

Bill No. 11 of 1952.

A BILL TO VALIDATE AN ORDER IN COUNCIL AUTHORIZING THE CITY OF MEDICINE HAT TO ENTER INTO A CERTAIN AGREEMENT WITH CALGARY POWER LIMITED, RELATING TO AN EXTENSION OF THE MEDICINE HAT POWER PLANT.

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NOTE.

This Bill enacts a new Act to be known as "*The Medicine Hat Power Plant Extension Act*".

Calgary Power Limited and the City of Medicine Hat desired to enter into an agreement whereby the city would spend three million dollars for an addition to its power plant. In return for five-sixths of the power generated in the addition, Calgary Power would redeem over a period of years, two and one-half million dollars of the bonds issued by the city for the addition to the power plant.

However, the city of Medicine Hat would exceed its borrowing powers by the proposed bond issue, and it was therefore necessary to have legislation authorizing the city to enter into the agreement. An order in council, O.C. 915-51 dated the 27th day of June, 1951, authorized the city to enter into the agreement, subject to the same being validated at the next ensuing session of the Legislature.

The effect of this Act is to validate, ratify and confirm O.C. 915-51, and to make the agreement between the city and power company legal, valid and binding on the parties according to the terms of the agreement.

This Bill is retroactive to the 27th day of June, 1951.

KENNETH A. MCKENZIE,  
*Legislative Counsel.*

*(This note does not form any part of the Bill but is offered in explanation of its provisions.)*

# BILL

No. 11 of 1952.

An Act to Validate an Order in Council Authorizing the City of Medicine Hat to Enter into a Certain Agreement with Calgary Power Limited, Relating to an Extension of the Medicine Hat Power Plant.

(Assented to \_\_\_\_\_, 1952.)

**H**IS MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Alberta, enacts as follows:

## Short Title.

- Short title      **1.** This Act may be cited as "*The Medicine Hat Power Plant Extension Act*".
- O.C. 915-51  
validated      **2.** A certain order in council dated the 27th day of June A.D. 1951, and intituled O.C. 915-51, which is set out in Schedule A to this Act, is hereby validated, ratified and confirmed, and shall have the same force and effect as if it had been enacted by this Act.
- Agreement  
validated  
and made  
binding on  
parties      **3.** The agreement between the city of Medicine Hat and Calgary Power Limited, dated the 28th day of June, A.D. 1951, contained in Schedule B to this Act, is hereby validated, ratified and confirmed, and declared to be legal, valid and binding on the parties thereto according to its terms.
- Coming  
into force      **4.** This Act shall come into force on the day upon which it is assented to, and upon so coming into force shall be deemed to have been in force at all times on and after the 27th day of June, A.D. 1951.

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## SCHEDULE A.

The Executive Council has had under consideration the report of the Honourable the President, dated June 26th, 1951, stating that;

Whereas the city of Medicine Hat and Calgary Power Limited are desirous of entering into an agreement whereby the city will provide a three million dollar extension to its electric generating facilities; and

Whereas the maximum authorized borrowing of the city under the Medicine Hat Charter and under *The City Act* would be exceeded if the city borrows three million dollars to provide the extension; and

Whereas the company is desirous of obtaining at least five-sixths of the power generated by the extension and is willing to pay to the city therefor five-sixths of the interest on and five-sixths of all obligatory repayments of principal of all debentures issued or indebtedness incurred by the city in providing the extension; and

Whereas the remaining one-sixth of the indebtedness repayable by the city, amounting to five hundred thousand dollars, is within its authorized borrowing powers, both under the Medicine Hat Charter and *The City Act*; and

Whereas it appears desirable in the public interest that authority be granted to the city to enable it to enter into the agreement providing for the extension to the electric generating facilities and that the borrowing by the city pursuant to the said agreement be deemed to be a borrowing of five hundred thousand dollars; and

Whereas no statutory authority exists to enable the Government to authorize the city to execute the said agreement or to borrow in excess of its maximum authorized borrowing power; and

