

POWER AGREEMENT---Continued

(Continued from Page 2.)

FOURTH UNIT

Duplicate of second unit except pipe line.....	\$ 21,500.00
Transmission line to City.....	8,500.00
Total cost of fourth unit.....	\$30,000.00

TOTAL COSTS AND FIXED CHARGES

Cost of first unit.....	\$221,034.75 at 13%.....	\$28,734.50
Cost of first and second units.....	309,734.75 at 13%.....	40,265.50
Cost of first, second and third units.....	522,934.75 at 13%.....	67,981.50
Cost of four units.....	552,934.75 at 13%.....	71,881.50
Cost of Diesel oil unit.....	105,000.00 at 13%.....	13,650.00

COST PER K.W. HR. DELIVERED TO DISTRIBUTION LINES

Fixed charges on Diesel oil unit 500 h.p. 40% l.f. 1.044c per k.w. hr.	
Generating costs Diesel oil unit 500 h.p. 40% l.f. .879c	
Fixed charges on D.O. and 1st H.-E. unit 40% l.f. .3242c	
Generating costs on D.O. and 1st H.-E. unit 40% l.f. .956c	
Fixed charges on 1000 h.p. m.d. 50% l.f. 1.297c	
Generating costs 1000 h.p. m.d. 50% l.f. .391c	
Fixed charges on 1500 h.p. m.d. 50% l.f. .864c	
Generating costs 1500 h.p. m.d. 50% l.f. .295c	
Fixed charges on 2000 h.p. m.d. 50% l.f. .825c	
Generating costs 2000 h.p. m.d. 50% l.f. .214c	
Fixed charges on 2500 h.p. m.d. 50% l.f. .660c	
Generating costs 2500 h.p. m.d. 50% l.f. .202c	
Fixed charges on 2700 h.p. m.d. 50% l.f. .925c	
Generating costs 2700 h.p. m.d. 50% l.f. .457c	
Fixed charges on 3450 h.p. m.d. 50% l.f. .724c	
Generating costs 3450 h.p. m.d. 50% l.f. .140c	
Generating costs full capacity of plant.....	.112c
Fixed charges on full capacity of plant.....	.601c

COST OF POWER ON PRINCE RUPERT HYDRO-ELECTRIC BASIS

Cost per k.w. hr. for amount we receive when the maximum demand reaches 500 h.p. 40% load factor.....	2.386c per k.w.
Cost per k.w. hr. for amount we receive when the maximum demand reaches 1000 h.p. 50% load factor.....	1.544c
Cost per k.w. hr. for amount we receive when the maximum demand reaches 1500 h.p. 50% load factor.....	1.335c
Cost per k.w. hr. for amount we receive when the maximum demand reaches 2000 h.p. 50% load factor.....	1.455c
Cost per k.w. hr. for amount we receive when the maximum demand reaches 2500 h.p. 50% load factor.....	1.088c
Cost per k.w. hr. for amount we receive when the maximum demand reaches 3450 h.p. 50% load factor.....	.918c

COMPARISON OF COSTS

City Diesel oil h.p. m.d. 40% l.f. 1.233c per k.w. hr.	
City Hydro-Elec. and Diesel Oil 500 h.p. 40% l.f. 4.498c	
Prince Rupert Hydro-Electric 500 h.p. 40% l.f. 2.386c	
City Hydro-Elec. and Diesel Oil 750 h.p. 50% l.f. 2.239c	
Prince Rupert Hydro-Electric 750 h.p. 50% l.f. 1.603c	
City Hydro-Elec. and Diesel Oil 1000 h.p. 50% l.f. 1.684c	
Prince Rupert Hydro-Electric 1000 h.p. 50% l.f. 1.544c	
City Hydro-Elec. and Diesel Oil 1250 h.p. 50% l.f. 4.387c	
Prince Rupert Hydro-Electric 1250 h.p. 50% l.f. 1.358c	
City Hydro-Elec. and Diesel Oil 1500 h.p. 50% l.f. 1.159c	
Prince Rupert Hydro-Electric 1500 h.p. 50% l.f. 1.335c	
City Hydro-Elec. and Diesel Oil 1750 h.p. 50% l.f. 1.168c	
Prince Rupert Hydro-Electric 1750 h.p. 50% l.f. 1.168c	
City Hydro-Elec. and Diesel Oil 2000 h.p. 50% l.f. 1.039c	
Prince Rupert Hydro-Electric 2000 h.p. 50% l.f. 1.455c	
City Hydro-Elec. and Diesel Oil 2250 h.p. 50% l.f. .940c	
Prince Rupert Hydro-Electric 2250 h.p. 50% l.f. 1.096c	
City Hydro-Elec. and Diesel Oil 2500 h.p. 50% l.f. .862c	
Prince Rupert Hydro-Electric 2500 h.p. 50% l.f. 1.088c	
City Hydro-Elec. and Diesel Oil 2750 h.p. 50% l.f. 1.064c	
Prince Rupert Hydro-Electric 2750 h.p. 50% l.f. .931c	
City Hydro-Elec. and Diesel Oil 3450 h.p. 50% l.f. .864c	
Prince Rupert Hydro-Electric 3450 h.p. 50% l.f. .918c	

