

Incorporated Hamlet of Gjoa Haven

Franchise Agreement

Bylaw # 53

A Bylaw of the Hamlet of Gjoa Haven in the Northwest Territories to provide for a Franchise Agreement for the supply of electric power;

PURSUANT TO Section 126 of the Hamlets Act, R.S.N.W.T., 1988 (I), c. H-1; and,

PURSUANT TO a Ministerial Order exempting this Bylaw from the approval of the voters.

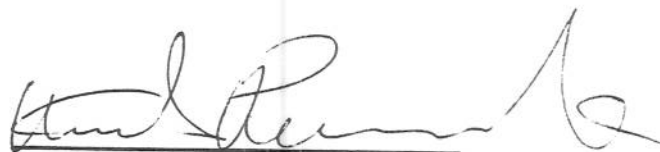
WHEREAS it is desirable for the Hamlet of Gjoa Haven to enter into a Franchise Agreement with the Northwest Territories Power Corporation,

NOW, THEREFORE, THE COUNCIL OF THE HAMLET OF GJOA HAVEN in a meeting duly assembled, enacts as follows:

1. The Mayor and Senior Administrative Officer are authorized on behalf of the Hamlet of Gjoa Haven to enter into a Franchise Agreement, a copy of which, as Schedule 1, is attached to and forms part of this bylaw, with the Northwest Territories Power Corporation for the supply of electric power in the Hamlet of Gjoa Haven.
2. The Senior Administrative Officer is authorized to affix the Corporate seal of the municipal corporation to the Franchise Agreement.

READ a First Time this 28th day of July, A.D., 1993.

READ a Second Time this 28th day of July, A.D., 1993



Mayor Uriash Puqignak



SAO Helen Tungilik

CERTIFIED that this bylaw is approved by the Public Utilities Board by order, dated _____
_____ 19____

SAO

READ a Third Time and finally Passed this _____ day of _____, A.D., 199____

Mayor Uriash Puqignak

Senior Administrative Officer

FRANCHISE CONTRACT NO. _____

THIS AGREEMENT made this _____ day of _____, 19____

BETWEEN:

NORTHWEST TERRITORIES POWER CORPORATION
a corporation established by an Act of the
Legislative Assembly of the Northwest Territories
(hereinafter referred to as the "Corporation")

- and -

THE _____ OF _____, N.W.T.
a municipal corporation as defined in either the

Charter Communities Act, S.N.W.T. 1987 (1), c. 12,
or the Hamlets Act, S.N.W.T. 1987(1), c. 17

(hereinafter referred to as the "Municipality")

WHEREAS the Corporation, established pursuant to the Northwest Territories Power Corporation Act, S.N.W.T. 1986(1), c. 10, as amended, is a supplier of electricity in the Northwest Territories and is deemed to have an exclusive franchise for the supply of electricity in all areas to which it supplied electric service at the time of the coming into force of the Public Utilities Act, R.S.N.W.T. 1988, c. 24 (Supp.) until October 1, 1991;

AND WHEREAS the Municipality, in accordance with its enabling legislation, desires to grant an exclusive electric utility franchise to the Corporation for the term of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the premises and terms and conditions hereof, the parties covenant and agree as follows:

1. INTERPRETATION

1.1. DEFINITIONS In this Agreement unless the context otherwise requires:

- 1.1.1. "Agreement" means this agreement;
- 1.1.2. "Board" means the Public Utilities Board of the Northwest Territories as constituted pursuant to the Public Utilities Act, R.S.N.W.T. 1988, c. 24 (Supp.);
- 1.1.3. "Distribution System" means facilities located within the Municipality that are owned or operated by the Corporation and used in the supply of Electricity to Residents. and without limiting the generality of the foregoing, includes poles, guys, hardware, insulators, wire conductors, cables, ducts, meters, transformers, fences, vaults, and connection pedestals;
- 1.1.4. "Effective Date" means the date of execution of this Agreement or the date upon which all necessary approvals or ratification of this Agreement prescribed by statute are granted, whichever is later in time;
- 1.1.5. "Electricity" means electric power, and includes both electric demand or electric energy;
- 1.1.6. "Gross Revenue" means the actual revenue derived by the Corporation solely from the sale of Electricity within the Municipality;
- 1.1.7. "Municipality" means the party so designated and includes the area within the Municipality and any areas which may hereafter be added to or incorporated within the Municipality;
- 1.1.8. "Municipal Council" means municipal council for the Municipality;
- 1.1.9. "Municipal Taxing Authority" means a Hamlet or Chartered Community that is declared to be a Municipal Taxing Authority in accordance with Section 108 of the Property Assessment and Taxation Act, R.S.N.W.T. 1988, c. P-10, as amended;
- 1.1.10. "or" is inclusive rather than exclusive;
- 1.1.11. "Rates" means all charges set or made for the supply of Electricity and includes all Terms and Conditions of Service pertaining thereto;
- 1.1.12. "Resident" means any individual, group of individuals, firm, or body corporate, including the Municipality, with premises located within the Municipality;

1.1.13. "Terms and Conditions of Service" means those rules as amended from time to time, by which the Corporation provides services to its customers, and which are filed with and approved by the Board.

