

THE CITY OF EDMONTON
BYLAW 20959
EPCOR DISTRIBUTION & TRANSMISSION INC.
ELECTRIC DISTRIBUTION SYSTEM FRANCHISE AGREEMENT

Whereas, pursuant to section 4 of the *Water, Gas and Electric Companies Act* RSA 2000, c. W-4 and sections 7, 8, 45 and 46 of the *Municipal Government Act* RSA 2000, c.M-26, Council is required to consent to a company providing power services within a municipality by passing a bylaw granting that consent;

Edmonton City Council enacts:

PART I - PURPOSE, DEFINITIONS AND INTERPRETATION

- | | | |
|--------------------|---|--|
| PURPOSE | 1 | The purpose of this bylaw is to consent to an agreement permitting EPCOR Distribution & Transmission Inc. to exclusively distribute electric power and to prohibit any other Person from distributing electric power within Municipal Boundaries. |
| DEFINITIONS | 2 | <p>(1) Unless otherwise specified, words used in this bylaw have the same meaning as defined in the <i>Municipal Government Act</i>, RSA 2000, c M-26.</p> <p>(2) In this bylaw:</p> <ul style="list-style-type: none">(a) "Council" means the City's council; and(b) "Electric Distribution Service" has the meaning as set out in the <i>Electric Utilities Act</i>, SA 2003, c E-5.1;(c) "Franchise Agreement" means the agreement between the City of Edmonton and EPCOR Distribution & Transmission Inc. to distribute electric power within Municipal Boundaries attached as Schedule "A";(d) "Municipal Boundaries" means the geographical area within the boundaries of the city of Edmonton including, without limitation, changes to the boundaries of the city of Edmonton made from time to time through annexation or otherwise; and(e) "Person" includes an individual, partnership, association, |

body corporate, trust, trustee, executor, administrator or legal representative, including, but not limited to, rural electrification associations or cooperatives.

**RULES FOR
INTERPRETATION**

3 The marginal notes and headings in this bylaw are for ease of reference only.

PART II - EXCLUSIVITY AND CONSENT

**SERVICE
RESTRICTION**

4 Electric Distribution Services provided in the Municipal Boundaries shall be provided exclusively by EPCOR Distribution & Transmission Inc. and all other Persons are specifically prohibited from providing Electric Distribution Services in the Municipal Boundaries unless otherwise authorized by EPCOR Distribution & Transmission Inc.

**CEASE PROVIDING
SERVICE**

5 In the event that a Person not authorized to provide Electrical Distribution Services within the Municipal Boundaries in accordance with this Bylaw, is providing such service, that Person shall immediately or as soon as reasonably possible cease providing such service in order to comply with this Bylaw, and in accordance with any orders, rules or other requirements stipulated by the Alberta Utilities Commission.

**APPROVAL OF
FRANCHISE
AGREEMENT**

6 The Franchise Agreement between the City of Edmonton and EPCOR Distribution & Transmission Inc. attached as Schedule "A" is hereby approved by Council.

PART III - TRANSITIONAL

**COMING INTO
FORCE**

7

This bylaw comes into force on March 17, 2025.

REPEAL

8

Bylaw 13655 is repealed on the date this bylaw comes into force.

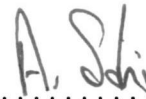
READ a first time this 13th day of November 2024;

READ a second time this 13th day of November 2024;

READ a third time this 13th day of November 2024;

SIGNED AND PASSED this 13th day of November 2024.

THE CITY OF EDMONTON



.....

MAYOR



.....

A/ CITY CLERK

SCHEDULE "A"

ELECTRIC DISTRIBUTION SYSTEM FRANCHISE AGREEMENT

BETWEEN

The City of Edmonton

- AND -

EPCOR Distribution & Transmission Inc.

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ELECTRIC DISTRIBUTION SYSTEM FRANCHISE AGREEMENT

THIS AGREEMENT made effective the ____ day of _____, 2025.

BETWEEN:

The City of Edmonton,
a Municipal Corporation located in the Province of Alberta
(the "**Municipality**")

OF THE FIRST PART

- and -

EPCOR Distribution & Transmission Inc.,
a body corporate with its
head office in the Edmonton in the Province of Alberta
(the "**Company**")

OF THE SECOND PART

WHEREAS:

The Municipality desires to grant and the Company desires to obtain an exclusive franchise to provide Electric Distribution Service within the Municipal Service Area on the terms and conditions herein contained;

NOW THEREFORE:

In consideration of the mutual covenants and promises herein contained, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

Unless otherwise expressly provided in this Agreement, the words, phrases and expressions in this Agreement shall have the meanings attributed to them as follows:

- (a) "**Alignment**" means the area or all those portions of the Municipal Property for which the Municipality has approved and issued to the Company a ULA Permit to install utility assets (aerial, surface or underground) as evidenced by the drawings required to obtain the ULA Permit pursuant to clause 14(b) of this Agreement;
- (b) "**Applicable Law**" means the law applicable in Alberta, Canada, including any federal, provincial or local statute, ordinance, law, regulation, policy, bylaw, notification, directive, order, customs regulations, instruction, rule, code, intergovernmental agreement, license, consent, permit, authorization or other approval, including any conditions attached thereto, having the force of law and with which the Municipality or Company is legally obligated to comply;

- (c) **"City Design and Construction Standards"** means the Design and Construction Standards for the Municipality which are developed to ensure infrastructure work is constructed to a consistent standard;
- (d) **"City Manager"** means the chief administrative officer of the Municipality or their designate;
- (e) **"City-Owned Asset"** means the poles, wires, cables, cabinets, conduits, communication/controls equipment and other accessories, structures and equipment related to streetlighting and traffic signaling owned by or under the direction, control or management of the City;
- (f) **"City Attachment"** means the physical accessing and use of or attachment to, City-Owned Asset by a third party;
- (g) **"Commission"** means the Alberta Utilities Commission, as established under the Alberta Utilities Commission Act (Alberta);
- (h) **"Company"** means the Party of the second part to this Agreement and includes its successors and assigns;
- (i) **"Construct"** means constructing, reconstructing, upgrading, extending, relocating or removing any part of the existing Distribution System or proposed Distribution System;
- (j) **"Consumer"** means any individual, group of individuals, firm or body corporate, including the Municipality, with premises or facilities located within the Municipal Service Area from time to time that are provided with Electric Distribution Service by the Company pursuant to the Company's Distribution Tariff;
- (k) **"Core Services"** means all those services set forth in Schedule "A";
- (l) **"Distribution System"** means any facilities owned by the Company which are used to provide Electric Distribution Service within the Municipal Service Area, and, without limiting the generality of the foregoing, shall include poles, wires, cables, fibre optic cables, ducts, conduits, manholes, communication equipment and other accessories, structures and equipment, excluding any transmission facilities as defined in the EUA;
- (m) **"Distribution Tariff"** means the Distribution Tariff prepared by the Company and approved by the Commission on an interim or final basis, as the case may be;
- (n) **"Electric Distribution Service"** means electric distribution service as defined in the EUA;
- (o) **"Electronic Format"** means any document or other means of communication that is created, recorded, transmitted or stored in digital form or in any other intangible form by electronic, magnetic or optical means or by any other

computer-related means that have similar capabilities for creation, recording, transmission or storage;