Respectfully submitted,
T. C. DUNCAN,
Supt. Light Dept.

CITY HALL

Prince Rupert, B. C., 19th December, 1913.

TO THE MAYOR, City.

Dear Sir: Re Woodworth Lake Hydro-Electric undertaking.

We estimate the total cost of completing the above undertaking as follows:

First electrical unit and total completion of water.....	\$389,500.00
First and second electrical units and total completion of water.....	478,200.00
First, second and third electrical units and total completion of water.....	691,400.00
First, second, third and fourth electrical units and total completion of water.....	724,400.00
First, second, third and fourth electrical units and Diesel oil plant.....	815,150.00
The above do not include any charges for financing or the \$45,000 for City electrical extensions.	
The total cost of the undertaking, including all work to date, four electrical units and Diesel oil plant, but not including any charges for financing or the \$45,000 for City electrical extensions, is estimated at \$1,146,400.00.	
The approximate amount of funds available when the present issue of \$550,000.00 is sold is \$230,000.00.	

Respectfully submitted,
W. McGEORGE MASON,
City Engineer.
T. C. DUNCAN,
City Electrical Engineer.

PROPOSED AGREEMENT

Between City and the Prince Rupert Hydro-Electric Power Company

THIS AGREEMENT made in quadruplicate this twentieth day of December, 1913.

BETWEEN:

PRINCE RUPERT HYDRO-ELECTRIC COMPANY LIMITED, a corporation organized and existing under the laws of the Dominion of Canada having its chief place of business in the City of Montreal, and having an office in the City of Prince Rupert, in the Province of British Columbia, both in the Dominion of Canada (which with its successors and assigns is hereinafter called "the Company")

PARTY OF THE FIRST PART:

and
THE CORPORATION OF THE CITY OF PRINCE RUPERT (hereinafter called "THE CITY")

PARTY OF THE SECOND PART:

WITNESSETH THAT:

WHEREAS the City is now engaged in providing lighting and power and in selling and distributing electrical energy in the City of Prince Rupert for lighting and power purposes and desires to purchase electrical energy from the Company.

AND WHEREAS the Company intends to install power plants as hereinafter mentioned and is desirous of selling power to the City upon the terms hereinafter set forth and the City is willing to purchase upon such terms.

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:—

1. The following words and phrases shall have the following meanings:—

"Month" or "Monthly" shall mean or refer to a calendar month.

"Electrical power" shall mean the rate of producing electrical energy expressed in kilowatts, or in horse-power, as the case may be.

"Horse-power" shall mean a unit of rate of electrical work equal to 746 watts.

"Electrical energy" shall mean the quantity of energy or work supplied expressed in kilowatt hours, or in horse-power hours, as the case may be.

"Maximum demand" shall be the highest number of kilowatt hours or the equivalent in horse-power hours, supplied in any sixty consecutive minutes in any stated period.

"Connected load" shall mean the quantity of electrical power required to operate simultaneously all the electrical apparatus of any consumer on any one set of premises.

"Load factor" shall mean the ratio between the number of kilowatt hours supplied in any stated period and the maximum demand multiplied by the total number of hours in such period.