1.2. ENTIRE AGREEMENT This Agreement reflects the entire agreement between the parties relative to the subject matter of this Agreement and any promise, representation or statement not contained herein shall not be binding on either party.

1.3. SEVERABILITY If any provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, then such provision shall be severable from and shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

1.4. APPLICABLE LAW This Agreement shall be governed by and construed in accordance with the laws of the Northwest Territories.

2. TERM AND RENEWAL

2.1. This Agreement shall remain in force and effect for a period of ten (10) years, commencing on the Effective Date.

3. GRANT OF EXCLUSIVE FRANCHISE

3.1. The Municipality hereby grants to the Corporation for the term of this Agreement, an exclusive electric utility franchise for the purpose of generating, transmitting, distributing and marketing Electricity within the Municipality and to the Residents of the Municipality. Included in the grant of the franchise is the exclusive right, license, and privilege, to construct, maintain and operate within the Municipality, in, under, above or through any highway, road, street, lane or public place within the jurisdiction of the Municipality, any poles, towers, wires, conduits, cables, buildings, erections, structures and all other works and undertakings of every kind and

description for the purpose of supplying Electricity. The Municipality also grants to the Corporation the right to trim and remove all or parts of trees located on or in public places which interfere with the installation, maintenance and operation of the fixtures and equipment necessary for, or incidental to, the generation, transmission or supply of Electricity.

3.2. EXCEPTION Notwithstanding paragraph 3.1, the parties hereto acknowledge the right of any Resident (other than the Municipality) to generate and use electric power on that Resident's own premises, provided that such electric power is not made available for resale or distribution to other Residents, and provided further that private generating systems of this nature shall not, in the absence of a Co-generation Agreement made pursuant to paragraph 3.3 hereof, be permitted to be connected to, nor in any way affect, the Corporation's Distribution System.

3.3. CO-GENERATION Subject to the Corporation's policy respecting co-generation as amended from time to time and approved by the Board, and subject also to such approval as may be required and such directions as may be given by the Board, the Corporation agrees to purchase such electric power as may be generated by Residents which is in excess of their or its immediate needs.

3.4. EXCLUSIVE SUPPLIER TO MUNICIPALITY The Municipality agrees to purchase from the Corporation for the term hereof, all Electricity which may be required for Municipal purposes at such Rates as may be determined by the Board. The Municipality shall be permitted to generate electricity for the sole purpose of sale to the Corporation in accordance with the Corporation's policy respecting co-generation. The Corporation agrees to purchase, in accordance with such policy, all such electric power as may be generated by the Municipality for exclusive sale to the Corporation.

3.5. FRANCHISE FEE In the event that the Municipality becomes a Municipal Taxing Authority, then this Agreement shall be deemed immediately amended by replacing this clause with Sections 3.5 through 3.8 as set out in Schedule "A" to this Agreement.

4. SUPPLY OF ELECTRICITY

4.1. STANDARD OF SERVICE Subject to the Corporation's Terms and Conditions of Service, the Corporation agrees to supply Electricity to the Municipality and its Residents through suitable plant and equipment in accordance with good electric utility standards, and except as provided in this Agreement, the Corporation shall provide Electricity on a continuous twenty-four (24) hour basis, every day in the year, and shall exercise all due skill and diligence in rendering service in accordance with good electric utility practice.

4.2. INTERRUPTIONS The Corporation may interrupt or reduce electrical service to the Municipality or any of its Residents for any of the following reasons:

- 4.2.1. necessary repairs, maintenance or alteration of service equipment;
- 4.2.2. defective electrical wiring or other such condition on private property which, in the opinion of the Corporation, may become hazardous to life or property;
- 4.2.3. on account of or to prevent fraud or abuse;
- 4.2.4. loss or reduction of electrical generating capacity;
- 4.2.5. failure to make timely payment of accounts rendered by the Corporation; or
- 4.2.6. breach of any condition of this Agreement, or of any provisions contained in the Corporation's Terms and Conditions of Service as amended from time to time.

4.3. NOTICE OF INTERRUPTION OF SERVICE The Corporation shall have the right to interrupt or reduce service for the purpose of making repairs or improvements to its system but shall, if practicable, use reasonable efforts to give prior notice of same to the Municipality and shall use reasonable efforts to ensure that any such interruption is as short in duration, and occurs at times least inconvenient to the Municipality, as circumstances permit.

4.4. NON-BREACH A discontinuance or reduction of electrical service for any of the reasons set out in this Article 4 shall not constitute a breach by the Corporation of any of the provisions of this Agreement.

5. RATES

5.1. The parties hereto acknowledge the sole jurisdiction of either the Board or the Commissioner of the Northwest Territories to approve Rates, and therefore agree that Rates charged by the Corporation for Electricity supplied to the Municipality and its Residents shall be such Rates as may be approved from time to time by either the Board or the Commissioner of the Northwest Territories.