- (p) **“Emergency”** means an unforeseen situation where immediate action must be taken to preserve the environment, public health, Company assets, safety or an essential service of either of the Municipality and/or the Company;
- (q) **“EUA”** means the *Electric Utilities Act (Alberta)*;
- (r) **“Extra Services”** means those services set forth in Schedule "B" that are requested by the Municipality for itself or on behalf of a Consumer and provided by the Company in accordance with Article 7;
- (s) **“First Subsequent Term”** means the Term of this Agreement as set out in Article 3;
- (t) **“HEEA”** means the *Hydro and Electric Energy Act (Alberta)*;
- (u) **“Initial Term”** means the Term of this Agreement as set out in Article 2;
- (v) **“Locates”** has the meaning set out in Article 14;
- (w) **“Maintain”** means to maintain, keep in good repair or overhaul any part of the Distribution System;
- (x) **“Major Work”** means any work to Construct or Maintain the Distribution System that costs more than One Hundred Thousand (\$100,000.00) Dollars;
- (y) **“MGA”** means the *Municipal Government Act (Alberta)*;
- (z) **“Municipal Property”** means “Municipal Roads” and “Municipal Non-Roads”;
- (aa) **“Municipal Non-Roads”** means public utility lots, walkways, parklands and public space within the Municipality, owned by or under the direction, control and management of the Municipality, for which a certificate of title is issued in the name of the Municipality, excluding land (except walkways and public utility lots) for which a certificate of title is registered in the name of the Municipality in the Land Titles Office;
- (bb) **“Municipal Roads”** means highways, roads, road allowances, streets, lanes, alleys and bridges within the Municipality and owned by or under the direction, control and management of the Municipality;
- (cc) **“Municipal Service Area”** means the geographical area within the legal boundaries of the Municipality as altered from time to time;
- (dd) **“Municipality”** means the Party of the first part to this Agreement;

- (ee) **“Operate”** means to operate, interrupt or restore any part of the Distribution System in a safe and reliable manner;
- (ff) **“OSCAM Permit”** means On Street Construction and Maintenance Permit issued by the Municipality to allow construction or maintenance on Municipal Roads;
- (gg) **“PAP”** means Parkland Access Permit issued by the City to specify access activity and restoration requirements to City Lands”;
- (hh) **“Party”** means any party to this Agreement and **“Parties”** means all of the parties to this Agreement;
- (ii) **“Plans and Specifications”** means the plans, drawings and specifications , in accordance with the City Design and Construction Standards, reasonably necessary to properly assess and review proposed Work prior to issuing any approval that may be required under this Agreement;
- (jj) **“Second Subsequent Term”** means the Term of this Agreement as set out in Article 3;
- (kk) **“Street Lighting System”** means any structures and equipment managed, owned or under direction by the City for the purpose of providing lighting on City Lands, excluding security lighting owned and operated by the Company;
- (ll) **“Term”** means, as the context requires, the Initial Term, First Subsequent Term or the Second Subsequent Term, and **“Terms”** means all of them;
- (mm) **“Terms and Conditions”** means the terms and conditions contained within the Distribution Tariff in effect from time to time for the Company as approved by the Commission;
- (nn) **“ULA Permit”** means a Utility Line Assignment permit issued by the Municipality for an approved Alignment on Municipal Roads; and
- (oo) **“Work”** means any work to Construct or Maintain the Distribution System.

The words “hereof”, “herein”, “hereunder” and other words of similar import refer to this Agreement as a whole, including any attachments hereto, as the same may from time to time be amended or supplemented and not to any subdivision contained in this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. References to provisions of statutes, rules or regulations shall be deemed to include references to such provisions as amended, modified or re-enacted from time to time. The word “including” when used herein is not intended to be exclusive and in all cases means “including without limitation”. References herein to a section, paragraph, clause, Article or provision shall refer to the appropriate Article in this Agreement. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

2. TERM

This Agreement shall be for an initial term (the "Initial Term") of ten (10) years, commencing on March 17, 2025, after both of the following have occurred:

- (i) Commission approval of this Agreement; and
- (ii) the Municipality having passed third reading of the applicable adopting bylaw EPCOR Distribution & Transmission Inc. Electric Distribution System Franchise Agreement Bylaw 20959.

3. EXPIRY AND RENEWAL OF AGREEMENT

Following the expiration of the Initial Term, this Agreement shall be renewed for a further period of five (5) years (the "First Subsequent Term"), provided the Company gives written notice to the Municipality not less than twelve (12) months prior to the expiration of the Initial Term of its intention to renew this Agreement and the Municipality agrees in writing to the renewal not less than six (6) months prior to the expiration of the Initial Term.

- (a) During the first (1st) year following the expiration of the Initial Term all the rights and obligations of the parties under this Agreement shall continue to be in effect. Following the expiration of the First Subsequent Term, the Parties agree that this Agreement may be extended for an additional five (5) year term (the "Second Subsequent Term") commencing at the end of the First Subsequent Term, provided that one of the Parties shall provide notice to the other Party of its wish to extend this Agreement for the Second Subsequent Term and the other Party confirms, no later than one (1) year prior to the end of the First Subsequent Term, that it also wishes to extend the Term of this Agreement for the Second Subsequent Term.
- (b) Unless either Party has provided notice to the other Party of its intent to terminate or to extend this Agreement, following any expiration of any Term, the respective rights and obligations of the Parties under this Agreement shall continue to be in effect for a period of one (1) year following the expiration of the applicable Term in order to provide the Parties with a reasonable opportunity to negotiate a subsequent agreement;
- (c) Commencing one (1) year following the expiration or termination of any Term of this Agreement, unless either Party has invoked the right to arbitration referred to in subparagraph b), this Agreement shall continue to be in effect but shall be amended to provide for the following:
 - (i) the franchise fee percentage used to calculate the franchise fee payable by the Company under Article 5 shall be reduced to fifty percent (50%) of the average annual franchise fee percentage used to calculate the franchise fee paid by the Company to the Municipality for the previous five (5) calendar years; and
 - (ii) the costs of any relocation requested by the Municipality pursuant to Article 15 shall be paid by the Municipality.

