the first working day of each month on at least two hours notice. An accurate record of all meter readings shall be kept by the Company and shall be the basis for determination of all bills rendered for service.

6.02 The Company shall render monthly billings to the Customer for electricity supplied to the Customer pursuant to this Agreement.

Rates for Electricity

6.03 The Customer shall pay for electricity during the term of this Agreement in accordance with the tariff applicable to the Customer filed with the British Columbia Utilities Commission, as amended from time to time.

Sales Tax

6.04 In addition to payments for electricity, the Customer shall pay to the Company the amount of any sales tax, consumption tax, or any other tax or

assessment levied by any competent taxing authority on any electricity delivered pursuant to this Agreement.

Payment of Accounts

- 6.05 The Customer shall pay to the Company the amount of the billing within 15 calendar days from the date appearing on the statement.

7. OPERATION BY CUSTOMER

Power Factor

- 7.01 (a) The Customer shall endeavour to regulate its load so that the Power Factor will be at least 90 per cent.
- (b) The Customer shall provide for interconnections of its distribution lines so as to transfer and arrange the distribution loads taken at each Point of Delivery to avoid as far as is practicable excessive load at any Point of Delivery.

Load Fluctuations

- 7.02 The Customer shall maintain and operate its equipment, and shall endeavour to ensure that its customers' equipment is operated, in a manner that will not cause sudden fluctuations to the Company's line voltage, or introduce any influence into the Company's system deemed by the Company to threaten to disturb or disrupt its system or the plant or property of any other customer of the Company or of any other person, and under no circumstances shall the imbalance in load between any two phases at any Point of Delivery be greater than 10 per cent of the Maximum Demand at that Point of Delivery.

8. CONTINUITY OF SUPPLY

Interruptions and Defects in Service

- 8.01 The Company shall exercise reasonable diligence and care to supply electricity to the Customer in accordance with the terms and conditions

contained in this Agreement, and to avoid interruption of delivery of electricity, but nevertheless shall not be liable to the Customer for any loss or damage owing to failure to supply electricity, or owing to other abnormal conditions of supply arising from causes beyond the reasonable control of the Company, or owing to lock-outs or strikes.

Suspension of Supply

- 8.02 Either party shall have the right to demand the temporary suspension of, or to suspend temporarily, the delivery or taking of electricity, as the case may be, whenever necessary to safeguard life or property, or for the purpose of replacing, repairing or maintaining any of its apparatus, equipment, or works. Such reasonable notice of the suspension as the circumstances permit shall be given by one party to the other.
- 8.03 The Company may discontinue the supply of electricity to the Customer at a Point of Delivery for the failure by the Customer to commence remedial action acceptable to the Company, within 15 days of receiving notice from the Company, to correct the breach of any significant practice, term or condition to be observed or performed by the Customer under this Agreement. The Company shall be under no obligation to resume service until the Customer gives assurances satisfactory to the Company that the breach which resulted in the discontinuance shall not recur.
- 8.04 Discontinuance of the supply of electricity by the Company pursuant to the provisions of this Agreement shall not relieve the Customer of any obligation under this Agreement, or alter any of the obligations of the Customer under this Agreement.
- 8.05 The Company's right to discontinue the supply of electricity under this Agreement shall not operate to prevent the Company from pursuing, separately or concurrently, any other remedy it may have under this Agreement or by operation of law.

Termination

- 8.06 After the termination of this Agreement, the Company shall have the right to remove from the property owned or controlled by the Customer any and all

electrical apparatus and equipment which the Company owns and has installed on the Customer's property, provided that the Company shall leave the property in good repair after such removal.

9. ACCESS TO FACILITIES

Right of Access

- 9.01 During the existence of this Agreement the Company shall have the right and easement to enter upon and use the streets and lanes within the boundaries of the City of Kelowna for all purposes connected with the furnishing of electricity to the Customer, and, without limiting generality, for the purpose of erecting, maintaining, repairing, replacing, removing or using poles, wires, meters, machinery and equipment, subject to the plan of any new erection of pole lines receiving such reasonable approvals as the Customer deems necessary.

10. PARALLEL GENERATION

Parallel Generation Facilities

- 10.01 All electrical generating facilities intended to be operated in parallel with the Company's electrical system shall be installed only after the Company has given its written approval that the manner of installation and proposed operation of the facilities is satisfactory to the Company, acting reasonably.
- 10.02 Prior to the commencement of installation of any parallel generating facilities, the Company shall be provided with full particulars of the facilities, and the proposed installation, and the Company shall be permitted to inspect the installation.
- 10.03 The Customer shall ensure that any parallel generating facility installed shall not feedback into the Company's system or facilities unless the Customer receives express permission in writing from the Company not to be unreasonably withheld.

Standby Generation Facilities

- 10.04 The Customer shall endeavour to ensure that all standby generation facilities within the Service Area to provide electrical service in the event of a disruption of service shall be installed so that they remain at all times electrically isolated from the Company's electrical system either directly or indirectly, and shall be installed in such a way that it is not possible for the facilities to operate in parallel with the Company's electrical system.

11. GENERAL PROVISIONS

Notices

- 11.01 Any notice, direction or other instrument required or permitted to be given under this Agreement in writing shall be sufficient in all respects if delivered, or if sent by telex, or if sent by prepaid registered post in Canada to the parties at their respective addresses as they appear in subsection 11.02, or to any substitute address of which the party sending notice has had notice in writing.
- 11.02 Any notice, direction or other instrument shall be delivered or sent to the following addresses:
- (a) To the Company:
West Kootenay Power and Light Company, Limited,
8100 Rock Island Highway,
Trail, British Columbia V1R 4N7

Attention: Secretary
Telex Number: 041-4417
 - (b) To the Customer:
City of Kelowna,
City Hall,
1435 Water Street,
Kelowna, British Columbia V1Y 1J4

Attention: Administrator
- 11.03 Any notice, direction or other instrument shall be deemed to have been received on the following dates:

- (a) if sent by telex, on the business day next following the date of transmission;
- (b) if delivered, on the business day next following the date of delivery;
- (c) if sent by registered mail, on the fifth business day following its mailing, provided that if there is at the time of mailing or within two days thereafter a mail strike, slowdown, lockout or other labour dispute which might affect delivery, then any notice, directions or other instrument shall only be deemed to be effective if delivered or sent by telex.

Disputes

- 11.04 If any difference or dispute occurs regarding any matter arising under this Agreement, either party may request that the difference or dispute be settled by the British Columbia Utilities Commission.

Previous Agreements

- 11.05 This Agreement shall supersede and replace the agreements between the Customer and the Company dated June 21, 1968 and September 8, 1980 which agreements are hereby terminated.

Invalidity

- 11.06 If any provision of this Agreement or the application of any provision to any party or circumstance is declared or held to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder which shall be construed as if this Agreement had been executed without the invalid portion. The Company and the Customer shall, either independently, jointly or in concert with other wholesale customers of the Company, make all reasonable efforts to validate any portion of this Agreement declared or held to be invalid.

Headings

- 11.07 The headings in this Agreement have been inserted for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

Enurement

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

IN WITNESS WHEREOF the parties have hereunto affixed their respective corporate seals in the presence of their officers duly authorized therefor.

The Seal of the CITY OF KELOWNA was hereunto affixed on the
19 day of ~~OCTOBER~~, 1987 in the presence of:

Elaine Clerk
Signature

~~Acting~~ MAYOR
Title

Ray Dunnington
Signature

CITY CLERK
Title

The Corporate Seal of WEST KOOTENAY POWER AND LIGHT
COMPANY, LIMITED was affixed hereunto on the 17th day of
December, 1987 in the presence of:

[Signature]
Signature

PRESIDENT AND CHIEF EXECUTIVE OFFICER
Title

[Signature]
Signature

SECRETARY
Title

This is Appendix A to the Agreement for the Supply
of Electricity - Wholesale Service between West
Kootenay Power & Light Company, Limited and the
City of Kelowna dated as of the 1st day of July, 1987.

City of Kelowna - Points of Delivery as of July 1, 1987

1) Glenmore Substation

Description: Load side of billing current transformers on 13 KV
Feeder No. 4

Nominal Voltage Supplied: 13 KV

Demand Limit: Summer - 20 MVA
Winter - 20 MVA

2) Recreation Substation

Description: Load side of disconnect switches on 13 KV bus where
Customer facilities join Company facilities

Nominal Voltage supplied: 13 KV

Demand Limit: Summer - 30 MVA
Winter - 30 MVA

3) Doyle Substation

Description: Where Customer facilities join Company facilities on 4 KV
bus

Nominal Voltage Supplied: 4 KV

Demand Limit: Summer - 12 MVA
Winter - 12 MVA

Special Note: Customer to convert distribution to 13 KV and eliminate
this point of delivery.