6. COORDINATION OF PLANS

6.1. MUNICIPAL PLANNING The Corporation acknowledges the right of the Municipality to control the location of the Distribution System within municipal road rights-of-way or other public places, and agrees to consult with the Municipal Council or its authorized representative in the preparation of plans in respect of changes to, or extensions of, the said Distribution System

6.2. DISTRIBUTION LINE EXTENSIONS Prior to proceeding with construction of the Distribution System into areas of the Municipality not previously serviced, the Corporation shall submit plans in respect thereof to the Municipality and obtain consent from the Municipal Council or its authorized representative to conduct construction in accordance with such plans. The Municipality agrees that consent to such plans shall not be unreasonably withheld.

6.3. CONSTRUCTION WITHIN SERVICED AREAS Prior to proceeding with construction or reconstruction of the Corporation's physical plant in areas already serviced by the Corporation, the Corporation shall notify and obtain the approval of the Municipality with

respect to location of the Distribution System within existing road rights-of-way or other public places prior to commencement of the work. The Municipality agrees that consent to such plans shall not be unreasonably withheld, and that in no event shall the Corporation be required to submit plans or obtain approval in respect of normal operations or routine maintenance.

7. RELOCATION OF DISTRIBUTION SYSTEM

7.1. MUNICIPALITY MAY ORDER REMOVAL/RELOCATION The Corporation shall, at the request of the Municipality, remove, alter, or relocate all or portions of the Distribution System, provided that a suitable alternate location is assigned by the Municipality, and provided also that the Municipality shall, subject to this Article 7, pay all costs incurred by the Corporation in performing the work.

7.2. COST OF REMOVAL/RELOCATION The costs to be charged to the Municipality in respect of work performed by the Corporation pursuant to this Article 7, shall, subject to paragraph 7.4 hereof, be the actual costs incurred by the Corporation and shall include, without limitation, all labour, material, shipping, and such other charges as may be incurred in performing the work, together with reasonable overhead and administration charges (hereinafter cumulatively referred to as "Actual Costs"). On request by the Municipality, the Corporation shall provide a written statement of items making up Actual Costs.

7.3. COST ESTIMATES Upon receipt by the Corporation of a written request by a Municipality to remove, alter, or relocate all or portions of the Corporation's Distribution System the Corporation shall as soon as reasonably possible thereafter provide to the Municipality a written estimate of the costs of the work. The Corporation shall proceed with the work only upon the written authorization of the Municipal Council, and payment by the Municipality to the Corporation of the estimated costs in advance of construction.

7.4.

COST ADJUSTMENTS

The Corporation shall refund such portion of estimated costs as may exceed Actual Costs. If, in the course of construction, it becomes evident to the Corporation that Actual Costs are likely to exceed estimated costs, the Corporation shall provide written notice thereof to the Municipality. The Corporation shall assume financial responsibility for that portion of Actual Costs which exceed estimated costs by more than ten (10%) percent.

7.5.

COST-SHARING

When requests from the Municipality to remove, alter, or relocate all or portions of the Corporation's Distribution System coincide with improvements or relocations already planned by the Corporation, the Corporation will agree to a commensurate reduction in the Actual Costs to be charged to the Municipality.

8.

RESTORATION OF PROPERTY

8.1.

STANDARD OF REPAIR

The Corporation shall, upon completion of any construction, reconstruction or maintenance work within the Municipality commenced after the Effective Date, restore any street, lane, or public place which may be affected thereby to a state of repair, as nearly as is reasonably possible, equal to that existing immediately prior to the commencement of such works and where the Corporation fails to make such repairs within sixty (60) days of written notification from the Municipality to do so, the Municipality may undertake such restoration work and the Corporation shall be liable for the reasonable costs thereof.

8.2.

PRE-INSPECTION

Prior to undertaking construction, restoration or maintenance work within the Municipality which may affect any street, lane, or public place, the Municipality and the Corporation shall conduct a joint on-site inspection of the same.

8.3.

ARBITRATION BY BOARD

Where, after consultation with the Municipality, the Corporation determines that the claim for repairs made pursuant to paragraph 8.1. hereof is unreasonable, or that the amount invoiced by the Municipality in respect of repairs is

excessive, the Corporation may deny the claim for repairs and refuse to pay such invoice. In that event, the parties agree to the matter being submitted to the Board.

9. TERMS AND CONDITIONS OF SERVICE

9.1. Notwithstanding anything contained in this Agreement, the supply of Electricity provided by the Corporation to the Municipality and its Residents shall be in accordance with the Corporation's Terms and Conditions of Service, as amended, revised or replaced from time to time, and as approved by the Board.