Whereas it is deemed expedient to provide by Order in Council the necessary authority for the city to enter into the said agreement and to borrow in excess of its maximum authorized borrowing power subject to the same being validated at the next ensuing session of the legislature;

Therefore, upon the recommendation of the Honourable the President, the Executive Council advises that,—

- (a) the city of Medicine Hat be and is hereby authorized to enter into the proposed agreement between the city of Medicine Hat and Calgary Power Limited that has been approved as to form by the parties thereto and is attached hereto as Schedule A;
- (b) before the city borrows money for purposes of the proposed agreement in Schedule A,—
  - (i) the borrowing shall be approved by the Board of Public Utility Commissioners; and
  - (ii) the debenture by-law shall receive the assent of two-thirds of the proprietary electors of the city of Medicine Hat voting thereon;
- (c) the city of Medicine Hat, notwithstanding any provision of the Medicine Hat Charter or *The City Act* limiting its maximum authorized borrowing be and is hereby empowered to borrow a sum not exceeding three million dollars (\$3,000,000.00) in order to provide the extension to its electric generating facilities referred to in the proposed agreement contained in Schedule A;

- (d) for purposes of calculating the maximum authorized borrowing of the city the borrowing by the city to provide the extension to its electric generating facilities under the proposed agreement contained in Schedule A shall be deemed to be a borrowing of only five hundred thousand dollars (\$500,000.00) or one-sixth of the amount actually borrowed by the city, whichever is the lesser;
- (e) in the event of Calgary Power Limited and its inter-connected power system in Alberta or any power or storage development forming part thereof being acquired by the Province of Alberta or by any corporation controlled by the Province, the Province or such corporation shall assume all obligations of Calgary Power Limited under the proposed agreement contained in Schedule A to the entire ex-oneration of Calgary Power Limited;
- (f) that this Order in Council and the proposed agreement contained in Schedule A after it is executed by the parties thereto be validated at the next ensuing session of the Legislature and that the agreement be declared to be legal, valid and binding on the parties thereto according to its terms.

(Signed) ERNEST C. MANNING.  
Chairman.

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SCHEDULE B

Memorandum of Agreement made this 28th day of June, A.D., 1951.  
Between:

The City of Medicine Hat a Municipal Corporation incorporated under the laws of the Province of Alberta, hereinafter called "the City"

Of the First Part

and

Calgary Power Ltd. A Company incorporated under The Companies Act of Canada with Head Office in the City of Calgary, in the Province of Alberta, hereinafter called "the Company".

Of the Second Part

Whereas the City as lessee thereof, holds the natural gas rights in and under approximately sixty-eight square miles of land within, and adjacent to, the corporate limits of the City, which said lands and the leases in respect thereof are more particularly described and set forth in Schedule "A" hereunto annexed and made part hereof; and

Whereas the City owns and operates

- (a) a natural gas system which supplies, distributes and sells natural gas within the limits of the City; and
- (b) an electric power system, including a gas-fired steam station, which provides electric service for the use of the City, and its inhabitants and the Town of Redcliff and the inhabitants thereof; and

Whereas the Company owns and operates an electric power system serving a large part of the Province of Alberta; and

Whereas the City is willing to provide a thirty thousand (30,000) kilowatt extension to its said Steam Station and, during the life of such extension, to furnish natural gas therefor at or near the present price and also to sell and deliver to the Company electric power representing not less than five-sixths ( $5/6$ th) of the capacity of said extension on the terms hereinafter set forth; and

Whereas in consideration thereof the Company is willing to make expenditures up to the sum of one million, five hundred thousand dollars (\$1,500,000.00) estimated to be necessary to extend its 132,000 volt transmission system and to interconnect the said electric power systems; and to purchase and pay for such electric power as hereinafter set forth; and

Whereas the Government of Alberta has approved this Agreement and has undertaken to introduce and support, at the next session of the Legislature of the Province, legislation ratifying the execution of this Agreement and making the same legal, valid and binding according to its terms.