4. GRANT OF FRANCHISE

- (a) Subject to subparagraph (b) below, and to the terms and conditions hereof, the Municipality hereby grants to the Company the exclusive right within the Municipal Service Area:
 - (i) to provide Electric Distribution Service;
 - (ii) to Construct, Operate, and Maintain the electric distribution system, as defined in the EUA, within the Municipal Service Area; and
 - (iii) to use designated portions of roads, rights-of-way, and other lands owned, controlled or managed by the Municipality necessary to provide Electric Distribution Service or to Construct, Operate and Maintain the Distribution System, including the necessary removal, trimming of trees, shrubs or bushes or any parts thereof.
 - (iv) This grant shall not preclude the Municipality from providing wire services to municipally owned facilities where standalone generation is provided on site or immediately adjacent sites excepting road allowances. Such services are to be provided by the Municipality directly and not by any other third party wire services provider.

Subject to Article 12 of this Agreement, in the event that a third party (including a Rural Electrification Association (REA)) owns, operates or controls any electrical distribution facilities or lighting within the Municipal Service Area at any time during the Term of this Agreement, the Municipality agrees that it will support the Company's efforts, as is reasonable, to purchase such electrical distribution facilities or, to the extent that it has the authority to do so, the Municipality shall otherwise require such third party to sell such facilities to the Company. Where the Municipality supports the Company's efforts to purchase such electrical distribution facilities or, to the extent that it has the authority to do so, otherwise requires a third party to sell its facilities to the Company, the Company shall be responsible for all reasonable fees, costs and disbursements of external legal counsel incurred by the Municipality in expending such good faith efforts.

- (b) The Company agrees to:
 - (i) bear the full responsibility of an owner of an electric distribution system within the Municipal Service Area and to ensure all services provided pursuant to this Agreement are provided in accordance with the Distribution Tariff, insofar as applicable;
 - (ii) Construct, Operate and Maintain the Distribution System within the Municipal Service Area;
 - (iii) use designated portions of roads, rights-of-way, and other lands including other lands owned, controlled or managed by the Municipality necessary to Construct, Operate and Maintain the Distribution System, including the

necessary removal, trimming of trees, shrubs or bushes or any parts thereof; and

- (iv) use the Municipality's roads, rights-of-way and other Municipal Property granted hereunder solely for the purpose of providing Electric Distribution Service and any other service contemplated by this Agreement.

5. FRANCHISE FEE

(a) Calculation of Franchise Fee

In consideration of the provisions of Article 4 and the mutual covenants herein, the Company agrees to pay to the Municipality a franchise fee. For each calendar year, the franchise fee will be calculated as a percentage of the Company's actual revenue in that year from the Distribution Tariff rates charged for Electric Distribution Service within the Municipal Service Area, excluding any amounts refunded or collected pursuant to riders.

For the first (1st) calendar year of the Term of this Agreement, the franchise fee percentage shall be seventeen and sixty-five hundredths percent (17.65%).

By no later than September first (1st) of each year, the Company shall:

- (i) advise the Municipality in writing of the revenues that were derived from the Distribution Tariff within the Municipal Service Area for the prior calendar year (excluding any amounts refunded or collected pursuant to riders); and
- (ii) with the Municipality's assistance, provide in writing an estimate of revenues to be derived from the Distribution Tariff (excluding any amounts refunded or collected pursuant to riders) within the Municipal Service Area for the next calendar year.

(b) Adjustment to Franchise Fee

At the option of the Municipality, the franchise fee percentage may be changed annually by providing written notice to the Company.

If the Municipality wishes to amend the franchise fee percentage so that the amended franchise fee percentage is effective January first (1st) of the following calendar year, then the Municipality shall, no later than November fifteenth (15th) of the immediately preceding year, advise the Company in writing of the franchise fee percentage to be charged for the following calendar year.

If the Municipality provides such notice after November fifteenth (15th) the immediately preceding year for a January first (1st) implementation, or at any other time with respect to a franchise fee change that will be implemented after January first (1st) of the following year, the Company will implement the new franchise fee percentage as soon as reasonably possible.

(c) Franchise Fee Cap

The municipal franchise fee cap is twenty percent (20%) and shall not at any time exceed twenty percent (20%), unless there has been prior Commission approval and provided that the Municipality has complied with Article 5(d) below.

(d) Adjustment to Franchise Fee Cap

At the option of the Municipality, the franchise fee cap may be changed annually by providing written notice to the Company, subject to Commission approval. If the Municipality wishes to amend the franchise fee cap so that the amended franchise fee cap is effective January first (1st) of the following calendar year, then the Municipality shall, no later than November first (1st) of the immediately preceding year, advise the Company in writing of the franchise fee cap to be in effect for the following calendar year.

If the Municipality provides such notice after November first (1st) of the immediately preceding year for a January first (1st) implementation, or at any other time with respect to a franchise fee cap change that will be implemented for January first (1st) of the following year, the Company will recognize the new franchise fee cap as soon as reasonably possible, subject to Commission approval.

(e) Payment of Franchise Fee

The Company shall pay the franchise fee amount, billed to each Consumer, to the Municipality 15 business days following the end of each month.

(f) Reporting Considerations

The Company agrees to provide a copy of its financial statements to the Municipality by May 31 of each year. Further, upon request, the Company shall provide to the Municipality along with payment of the franchise fee amount, the financial information used by the Company to verify the franchise fee amount as calculated under this Article.

6. CORE SERVICES

The Company agrees to provide those Core Services to the Municipality as set forth in Schedule "A" and further agrees to the process contained in Schedule "A". The Company and the Municipality may amend Schedule "A" from time to time upon mutual agreement.