4) Saucier Ave. Substation

Description: Load side of disconnect switches on 13 KV bus where
Customer facilities join Company facilities

Nominal Voltage Supplied: 13 KV

Demand Limit: Summer -30 MVA
Winter -30 MVA



File #PW/002.1

JUN 29 1988

June 27, 1988

West Kootenay Power & Light Co. Ltd.
P.O. Box 130
Trail, B.C.
V1R 4L4

Attn: S.A. Ash, Manager, Commercial Affairs

Dear Sir

In reply to your letter dated June 13, 1988 this will confirm that the City of Penticton does indeed, wish to renew the Wholesale Power Contract with West Kootenay Power & Light Co. Ltd. as provided for in Clause 2.02 of the contract.

Yours very truly
THE CORPORATION OF THE CITY OF PENTICTON

Ian A. Birds, CMC
Deputy City Clerk

IAB/eb

c: Ian Stout, Public Works Manager
Lorne Raymond, Collector

MAR 07 1994



CC: to R.L. Thomas v.d.m.d.

File #420.1

March 2, 1994

BY FAX 364-1270 (original to follow)

RHH.
I guess this is OK?

Mr. Steve Ash
West Kootenay Power & Light Company Ltd.
P.O. Box 130
Trail, B.C.
V1R 4L4

Dear Mr. Ash:

Re: Contract Renewal

As per our conversation of today's date, I enclose a copy of the City Clerk's letter of September 3, 1993 addressed to your office in Penticton. This renewal should extend the agreement to June 30, 2002.

Please acknowledge receipt.

Yours truly,
THE CORPORATION OF THE CITY OF PENTICTON

R.J. Ramsay
Treasurer

/slh(wkp)



File: 420.1

September 3, 1993

West Kootenay Power & Light Company Ltd.
1260 Commercial Way
Penticton, BC
V2A 3H5

Dear Sir:

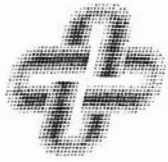
I am pleased to report that Council, on Monday, August 16, 1993, resolved to exercise its option to renew the agreement between the City of Penticton and West Kootenay Power and Light Company Ltd. for a further term of five (5) years.

Would you please make the necessary amendments to the contract.

Yours truly,
THE CORPORATION OF THE CITY OF PENTICTON

Leo den Boer, CMC
Clerk

:jds\420.1\wpk.let



WEST KOOTENAY POWER

West Kootenay Power Ltd.
P.O. Box 130
Trail, BC V1R 4L4
(604) 368-0312
Telefax (604) 364-1270

Robert H. Hobbs
Corporate Secretary
and Solicitor

December 13, 1994

The Corporation of the City of
Penticton
171 Main Street
Penticton, B.C.
V2A 5A9

Attention: Mr. R.J. Ramsay, Treasurer

Dear Mr. Ramsay:

Further to a telephone conversation of November 24, 1994 with David Bursey of Bull, Housser and Tupper, I confirm that the agreement between the City of Penticton and West Kootenay Power expires on June 30, 2002 pursuant to the letter of the City of Penticton dated March 2, 1994. We further confirm that West Kootenay Power waived the contractual requirement that the notice for renewal be provided by June 30, 1993.

We trust this is satisfactory.

Yours truly,

RHH:l
252.doc

cc: David Bursey

bcc: Don Bacon
George Isherwood

AGREEMENT FOR THE SUPPLY OF ELECTRICITY -
WHOLESALE SERVICE

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED

- and -

THE CORPORATION OF THE CITY OF PENTICTON

THE CORPORATION OF THE CITY OF PENTICTON

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THIS AGREEMENT is made as of the 1st day of July, 1987

BETWEEN:

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED
(the "Company")

AND:

THE CORPORATION OF THE CITY OF PENTICTON
(the "Customer")

WHEREAS the Company is a supplier of electricity in the southern interior region of the Province of British Columbia;

AND WHEREAS the Customer wishes to purchase electricity from the Company for its own use and for resale to customers within the Customer's service area as hereinafter described;

NOW THEREFORE this Agreement witnesses that in consideration of the terms and conditions hereinafter set forth the parties covenant and agree as follows:

1. DEFINITIONS

1.01 In this Agreement:

- (a) "Demand Limit" means the capability of the Company's facilities at each of the Points of Delivery, specified in Appendix A attached hereto.
- (b) "Maximum Demand" means the highest rate of taking of electricity by the Customer recorded in kilovolt-amperes by the Company from time to time.
- (c) "Point of Delivery" means the point or points at which the Customer's distribution system attaches to the Company's facilities, as specifically described in Appendix A attached hereto.

- (d) "Power Factor" means the percentage determined by dividing the Customer's demand measured in kilowatts by the same demand measured in kilovolt-amperes.
- (e) "Service Area" means the Customer's service area, the boundaries of which are shown by the red line on the map identified as the City of Penticton Electrical Service Boundaries, attached hereto as Appendix B.

2. TERM OF AGREEMENT

Term

- 2.01 This Agreement shall be effective as of July 1, 1987, and shall continue for a term of five years thereafter, terminating on June 30, 1992 unless renewed in accordance with subsection 2.02.

Extension of Term

- 2.02 Prior to the expiration of the first year of the term of this Agreement or the first year of any renewal hereof, the Customer shall have the option to renew this Agreement, or any renewal hereof, for a further term of five years from and after the termination of the five-year term then in effect. The Customer shall exercise this option to renew by giving notice in writing to the Company within the said one-year period.

Exclusive Right

- 2.03 The Customer shall, during the term hereof and any renewal, purchase electricity exclusively from the Company for its own use and the use of its customers, but the Customer shall not be precluded from obtaining electricity through generation by its customers in accordance with the provisions of section 10, or through generation owned and operated by the Customer, provided that the Customer shall provide the Company with at least five year's advance notification where such generation or changes in generation capacity will exceed 10 megawatts.

3. CONDITIONS OF SERVICE

Supply of Electricity

- 3.01 During the term of this Agreement, subject to the provisions of section 8, the Company shall supply up to the Demand Limit electricity required by the Customer solely for its own use and for supplying the needs of its customers within the Service Area. The Company shall supply electricity to the Points of Delivery through suitable plant and equipment in accordance with good utility practice on a continuous basis, except as provided in this Agreement. The responsibility of the Company for the delivery of electricity to the Customer shall cease at the Points of Delivery.

Indemnity

- 3.02 (a) The Company will indemnify and save harmless the Customer from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Customer by reason of any damage or injury to any person or property, including property of the Customer, resulting from any electrical facilities owned by the Company located within the Service Area.
- (b) The Customer will indemnify and save harmless the Company from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Company by reason of any damage or injury to any person or property, including property of the Company, resulting from any electrical facilities owned by the Customer.

Voltages Supplied

- 3.03 The electricity to be supplied to the Customer shall be three-phase alternating current, having a nominal frequency of 60 hertz and the nominal voltages designated in Appendix A for the Points of Delivery, unless the voltage levels are changed by mutual agreement.

Obligation of the Company

- 3.04 The maintenance by the Company of approximately the agreed frequency and voltage at the Points of Delivery shall constitute delivery of electricity under this Agreement, whether or not any electricity is taken by the

Customer, and shall constitute the complete discharge by the Company of its obligations to the Customer for delivery under this Agreement.

Use by the Customer

- 3.05 The Customer shall not use or sell any electricity outside of the Service Area. However the Customer may use or sell electricity within an area brought within the Customer's municipal boundaries after the date hereof so long as the Company does not have distribution facilities in or in close proximity to the area. In such circumstances, the parties will mutually agree to revise Appendix B accordingly.

Exceeding Demand Limit

- 3.06 The Customer shall not take electricity in excess of the Demand Limit of a Point of Delivery without the prior written consent of the Company, unless an emergency condition requires that the Customer take in excess of the Demand Limit, and then only for the duration of the emergency condition. The Customer shall immediately advise the Company when such an emergency condition occurs. The Customer shall reduce immediately its use of electricity to the Demand Limit for that Point of Delivery or to a specified limit above the Demand Limit upon the oral or written request of the Company.
- 3.07 If the Customer fails to comply with the request of the Company pursuant to subsection 3.06, the Company may, when necessary in the opinion of the Company, restrict or suspend the supply of electricity to the Customer at the Point of Delivery to the Demand Limit summarily without further notice.
- 3.08 If at any time, except in an emergency condition described in subsection 3.06, the Customer notifies the Company that it has taken electricity in excess of 95% of the Demand Limit of a Point of Delivery, the Company shall take appropriate measures at no cost to the Customer to increase the supply capability at the Point of Delivery to bring the Customer's anticipated future demand to or below 95% of the Demand Limit. By mutual agreement increased capacity may be provided through another point of delivery.