Now therefore this agreement witnesseth that the parties hereto mutually covenant, promise and agree as follows:

#### 1. DEFINITIONS

In this agreement, including this clause, unless the context otherwise requires, the expressions following shall have the following meanings:

- (a) "Steam Station" means:
  - (1) the City's existing electric generating facilities and ancillary works, including the buildings housing the same, and plant office, machine shop, stores and cooling plant, and Part of N.W.  $1/4$  of Sec. 35, Tp. 12, R. 6, W. 4th M., Medicine Hat, on which they are located;
  - (ii) the Extension; and
  - (iii) all additions and betterments to the foregoing;
  - (iv) any further extensions in accordance with Clause 7 hereof;
- (b) "City's Electrical Facilities" means the circuit breakers and disconnecting switches connecting the City's outgoing feeders, and the power circuits for the filtration plant to the 13,800 volt buses of the Steam Station, together with the wiring and switch-

board panels, but not the meters for measuring and recording the electric power and energy delivered to the City;

- (c) "Filtration Plant" means the City's filtration and pumping equipment in and adjacent to the Steam Station, including the buildings housing the same used for the City's waterworks and includes all piping, valves, pumping equipment and ancillary electrical equipment used exclusively in furnishing raw water to the Filtration Plant and in delivering treated water to the City's mains at the Steam Station;
- (d) "Company's Electrical Facilities" means those portions within the limits of the City, of all transmission lines, lightning arrestors, voltage regulators, transformers, circuit breakers, disconnecting switches, wiring, switchboard panels and other apparatus and structures required for interconnecting the 13,800 volt buses of the Steam Station and the Company's 132,000 volt system or for feeding electricity from the Steam Station to the Company's customers but not the meters for measuring and recording the electric power and energy received from or delivered to the Steam Station by the Company;
- (e) "Extension" means the thirty thousand (30,000) kilowatt installation referred to in Clause 2, and includes whatever alterations and additions to the City's existing generating facilities referred to in paragraph (i) of subclause (a) of this Clause 1 are necessary to enable the same and the Extension, to be operated as a common plant to furnish power and energy to the parties hereto; and all meters necessary for the measurement and recording separately of the electrical power and energy fed to or received by each of the parties hereunder;
- (f) "Capital Cost of the Extension" means the cost of constructing the Extension and placing it in operation on commercial load and, without restricting the generality of that expression, includes (i) designing, engineering and construction services at the cost thereof to the Company; (ii) interest during construction until the plant is ready for commercial operation; (iii) insurance during construction; (iv) contractor's profit; (v) the purchase of equipment; (vi) such other expenditures as are necessary and inherent items of construction; and (vii) all expenses of a capital nature incurred in connection with any issue of debentures made or loan incurred to provide funds for such construction;
- (g) "Deferred Maintenance" means all labor and material expense incurred in major inspections or overhauls or in renewals, or reconstruction of equipment

having a normal service life of more than one year, but shall not include replacement of main generating or boiler capacity;

- (h) "Running Maintenance" means all labor and material expenses for routine repair and maintenance, other than deferred maintenance as hereinbefore defined;
- (i) "Additions and Betterments" means such improvements or additions, to, or replacements of structures and equipment (other than an extension involving main generating or boiler capacity) as may from time to time be mutually agreed upon;
- (j) "Year" means any calendar year ending on the 31st day of December provided that the period from the commencement of supply hereunder to and including the next succeeding 31st day of December shall be deemed to be a year.

## 2. 30,000 K.W. EXTENSION

The City at its expense shall forthwith commence construction of and with due diligence complete an extension capable of maintaining a continuous output of thirty thousand kilowatts (30,000 K.W.) to its existing Steam Station and complying in all respects with the definition contained in subclause 2 of Clause 1 hereof. The Company will at cost provide the design and, in collaboration with the City's Steam Station Superintendent, the necessary engineering and construction supervision. In the contemplation of the parties hereto the extension shall be completed in the autumn of 1953. The Capital Cost of the Extension including placing it in operation shall be agreed upon as at the date of acceptance by the Treasurer of the City, or any other representative appointed by the Council of the City for that purpose and an officer or other person appointed by the directors of the Company. If within six months of the completion of the Extension such representatives of both parties are unable to agree upon the amount the same shall be determined by a chartered accountant designated for that purpose by a judge of the Supreme Court of Alberta.