10. RENEWAL AND RIGHT OF PURCHASE UPON NON-RENEWAL

10.1. NOTICE OF RENEWAL Twelve (12) months prior to the expiry of the term of the Agreement, each party shall notify the other of their intention regarding renewal of this Agreement for a subsequent term. If the intention disclosed by both parties is to renew this Agreement, then each party shall provide the other with confirmation in writing to that effect and thereafter take such actions as may be necessary for approval of the said renewal by the Board. In the event that the intention disclosed by either party is to the effect that this Agreement may not be renewed on the same terms as contained herein, then each party covenants to promptly meet and discuss with the other the terms and conditions on which a renewal of this Agreement might be made possible.

10.2. RIGHT TO PURCHASE In the event that this Agreement is not renewed, the Municipality may, subject to obtaining such consent as may be required of the Minister of Municipal and Community Affairs for the Government of the Northwest Territories, purchase all the rights of the Corporation under this Agreement and all equipment, facilities, and property located within the Municipality which is used for the purposes of exercising those rights, for such price and on such terms as may be agreed upon with the Corporation, or failing agreement, on such terms as may be determined by a sole arbitrator pursuant to the Arbitration Act, whose decision shall be binding on the parties.

11. DEFAULT

11.1. NOTICE OF DEFAULT If at any time one party considers the other party to be in default of any of its obligations under this Agreement, such party shall give the other party written notice to that effect specifying the alleged default.

11.2. PUBLIC UTILITIES BOARD DETERMINATION If the default has not been cured within three (3) months following the receipt of notice pursuant to paragraph 11.1 the party not in default may refer the matter to the Board, and the parties shall be bound by such recommendations or orders that the Board may render in respect thereof, including termination of this Agreement.

12. INDEMNITY

12.1. Each of the parties hereto shall be responsible for and indemnify and save harmless the other party, for any damages or losses (including legal fees on a solicitor and his own client basis), injuries or loss of life, resulting from the acts or omissions of their respective employees, servants, agents or contractors which may occur in the performance, purported performance, or non-performance of their respective obligations under this Agreement; provided however, that such indemnity shall be limited to an amount in proportion to the degree to which the indemnifying party, its employees, servants, agents or contractors are at fault or otherwise held responsible in law.

12.2. RESIDUAL LEGAL RIGHTS RESERVED The liability of the parties to indemnify or reimburse each other under this Agreement shall not limit or prejudice them from relying on the provisions of laws of general or specific application.

12.3. LIMITATION In the event that the Corporation's facilities or any part thereof becomes damaged so that the Corporation is unable to supply Electricity, the Corporation shall

make repairs as promptly as possible and, pending repairs, shall take all reasonable steps to supply Electricity from other sources, if such is available.

13. PREVENTION OF PERFORMANCE

13.1. FORCE MAJEURE Neither party to this Agreement shall be in default hereunder or be held responsible for any loss or damage claim brought by either party or a claim brought by any other person if the fulfilment of any terms or provisions hereof shall be delayed or prevented by any cause not within the control of that party, including revolutions or other disorders, acts of enemies, acts of God, fire, labour disturbances, war, acts of government or governmental agency (whether foreign or domestic, federal, territorial, provincial, state, county or municipal), or any other cause not within the control of the party whose performance is interfered with, whether similar to the causes hereinbefore enumerated or not.

13.2. NOTICE OF FORCE MAJEURE A party whose performance is delayed or hindered by force majeure shall forthwith give notice to the other party of the nature and expected duration of the delay or hindrance, and shall take such steps as are reasonably necessary to resume performance in the manner contemplated by this Agreement. The party whose performance is delayed or hindered shall have a reasonable time after the delay or hindrance is terminated to so perform, taking into account the nature of the delay or hindrance and the nature of the obligation to be performed.

14. WAIVER

14.1. WAIVER The waiver by either party of any breach of any provision herein shall not be deemed a waiver of any other breach of the same or any other provision.

15. NOTICE

15.1. DEEMED DELIVERY Any notice permitted or required to be given under this Agreement shall be given in writing and either delivered personally, sent by telegram, telex or

facsimile, or sent by prepaid registered mail. Any such notice shall be deemed to have been received by the party to whom it is addressed if delivered, when delivered; if sent by telegram, telex or facsimile, on the next business day after the day of sending the telegram, telex or facsimile; or if sent by registered mail, fourteen (14) days after the posting of such notice in any post office in Canada unless there is a mail disruption in which case the notice is effected on the date received. The addresses of the parties for the purposes hereof shall respectively be:

In the case of the Municipality:

In the case of the Corporation

Northwest Territories Power Corporation
Bag 6000
Hay River, N.W.T.
XOE ORO

16. ASSIGNMENT

16.1. CONSENT REQUIRED Subject to paragraph 16.2 hereof, neither of the parties may assign this Agreement in whole or in part to a third party without the prior written consent of the other, such consent not to be unreasonably withheld, and any assignment made without such consent shall be of no effect.

16.2. EXCEPTION The Corporation shall have the right to assign this Agreement to any parent or subsidiary corporation or to any joint venture to which the Corporation may hold an interest, provided, however, that the Corporation shall serve notice thereof on the Municipality prior to such assignment.

16.3. ENUREMENT Subject to paragraph 16.1, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, legal representatives and permitted assigns.