7. PROVISION OF EXTRA SERVICES

Subject to an agreement being reached on cost and other terms, the Company agrees to provide to the Municipality those Extra Services, if any, as set forth in Schedule "B", as requested by the Municipality from time to time.

The Company is entitled to receive from the Municipality a reasonable amount for the provision of those Extra Services in accordance with Schedule "B". The Company and the Municipality may amend Schedule "B" from time to time upon mutual agreement.

8. MUNICIPAL TAXES

Amounts payable to the Municipality pursuant to the terms and conditions hereof shall be in addition to the municipal taxes and other levies or charges made by the Municipality against the Company, its land and buildings, linear property, machinery and equipment, and the Distribution System.

9. RIGHT TO TERMINATE ON DEFAULT

In the event either Party breaches any material provision of this Agreement, the other Party may, at its option, provide written notice to the Party in breach to remedy such breach.

If the said breach is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required by the Party in breach using best efforts on a commercially reasonable basis to remedy the breach, the Party not in breach may give six (6) months notice in writing to the other Party of its intent to terminate this Agreement, and unless such breach is remedied to the satisfaction of the Party not in breach, acting reasonably, this Agreement shall terminate six (6) months from the date such written notice is given, subject to prior Commission approval.

10. SALE OF DISTRIBUTION SYSTEM

Intentionally deleted.

11. STREET LIGHTING

It is understood and agreed that the Municipality shall own the Street Lighting System. The Municipality will bear sole and full responsibility for any liability resulting therefrom and for properly operating, servicing, maintaining, insuring and replacing such street lighting in accordance with good and safe electrical operating practices. Such Street Lighting System is not to form part of the Distribution System and shall be capable of being isolated from the Distribution System.

12. INCREASE IN MUNICIPAL BOUNDARIES

For increases to the Municipal Service Area through annexation or otherwise, the rights and obligations contained in this Agreement will apply in respect of the whole Municipal Service Area, including the increased area. In the event that the Municipality increases its area and the result is that a third party (including an REA) owns, operates or controls any existing electrical distribution facilities or lighting within the newly increased area, the Municipality agrees that it will support the Company's efforts to purchase the electrical distribution facilities or, to the extent that it has the authority to do so, otherwise require such third party to sell such facilities to the Company, unless the Municipality otherwise exercises its rights under this Article, however, nothing in this Article will require the Municipality to take any action which will directly prevent the annexation from being approved.

Where the Municipality increases its area through annexation or otherwise, the Company shall be responsible for all reasonable external legal costs, fees and disbursements incurred by a Municipality in its efforts to have any electrical distribution facilities sold to the Company by any third party owner.

13. RIGHT OF FIRST REFUSAL TO PURCHASE

Intentionally deleted.

14. CONSTRUCTION AND MAINTENANCE OF DISTRIBUTION SYSTEM

(a) Municipal Approval

Before undertaking any Work in, on, under, over, along or across Municipal Property pursuant to this Agreement, the Company will:

- (a) for Work on Municipal Roads, obtain a ULA Permit and an OSCAM Permit from the Municipality prior to commencement of the Work; and
- (b) for Work on Municipal Non-Roads, obtain applicable permits from the Municipality, including but not limited to a PAP, prior to commencement of the Work.;
- (c) where necessitated by the scope of Work, submit detailed, engineering drawings with respect to the Work,

except as exempted by the City Manager from writing in time to time. It is the intention of the Parties to mutually agree on exemptions for routine Work, including, but not limited to, inspections, testing, painting, repairs, system operation and emergency work carried out by the Company on Municipal Property.

Notwithstanding any other provision in this Agreement, the City reserves the right to set, adjust or change the approved schedule of Work by the Company within the Municipal Property at its sole discretion, acting reasonably, for the purpose of coordinating or managing any major events or activities, including the restriction of any Work on certain Municipal Property during certain time periods. The City shall use its best efforts to provide the Company with five (5) days advance notice of any change to the approved schedule of Work.

(b) Standard of Work

Subject to Applicable Law, all Work carried out by the Company and its contractors on Municipal Property pursuant to this Agreement will:

- (a) be conducted and completed to the City Design and Construction Standards prescribed by the City Manager, provided such do not conflict with Applicable Law;

- (b) be carried out in a timely manner, consistent with reasonable standards of the trade;
- (c) comply with all applicable construction and safety codes, Municipal service standards, the Company's Guide and Standards, and Municipal bylaws, policies and procedures, as amended from time to time; and
- (d) not damage the Municipality's property or any existing right of way user, including but not limited to, poles, wires, cables, ducts, conduits, manholes, pipelines, pipes and other accessories, structures and equipment.

The Company acknowledges the applicability of the codes prescribed by the City Manager, City Design and Construction Standards, Municipal service standards, Municipal bylaws, policies and procedures in effect as of the date of this Agreement. All such construction and safety standards, construction and safety codes, City Design and Construction Standards, Municipal service standards, Municipal bylaws, policies and procedures established or amended by the Municipality after the date of this Agreement in respect of the rights of the Company in this Agreement shall not be unreasonably applied to the Company. If the Company believes that any procedure or practice established by the Municipality with respect to the rights of the Company in this Agreement is being unreasonably applied to the Company, then the Company may request that the obligation of to the Company to abide by that procedure or practice be resolved pursuant to ARTICLE 22. Without limiting the generality of the foregoing, the Municipality covenants that any applicable standard, code, policy or procedure that materially affects the Company will not be established or amended after the date of this Agreement without prior consultation with the Company. The Company covenants that any Company policy that materially affects the Municipality will not be established or amended after the date of this Agreement without prior consultation with the Municipality. Notwithstanding this section 14(b), the Company shall not be required to consult with the Municipality if such change in Company policy is a result of a change in Applicable Law, including but not limited to Canadian Standards Association standards.

(c) Restoration of Municipal Property

The Company agrees that when it or any agent employed by it undertakes any Work on any Municipal Property, the Company shall complete the said Work promptly and in a good and workmanlike manner and, where applicable, in accordance with the approved Plans and Specifications. Further, the Company shall forthwith restore the Municipal Property to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear and to the satisfaction of the Municipality acting reasonably. If the Company fails to restore and repair in accordance with this Clause 15(c) within twenty (20) days of receipt of written notification from the Municipality, the Municipality may complete the restoration and repair and charge all reasonable costs to the Company.