2. The Company agrees to supply to the City at the boundary line of the City at a point to be designated by the City, which is hereinafter called "the point of delivery," electrical power and energy, under the terms and conditions hereinafter provided for, as if and when required by the City at the said point of delivery or at any other point of delivery, which the City may at a future date designate, in such quantity as the City may from time to time desire to take and use, upon the understanding that the City will purchase from the Company all the electrical energy required by the City within the City's present or future limits up to a maximum demand of three thousand (3,000) horse-power; provided, however, that this shall not preclude the City from using nor from selling electrical energy derived from its own steam plants, hydro-electric or other power-producing plants now existing or hereafter to be acquired or constructed by the City for any electrical energy required by the City over and above the aforesaid maximum demand of three thousand (3,000) horse-power.

3. The Company agrees that within three years from the first day of September next it will construct a hydro-electric plant on Falls River to a capacity of five thousand (5,000) horse-power for generating electrical power and energy and a transmission line or lines from Falls River to a point of delivery at the City of Prince Rupert, and that it will construct an auxiliary Diesel oil engine plant at Port Edward, having a capacity not less than two hundred (200) horse-power for generating electrical power and energy, and that it will transmit such power when and as required by a transmission line or lines from Port Edward to the point of delivery at the City of Prince Rupert, with design and construction of a permanent character and with such duplication as to ensure the full supply of electric energy under the terms hereof.

4. The Company agrees that it will supply electrical energy to the City as required by the City to the amount of Seven Hundred and Fifty (750) horse-power beginning not later than the First day of September, A.D. 1914. The Company further agrees to supply all electrical energy required by the City in addition to the Seven Hundred and Fifty horse-power, and for that purpose will from time to time increase the capacity of their plant as and when required. Provided, however, that whenever the maximum demand taken by the City shall be within twenty-five per cent. (25%) of the Company's capacity then it shall be lawful for the City by notice in writing to the Company to require the Company to enlarge the capacity of its plant in units of not less than five hundred horse-power so as at all times to be in a position to keep the City fully supplied; such notice shall be six months for each unit of five hundred (500) horse-power, and to be deliverable at any time, but the periods of six months to be computed from the first day of the month following the delivery of such notice; when such notice is given the Company shall be bound to put in such unit and shall not neglect or refuse to proceed in accordance with the terms of such notice.

5. The electrical power supplied hereunder shall be supplied in the form of three (3) phase alternating current, having a normal frequency of sixty (60) cycles per second at a pressure of approximately two thousand three hundred (2300) volts.

6. The Company covenants and agrees that it will maintain the voltage and frequency so that they will not vary more than two and one-half (2.5) per cent. from normal and that it will install the latest approved design of motive power machine governors and potential regulators and compensators for this purpose.

7. The electrical energy supplied hereunder shall be delivered to the consumer at the point of delivery on the two thousand three hundred (2300) volt lines and shall be measured as to maximum demand and as to kilowatt hours at the City's receiving station on the two thousand three hundred (2300) volt lines, by suitable meters, to be furnished and installed by the Company, and approved by the City; and the City agrees to erect a receiving station at a point suitable for distribution, to be fixed by the City, and equip same with all the necessary apparatus for receiving the electrical energy supplied by the Company, at two thousand three hundred (2300) volts.

8. If it is deemed by both parties (or by arbitration, if an agreement cannot be arrived at otherwise) to be desirable at any time, or from time to time, to install new meters of greater reliability or accuracy, then the Company shall install such new meters and shall pay for the same together with the cost of installation.

9. Said meters shall be tested by certified instruments by representatives of both parties at least once in every three months and either party shall have the right to test said meters for corrections at any time and from time to time upon giving to the other party written notice forty-eight (48) hours in advance of the time of any proposed test; and if upon making such test said meters or any of them should be found to be incorrect, proper allowance for such incorrectness shall be made to the party entitled thereto; but the corrections to be made on account of any test shall in no case be made for a longer period than thirty (30) days preceding the date of such test. If the meter, or meters, under test shall be found to be within two (2) per cent. of perfect accuracy, then such meter or meters shall be considered satisfactory and no allowance shall be made.