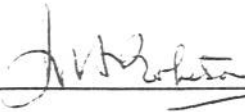
IN WITNESS WHEREOF the parties have duly executed these presents as of the day and year first above written.

NORTHWEST TERRITORIES POWER CORPORATION

Per:



(Seal)



THE MUNICIPAL CORPORATION OF _____,

N.W.T.

Per:

(Seal)

SCHEDULE "A" to the Electric Franchise Agreement made
between the Northwest Territories Power Corporation and the

_____ of _____ this _____ day of _____, 19____

3.5. Franchise Fee The Corporation shall pay to the Municipality during the term of this Agreement a franchise fee based on a percentage of the Gross Revenue provided that the Corporation receives from the Board an order authorizing the Corporation to recover from the consumers of Electricity within the Municipality such amount as the Corporation is required to pay the Municipality in accordance with the provisions of paragraphs 3.5 and 3.6 of this Agreement. The Corporation shall make application to the Board for an order authorizing the collection of a franchise fee from the consumers of Electricity within the Municipality at the same time as the application by the Municipality for the approval of the Board for the franchise fee. The fee may be established by the Municipality provided that:

- 3.5.1. the percentage of the fee shall be set by the Municipality not more than once in each calendar year;
- 3.5.2. the Municipality shall give to the Corporation ninety (90) days written notice in advance of any change in the percentage of the fee;
- 3.5.3. the Municipality shall provide evidence to the Corporation that the fee has been approved by the Board, and where appropriate, the Minister of Municipal and Community Affairs; and
- 3.5.4. the Municipality shall not oppose a collection scheme whereby the Corporation is permitted to collect the fee from Residents by way of a specified charge or assessment or invoices for Electricity.

3.6. COLLECTION AND PAYMENT OF FRANCHISE FEE Provided that the Municipality has given written notice to the Corporation that a franchise fee has been levied by the Municipal Council at a specified rate in respect of a specified calendar year, and provided further that evidence of approval thereof has been provided by the Municipal Council to the Corporation in accordance with paragraph 3.5.3 hereof, the Corporation shall within ninety (90) days following receipt of such notice and approval commence to collect the franchise fee at the

said rate. Within thirty (30) days after the end of each calendar quarter or part thereof during which this Agreement remains in force, the Corporation agrees to pay to the Municipal Council such sums as are collected in that calendar quarter.

3.7. DISCLOSURE OF FINANCIAL INFORMATION The Corporation agrees to supply to the Municipality on request, and annually without request, such documentation as may be satisfactory to the Municipality to disclose the financial information utilized by the Corporation to calculate the payment of the franchise fee.

3.8. NON-INTERFERENCE BY CORPORATION The Corporation undertakes not to oppose any application made by the Municipality to either the Board or to the Minister of Municipal and Community Affairs, in respect of approval of a franchise fee established pursuant to paragraph 3.5.

Incorporated Hamlet of Gjoa Haven

Franchise Agreement

Bylaw # 53

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PURSUANT TO Section 126 of the Hamlets Act, R.S.N.W.T., 1988 (1), c. H-1; and,

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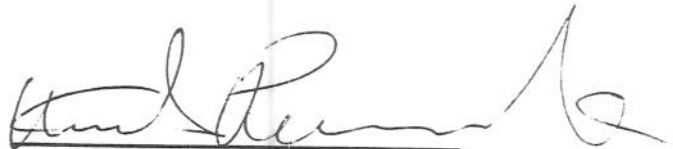
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CERTIFIED that this bylaw is approved by the Public Utilities Board by order, dated _____
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3.2. EXCEPTION Notwithstanding paragraph 3.1, the parties hereto acknowledge the right of any Resident (other than the Municipality) to generate and use electric power on that Resident's own premises, provided that such electric power is not made available for resale or distribution to other Residents, and provided further that private generating systems of this nature shall not, in the absence of a Co-generation Agreement made pursuant to paragraph 3.3 hereof, be permitted to be connected to, nor in any way affect, the Corporation's Distribution System.

3.3. CO-GENERATION Subject to the Corporation's policy respecting co-generation as amended from time to time and approved by the Board, and subject also to such approval as may be required and such directions as may be given by the Board, the Corporation agrees to purchase such electric power as may be generated by Residents which is in excess of their or its immediate needs.

3.4. EXCLUSIVE SUPPLIER TO MUNICIPALITY The Municipality agrees to purchase from the Corporation for the term hereof, all Electricity which may be required for Municipal purposes at such Rates as may be determined by the Board. The Municipality shall be permitted to generate electricity for the sole purpose of sale to the Corporation in accordance with the Corporation's policy respecting co-generation. The Corporation agrees to purchase, in accordance with such policy, all such electric power as may be generated by the Municipality for exclusive sale to the Corporation.

3.5. FRANCHISE FEE In the event that the Municipality becomes a Municipal Taxing Authority, then this Agreement shall be deemed immediately amended by replacing this clause with Sections 3.5 through 3.8 as set out in Schedule "A" to this Agreement.