Joint Use of Facilities

- 3.09 Each party shall cooperate with the other to secure the most beneficial use of the plant and equipment of the other party, which may include wheeling power through the other party's distribution circuits to facilitate supply.

Underground Facilities

- 3.10 When the Customer requests the construction or installation of underground facilities, the Customer shall be responsible for the difference between the cost of constructing or installing the facilities underground and the cost of constructing or installing similar standard facilities above ground.
- 3.11 Notwithstanding the payment of any contribution by the Customer toward the cost of facilities pursuant to subsection 3.10, the Company shall retain full title to all facilities.

Revenue Guarantee

- 3.12 The Customer may be required to provide a revenue guarantee if the Company's facilities must be upgraded significantly to meet a proposed increase in the Customer's load in excess of 5000 KVA resulting from either a new customer or the increased load of an existing customer. The revenue guarantee will be equal to the cost of upgrading the facilities and will be refunded to the Customer, with interest at the average interest rate quoted by the Bank of Montreal for daily interest savings accounts, in equal installments over a period of five years at the end of each year of continued service to that customer at the increased load. The revenue guarantee shall be in the form of cash, surety bond or other form of security satisfactory to the Company.

Customer's Facilities

- 3.13 All electrical facilities owned by the Customer from the Points of Delivery up to and including the Customer's overload and overcurrent isolation devices shall be approved and installed in a manner satisfactory to both parties, and may be inspected by the Company from time to time.

4. LOAD CHANGES

Increases in Maximum Demand

- 4.01 The Customer shall notify the Company in writing of any anticipated additional single load in excess of 5000 KVA resulting from a new customer or the increased load of an existing customer, providing as much advance notice of the increase as can be given in the circumstances. The Company shall endeavour to provide the service requested by the date the increase is intended to become effective, or as soon thereafter as is practicable.

Records and Forecasts

- 4.02 Each party shall retain and make available upon request for the other party log sheets, records of recording meters, and any other readily available information of an operational character relating to the electricity supplied under this Agreement, excluding non-public records of a financial or business nature relating to the Customer's municipal utility undertaking.
- 4.03 Before the end of February in each year, the Customer shall provide the Company with a record of the number of customers and load by customer class for the previous year, and a forecast of its Maximum Demand at each Point of Delivery normalized for average weather conditions and annual energy consumption for each year of the subsequent five year period.

5. METERING

Installation

- 5.01 The Company shall furnish, install and maintain and the Customer may furnish, install and maintain, each at their own expense, appropriate meters and associated equipment at the Points of Delivery, which shall accurately measure and record electricity within the limits prescribed by the federal Department of Consumer and Corporate Affairs (the "Prescribed Limits").
- 5.02 The Customer may, at its expense, install totalizing metering to compensate for demand diversity at different Points of Delivery. The totalizing metering may be inspected by the Company.

- 5.03 The meters and connecting equipment and facilities to be furnished by the Customer shall be satisfactory to the Company, and shall be installed in a manner satisfactory to the Company, acting reasonably.

Meter Tests and Adjustments

- 5.04 Unless otherwise agreed by the parties, each party shall, at its own expense, arrange to have its meters tested by an inspector or accredited meter verifier authorized pursuant to the federal Electricity and Gas Inspection Act and regulations, as amended from time to time.
- 5.05 Notwithstanding subsection 5.04, either party may, after giving two days' notice, inspect in the presence of the other party the metering equipment installed in accordance with this section by the other party, and may request that that metering equipment be tested by an inspector or authorized meter verifier.
- (a) If the result of any test performed pursuant to this subsection shows that any of the metering equipment is not recording within the Prescribed Limits, then the owner of that metering equipment shall pay for the costs of testing.
- (b) If after testing the metering equipment is found to be recording within the Prescribed Limits, the party that made the request shall pay for the costs of testing.
- 5.06 If totalizing metering has been installed pursuant to subsection 5.02, the measurements recorded by the totalizing meter shall be used for calculating the amount to be paid for the electricity delivered to the Customer, except in the following circumstances:
- (a) if a totalizing meter is temporarily not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Company's meters shall be used to determine the total consumption and demand, taking into account established load diversity;

- (b) if the Company's meter is not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Customer's meter shall be used for calculating the amount to be paid for electricity delivered to the Customer;
- (c) if neither the Company's nor the Customer's meters are in service or are found after testing to be not recording within the Prescribed Limits then the amount of electricity delivered since the previous billing shall be estimated from the best information available.

5.07 If at any time the testing described in subsections 5.04 and 5.05 shows that the metering equipment was not recording within the Prescribed Limits, and if such recordings were used for billing purposes, then the billings shall be adjusted as prescribed by the Electricity and Gas Inspection Act.

6. METER READING AND BILLING

Meter Reading

6.01 Meters shall be read at the end of each billing period on the first working day of each month on at least two hours notice. An accurate record of all meter readings shall be kept by the Company and shall be the basis for determination of all bills rendered for service.

6.02 The Company shall render monthly billings to the Customer for electricity supplied to the Customer pursuant to this Agreement.

Rates for Electricity

6.03 The Customer shall pay for electricity during the term of this Agreement in accordance with the tariff applicable to the Customer filed with the British Columbia Utilities Commission, as amended from time to time.

Sales Tax

6.04 In addition to payments for electricity, the Customer shall pay to the Company the amount of any sales tax, consumption tax, or any other tax or

assessment levied by any competent taxing authority on any electricity delivered pursuant to this Agreement.

Payment of Accounts

- 6.05 The Customer shall pay to the Company the amount of the billing within 15 calendar days from the date appearing on the statement.

7. OPERATION BY CUSTOMER

Power Factor

- 7.01 (a) The Customer shall endeavour to regulate its load so that the Power Factor will be at least 90 per cent.
- (b) The Customer shall provide for interconnections of its distribution lines so as to transfer and arrange the distribution loads taken at each Point of Delivery to avoid as far as is practicable excessive load at any Point of Delivery.

Load Fluctuations

- 7.02 The Customer shall maintain and operate its equipment, and shall endeavour to ensure that its customers' equipment is operated, in a manner that will not cause sudden fluctuations to the Company's line voltage, or introduce any influence into the Company's system deemed by the Company to threaten to disturb or disrupt its system or the plant or property of any other customer of the Company or of any other person, and under no circumstances shall the imbalance in load between any two phases at any Point of Delivery be greater than 10 per cent of the Maximum Demand at that Point of Delivery.

8. CONTINUITY OF SUPPLY

Interruptions and Defects in Service

- 8.01 The Company shall exercise reasonable diligence and care to supply electricity to the Customer in accordance with the terms and conditions

contained in this Agreement, and to avoid interruption of delivery of electricity, but nevertheless shall not be liable to the Customer for any loss or damage owing to failure to supply electricity, or owing to other abnormal conditions of supply arising from causes beyond the reasonable control of the Company, or owing to lock-outs or strikes.

Suspension of Supply

- 8.02 Either party shall have the right to demand the temporary suspension of, or to suspend temporarily, the delivery or taking of electricity, as the case may be, whenever necessary to safeguard life or property, or for the purpose of replacing, repairing or maintaining any of its apparatus, equipment, or works. Such reasonable notice of the suspension as the circumstances permit shall be given by one party to the other.
- 8.03 The Company may discontinue the supply of electricity to the Customer at a Point of Delivery for the failure by the Customer to commence remedial action acceptable to the Company, within 15 days of receiving notice from the Company, to correct the breach of any significant practice, term or condition to be observed or performed by the Customer under this Agreement. The Company shall be under no obligation to resume service until the Customer gives assurances satisfactory to the Company that the breach which resulted in the discontinuance shall not recur.
- 8.04 Discontinuance of the supply of electricity by the Company pursuant to the provisions of this Agreement shall not relieve the Customer of any obligation under this Agreement, or alter any of the obligations of the Customer under this Agreement.
- 8.05 The Company's right to discontinue the supply of electricity under this Agreement shall not operate to prevent the Company from pursuing, separately or concurrently, any other remedy it may have under this Agreement or by operation of law.