## 3. FINANCING

The City and the Company shall confer as to the best method of financing the Capital Cost of the Extension and the terms and conditions of all indebtedness incurred or debentures issued by the City for that purpose shall be mutually satisfactory to the parties hereto before any commitment therefor is made by the City, subject to the approval of the Board of Public Utility Commissioners of Alberta. The terms and conditions of any such indebtedness or debentures shall (unless otherwise agreed by the parties hereto) provide for the retirement thereof through serial repayments so calculated as to make the aggregate interest and principal payments in each year substantially equal.

#### 4. INTERCONNECTING FACILITIES

The Company at its expense will construct suitable interconnecting facilities to tie the Steam Station with the Company's 132,000 volt transmission system in the Province. Such interconnecting facilities shall be completed on or before the completion of the Extension.

#### 5. SUPPLY OF POWER AND PAYMENT THEREFOR

The City shall, from the date at which the extension goes into commercial operation, and thereafter when the extension is in service, reserve for delivery to the Company five-sixths (5/6th) of the capacity of the extension and shall deliver to the Company at the 13,800 volt bus-bars of the Steam Station power as and when required by the Company up to the amount aforesaid.

For all electric power so reserved for and all electric power and energy delivered including such additional power as the City may from time to time have available and be willing to deliver and the Company willing to take, the Company covenants and agrees to pay to the City in each year from and after the commencement of supply hereunder an amount equal to the sum of the following items:

- (a) five-sixths (5/6th) of all obligatory repayments of the principal of all debentures issued or indebtedness incurred by the City in accordance with Clause 3 hereof and payable by the City during such year and all the interest payable on any debentures issued by the City in accordance with the said Clause 3; provided that should the said debenture issue exceed the principal sum of \$2,500,000.00 the Company shall pay five-sixths (5/6th) only of the interest on those debentures issued in excess of the amount of \$2,500,000.00; and
- (b) that proportion of the Operating Expenses and Deferred Maintenance for such year as is for the account of the Company under subclause (a) of Clause 9 hereof.

Interim payments of such amounts shall be made throughout the year in accordance with a schedule to be worked out and agreed upon by the City Treasurer and a representative appointed by the Company so as to place the City in funds to meet the payments and expenses above referred to as and when they fall due, any surplus or deficiency in the total of such interim payments to be adjusted at the end of each such year.

#### 6. MUTUAL ASSISTANCE

Subject to the terms of Clause 7 hereof, each party hereto from time to time shall add to or replace its generating facilities, so that it will at all times have an effective generating capacity at least equal to that which it would require for adequate service to its own customers if this Agree-



ment were not in effect; one-sixth (1/6th) of the capacity of the Extension being deemed to be for the service of the City and five-sixths (5/6th) for the service of the Company; and subject always to the foregoing being carried out and to the prior requirements of and service to its own customers:

- (a) Each party shall to the full extent of its ability provide service to the other either in emergency or to enable equipment or transmission lines to be taken out of operation for inspection, repair or overhaul, the need of such service to be terminated with despatch and there to be no charge for such service except as provided in Clause 5 hereof.
- (b) Should the delivery of electric power to the City from the Steam Station and/or the Company's lines for any twenty-minute period exceed the combined capacity of the generating units or boilers maintained in operating condition for the service of the City (after deducting the capacity of the second largest such unit or boiler and the requirements for station service) the City shall thenceforth pay in respect to the maximum amount of such excess previously recorded a demand charge to be set by the company having regard to the then cost of providing generating and transmission facilities and other factors affecting the price of power, until such time as the City has put into commercial operation an extension to the Steam Station of sufficient capacity to eliminate such excess; it being understood and agreed that the City may from time to time take on additional load such as could not reasonably have been provided for in anticipation regardless of the then capacity of the Steam Station so long as it proceeds with all due diligence and despatch to provide sufficient additional capacity to eliminate such excess as might be occasioned thereby.