The Company further covenants that it will not unduly interfere with the works of others or the works of the Municipality. Where reasonable and in the best interests of both the Municipality and the Consumer, the Company will cooperate with the Municipality and coordinate the installation of the Distribution System along the designated rights-of-way pursuant to the direction of the Municipality. During the performance of the Work, the Company shall use commercially reasonable efforts to not interfere with existing Municipal Property. If the Company causes damage to any existing Municipal Property during the performance of any Work, it shall cause such damage to be repaired at its own cost to the same state and condition, as nearly as reasonably possible, in which it existed prior to the commencement of such Work, subject to reasonable wear and tear.

Upon default by the Company or its agent to repair damage caused to Municipal Property as set out above, the Municipality may provide written notice to the Company to remedy the default. If the default is not remedied within two (2) weeks after receipt of the written notice or such further time as may be reasonably required and requested by the Company using best efforts on a commercially reasonable basis to remedy the default, the Municipality may undertake such repair work and the Company shall be liable for the reasonable costs thereof.

(d) Utility Locates

The Company shall be solely responsible for locating, or causing to be located, all existing utilities or utility lines on or adjacent to the work site. The Company shall notify all other utility asset operators and ensure that utilities and utility lines are staked prior to commencement of construction. Unless the Municipality has staked such utility assets and lines, staking shall not be deemed to be a representation or warranty by the Municipality that the utility assets or lines are located as staked.

The Municipality shall not be responsible for any damage caused by the Company to any utility assets or any third party as a result of the Company's Work. Approval must be obtained by the Company from the owner of any third party utility prior to relocation of any facility owned by such third party utility.

(e) Temporary Repairs

Where weather limitations or other external conditions beyond the control of the Company prevent the Company from completing a final repair to the Municipal Property at the completion of the Work, the Company may complete a temporary repair to the Municipal Property provided that the Company replaces the

temporary repair with a final repair within the period of time agreed to by the Parties, acting reasonably. All repairs to Municipal Property by the Company shall be performed to the satisfaction of the Municipality, acting reasonably. If a temporary repair gives rise to an unsafe condition, in the City's sole discretion, then such temporary repair will be deemed to constitute an Emergency.

(f) GeoEdmonton Utility Right of Way Alliance

The Company agrees to, at its expense:

- (a) be a full participant with the Municipality in the GeoEdmonton Utility Right of Way Alliance, and to provide information subject to an in accordance with the GeoEdmonton Utility Right of Way Alliance Agreement; or
- (b) to provide all information required by the Municipality to enable the Municipality to enter, update and maintain facility mapping information of the Company in the GeoEdmonton Utility Right of Way Alliance system.

(g) Approvals

Any approvals or consents provided by the Municipality to the Company pursuant to this Agreement will be provided in as timely manner as possible considering all of the circumstances, including but not limited to the Municipality's circulation procedure.

15. RESPONSIBILITIES FOR COST OF RELOCATIONS

- (a) Subject to Article 15(b), upon reasonable notice from the Municipality, the Company shall, at its own expense, commence the work required to relocate to, on, above or below Municipal Property such part of the Distribution System that is located on Municipal Property as may be required by the Municipality due to planned Municipal construction.
- (b) The cost of any relocations referred to in Article 15(a) shall be recovered on a specific municipal based rider or any other method approved by the Commission, or if such a rider or other method is not approved by the Commission, the Municipality shall be responsible for such costs, however the Municipality shall not be responsible for unapproved relocation costs of third party attachments that may be attached to the Company's Distribution System. In order to encourage the orderly development of Municipal facilities and the Distribution System, the Municipality and the Company agree that they will meet regularly to:
 - (i) review the 4-year Capital Plan and any other long-term facility plans of the Municipality that may be available from time to time and the Company;
 - (ii) determine the time requirements for final design specifications for each relocation; and
 - (iii) determine the notice period that may be required for major relocations.

In cases of Emergency, the Company shall take measures that are commercially reasonable and necessary for the public safety with respect to relocating any part of the Distribution System that may be required in the circumstances.

If the Company fails to complete the relocation of the Distribution System in accordance with the preceding paragraph, or fails to repair or do anything else required by the Company pursuant to this clause in a timely and expeditious manner to the satisfaction of the Municipality, acting reasonably, the Municipality, in addition to and not in limitation of any other rights, remedies or damages available to it at law or in equity, shall be entitled to, but is not obligated to, seek an order of specific performance to require the Company to complete the work.

In the event the relocation, or any part thereof, requires the approval of the Municipality or a third party, the Municipality will assist the Company in obtaining municipal approvals and the Municipality will use reasonable efforts to assist the Company in any negotiation with such third party to obtain the necessary approval(s).

In the event the relocation results from the demand or order of an authority having jurisdiction, other than the Municipality, the Municipality shall not be responsible for any of the costs of such relocation.

16. EXPANSIONS AND UPGRADES

At no cost to the Municipality, with the exception of customer contributions, the Company shall, at its sole cost and expense, on a timely basis and pursuant to its Terms and Conditions, use its best efforts on a commercially reasonable basis to meet the Distribution System expansion requests of the Municipality or a Consumer, and provide the requisite facilities for connections for new Consumers to the Distribution System.

For the purposes of this Agreement, and subject to Schedules "B" and "C", it is understood and agreed that the Municipality cannot insist on relocating or upgrading any overhead system to an underground system, if there is a less expensive or more practical solution. If there is not a less expensive or more practical solution, the Municipality and the Company will meet to negotiate suitable arrangements. The Company shall not be responsible for any upgrades to the Municipality's assets resulting from a relocation of the Company's assets.