In case either party fails or refuses, after receipt of forty-eight (48) hours written notice by the other party, to be present at the test of any meter provided for under this contract then the other party may proceed with such test in the absence of the party so notified, and the readings of the meter or meters found on such test to be correct shall be subject to the correction shown thereby.

10. During the term of this agreement the City agrees to pay to the Company for the electrical power and energy to be supplied by the Power Company and received by the City hereunder as follows:—

(a) For each calendar month during the term of this agreement and after the City begins to take electrical power and energy hereunder, the City agrees to pay to the Company a "Primary charge" of one dollar per horse-power of the City's maximum demand during such month.

(b) In addition to said primary charge the City shall pay to the Company a "Secondary charge" for each kilowatt hour supplied during each calendar month, which shall vary according to the maximum demand for such month as follows:—

1. When the maximum demand for the month is 500 horse-power or less, one and five-tenths of a cent (\$.015) per kilowatt hour.
2. When the maximum demand for the month exceeds 500 horse-power and is less than 1,000 horse-power, one cent (\$.01) per kilowatt hour.
3. When the maximum demand for the month exceeds 1,000 horse-power and is less than 1,500 horse-power, eighty-five one-hundredths of a cent (\$.0085) per kilowatt hour.
4. When the maximum demand for the month exceeds 1,500 horse-power and is less than 2,000 horse-power, seven-tenths of a cent (\$.007) per kilowatt hour.
5. When the maximum demand for the month exceeds 2,000 horse-power and is less than 2,500 horse-power sixty-five hundredths of a cent (\$.0065) per kilowatt hour.
6. When the maximum demand for the month exceeds 2,500 horse-power one half cent (\$.005) per kilowatt hour.

11. So soon as practicable after the first day of each calendar month and not later than the tenth day of each such month, the Company shall render the City a bill in such detail and with such particulars as the City shall from time to time request for the quantity of electrical power and energy supplied to the City for the preceding calendar month, and the City shall pay the Company at the City Hall in Prince Rupert the amount of such bill or such amount as may remain after all proper corrections

have been made in such bill, within fifteen (15) days after the receipt of such bill.

12. If the City on or before the expiration of fifteen (15) days after such bill has been rendered, or at any time before the payment of such bill, should claim that the bill contains overcharges or needs corrections in other particulars, then the City shall pay to the Company such part of the bill as is undisputed, and, in case an arrangement cannot be arrived at by mutual agreement between the parties within thirty (30) days from the date of such bill, then any such dispute shall be settled by arbitration as hereinafter provided, and the City shall pay to the Company the amount, if any, settled by such arbitration, together with interest at six per cent. per annum for the time that any such payment was first due and payable to the Company.

13. The Company agrees that it will do or cause to be done all acts or things and will make all payments which at any time or from time to time may be required by any present or future law or regulation of the public authorities in the Province of British Columbia to procure, to renew and maintain adequate licenses and authorities for supplying to the City the electrical energy herein contracted for, and for maintaining and operating its hydro-electric works and Diesel Oil Plant and transmission lines for the purpose of carrying out the terms of this agreement.

14. It is agreed that the Company shall at all times so operate its hydro-electric and Diesel Oil Engine plant as to furnish the City with a first-class service.

15. The Company shall not be liable under this agreement for any damages resulting from any interruption in the supply of electrical energy caused by war, labor strikes, fire not through the negligence of the Company, or the act of God or inevitable accident which could not have been prevented by reasonable diligence and foresight provided the Company remedies such interruption with due diligence, but in case the Company is able to supply a portion of the energy herein contracted for it shall during such period furnish to the City so much energy as it is able to furnish pro rata with the rightful requirements of its other customers, provided however that the Company shall supply to the City such amount of electrical energy as will provide for all public lighting, and such supply shall have the preference over other consumers.

16. If the Company at any time during the continuance of this agreement for any cause not excepted under Section 15 fail to supply the amount of electrical energy which under the terms of this agreement the Company ought to supply then the Company shall be bound to pay to the City every month during which such failure continues a sum equal to the difference between the price which would have been paid to the Company in case such failure to supply had not occurred and the price which the City would have received from its customers for the electrical energy in respect of which the failure to supply occurred. The amount of such difference shall be arrived at by taking an average of the number of kilowatt hours distributed for the fortnight previous to and following the period during which the failure to supply occurred.