#### 7. FURTHER EXTENSIONS

Nothing herein contained shall be deemed to prevent or preclude the parties hereto upon terms to be mutually agreed upon from making a further extension or extensions to the Steam Station for their mutual benefit or the Company from selling electric power or energy to the City until such time as any such extension is deemed expedient; provided, however, either party may at its own expense and for its sole benefit make such extension, and in the event of the Company wishing to do so, the City shall for that purpose lease to the Company appropriate space in or adjoining the Steam Station.

#### 8. GAS SUPPLY

The City shall from its existing supply and reserves of natural gas maintain and at all times make available at the

regulator of the Steam Station, natural gas in amount sufficient to operate the Steam Station continuously at its maximum capacity and shall supply such natural gas as may be required from time to time up to the said amount having a heat content and standard equal to that supplied to other industrial consumers in the City which for the purpose of computing Operating Expenses hereunder shall be at a price of four and one-half cents per thousand cubic feet ( $4\frac{1}{2}$ c per M.C.F.) for the first five (5) years of operation hereunder and thereafter the City may increase the rate by not more than one cent per thousand cubic feet (1.0c per M.C.F.) for each five (5) year period during the currency of this agreement.

#### 9. SERVICE

- (a) The City shall, subject to the provisions of sub-clause (d) hereof, operate, maintain and keep in repair the Steam Station, the City's Electrical Facilities and the Filtration Plant and the Company's Electrical Facilities so as to render service equal to that usually furnished by Steam Stations where conditions are similar and shall cause to be taken all usual precautions to guard against diminutions or interruptions in the supply of electric power hereunder and shall cause any such diminutions or interruptions to be ended with all possible despatch. The cost of such operation, maintenance and repairs, which cost shall include a sum or percentage such as will compensate the City for administrative and accounting expenses relating thereto such as cannot be conveniently arrived at except on a more or less arbitrary basis, shall be borne by the parties hereto as follows:
- (i) All cost of labor and materials and incidental expense relating to the Filtration Plant and the City's Electrical Facilities shall be for the account of the City;
  - (ii) All cost of labor and materials and incidental expense relating to the Company's Electrical Facilities shall be for the account of the Company, provided, however, that the Company may itself supply such labor and materials as it may see fit;
  - (iii) All cost of fuel, labor and materials and incidental expense incurred in the operation of and in the provision of Running Maintenance for the Steam Station shall be divided between the parties in the proportion that the kilowatt hours delivered to the Company in any year less those received from the Company in any such year bears to those delivered to the City including the Filtration Plant in such year;
  - (iv) Five-sixths ( $\frac{5}{6}$ th) of the cost of labor and materials and incidental expense incurred for

Deferred Maintenance on or Additions and Betterments to the Extension shall be for the account of the Company and all other such costs incurred in respect to the Steam Station shall be for the account of the City.

- (b) The City shall at all times employ, engage and maintain adequate, qualified and experienced personnel and staff to operate, maintain and repair the aforesaid works including a Steam Station Superintendent who shall have full charge thereof and shall have the right to hire or dismiss or suspend any such staff or personnel. The City shall have the right to call upon the Company for the services of such mechanical and electrical engineers and technicians as may be available to the Company including those of its own staff, for consultation, advice or assistance from time to time in any matter affecting the operation, maintenance or extension of the aforesaid works, the cost thereof including travelling and administrative expenses to be borne as provided in subclause (a) hereof.
- (c) As regards the Extension, Deferred Maintenance and Additions and Betterments shall be approved by the Company before being undertaken but such approval shall not be unreasonably withheld. All other renewals and betterments and deferred maintenance may be affected by the City without reference to the Company, so long as outage of generating equipment is not involved.
- (d) It being the intent of the parties that the Steam Station function effectively as an integral part of the production facilities supplying the interconnected system, the City through its Steam Station Superintendent shall carry out instructions of the Company in all matters affecting in any way the economical and satisfactory operation of the Steam Station for this purpose and including, without limiting the generality of the foregoing, instructions regarding allocation of load to be carried by the Steam Station, voltage, reactive K.V.A. and schedules for taking equipment out of service for inspection, repair or overhaul. In so far as not inconsistent with the foregoing, overhaul of equipment shall be carried out at times when the work can be done as far as possible with the ordinary operating staff and outages shall be so arranged as to provide a minimum hazard to the service of the City.