17. JOINT USE OF DISTRIBUTION SYSTEM

(a) Municipal Use

The Municipality may, upon notice to the Company and upon confirmation from the Company that the intended use of the Company's poles by the Municipality complies with good and safe electrical operating practices, Applicable Law, and does not unreasonably interfere with the Company's use thereof, make use of the poles of the Company for any reasonable municipal purpose (that is not commercial in nature or that could reasonably adversely affect the Company's exclusive franchise, as granted by the Municipality under this Agreement), at no charge by the Company to the Municipality, provided at all times that such use complies with the intended use. For greater certainty, this shall include the Municipality's use of poles for the Street Lighting System. With respect to

equipment the Municipality wishes to install on the Company's poles, after receiving notice from the Municipality, the Company may request the Municipality provide detailed, authenticated drawings and standards and any other information the Company reasonably requires to ensure the Municipality's use complies with the conditions outlined in this Section 17(a). In addition, the Municipality may, upon notice to the Company and upon confirmation from the Company that the intended unmetered service to City Attachments connected to the Municipality's Street Lighting System: (i) complies with the Company's policies; (ii) complies with good and safe electrical operating practices; (iii) complies with Applicable Law; (iv) does not unreasonably interfere with the Company's use of the Distribution System; (v) does not reasonably adversely affect the Company's exclusive franchise, as granted by the Municipality under this Agreement; and (vi) provided that the costs for electricity for City Attachments are paid by the third parties, allow unmetered service City Attachments to connect to the Municipality's Street Lighting System, provided at all times that such use complies with the intended use.

The Municipality is responsible for its own costs, for the costs of removing any facilities owned by the Municipality or repairing any of the facilities of the Company, and any necessary and reasonable costs incurred by the Company, including the costs of any alterations that may be required in using the poles of the Company.

The Municipality may, upon notice to the Company and upon confirmation from the Company that the intended use of the rights of way by the Municipality complies with good and safe electrical operating practices, Applicable Law, and does not unreasonably interfere with the Company's use thereof, make use of the rights of way of the Municipality, at no charge by the Company to the Municipality, provided at all times that such use of the rights of way complies with the intended use.

The Company agrees to act reasonably and in a timely manner in making its determination above. Where a request is made by a Municipality to the Company under this Article 17(a), the confirmation, the inability to provide a confirmation along with a reasonable explanation of the reasons why a confirmation cannot be provided, or the reasons for the delay shall, at a minimum, be communicated to the Municipality within five (5) business days of receipt of the request.

Notwithstanding this Article 17(a), any use of the Company's manhole system, ductline system or joint use power bases/pedestals by the Municipality that was permitted by the Company prior to the effective date of this Agreement shall be considered an allowable pre-existing use, which shall not be expanded without confirmation from the Company. Any new uses introduced after the effective date of this Agreement shall be subject to the provisions herein. The Parties agree to work cooperatively over time to remove any Municipality assets located within the Company's manhole or ductline system.

(b) Third Party Use and Notice

The Company agrees that should any third party, including other utilities, desire to jointly use the Company's poles, conduits or trenches or related parts of the Distribution System, the Company shall not grant the third party joint use except in accordance with this Article, unless otherwise directed by any governmental authority or court of law having jurisdiction.

Third parties shall be directed to approach the Company to request approval from the Company to jointly use the Distribution System. The Company shall provide final written approval for third party use.

Notwithstanding any provision of this Agreement, attachments in the joint use space of the Company's poles by telecommunication providers shall be governed by the terms of the agreements made between the Company and the applicable telecommunication provider.

(c) Cooperation

The Company and the Municipality agree they will use reasonable efforts to cooperate with each other in any negotiations with third parties desiring joint use of any part of the Distribution System located on Municipal Property.

(d) Payment

The compensation paid or to be paid by such third party to the Municipality for the use of the Municipal Property including its rights-of-way, shall be determined between the Municipality and the third party.

The compensation paid or to be paid by such third party to the Company for the joint use of its poles, conduits or related parts of the Distribution System shall be determined between the Company and the third party, subject to the jurisdiction of any governmental authority over the matter and the Municipality's right to intervene in any related regulatory proceeding.

(e) Provision of Agreements

Upon request by the Municipality, the Company shall provide to the Municipality a copy of all agreements between the Company and any third parties involved in the joint use of any part of the Distribution System. The Company shall be entitled to redact:

- (i) any confidential or proprietary information of the Company or the third party; and
- (ii) such information that it reasonably determines to be of a commercially or competitively sensitive nature, from any such copy provided.

An inventory listing of these agreements shall be updated by the Company and provided to the Municipality upon request and at no cost to the Municipality. The Municipality agrees that the requirement to provide the Municipality with a copy of all agreements between the Company and any third parties involved in the joint use of any part of the Distribution System outlined above shall apply only to agreements made after the effective date of this Agreement.

The Company acknowledges that it does not have the authority to allow nor to grant to any third party the right to use any right-of-way that the Municipality authorized the Company to-use.

(f) Compensation for Costs

Subject to Article 17(c), in the event that either Party to this Agreement is required by law to appear before any applicable regulatory authority, including the Canadian Radio-television and Telecommunications Commission ("CRTC"), the Commission, or a court of law, as a direct result of the actions of the other Party (the "Denying Party") relating to the denial of use to a third party of any part of the Distribution System, then the Denying Party shall pay all reasonable and necessary legal costs incurred by the other Party that are directly related to any such regulatory or judicial proceeding.

18. MUNICIPALITY AS RETAILER

Intentionally deleted.

19. RECIPROCAL INDEMNIFICATION AND LIABILITY

- (a) It is intended that this provision create reciprocal rights and obligations between the Company and the Municipality.
- (b) The Company, as an owner of the Distribution System, is provided liability protections under the EUA, and nothing in this Agreement is intended to abrogate, alter or diminish the liability protections granted to the Company under the EUA. The Company further acknowledges and agrees that the liability protection provisions, if any, under the EUA shall apply, with the necessary changes, to the Municipality with reciprocal rights thereunder.
- (c) The Company will indemnify and save the Municipality, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Municipality, its servants, agents, employees, contractors, licensees and invitees, arising from, or otherwise caused by:
 - (i) any breach by the Company of any of the provisions of this Agreement; or

- (ii) the negligence or wilful misconduct of the Company, or any of its servants, agents, employees, licensees, contractors or invitees in carrying on its business within the Municipal Service Area.

- (d) The Municipality shall indemnify and save the Company, its servants, agents, employees, licensees, contractors and invitees, harmless from and against any and all liability, actions, demands, claims, damages, losses and expenses (including all legal costs and disbursements) which may be brought against or suffered, sustained, paid or incurred by the Company, its servants, agents, employees, licenses, contractors and invitees, arising from, or otherwise caused by:
 - (i) any breach by the Municipality of any of the provisions of this Agreement; or
 - (ii) the negligence or wilful misconduct of the Municipality, or any of its servants, agents, employees, licensees, contractors or invitees, that has a direct adverse effect on the Electric Distribution Service of the Company.