4. SUPPLY OF ELECTRICITY

4.1. STANDARD OF SERVICE Subject to the Corporation's Terms and Conditions of Service, the Corporation agrees to supply Electricity to the Municipality and its Residents through suitable plant and equipment in accordance with good electric utility standards, and except as provided in this Agreement, the Corporation shall provide Electricity on a continuous twenty-four (24) hour basis, every day in the year, and shall exercise all due skill and diligence in rendering service in accordance with good electric utility practice.

4.2. INTERRUPTIONS The Corporation may interrupt or reduce electrical service to the Municipality or any of its Residents for any of the following reasons:

- 4.2.1. necessary repairs, maintenance or alteration of service equipment;
- 4.2.2. defective electrical wiring or other such condition on private property which, in the opinion of the Corporation, may become hazardous to life or property;
- 4.2.3. on account of or to prevent fraud or abuse;
- 4.2.4. loss or reduction of electrical generating capacity;
- 4.2.5. failure to make timely payment of accounts rendered by the Corporation; or
- 4.2.6. breach of any condition of this Agreement, or of any provisions contained in the Corporation's Terms and Conditions of Service as amended from time to time.

4.3. NOTICE OF INTERRUPTION OF SERVICE The Corporation shall have the right to interrupt or reduce service for the purpose of making repairs or improvements to its system but shall, if practicable, use reasonable efforts to give prior notice of same to the Municipality and shall use reasonable efforts to ensure that any such interruption is as short in duration, and occurs at times least inconvenient to the Municipality, as circumstances permit.

4.4. NON-BREACH A discontinuance or reduction of electrical service for any of the reasons set out in this Article 4 shall not constitute a breach by the Corporation of any of the provisions of this Agreement.

5. RATES

5.1. The parties hereto acknowledge the sole jurisdiction of either the Board or the Commissioner of the Northwest Territories to approve Rates, and therefore agree that Rates charged by the Corporation for Electricity supplied to the Municipality and its Residents shall be such Rates as may be approved from time to time by either the Board or the Commissioner of the Northwest Territories.

6. COORDINATION OF PLANS

6.1. MUNICIPAL PLANNING The Corporation acknowledges the right of the Municipality to control the location of the Distribution System within municipal road rights-of-way or other public places, and agrees to consult with the Municipal Council or its authorized representative in the preparation of plans in respect of changes to, or extensions of, the said Distribution System

6.2. DISTRIBUTION LINE EXTENSIONS Prior to proceeding with construction of the Distribution System into areas of the Municipality not previously serviced, the Corporation shall submit plans in respect thereof to the Municipality and obtain consent from the Municipal Council or its authorized representative to conduct construction in accordance with such plans. The Municipality agrees that consent to such plans shall not be unreasonably withheld.

6.3. CONSTRUCTION WITHIN SERVICED AREAS Prior to proceeding with construction or reconstruction of the Corporation's physical plant in areas already serviced by the Corporation, the Corporation shall notify and obtain the approval of the Municipality with

respect to location of the Distribution System within existing road rights-of-way or other public places prior to commencement of the work. The Municipality agrees that consent to such plans shall not be unreasonably withheld, and that in no event shall the Corporation be required to submit plans or obtain approval in respect of normal operations or routine maintenance.

7. RELOCATION OF DISTRIBUTION SYSTEM

7.1. MUNICIPALITY MAY ORDER REMOVAL/RELOCATION The Corporation shall, at the request of the Municipality, remove, alter, or relocate all or portions of the Distribution System, provided that a suitable alternate location is assigned by the Municipality, and provided also that the Municipality shall, subject to this Article 7, pay all costs incurred by the Corporation in performing the work.

7.2. COST OF REMOVAL/RELOCATION The costs to be charged to the Municipality in respect of work performed by the Corporation pursuant to this Article 7, shall, subject to paragraph 7.4 hereof, be the actual costs incurred by the Corporation and shall include, without limitation, all labour, material, shipping, and such other charges as may be incurred in performing the work, together with reasonable overhead and administration charges (hereinafter cumulatively referred to as "Actual Costs"). On request by the Municipality, the Corporation shall provide a written statement of items making up Actual Costs.

7.3. COST ESTIMATES Upon receipt by the Corporation of a written request by a Municipality to remove, alter, or relocate all or portions of the Corporation's Distribution System the Corporation shall as soon as reasonably possible thereafter provide to the Municipality a written estimate of the costs of the work. The Corporation shall proceed with the work only upon the written authorization of the Municipal Council, and payment by the Municipality to the Corporation of the estimated costs in advance of construction.

7.4. COST ADJUSTMENTS The Corporation shall refund such portion of estimated costs as may exceed Actual Costs. If, in the course of construction, it becomes evident to the Corporation that Actual Costs are likely to exceed estimated costs, the Corporation shall provide written notice thereof to the Municipality. The Corporation shall assume financial responsibility for that portion of Actual Costs which exceed estimated costs by more than ten (10%) percent.