Termination

- 8.06 After the termination of this Agreement, the Company shall have the right to remove from the property owned or controlled by the Customer any and all

electrical apparatus and equipment which the Company owns and has installed on the Customer's property, provided that the Company shall leave the property in good repair after such removal.

9. ACCESS TO FACILITIES

Right of Access

- 9.01 During the existence of this Agreement the Company shall have the right and easement to enter upon and use the streets and lanes within the boundaries of The Corporation of the City of Penticton for all purposes connected with the furnishing of electricity to the Customer, and, without limiting generality, for the purpose of erecting, maintaining, repairing, replacing, removing or using poles, wires, meters, machinery and equipment, subject to the plan of any new erection of pole lines receiving such reasonable approvals as the Customer deems necessary.

10. PARALLEL GENERATION

Parallel Generation Facilities

- 10.01 All electrical generating facilities intended to be operated in parallel with the Company's electrical system shall be installed only after the Company has given its written approval that the manner of installation and proposed operation of the facilities is satisfactory to the Company, acting reasonably.
- 10.02 Prior to the commencement of installation of any parallel generating facilities, the Company shall be provided with full particulars of the facilities, and the proposed installation, and the Company shall be permitted to inspect the installation.
- 10.03 The Customer shall ensure that any parallel generating facility installed shall not feedback into the Company's system or facilities unless the Customer receives express permission in writing from the Company not to be unreasonably withheld.

Standby Generation Facilities

- 10.04 The Customer shall endeavour to ensure that all standby generation facilities within the Service Area to provide electrical service in the event of a disruption of service shall be installed so that they remain at all times electrically isolated from the Company's electrical system either directly or indirectly, and shall be installed in such a way that it is not possible for the facilities to operate in parallel with the Company's electrical system.

11. GENERAL PROVISIONS

Notices

- 11.01 Any notice, direction or other instrument required or permitted to be given under this Agreement in writing shall be sufficient in all respects if delivered, or if sent by telex, or if sent by prepaid registered post in Canada to the parties at their respective addresses as they appear in subsection 11.02, or to any substitute address of which the party sending notice has had notice in writing.
- 11.02 Any notice, direction or other instrument shall be delivered or sent to the following addresses:
- (a) To the Company:
West Kootenay Power and Light Company, Limited,
8100 Rock Island Highway,
Trail, British Columbia V1R 4N7

Attention: Secretary
Telex Number: 041-4417
 - (b) To the Customer:
The Corporation of the City of Penticton,
171 Main Street,
Penticton, B.C.
V2A 5A9

Attention: Administrator
- 11.03 Any notice, direction or other instrument shall be deemed to have been received on the following dates:

- (a) if sent by telex, on the business day next following the date of transmission;
- (b) if delivered, on the business day next following the date of delivery;
- (c) if sent by registered mail, on the fifth business day following its mailing, provided that if there is at the time of mailing or within two days thereafter a mail strike, slowdown, lockout or other labour dispute which might affect delivery, then any notice, directions or other instrument shall only be deemed to be effective if delivered or sent by telex.

Disputes

- 11.04 If any difference or dispute occurs regarding any matter arising under this Agreement, either party may request that the difference or dispute be settled by the British Columbia Utilities Commission.

Previous Agreements

- 11.05 This Agreement shall supersede and replace the agreements between the Customer and the Company dated December 1, 1950, April 9, 1968 and July 8, 1981 which agreements are hereby terminated.

Invalidity

- 11.06 If any provision of this Agreement or the application of any provision to any party or circumstance is declared or held to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder which shall be construed as if this Agreement had been executed without the invalid portion. The Company and the Customer shall, either independently, jointly or in concert with other wholesale customers of the Company, make all reasonable efforts to validate any portion of this Agreement declared or held to be invalid.

Headings

- 11.07 The headings in this Agreement have been inserted for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

Enurement

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

IN WITNESS WHEREOF the parties have hereunto affixed their respective corporate seals in the presence of their officers duly authorized therefor.

The Seal of THE CORPORATION OF THE CITY OF PENTICTON was hereunto affixed on the 21st day of OCTOBER, 1987 in the presence of:

Dorothy Whittaker
Signature

MAYOR
Title

Clara A. Birds
Signature

DEPUTY CITY CLERK
Title

The Corporate Seal of WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED was affixed hereunto on the 17th day of December, 1987 in the presence of:

[Signature]
Signature

PRESIDENT AND CHIEF EXECUTIVE OFFICER
Title

[Signature]
Signature

SECRETARY
Title

**This is Appendix A to the Agreement for the Supply of
Electricity - Wholesale Service between West Kootenay
Power and Light Company, Limited and The Corporation of the
City of Penticton dated as of the 1st day of July, 1987**

City of Penticton - Points of Delivery

1) Huth Avenue Substation

Description: Load side of Billing C.T.'s on 8 KV Feeder to City of Penticton

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 15 MVA
Winter - 20 MVA

2) Waterford Substation

Description: Load side of W.K.P.'s 2000 Amp disconnect on 8 KV Feeder to City

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 15 MVA
Winter - 20 MVA

3) Westminster Substation

Description: Load side of W.K.P.'s 2000 Amp disconnect on 8 KV Feeder to City

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 15 MVA
Winter - 20 MVA

4) R.G. Anderson Terminal

Description: Load side of W.K.P.'s 8 KV Disconnect switch on 8 KV Feeder to City

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 16 MVA
Winter - 16 MVA

AGREEMENT FOR THE SUPPLY OF ELECTRICITY -
WHOLESALE SERVICE

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED

- and -

THE CORPORATION OF THE CITY OF GRAND FORKS

THE CORPORATION OF THE CITY OF GRAND FORKS

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THIS AGREEMENT is made as of the 1st day of July, 1987

BETWEEN:

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED
(the "Company")

AND:

THE CORPORATION OF THE CITY OF GRAND FORKS
(the "Customer")

WHEREAS the Company is a supplier of electricity in the southern interior region of the Province of British Columbia;

AND WHEREAS the Customer wishes to purchase electricity from the Company for its own use and for resale to customers within the Customer's service area as hereinafter described;

NOW THEREFORE this Agreement witnesses that in consideration of the terms and conditions hereinafter set forth the parties covenant and agree as follows:

1. DEFINITIONS

1.01 In this Agreement:

- (a) "Demand Limit" means the capability of the Company's facilities at each of the Points of Delivery, specified in Appendix A attached hereto.
- (b) "Maximum Demand" means the highest rate of taking of electricity by the Customer recorded in kilovolt-amperes by the Company from time to time.
- (c) "Point of Delivery" means the point or points at which the Customer's distribution system attaches to the Company's facilities, as specifically described in Appendix A attached hereto.

- (d) "Power Factor" means the percentage determined by dividing the Customer's demand measured in kilowatts by the same demand measured in kilovolt-amperes.
- (e) "Service Area" means the Customer's service area, the boundaries of which are shown by the red line on the map identified as the City of Grand Forks Electrical Service Boundaries, attached hereto as Appendix B.

2. TERM OF AGREEMENT

Term

- 2.01 This Agreement shall be effective as of July 1, 1987, and shall continue for a term of five years thereafter, terminating on June 30, 1992 unless renewed in accordance with subsection 2.02.

Extension of Term

- 2.02 Prior to the expiration of the first year of the term of this Agreement or the first year of any renewal hereof, the Customer shall have the option to renew this Agreement, or any renewal hereof, for a further term of five years from and after the termination of the five-year term then in effect. The Customer shall exercise this option to renew by giving notice in writing to the Company within the said one-year period.

Exclusive Right

- 2.03 The Customer shall, during the term hereof and any renewal, purchase electricity exclusively from the Company for its own use and the use of its customers, but the Customer shall not be precluded from obtaining electricity through generation by its customers in accordance with the provisions of section 10, or through generation owned and operated by the Customer, provided that the Customer shall provide the Company with at least five year's advance notification where such generation or changes in generation capacity will exceed 5 megawatts.

3. CONDITIONS OF SERVICE

Supply of Electricity

- 3.01 During the term of this Agreement, subject to the provisions of section 8, the Company shall supply up to the Demand Limit electricity required by the Customer solely for its own use and for supplying the needs of its customers within the Service Area. The Company shall supply electricity to the Points of Delivery through suitable plant and equipment in accordance with good utility practice on a continuous basis, except as provided in this Agreement. The responsibility of the Company for the delivery of electricity to the Customer shall cease at the Points of Delivery.

Indemnity

- 3.02 (a) The Company will indemnify and save harmless the Customer from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Customer by reason of any damage or injury to any person or property, including property of the Customer, resulting from any electrical facilities owned by the Company located within the Service Area.
- (b) The Customer will indemnify and save harmless the Company from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Company by reason of any damage or injury to any person or property, including property of the Company, resulting from any electrical facilities owned by the Customer.