#### 10. EXCHANGE OF LOAD INFORMATION

The Company and the City respectively shall each at the request of the other furnish any desired information as to matters relating to respective increases in load, surplus power available and prospective changes in demand and

supply of power. In order to assist the City officials in preparing the City's budget the Company shall advise the City of the approximate probable requirements of the Company as far in advance as possible and keep the City advised of any subsequent changes in such anticipated requirements.

#### 11. METERS

Graphic meters of the Lincoln type or of other type satisfactory to the parties hereto shall be installed at the point of delivery to the Company hereunder and at the 13,800 volt bus-bars at the outgoing feeders to the City to record separately the power and energy takings of the parties hereto and the graphic records shall at all times be available for inspection by representatives of the Company.

Any meter may be inspected by the City or the Company at any time and may at any time after ten (10) days' notice to the other party, be tested or calibrated by the proper official delegated by the Department of Trade and Commerce of Canada. In the event that the said meter or meters are found not accurate within the limits prescribed from time to time by the said department, it shall forthwith be corrected or replaced by one that is accurate. The expense of such test shall be a charge to operation of the Steam Station. The energy quantities supplied to the party involved during the three calendar months preceding such test shall be corrected in proportion to the error of the meter providing such error exceeds the aforesaid limits. Such correction shall be accepted by both parties as settlement in full to that date, of all claims on account of inaccuracy of the meter or meters.

#### 12. LIABILITY FOR DAMAGE

The Company shall be liable for and shall indemnify the City against all injuries to persons and damages to property arising out of the construction and operation of the Company's Electrical Facilities or due to the negligence of the Company, its servants or employees; and the City shall be liable for and shall indemnify the Company against all injuries to persons and damages to property due to the negligence of the City, its servants or employees or arising out of the operation of the City's Electrical Facilities or the Steam Station.

#### 13. ACT OF GOD

If at any time during the period of this Agreement, the operations of either the Company or the City are suspended, curtailed or interfered with, owing to Act of God, the King, the King's enemies, war, riot, sabotage, rebellion, tempest, fire, flood or other cause beyond the reasonable control of either party, or by strikes, differences with workmen or like causes, the party whose operations are so suspended, curtailed or interfered with, shall not be liable to the other under this contract, until the cause of such suspension, curtailment or interference has been removed; Provided that

each of the parties shall take all reasonable precautions and adopt all reasonable measures to prevent or remove the cause of such suspension, curtailment or interference.

#### 14. RIGHTS OF WAY AND LEASES

Within its municipal limits the City shall provide without expense to the Company permanent right of way or easement for the Company's power lines and transmission equipment upon all property owned by or under the control of the City along a reasonably direct and satisfactory route, the location of which shall be approved by the City to enable the Company to erect and maintain its high tension transmission lines to the point of delivery and therefrom to such other points outside the limits of the City where the Company may wish to supply electric energy. Where practicable and as may be mutually agreed upon from time to time the City may use the Company's poles for the purpose of carrying its own distribution lines. The City shall lease to the Company at a nominal rental appropriate space adjacent to the Steam Station for the erection of the Company's substation.