- (e) In accordance with the liability protections under the EUA, notwithstanding anything to the contrary herein contained, in no event shall the Municipality or the Company be liable under this Agreement, in any way, for any reason, for any loss or damage other than direct loss or damage, howsoever caused or contributed to. For the purpose of this Article, "direct loss or damage" does not include loss of profits, loss of revenue, loss of production, loss of earnings, loss of contract or any other indirect, special or consequential loss or damage whatsoever, arising out of or in any way connected with this Agreement or the actions or omissions of the Company or the Municipality.

20. ASSIGNMENT

The Company shall not assign this Agreement or any part thereof without the prior written consent of the Municipality.

Notwithstanding the above, the Company may assign this Agreement to a wholly owned subsidiary of the Company, or its parent company EPCOR Utilities Inc., provided that the Company or EPCOR Utilities Inc., as the case may be, will cause the subsidiary to execute and deliver to the Municipality the written undertaking of the subsidiary to observe, perform and comply with all of the provisions of this Agreement, the responsibility and liability of which are the Company's. No assignment will affect the obligation of the Company to perform and observe all of its obligations pursuant to this Agreement.

21. NOTICES

All notices, demands, requests, consents, or approvals required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been properly given if personally served or sent by registered mail or sent by fax to the Municipality or to the Company, as the case may be, at the addresses set forth below:

- (a) To the Company:

EPCOR Distribution & Transmission Inc.
Address: 2000 10423 101 Street NW Street
Edmonton, Alberta, T5H 0E8
Fax: (780) 441-7118
Attention: SVP, EPCOR Distribution & Transmission Inc.

With a copy to:

EPCOR Distribution & Transmission Inc.
2000 10423 101 Street NW Street
Edmonton, Alberta, T5H 0E8
Fax: (780) 441-7118
Email: legal@epcor.com

Attention: Associate General Counsel

And a copy to:

EPCOR Distribution & Transmission Inc.
2000 10423 101 Street NW Street
Edmonton, Alberta, T5H 0E8
Fax: (780) 441-7118
Email: legal@epcor.com

Attention: Director, Planning & Engineering

(b) To the Municipality:

City of Edmonton
Address: 3rd Floor City Hall
1 Sir Winston Churchill Square
Edmonton, Alberta T5J 2R7
Fax: 780-496-8220
Email: ocmcitymanager@edmonton.ca
Attention: City Manager

With a copy to:

City of Edmonton
Address: 5th Floor Chancery Hall
3 Sir Winston Churchill Square
Edmonton, Alberta T5J 2C3
Fax: 780-420-4884
Attention: Deputy City Manager and Chief Financial Officer

And a copy to:

City of Edmonton
Address: 9th Floor Chancery Hall
3 Sir Winston Churchill Square
Edmonton, Alberta T5J 2C3

Fax: 780-496-7267
Attention: Deputy City Solicitor

- (c) The date of receipt of any such notice as given above shall be deemed to be as follows:
- (i) in the case of personal service, the date of service;
 - (ii) in the case of registered mail, the seventh (7th) business day following the date of delivery to the Post Office, provided, however, that in the event of an interruption of normal mail service, receipt shall be deemed to be the seventh (7th) day following the date on which normal service is restored; or
 - (iii) in the case of a fax, the date the fax was actually received by the recipient.

22. DISPUTE SETTLEMENT

- (a) If any dispute or controversy of any kind or nature arises relating to this Agreement or the Parties' rights or obligations hereunder, the Parties agree that such dispute or controversy will be resolved by negotiation, and where such negotiation does not result in the settlement of the matter within thirty (30) days of notice of such dispute being provided by one Party to the other Party, and to the extent permitted by law, the Company and Municipality agree that unresolved disputes pertaining to this Agreement, other than those contemplated in Articles 3 and 20 and Section 3 of Schedule "A", or those related to the sale of the Distribution System as contemplated in Article 10 and 12 hereof, or any other matter that is within the exclusive jurisdiction of a governmental authority having jurisdiction, shall be submitted to arbitration for determination and may be commenced by either Party providing written notice to the other Party stating the dispute to be submitted to arbitration.

The Parties shall attempt to appoint a mutually satisfactory arbitrator within ten (10) business days of the said notice. In the event the Parties cannot agree on a single arbitrator within the ten (10) business days, the dispute shall be forwarded to the Commission for resolution or determination.

In the event the Commission declines to assist in resolving the dispute or declines to exercise or claim jurisdiction respecting the dispute, both Parties agree to have the dispute resolved by an arbitration panel in accordance with the following procedure.

Each Party shall appoint an arbitrator within the ten (10) business days thereafter by written notice, and the two arbitrators shall together appoint a third arbitrator within twenty-five (25) business days of written notice for arbitration. The dispute shall be heard by the arbitration panel within forty-five (45) business days of the written notice for arbitration unless extended by mutual agreement between the Parties. The arbitration panel shall render a decision within twenty (20) business days of the last day of the hearing.

Save as otherwise expressly provided in this Agreement, the provisions of the Arbitration Act (Alberta) (as amended from time to time) shall apply to any arbitration undertaken under this Agreement subject always to the Commission's jurisdiction over any matter submitted to arbitration. Pending resolution of any dispute, the Municipality and the Company shall continue to perform their respective obligations hereunder.

- (b) The Company shall advise the Commission of any dispute submitted to arbitration within ten (10) business days of it being submitted and shall advise the Commission of the results of arbitration within ten (10) business days following receipt of the decision of the arbitrator(s).

23. INTERRUPTIONS OR DISCONTINUANCE OF ELECTRIC SERVICE

Subject to its Distribution Tariff, the Company shall use its best efforts on a commercially reasonable basis to avoid and minimize any interruption, reduction or discontinuance of Electric Distribution Service to any consumer. However, the Company reserves the right to do so for any one of the following reasons:

- (a) Where the Company is required to effect necessary repairs or changes to the Distribution System;
- (b) On account of or to prevent fraud or abuse of the Distribution System;
- (c) On account of defective wiring or other similar condition which in the opinion of the Company, acting reasonably, may become dangerous to life or property;
- (d) Where insufficient energy or power is available for distribution by the Company to a consumer; or
- (e) Where required by a retailer, due to non-payment of power bills.

For clarity and in accordance with the Company's Terms and Conditions, the Municipality shall be responsible for costs required to mitigate service interruptions to the Municipality.