Voltages Supplied

- 3.03 The electricity to be supplied to the Customer shall be three-phase alternating current, having a nominal frequency of 60 hertz and the nominal voltages designated in Appendix A for the Points of Delivery, unless the voltage levels are changed by mutual agreement.

Obligation of the Company

- 3.04 The maintenance by the Company of approximately the agreed frequency and voltage at the Points of Delivery shall constitute delivery of electricity under this Agreement, whether or not any electricity is taken by the

Customer, and shall constitute the complete discharge by the Company of its obligations to the Customer for delivery under this Agreement.

Use by the Customer

- 3.05 The Customer shall not use or sell any electricity outside of the Service Area. However the Customer may use or sell electricity within an area brought within the Customer's municipal boundaries after the date hereof so long as the Company does not have distribution facilities in or in close proximity to the area. In such circumstances, the parties will mutually agree to revise Appendix B accordingly.

Exceeding Demand Limit

- 3.06 The Customer shall not take electricity in excess of the Demand Limit of a Point of Delivery without the prior written consent of the Company, unless an emergency condition requires that the Customer take in excess of the Demand Limit, and then only for the duration of the emergency condition. The Customer shall immediately advise the Company when such an emergency condition occurs. The Customer shall reduce immediately its use of electricity to the Demand Limit for that Point of Delivery or to a specified limit above the Demand Limit upon the oral or written request of the Company.
- 3.07 If the Customer fails to comply with the request of the Company pursuant to subsection 3.06, the Company may, when necessary in the opinion of the Company, restrict or suspend the supply of electricity to the Customer at the Point of Delivery to the Demand Limit summarily without further notice.
- 3.08 If at any time, except in an emergency condition described in subsection 3.06, the Customer notifies the Company that it has taken electricity in excess of 95% of the Demand Limit of a Point of Delivery, the Company shall take appropriate measures at no cost to the Customer to increase the supply capability at the Point of Delivery to bring the Customer's anticipated future demand to or below 95% of the Demand Limit. By mutual agreement increased capacity may be provided through another point of delivery.

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- 3.09 Each party shall cooperate with the other to secure the most beneficial use of the plant and equipment of the other party, which may include wheeling power through the other party's distribution circuits to facilitate supply.

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- 3.10 When the Customer requests the construction or installation of underground facilities, the Customer shall be responsible for the difference between the cost of constructing or installing the facilities underground and the cost of constructing or installing similar standard facilities above ground.
- 3.11 Notwithstanding the payment of any contribution by the Customer toward the cost of facilities pursuant to subsection 3.10, the Company shall retain full title to all facilities.

Revenue Guarantee

- 3.12 The Customer may be required to provide a revenue guarantee if the Company's facilities must be upgraded significantly to meet a proposed increase in the Customer's load in excess of 5000 KVA resulting from either a new customer or the increased load of an existing customer. The revenue guarantee will be equal to the cost of upgrading the facilities and will be refunded to the Customer, with interest at the average interest rate quoted by the Bank of Montreal for daily interest savings accounts, in equal installments over a period of five years at the end of each year of continued service to that customer at the increased load. The revenue guarantee shall be in the form of cash, surety bond or other form of security satisfactory to the Company.

Customer's Facilities

- 3.13 All electrical facilities owned by the Customer from the Points of Delivery up to and including the Customer's overload and overcurrent isolation devices shall be approved and installed in a manner satisfactory to both parties, and may be inspected by the Company from time to time.

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Increases in Maximum Demand

- 4.01 The Customer shall notify the Company in writing of any anticipated additional single load in excess of 5000 KVA resulting from a new customer or the increased load of an existing customer, providing as much advance notice of the increase as can be given in the circumstances. The Company shall endeavour to provide the service requested by the date the increase is intended to become effective, or as soon thereafter as is practicable.

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- 4.02 Each party shall retain and make available upon request for the other party log sheets, records of recording meters, and any other readily available information of an operational character relating to the electricity supplied under this Agreement, excluding non-public records of a financial or business nature relating to the Customer's municipal utility undertaking.
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5. METERING

Installation

- 5.01 The Company shall furnish, install and maintain and the Customer may furnish, install and maintain, each at their own expense, appropriate meters and associated equipment at the Points of Delivery, which shall accurately measure and record electricity within the limits prescribed by the federal Department of Consumer and Corporate Affairs (the "Prescribed Limits").
- 5.02 The Customer may, at its expense, install totalizing metering to compensate for demand diversity at different Points of Delivery. The totalizing metering may be inspected by the Company.

- 5.03 The meters and connecting equipment and facilities to be furnished by the Customer shall be satisfactory to the Company, and shall be installed in a manner satisfactory to the Company, acting reasonably.

Meter Tests and Adjustments

- 5.04 Unless otherwise agreed by the parties, each party shall, at its own expense, arrange to have its meters tested by an inspector or accredited meter verifier authorized pursuant to the federal Electricity and Gas Inspection Act and regulations, as amended from time to time.
- 5.05 Notwithstanding subsection 5.04, either party may, after giving two days' notice, inspect in the presence of the other party the metering equipment installed in accordance with this section by the other party, and may request that that metering equipment be tested by an inspector or authorized meter verifier.
- (a) If the result of any test performed pursuant to this subsection shows that any of the metering equipment is not recording within the Prescribed Limits, then the owner of that metering equipment shall pay for the costs of testing.
- (b) If after testing the metering equipment is found to be recording within the Prescribed Limits, the party that made the request shall pay for the costs of testing.
- 5.06 If totalizing metering has been installed pursuant to subsection 5.02, the measurements recorded by the totalizing meter shall be used for calculating the amount to be paid for the electricity delivered to the Customer, except in the following circumstances:
- (a) if a totalizing meter is temporarily not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Company's meters shall be used to determine the total consumption and demand, taking into account established load diversity;

- (b) if the Company's meter is not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Customer's meter shall be used for calculating the amount to be paid for electricity delivered to the Customer;
- (c) if neither the Company's nor the Customer's meters are in service or are found after testing to be not recording within the Prescribed Limits then the amount of electricity delivered since the previous billing shall be estimated from the best information available.

5.07 If at any time the testing described in subsections 5.04 and 5.05 shows that the metering equipment was not recording within the Prescribed Limits, and if such recordings were used for billing purposes, then the billings shall be adjusted as prescribed by the Electricity and Gas Inspection Act.

6. METER READING AND BILLING

Meter Reading

6.01 Meters shall be read at the end of each billing period on the first working day of each month on at least two hours notice. An accurate record of all meter readings shall be kept by the Company and shall be the basis for determination of all bills rendered for service.

6.02 The Company shall render monthly billings to the Customer for electricity supplied to the Customer pursuant to this Agreement.

Rates for Electricity

6.03 The Customer shall pay for electricity during the term of this Agreement in accordance with the tariff applicable to the Customer filed with the British Columbia Utilities Commission, as amended from time to time.

Sales Tax

6.04 In addition to payments for electricity, the Customer shall pay to the Company the amount of any sales tax, consumption tax, or any other tax or

assessment levied by any competent taxing authority on any electricity delivered pursuant to this Agreement.

Payment of Accounts

- 6.05 The Customer shall pay to the Company the amount of the billing within 15 calendar days from the date appearing on the statement.

7. OPERATION BY CUSTOMER

Power Factor

- 7.01 (a) The Customer shall endeavour to regulate its load so that the Power Factor will be at least 90 per cent.
- (b) The Customer shall provide for interconnections of its distribution lines so as to transfer and arrange the distribution loads taken at each Point of Delivery to avoid as far as is practicable excessive load at any Point of Delivery.

Load Fluctuations

- 7.02 The Customer shall maintain and operate its equipment, and shall endeavour to ensure that its customers' equipment is operated, in a manner that will not cause sudden fluctuations to the Company's line voltage, or introduce any influence into the Company's system deemed by the Company to threaten to disturb or disrupt its system or the plant or property of any other customer of the Company or of any other person, and under no circumstances shall the imbalance in load between any two phases at any Point of Delivery be greater than 10 per cent of the Maximum Demand at that Point of Delivery.

8. CONTINUITY OF SUPPLY

Interruptions and Defects in Service

- 8.01 The Company shall exercise reasonable diligence and care to supply electricity to the Customer in accordance with the terms and conditions

contained in this Agreement, and to avoid interruption of delivery of electricity, but nevertheless shall not be liable to the Customer for any loss or damage owing to failure to supply electricity, or owing to other abnormal conditions of supply arising from causes beyond the reasonable control of the Company, or owing to lock-outs or strikes.