7.5. COST-SHARING When requests from the Municipality to remove, alter, or relocate all or portions of the Corporation's Distribution System coincide with improvements or relocations already planned by the Corporation, the Corporation will agree to a commensurate reduction in the Actual Costs to be charged to the Municipality.

8. RESTORATION OF PROPERTY

8.1. STANDARD OF REPAIR The Corporation shall, upon completion of any construction, reconstruction or maintenance work within the Municipality commenced after the Effective Date, restore any street, lane, or public place which may be affected thereby to a state of repair, as nearly as is reasonably possible, equal to that existing immediately prior to the commencement of such works and where the Corporation fails to make such repairs within sixty (60) days of written notification from the Municipality to do so, the Municipality may undertake such restoration work and the Corporation shall be liable for the reasonable costs thereof.

8.2. PRE-INSPECTION Prior to undertaking construction, restoration or maintenance work within the Municipality which may affect any street, lane, or public place, the Municipality and the Corporation shall conduct a joint on-site inspection of the same.

8.3. ARBITRATION BY BOARD Where, after consultation with the Municipality, the Corporation determines that the claim for repairs made pursuant to paragraph 8.1. hereof is unreasonable, or that the amount invoiced by the Municipality in respect of repairs is

excessive, the Corporation may deny the claim for repairs and refuse to pay such invoice. In that event, the parties agree to the matter being submitted to the Board.

9. TERMS AND CONDITIONS OF SERVICE

9.1. Notwithstanding anything contained in this Agreement, the supply of Electricity provided by the Corporation to the Municipality and its Residents shall be in accordance with the Corporation's Terms and Conditions of Service, as amended, revised or replaced from time to time, and as approved by the Board.

10. RENEWAL AND RIGHT OF PURCHASE UPON NON-RENEWAL

10.1. NOTICE OF RENEWAL Twelve (12) months prior to the expiry of the term of the Agreement, each party shall notify the other of their intention regarding renewal of this Agreement for a subsequent term. If the intention disclosed by both parties is to renew this Agreement, then each party shall provide the other with confirmation in writing to that effect and thereafter take such actions as may be necessary for approval of the said renewal by the Board. In the event that the intention disclosed by either party is to the effect that this Agreement may not be renewed on the same terms as contained herein, then each party covenants to promptly meet and discuss with the other the terms and conditions on which a renewal of this Agreement might be made possible.

10.2. RIGHT TO PURCHASE In the event that this Agreement is not renewed, the Municipality may, subject to obtaining such consent as may be required of the Minister of Municipal and Community Affairs for the Government of the Northwest Territories, purchase all the rights of the Corporation under this Agreement and all equipment, facilities, and property located within the Municipality which is used for the purposes of exercising those rights, for such price and on such terms as may be agreed upon with the Corporation, or failing agreement, on such terms as may be determined by a sole arbitrator pursuant to the Arbitration Act, whose decision shall be binding on the parties.

11. DEFAULT

11.1. NOTICE OF DEFAULT If at any time one party considers the other party to be in default of any of its obligations under this Agreement, such party shall give the other party written notice to that effect specifying the alleged default.

11.2. PUBLIC UTILITIES BOARD DETERMINATION If the default has not been cured within three (3) months following the receipt of notice pursuant to paragraph 11.1 the party not in default may refer the matter to the Board, and the parties shall be bound by such recommendations or orders that the Board may render in respect thereof, including termination of this Agreement.

12. INDEMNITY

12.1. Each of the parties hereto shall be responsible for and indemnify and save harmless the other party, for any damages or losses (including legal fees on a solicitor and his own client basis), injuries or loss of life, resulting from the acts or omissions of their respective employees, servants, agents or contractors which may occur in the performance, purported performance, or non-performance of their respective obligations under this Agreement; provided however, that such indemnity shall be limited to an amount in proportion to the degree to which the indemnifying party, its employees, servants, agents or contractors are at fault or otherwise held responsible in law.

12.2. RESIDUAL LEGAL RIGHTS RESERVED The liability of the parties to indemnify or reimburse each other under this Agreement shall not limit or prejudice them from relying on the provisions of laws of general or specific application.

12.3. LIMITATION In the event that the Corporation's facilities or any part thereof becomes damaged so that the Corporation is unable to supply Electricity, the Corporation shall

make repairs as promptly as possible and, pending repairs, shall take all reasonable steps to supply Electricity from other sources, if such is available.

13. PREVENTION OF PERFORMANCE

13.1. FORCE MAJEURE Neither party to this Agreement shall be in default hereunder or be held responsible for any loss or damage claim brought by either party or a claim brought by any other person if the fulfilment of any terms or provisions hereof shall be delayed or prevented by any cause not within the control of that party, including revolutions or other disorders, acts of enemies, acts of God, fire, labour disturbances, war, acts of government or governmental agency (whether foreign or domestic, federal, territorial, provincial, state, county or municipal), or any other cause not within the control of the party whose performance is interfered with, whether similar to the causes hereinbefore enumerated or not.