24. APPLICATION OF WATER, GAS AND ELECTRIC COMPANIES ACT

This Agreement shall be deemed to operate as consent by the Municipality to the exercise by the Company of those powers which may be exercised by the Company with the consent of the Municipality under and pursuant to the provisions of the *Water, Gas and Electric Companies Act* (Alberta), as amended.

25. FORCE MAJEURE

If either Party shall fail to meet its obligations hereunder within the time prescribed, and such failure is caused or materially contributed by an event of "force majeure", such failure shall be deemed not to be a breach of the obligations of such Party hereunder, but such Party shall use best efforts on a commercially reasonable basis to put itself in a position to carry out its obligations hereunder. The term "force majeure" shall mean any acts of God, strikes, lock-outs,

or other industrial disturbances, acts of the Queen's enemies, acts of terrorism (either foreign or domestic), sabotage, war, blockades, insurrections, riots, epidemics, lightening, earthquakes, storms, fires, wash-outs, nuclear and radiation activity or fall-out, restraints of rulers and people, orders of governmental authorities or courts of law having jurisdiction, the inability to obtain any necessary approval from a governmental authority having jurisdiction (excluding in the case of the Municipality that requires an approval from itself, the particular Municipality), civil disturbances, explosions, mechanical failure, and any other causes similar in nature not specifically enumerated or otherwise specified herein that are not within the control of such Party, and all of which by the exercise of due diligence of such Party could not have been prevented. Lack of finances shall be deemed not to be an event of "force majeure".

26. TERMS AND CONDITIONS

The Terms and Conditions that apply to the Company and are approved by the Commission, as revised or amended from time to time by the Commission, shall apply to the Municipality.

27. NOT EXCLUSIVE AGAINST HIS MAJESTY

Notwithstanding anything to the contrary herein contained, it is mutually understood and agreed that the rights, powers and privileges conferred and granted by this Agreement shall not be deemed to be exclusive against His Majesty in the right of the Province of Alberta.

28. SEVERABILITY

If for any reason any covenant or agreement contained in this Agreement, or the application thereof to any Party, is to any extent held or rendered invalid, unenforceable or illegal, then such covenant or agreement will be deemed to be independent of the remainder of this Agreement and to be severable and divisible from this Agreement. The invalidity, unenforceability or illegality will not affect, impair or invalidate the remainder of this Agreement or any part thereof. The intention of the Municipality and the Company is that this Agreement would have been executed without reference to any portion which may, for any reason and extent, be declared or held invalid, unenforceable or illegal.

29. AMENDMENTS

This Agreement may only be amended by written agreement of the Parties, such amendments to be subject to regulatory approvals as required by law.

30. DISSOLUTION

In the event that the Municipality intends or resolves to dissolve:

- (a) this Agreement shall be assigned to the successor governing authority to the Municipal Service Area;
- (b) subject to an agreement to the contrary between the Company and the successor party, the Municipal Service Area of the Municipality as at the date of dissolution shall thereafter be the Municipal Service Area of the successor party for the purposes of this Agreement; and

- (c) the rights and obligations contained herein shall otherwise continue and shall be binding upon the Company and the successor party.

31. WAIVER

A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-compliance under this Agreement (whether of the same nature or any other nature).

32. CONFIDENTIALITY

The Company acknowledges that the Municipality is governed by the provisions of the *Freedom of Information and Protection of Privacy Act (Alberta)*.

IN WITNESS WHEREOF the Parties hereto have executed these presents as of the day and year first above written.

THE CITY OF EDMONTON

Per: _____
Name:
Title:

Per: _____
Name:
Title:

EPCOR DISTRIBUTION & TRANSMISSION INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "A"

Core Services

The Company shall provide to the Municipality the following basic services as Core Services:

1. The Electric Distribution Service required to be provided by the Company pursuant to the Company's Distribution Tariff, the EUA, any regulations thereto, and any Commission orders and decisions;
2. The Company shall provide to the Municipality, on request, copies of any and all Electric Distribution Service related written information or reports required to be filed with the Commission, with the exception of responses to questions from interveners or the Commission related to rate hearings. A list of service area wide distribution services related measures requested by the Commission could include:
 - (a) The results of customer satisfaction surveys relating to the services provided by the Company;
 - (b) The indices of system reliability;
 - (c) The responses to notification of outages and hazards;
 - (d) Call Centre targets and statistics as related to the services provided by the Company;
 - (e) Consumer connect service and disconnect service statistics;
 - (f) Meter reading frequency and accuracy statistics;
 - (g) Consumer complaints related to the services provided by the Company; and
 - (h) Employee safety statistics.

Notwithstanding the above, should the Company implement Commission approved Performance Based Regulation ("PBR"), it will provide the Municipality, on request, the results of the Performance Standards as set out in the PBR.

3. The Company shall provide to the Municipality, (unless the Municipality requests otherwise) an annual report on the following standards specific to the Municipality:
 - (i) a copy of the Annual Service Quality Report as provided by the Company to the Commission as per Rule 2 which provides overall company Service Reliability Measures and Customer Satisfaction Measures; and
 - (ii) Such other information as may be agreed upon by the Parties from time to time.

Where privacy legislation, the Code of Conduct Regulation under the EUA, or other rules under the EUA prohibiting such disclosure prevent the Company from providing the information above, the Company shall make reasonable attempts to aggregate the information by aggregating rate classes in order to comply with the applicable rules, but shall not be obligated to provide such aggregated information if the Company does not believe such aggregation will allow the Company to comply with the applicable rules.

In the event that the service levels indicated in the Annual Service Quality Report referred to in this Schedule A show deterioration to the extent that the Municipality or Municipal Service Area is materially adversely impacted, the Municipality shall contact its appropriate Company representative in an effort to remedy any identified deficiencies. If such discussions are not successful in addressing the Municipality's concerns, the Municipality shall then contact senior management of the Company to determine appropriate solutions.

SCHEDULE "B"

Extra Services

1. The Municipality may make a request to the Company for Extra Services.
2. If the Company and the Municipality agree that the Company will provide the Extra Services requested by the Municipality, the Parties shall enter into an agreement in respect of such Extra Services. This agreement shall include the price of the Extra Services, which shall be paid to the Company by the Municipality.
3. Nothing in this Agreement precludes the Company from subcontracting with the Municipality to provide all or any part of the Extra Services to the Municipality.

SCHEDULE "C"

Intentionally deleted