Suspension of Supply

- 8.02 Either party shall have the right to demand the temporary suspension of, or to suspend temporarily, the delivery or taking of electricity, as the case may be, whenever necessary to safeguard life or property, or for the purpose of replacing, repairing or maintaining any of its apparatus, equipment, or works. Such reasonable notice of the suspension as the circumstances permit shall be given by one party to the other.
- 8.03 The Company may discontinue the supply of electricity to the Customer at a Point of Delivery for the failure by the Customer to commence remedial action acceptable to the Company, within 15 days of receiving notice from the Company, to correct the breach of any significant practice, term or condition to be observed or performed by the Customer under this Agreement. The Company shall be under no obligation to resume service until the Customer gives assurances satisfactory to the Company that the breach which resulted in the discontinuance shall not recur.
- 8.04 Discontinuance of the supply of electricity by the Company pursuant to the provisions of this Agreement shall not relieve the Customer of any obligation under this Agreement, or alter any of the obligations of the Customer under this Agreement.
- 8.05 The Company's right to discontinue the supply of electricity under this Agreement shall not operate to prevent the Company from pursuing, separately or concurrently, any other remedy it may have under this Agreement or by operation of law.

Termination

- 8.06 After the termination of this Agreement, the Company shall have the right to remove from the property owned or controlled by the Customer any and all

electrical apparatus and equipment which the Company owns and has installed on the Customer's property, provided that the Company shall leave the property in good repair after such removal.

9. ACCESS TO FACILITIES

Right of Access

- 9.01 During the existence of this Agreement the Company shall have the right and easement to enter upon and use the streets and lanes within the boundaries of The Corporation of the City of Grand Forks for all purposes connected with the furnishing of electricity to the Customer, and, without limiting generality, for the purpose of erecting, maintaining, repairing, replacing, removing or using poles, wires, meters, machinery and equipment, subject to the plan of any new erection of pole lines receiving such reasonable approvals as the Customer deems necessary.

10. PARALLEL GENERATION

Parallel Generation Facilities

- 10.01 All electrical generating facilities intended to be operated in parallel with the Company's electrical system shall be installed only after the Company has given its written approval that the manner of installation and proposed operation of the facilities is satisfactory to the Company, acting reasonably.
- 10.02 Prior to the commencement of installation of any parallel generating facilities, the Company shall be provided with full particulars of the facilities, and the proposed installation, and the Company shall be permitted to inspect the installation.
- 10.03 The Customer shall ensure that any parallel generating facility installed shall not feedback into the Company's system or facilities unless the Customer receives express permission in writing from the Company not to be unreasonably withheld.

Standby Generation Facilities

- 10.04 The Customer shall endeavour to ensure that all standby generation facilities within the Service Area to provide electrical service in the event of a disruption of service shall be installed so that they remain at all times electrically isolated from the Company's electrical system either directly or indirectly, and shall be installed in such a way that it is not possible for the facilities to operate in parallel with the Company's electrical system.

11. GENERAL PROVISIONS

Notices

- 11.01 Any notice, direction or other instrument required or permitted to be given under this Agreement in writing shall be sufficient in all respects if delivered, or if sent by telex, or if sent by prepaid registered post in Canada to the parties at their respective addresses as they appear in subsection 11.02, or to any substitute address of which the party sending notice has had notice in writing.
- 11.02 Any notice, direction or other instrument shall be delivered or sent to the following addresses:
- (a) To the Company:
West Kootenay Power and Light Company, Limited,
8100 Rock Island Highway,
Trail, British Columbia V1R 4N7

Attention: Secretary
Telex Number: 041-4417
 - (b) To the Customer:
The Corporation of the City of Grand Forks,
Box 220,
Grand Forks, B.C.
VOH 1H0

Attention: City Clerk
- 11.03 Any notice, direction or other instrument shall be deemed to have been received on the following dates:

- (a) if sent by telex, on the business day next following the date of transmission;
- (b) if delivered, on the business day next following the date of delivery;
- (c) if sent by registered mail, on the fifth business day following its mailing, provided that if there is at the time of mailing or within two days thereafter a mail strike, slowdown, lockout or other labour dispute which might affect delivery, then any notice, directions or other instrument shall only be deemed to be effective if delivered or sent by telex.

Disputes

- 11.04 If any difference or dispute occurs regarding any matter arising under this Agreement, either party may request that the difference or dispute be settled by the British Columbia Utilities Commission.

Previous Agreements

- 11.05 This Agreement shall supersede and replace the agreements between the Customer and the Company dated August 22, 1950, June 21, 1968 and December 15, 1983 which agreements are hereby terminated.

Invalidity

- 11.06 If any provision of this Agreement or the application of any provision to any party or circumstance is declared or held to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder which shall be construed as if this Agreement had been executed without the invalid portion. The Company and the Customer shall, either independently, jointly or in concert with other wholesale customers of the Company, make all reasonable efforts to validate any portion of this Agreement declared or held to be invalid.

Headings

- 11.07 The headings in this Agreement have been inserted for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

Enurement

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

IN WITNESS WHEREOF the parties have hereunto affixed their respective corporate seals in the presence of their officers duly authorized therefor.

The Seal of THE CORPORATION OF THE CITY OF GRAND FORKS was affixed hereunto on the 3rd day of NOVEMBER, 1987 in the presence of:

J. August
Signature

Mayor
Title

Leanne Babin
Signature

CITY CLERK
Title

The Corporate Seal of WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED was affixed hereunto on the 17 day of December, 1987 in the presence of:

J. Brennan
Signature

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Title

B. K. Harper
Signature

SECRETARY

Title

**This is Appendix A to the Agreement for the Supply
of Electricity - Wholesale Service between West
Kootenay Power and Light Company, Limited and The
Corporation of the City of Grand Forks dated
as of the 1st day of July, 1987**

City of Grand Forks - Points of Delivery

1) Ruckles Substation

Description: Line side of City's 13 KV Gang Switch in City's yard
adjacent to Ruckles Substation

Nominal Voltage Supplied: 13 KV

Demand Limit: Summer - 6 MVA
Winter - 8 MVA

2) Ruckles Substation

Description: End of W.K.P.'s 4 KV Flat Bar Bus at Ruckles Substation

Nominal Voltage Supplied: 4 KV

Demand Limit: Summer - 6 MVA
Winter - 8 MVA

AGREEMENT FOR THE SUPPLY OF ELECTRICITY -
WHOLESALE SERVICE

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED

- and -

THE CORPORATION OF THE DISTRICT OF SUMMERLAND

THE CORPORATION OF THE DISTRICT OF SUMMERLAND

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THIS AGREEMENT is made as of the 1st day of July, 1987

BETWEEN:

WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED
(the "Company")

AND:

THE CORPORATION OF THE DISTRICT OF SUMMERLAND
(the "Customer")

WHEREAS the Company is a supplier of electricity in the southern interior region of the Province of British Columbia;

AND WHEREAS the Customer wishes to purchase electricity from the Company for its own use and for resale to customers within the Customer's service area as hereinafter described;

NOW THEREFORE this Agreement witnesses that in consideration of the terms and conditions hereinafter set forth the parties covenant and agree as follows:

1. DEFINITIONS

1.01 In this Agreement:

- (a) "Demand Limit" means the capability of the Company's facilities at each of the Points of Delivery, specified in Appendix A attached hereto.
- (b) "Maximum Demand" means the highest rate of taking of electricity by the Customer recorded in kilovolt-amperes by the Company from time to time.
- (c) "Point of Delivery" means the point or points at which the Customer's distribution system attaches to the Company's facilities, as specifically described in Appendix A attached hereto.

- (d) "Power Factor" means the percentage determined by dividing the Customer's demand measured in kilowatts by the same demand measured in kilovolt-amperes.
- (e) "Service Area" means the Customer's service area, the boundaries of which are shown by the red line on the map identified as the District of Summerland Electrical Service Boundaries, attached hereto as Appendix B.

2. TERM OF AGREEMENT

Term

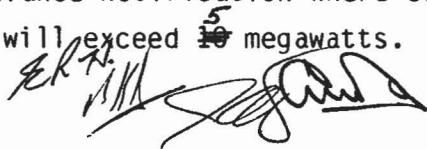
- 2.01 This Agreement shall be effective as of July 1, 1987, and shall continue for a term of five years thereafter, terminating on June 30, 1992 unless renewed in accordance with subsection 2.02.