In order to permit the Company's expenditures on the substation and any further extensions under Clause 7 hereof to qualify as Property Additions under the Trust Deed of June 1st, 1947, and deeds supplemental thereto constituting and securing the First Mortgage Bonds of the Company, the leases shall be for terms of 25 years renewable at the option of the Company in each case for a further term of 25 years but subject to the right of the City to terminate all such leases at any time after the expiry of the first term of the latest lease upon payment of compensation equivalent to the then fair value of the property then located on the leased premises, whereupon such property shall vest in the City.

#### 15. TERM OF AGREEMENT

This Agreement shall remain in full force and effect during the useful life of the Extension or for twenty-five (25) years from the date of execution hereof whichever period is the greater; provided however the Extension shall not be retired from service without the consent of the Company, which consent shall not be unreasonably withheld.

#### 16. RENEWAL OR AMENDMENT

This Agreement may from time to time be renewed, amended, varied or extended (as to subject matter or otherwise) in any way and to such extent as may be mutually agreed by the parties hereto, subject to such renewal, amendment, variation, or extension being authorized or confirmed by a resolution of the Council of the City.

#### 17. NO FRANCHISE

Nothing herein contained shall be read or construed as conferring upon the Company the right or privilege or

special franchise with regard to the distribution of electric power and energy within the limits of the City as now existing or as they may be extended from time to time, or with regard to the distribution of electric power and energy within the limits of the Town of Redcliff, provided however that with the consent of the City Council the Company may supply a customer or customers within the limits of the City.

#### 18. CHANGE OF OWNERSHIP

The Company agrees that it will not sell or lease its interconnected power system in Alberta except on the condition that the purchaser or lessee shall become a signatory to this Agreement as party thereto of the second part. This Agreement shall not come into force or effect until the enactment of ratifying legislation by the Province of Alberta providing amongst other things that in the event of the Company's interconnected power system in Alberta or any power or storage development forming part thereof being acquired by the Province of Alberta or any corporation controlled by it, the Province or such corporation shall assume all obligations of the Company hereunder to the entire exoneration of the Company.

#### 19. TAXES

During the currency of this agreement the City may levy taxes upon the Company's Electrical Facilities up to but not exceeding ten (10) mills on the assessed value of the said Company's Electrical Facilities, but shall not levy any taxes upon the Power and energy of the Company or its business.

#### 20. NO COMPANY INTEREST IN THE EXTENSION

This Agreement provides only for the purpose and sale of electric power having characteristics suitable for the Company's special requirements during the term hereof and matters incidental thereto and nothing herein contained shall be construed as conferring on the Company any proprietary or possessory interest in the Extension which shall be and shall remain the absolute property of the City but subject to all the terms and conditions of this agreement.

#### 21. ASSIGNMENT OF AGREEMENT

Neither this Agreement nor any rights hereunder shall be assigned by the Company or the City to any person, firm or corporation except with the written consent of the other, any such consent of the City being authorized by a resolution of the City Council; subject thereto this Agreement and everything herein contained shall enure to the benefit of and be binding upon the parties hereto, their and each of their successors and approved assigns.

#### 22. HEADINGS

The clause headings used throughout this Agreement have been inserted for reference purposes only and are

not to be considered or taken into account in construing any of the terms or provisions of this Agreement or to qualify, modify or explain the effect of any such provisions or terms.

In witness whereof the Parties hereto have executed these presents as of the day and year first above written.

CITY OF MEDICINE HAT

*(Signed)* Wilson Riley

*(Signed)* W. A. Keith

CALGARY POWER LTD.

*(Signed)* G. A. Gaherty,  
President

*(Signed)* W. A. SHARMAN,  
Gen. Mgr. and Vice Pres.

No. 11.

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FIFTH SESSION  
ELEVENTH LEGISLATURE  
16 GEORGE VI  
1952

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**BILL**

An Act to Validate an Order in Council Authorizing the City of Medicine Hat to Enter into a Certain Agreement with Calgary Power Limited, Relating to an Extension of the Medicine Hat Power Plant.

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Received and read the

First time .....

Second time .....

Third time .....

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HON. DR. ROBINSON.

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