13.2. NOTICE OF FORCE MAJEURE A party whose performance is delayed or hindered by force majeure shall forthwith give notice to the other party of the nature and expected duration of the delay or hindrance, and shall take such steps as are reasonably necessary to resume performance in the manner contemplated by this Agreement. The party whose performance is delayed or hindered shall have a reasonable time after the delay or hindrance is terminated to so perform, taking into account the nature of the delay or hindrance and the nature of the obligation to be performed.

14. WAIVER

14.1. WAIVER The waiver by either party of any breach of any provision herein shall not be deemed a waiver of any other breach of the same or any other provision.

15. NOTICE

15.1. DEEMED DELIVERY Any notice permitted or required to be given under this Agreement shall be given in writing and either delivered personally, sent by telegram, telex or

facsimile, or sent by prepaid registered mail. Any such notice shall be deemed to have been received by the party to whom it is addressed if delivered, when delivered; if sent by telegram, telex or facsimile, on the next business day after the day of sending the telegram, telex or facsimile; or if sent by registered mail, fourteen (14) days after the posting of such notice in any post office in Canada unless there is a mail disruption in which case the notice is effected on the date received. The addresses of the parties for the purposes hereof shall respectively be:

In the case of the Municipality:

In the case of the Corporation

Northwest Territories Power Corporation
Bag 6000
Hay River, N.W.T.
XOE ORO

16. ASSIGNMENT

16.1. CONSENT REQUIRED Subject to paragraph 16.2 hereof, neither of the parties may assign this Agreement in whole or in part to a third party without the prior written consent of the other, such consent not to be unreasonably withheld, and any assignment made without such consent shall be of no effect.

16.2. EXCEPTION The Corporation shall have the right to assign this Agreement to any parent or subsidiary corporation or to any joint venture to which the Corporation may hold an interest, provided, however, that the Corporation shall serve notice thereof on the Municipality prior to such assignment.

16.3. ENUREMENT Subject to paragraph 16.1, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, legal representatives and permitted assigns.

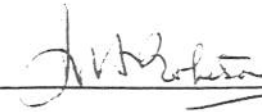
IN WITNESS WHEREOF the parties have duly executed these presents as of the day and year first above written.

NORTHWEST TERRITORIES POWER CORPORATION

Per:



(Seal)



THE MUNICIPAL CORPORATION OF

_____, N.W.T.

Per:

(Seal)

SCHEDULE "A" to the Electric Franchise Agreement made
between the Northwest Territories Power Corporation and the

_____ of _____ this _____ day of _____, 19____

3.5. Franchise Fee The Corporation shall pay to the Municipality during the term of this Agreement a franchise fee based on a percentage of the Gross Revenue provided that the Corporation receives from the Board an order authorizing the Corporation to recover from the consumers of Electricity within the Municipality such amount as the Corporation is required to pay the Municipality in accordance with the provisions of paragraphs 3.5 and 3.6 of this Agreement. The Corporation shall make application to the Board for an order authorizing the collection of a franchise fee from the consumers of Electricity within the Municipality at the same time as the application by the Municipality for the approval of the Board for the franchise fee. The fee may be established by the Municipality provided that:

- 3.5.1. the percentage of the fee shall be set by the Municipality not more than once in each calendar year;
- 3.5.2. the Municipality shall give to the Corporation ninety (90) days written notice in advance of any change in the percentage of the fee;
- 3.5.3. the Municipality shall provide evidence to the Corporation that the fee has been approved by the Board, and where appropriate, the Minister of Municipal and Community Affairs; and
- 3.5.4. the Municipality shall not oppose a collection scheme whereby the Corporation is permitted to collect the fee from Residents by way of a specified charge or assessment or invoices for Electricity.

3.6. COLLECTION AND PAYMENT OF FRANCHISE FEE Provided that the Municipality has given written notice to the Corporation that a franchise fee has been levied by the Municipal Council at a specified rate in respect of a specified calendar year, and provided further that evidence of approval thereof has been provided by the Municipal Council to the Corporation in accordance with paragraph 3.5.3 hereof, the Corporation shall within ninety (90) days following receipt of such notice and approval commence to collect the franchise fee at the

said rate. Within thirty (30) days after the end of each calendar quarter or part thereof during which this Agreement remains in force, the Corporation agrees to pay to the Municipal Council such sums as are collected in that calendar quarter.

3.7. DISCLOSURE OF FINANCIAL INFORMATION The Corporation agrees to supply to the Municipality on request, and annually without request, such documentation as may be satisfactory to the Municipality to disclose the financial information utilized by the Corporation to calculate the payment of the franchise fee.

3.8. NON-INTERFERENCE BY CORPORATION The Corporation undertakes not to oppose any application made by the Municipality to either the Board or to the Minister of Municipal and Community Affairs, in respect of approval of a franchise fee established pursuant to paragraph 3.5.

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_____ ይፈራል _____ ይፈራል _____, 19____

3.5. ለፋይናንስ ሪፖርት ሪፖርት ዘመናዊ መረጃ ለማግኘት ሪፖርት ሰነድ
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