Extension of Term

- 2.02 Prior to the expiration of the first year of the term of this Agreement or the first year of any renewal hereof, the Customer shall have the option to renew this Agreement, or any renewal hereof, for a further term of five years from and after the termination of the five-year term then in effect. The Customer shall exercise this option to renew by giving notice in writing to the Company within the said one-year period.

Exclusive Right

- 2.03 The Customer shall, during the term hereof and any renewal, purchase electricity exclusively from the Company for its own use and the use of its customers, but the Customer shall not be precluded from obtaining electricity through generation by its customers in accordance with the provisions of section 10, or through generation owned and operated by the Customer, provided that the Customer shall provide the Company with at least five year's advance notification where such generation or changes in generation capacity will exceed ⁵~~10~~ megawatts.



3. CONDITIONS OF SERVICE

Supply of Electricity

- 3.01 During the term of this Agreement, subject to the provisions of section 8, the Company shall supply up to the Demand Limit electricity required by the Customer solely for its own use and for supplying the needs of its customers within the Service Area. The Company shall supply electricity to the Points of Delivery through suitable plant and equipment in accordance with good utility practice on a continuous basis, except as provided in this Agreement. The responsibility of the Company for the delivery of electricity to the Customer shall cease at the Points of Delivery.

Indemnity

- 3.02 (a) The Company will indemnify and save harmless the Customer from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Customer by reason of any damage or injury to any person or property, including property of the Customer, resulting from any electrical facilities owned by the Company located within the Service Area.
- (b) The Customer will indemnify and save harmless the Company from and against any and all claims and demands that may be made against, and all loss or damage suffered by, the Company by reason of any damage or injury to any person or property, including property of the Company, resulting from any electrical facilities owned by the Customer.

Voltages Supplied

- 3.03 The electricity to be supplied to the Customer shall be three-phase alternating current, having a nominal frequency of 60 hertz and the nominal voltages designated in Appendix A for the Points of Delivery, unless the voltage levels are changed by mutual agreement.

Obligation of the Company

- 3.04 The maintenance by the Company of approximately the agreed frequency and voltage at the Points of Delivery shall constitute delivery of electricity under this Agreement, whether or not any electricity is taken by the

Customer, and shall constitute the complete discharge by the Company of its obligations to the Customer for delivery under this Agreement.

Use by the Customer

- 3.05 The Customer shall not use or sell any electricity outside of the Service Area. However the Customer may use or sell electricity within an area brought within the Customer's municipal boundaries after the date hereof so long as the Company does not have distribution facilities in or in close proximity to the area. In such circumstances, the parties will mutually agree to revise Appendix B accordingly.

Exceeding Demand Limit

- 3.06 The Customer shall not take electricity in excess of the Demand Limit of a Point of Delivery without the prior written consent of the Company, unless an emergency condition requires that the Customer take in excess of the Demand Limit, and then only for the duration of the emergency condition. The Customer shall immediately advise the Company when such an emergency condition occurs. The Customer shall reduce immediately its use of electricity to the Demand Limit for that Point of Delivery or to a specified limit above the Demand Limit upon the oral or written request of the Company.
- 3.07 If the Customer fails to comply with the request of the Company pursuant to subsection 3.06, the Company may, when necessary in the opinion of the Company, restrict or suspend the supply of electricity to the Customer at the Point of Delivery to the Demand Limit summarily without further notice.
- 3.08 If at any time, except in an emergency condition described in subsection 3.06, the Customer notifies the Company that it has taken electricity in excess of 95% of the Demand Limit of a Point of Delivery, the Company shall take appropriate measures at no cost to the Customer to increase the supply capability at the Point of Delivery to bring the Customer's anticipated future demand to or below 95% of the Demand Limit. By mutual agreement increased capacity may be provided through another point of delivery.

Joint Use of Facilities

- 3.09 Each party shall cooperate with the other to secure the most beneficial use of the plant and equipment of the other party, which may include wheeling power through the other party's distribution circuits to facilitate supply.

Underground Facilities

- 3.10 When the Customer requests the construction or installation of underground facilities, the Customer shall be responsible for the difference between the cost of constructing or installing the facilities underground and the cost of constructing or installing similar standard facilities above ground.
- 3.11 Notwithstanding the payment of any contribution by the Customer toward the cost of facilities pursuant to subsection 3.10, the Company shall retain full title to all facilities.

Revenue Guarantee

- 3.12 The Customer may be required to provide a revenue guarantee if the Company's facilities must be upgraded significantly to meet a proposed increase in the Customer's load in excess of 5000 KVA resulting from either a new customer or the increased load of an existing customer. The revenue guarantee will be equal to the cost of upgrading the facilities and will be refunded to the Customer, with interest at the average interest rate quoted by the Bank of Montreal for daily interest savings accounts, in equal installments over a period of five years at the end of each year of continued service to that customer at the increased load. The revenue guarantee shall be in the form of cash, surety bond or other form of security satisfactory to the Company.

Customer's Facilities

- 3.13 All electrical facilities owned by the Customer from the Points of Delivery up to and including the Customer's overload and overcurrent isolation devices shall be approved and installed in a manner satisfactory to both parties, and may be inspected by the Company from time to time.

4. LOAD CHANGES

Increases in Maximum Demand

- 4.01 The Customer shall notify the Company in writing of any anticipated additional single load in excess of 5000 KVA resulting from a new customer or the increased load of an existing customer, providing as much advance notice of the increase as can be given in the circumstances. The Company shall endeavour to provide the service requested by the date the increase is intended to become effective, or as soon thereafter as is practicable.

Records and Forecasts

- 4.02 Each party shall retain and make available upon request for the other party log sheets, records of recording meters, and any other readily available information of an operational character relating to the electricity supplied under this Agreement, excluding non-public records of a financial or business nature relating to the Customer's municipal utility undertaking.
- 4.03 Before the end of February in each year, the Customer shall provide the Company with a record of the number of customers and load by customer class for the previous year, and a forecast of its Maximum Demand at each Point of Delivery normalized for average weather conditions and annual energy consumption for each year of the subsequent five year period.

5. METERING

Installation

- 5.01 The Company shall furnish, install and maintain and the Customer may furnish, install and maintain, each at their own expense, appropriate meters and associated equipment at the Points of Delivery, which shall accurately measure and record electricity within the limits prescribed by the federal Department of Consumer and Corporate Affairs (the "Prescribed Limits").
- 5.02 The Customer may, at its expense, install totalizing metering to compensate for demand diversity at different Points of Delivery. The totalizing metering may be inspected by the Company.

- 5.03 The meters and connecting equipment and facilities to be furnished by the Customer shall be satisfactory to the Company, and shall be installed in a manner satisfactory to the Company, acting reasonably.

Meter Tests and Adjustments

- 5.04 Unless otherwise agreed by the parties, each party shall, at its own expense, arrange to have its meters tested by an inspector or accredited meter verifier authorized pursuant to the federal Electricity and Gas Inspection Act and regulations, as amended from time to time.

- 5.05 Notwithstanding subsection 5.04, either party may, after giving two days' notice, inspect in the presence of the other party the metering equipment installed in accordance with this section by the other party, and may request that that metering equipment be tested by an inspector or authorized meter verifier.

- (a) If the result of any test performed pursuant to this subsection shows that any of the metering equipment is not recording within the Prescribed Limits, then the owner of that metering equipment shall pay for the costs of testing.
- (b) If after testing the metering equipment is found to be recording within the Prescribed Limits, the party that made the request shall pay for the costs of testing.

- 5.06 If totalizing metering has been installed pursuant to subsection 5.02, the measurements recorded by the totalizing meter shall be used for calculating the amount to be paid for the electricity delivered to the Customer, except in the following circumstances:

- (a) if a totalizing meter is temporarily not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Company's meters shall be used to determine the total consumption and demand, taking into account established load diversity;

- (b) if the Company's meter is not in service or is found after testing to be not recording within the Prescribed Limits then the measurements recorded by the Customer's meter shall be used for calculating the amount to be paid for electricity delivered to the Customer;
- (c) if neither the Company's nor the Customer's meters are in service or are found after testing to be not recording within the Prescribed Limits then the amount of electricity delivered since the previous billing shall be estimated from the best information available.

5.07 If at any time the testing described in subsections 5.04 and 5.05 shows that the metering equipment was not recording within the Prescribed Limits, and if such recordings were used for billing purposes, then the billings shall be adjusted as prescribed by the Electricity and Gas Inspection Act.

6. METER READING AND BILLING

Meter Reading

6.01 Meters shall be read at the end of each billing period on the first working day of each month on at least two hours notice. An accurate record of all meter readings shall be kept by the Company and shall be the basis for determination of all bills rendered for service.

6.02 The Company shall render monthly billings to the Customer for electricity supplied to the Customer pursuant to this Agreement.

Rates for Electricity

6.03 The Customer shall pay for electricity during the term of this Agreement in accordance with the tariff applicable to the Customer filed with the British Columbia Utilities Commission, as amended from time to time.

Sales Tax

6.04 In addition to payments for electricity, the Customer shall pay to the Company the amount of any sales tax, consumption tax, or any other tax or

assessment levied by any competent taxing authority on any electricity delivered pursuant to this Agreement.

Payment of Accounts

- 6.05 The Customer shall pay to the Company the amount of the billing within 15 calendar days from the date appearing on the statement.

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Power Factor

- 7.01 (a) The Customer shall endeavour to regulate its load so that the Power Factor will be at least 90 per cent.
- (b) The Customer shall provide for interconnections of its distribution lines so as to transfer and arrange the distribution loads taken at each Point of Delivery to avoid as far as is practicable excessive load at any Point of Delivery.

Load Fluctuations

- 7.02 The Customer shall maintain and operate its equipment, and shall endeavour to ensure that its customers' equipment is operated, in a manner that will not cause sudden fluctuations to the Company's line voltage, or introduce any influence into the Company's system deemed by the Company to threaten to disturb or disrupt its system or the plant or property of any other customer of the Company or of any other person, and under no circumstances shall the imbalance in load between any two phases at any Point of Delivery be greater than 10 per cent of the Maximum Demand at that Point of Delivery.

8. CONTINUITY OF SUPPLY

Interruptions and Defects in Service

- 8.01 The Company shall exercise reasonable diligence and care to supply electricity to the Customer in accordance with the terms and conditions

contained in this Agreement, and to avoid interruption of delivery of electricity, but nevertheless shall not be liable to the Customer for any loss or damage owing to failure to supply electricity, or owing to other abnormal conditions of supply arising from causes beyond the reasonable control of the Company, or owing to lock-outs or strikes.

Suspension of Supply

- 8.02 Either party shall have the right to demand the temporary suspension of, or to suspend temporarily, the delivery or taking of electricity, as the case may be, whenever necessary to safeguard life or property, or for the purpose of replacing, repairing or maintaining any of its apparatus, equipment, or works. Such reasonable notice of the suspension as the circumstances permit shall be given by one party to the other.
- 8.03 The Company may discontinue the supply of electricity to the Customer at a Point of Delivery for the failure by the Customer to commence remedial action acceptable to the Company, within 15 days of receiving notice from the Company, to correct the breach of any significant practice, term or condition to be observed or performed by the Customer under this Agreement. The Company shall be under no obligation to resume service until the Customer gives assurances satisfactory to the Company that the breach which resulted in the discontinuance shall not recur.
- 8.04 Discontinuance of the supply of electricity by the Company pursuant to the provisions of this Agreement shall not relieve the Customer of any obligation under this Agreement, or alter any of the obligations of the Customer under this Agreement.
- 8.05 The Company's right to discontinue the supply of electricity under this Agreement shall not operate to prevent the Company from pursuing, separately or concurrently, any other remedy it may have under this Agreement or by operation of law.

Termination

- 8.06 After the termination of this Agreement, the Company shall have the right to remove from the property owned or controlled by the Customer any and all

electrical apparatus and equipment which the Company owns and has installed on the Customer's property, provided that the Company shall leave the property in good repair after such removal.

9. ACCESS TO FACILITIES

Right of Access

- 9.01 During the existence of this Agreement the Company shall have the right and easement to enter upon and use the streets and lanes within the boundaries of The Corporation of the District of Summerland for all purposes connected with the furnishing of electricity to the Customer, and, without limiting generality, for the purpose of erecting, maintaining, repairing, replacing, removing or using poles, wires, meters, machinery and equipment, subject to the plan of any new erection of pole lines receiving such reasonable approvals as the Customer deems necessary.

10. PARALLEL GENERATION

Parallel Generation Facilities

- 10.01 All electrical generating facilities intended to be operated in parallel with the Company's electrical system shall be installed only after the Company has given its written approval that the manner of installation and proposed operation of the facilities is satisfactory to the Company, acting reasonably.
- 10.02 Prior to the commencement of installation of any parallel generating facilities, the Company shall be provided with full particulars of the facilities, and the proposed installation, and the Company shall be permitted to inspect the installation.
- 10.03 The Customer shall ensure that any parallel generating facility installed shall not feedback into the Company's system or facilities unless the Customer receives express permission in writing from the Company not to be unreasonably withheld.

Standby Generation Facilities

- 10.04 The Customer shall endeavour to ensure that all standby generation facilities within the Service Area to provide electrical service in the event of a disruption of service shall be installed so that they remain at all times electrically isolated from the Company's electrical system either directly or indirectly, and shall be installed in such a way that it is not possible for the facilities to operate in parallel with the Company's electrical system.

11. GENERAL PROVISIONS

Notices

- 11.01 Any notice, direction or other instrument required or permitted to be given under this Agreement in writing shall be sufficient in all respects if delivered, or if sent by telex, or if sent by prepaid registered post in Canada to the parties at their respective addresses as they appear in subsection 11.02, or to any substitute address of which the party sending notice has had notice in writing.
- 11.02 Any notice, direction or other instrument shall be delivered or sent to the following addresses:
- (a) To the Company:
West Kootenay Power and Light Company, Limited,
8100 Rock Island Highway,
Trail, British Columbia V1R 4N7

Attention: Secretary
Telex Number: 041-4417
 - (b) To the Customer:
The Corporation of the District of Summerland
Box 159,
Summerland, B.C.
VOH 1Z0

Attention: Treasurer
- 11.03 Any notice, direction or other instrument shall be deemed to have been received on the following dates:

- (a) if sent by telex, on the business day next following the date of transmission;
- (b) if delivered, on the business day next following the date of delivery;
- (c) if sent by registered mail, on the fifth business day following its mailing, provided that if there is at the time of mailing or within two days thereafter a mail strike, slowdown, lockout or other labour dispute which might affect delivery, then any notice, directions or other instrument shall only be deemed to be effective if delivered or sent by telex.

Disputes

- 11.04 If any difference or dispute occurs regarding any matter arising under this Agreement, either party may request that the difference or dispute be settled by the British Columbia Utilities Commission.

Previous Agreements

- 11.05 This Agreement shall supersede and replace the agreements between the Customer and the Company dated September 1, 1950, May 21, 1968 and December 15, 1983 which agreements are hereby terminated.

Invalidity

- 11.06 If any provision of this Agreement or the application of any provision to any party or circumstance is declared or held to be wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder which shall be construed as if this Agreement had been executed without the invalid portion. The Company and the Customer shall, either independently, jointly or in concert with other wholesale customers of the Company, make all reasonable efforts to validate any portion of this Agreement declared or held to be invalid.

Headings

- 11.07 The headings in this Agreement have been inserted for convenience of reference only, and shall not affect the construction or interpretation of this Agreement.

Enurement

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

IN WITNESS WHEREOF the parties have hereunto affixed their respective corporate seals in the presence of their officers duly authorized therefor.

The Seal of THE CORPORATION OF THE DISTRICT OF SUMMERLAND was hereunto affixed on the 1ST day of SEPTEMBER, 1987 in the presence of:

E. R. Hermiston
Signature

MAYOR
Title

[Signature]
Signature

MUNICIPAL CLERK
Title

The Corporate Seal of WEST KOOTENAY POWER AND LIGHT COMPANY, LIMITED was affixed hereunto on the 17th day of December, 1987 in the presence of:

[Signature]
Signature

PRESIDENT AND CHIEF EXECUTIVE OFFICER
Title

[Signature]
Signature

SECRETARY
Title

**This is Appendix A to the Agreement for the Supply of
Electricity - Wholesale Service between West Kootenay
Power and Light Company, Limited and The Corporation of the
District Summerland dated as of the 1st day of July, 1987**

Municipality of Summerland - Points of Delivery

1) Trout Creek Substation

Description: Load side of Billing C.T.'s on 8 KV Bus supplied by T1 transformer

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 6 MVA
Winter - 10 MVA

2) Summerland Substation

Description: Load side of W.K.P.'s 2000 Amp Disconnect Switch on the 8 KV Bus Supplied by T2

Nominal Voltage Supplied: 8.3 KV

Demand Limit: Summer - 16 MVA
Winter - 20 MVA