In respect of the primary charge of one dollar (\$1.00) per horse-power per month on maximum demand the City shall only be bound to pay for the portion of the month during which the City's demands were fully supplied.

The question as to whether the failure to supply occurred from a cause for which the Company is liable or from a cause which the Company could have avoided (if not agreed upon by the parties hereto) shall be settled by arbitration in the same way as other questions are to be settled under this agreement.

17. The City agrees to save the Company harmless from and against any and all losses or damages sustained and any and all liability for injury to any person or property whatsoever incurred by the Company by reason of any negligence on the part of the City, its officers, agents, or employees in the operation or maintenance of any wires, apparatus, or appliances of the City during the life of this agreement, and shall pay and reimburse the Company for all costs, expenses, and attorney's fees, which the Company may incur in defending any suit or suits brought against it for such damages. Provided that upon any claim under this section being made the Company shall forthwith give the City notice in writing that such claim has been made with as full particulars as are available at that time, and in case any suit is brought against the Company in respect of a claim arising out of the negligence of the City as aforesaid the Company shall forthwith hand over to the City the writ issued in such suit and the City shall have right to defend such suit in the name of the Company or to compromise the same as the City thinks best and unless this procedure is followed the Company shall have no recourse against the City for any damages or costs which may be recovered against the Company in any such suit.

18. The Company agrees to save the City harmless from and against any and all loss or damages sustained and any and all liability for injury to any person or property whatsoever incurred by the City by reason of any negligence on the part of the Company, its officers, agents, or employees, in the operation or maintenance of any wires, apparatus, or appliances of the Company during the life of this agreement, and shall pay and reimburse the City for all costs, expenses and attorney's fees which the City may incur in defending any suit or suits brought against it for such damages.

Provided that on any claim under this section being made the city shall forthwith give the Company notice in writing that such claim has been made with as full particulars as are available at that time and in case any suit is brought against the City in respect of a claim arising out of the negligence of the Company as aforesaid the City shall forthwith hand over to the Company the writ issued in such suit and the Company shall have the right to defend such suit in the name of the City or to compromise the same as the Company thinks best. Unless this procedure is followed the City shall have no recourse against the Company for any damages or costs which may be recovered against the City in any such suit.

19. This Agreement shall continue in force for a period of twenty (20) years from the first day of September, 1914.

20. If at any time any difference of opinion or controversy shall arise between the parties hereto with regard to their respective rights, duties or obligations under this Agreement or in respect to any payments to be made by virtue hereof, it is agreed that the difference between them damage claimed by either of the parties hereunder to have resulted from an alleged breach by the other party shall be conclusive and binding upon shall be submitted to the award of arbitrators in the manner following: To a single arbitrator if the parties can agree on one, if not, each party hereto shall name one arbitrator and the two arbitrators so named shall before further proceeding name a third.

Whenever either party wishing any matter hereunder to be arbitrated shall in writing request the other party to name an arbitrator to act hereunder and the other party neglects for a period of two (2) weeks after receipt of such notice to name an arbitrator, such arbitrator may be appointed by any Judge of the Supreme Court or County Court sitting at Prince Rupert, British Columbia, with the same effect as though appointed by such other party, and whenever two arbitrators appointed as aforesaid by the parties cannot agree upon the appointment of a third arbitrator to be appointed, such third party may be appointed by said Judge. Application for such appointment by the Court shall be made to said Judge upon at least two days notice in writing to the parties hereto, or to the one of them not making the application. Each party agrees to perform its part of every award made in writing by either a single arbitrator or by two such arbitrators upon any question submitted to them. The award in writing of two said arbitrators as to the amount of loss or the parties hereto as to the amount thereof, and no action at law, suit or equity, or other proceedings of a legal nature shall be begun by either party for breach of this Agreement unless and until as a condition precedent thereto the amount of loss or damage allowed by the moving party to have resulted from the alleged breach shall first have been referred to arbitration as aforesaid. The expenses connected with such arbitration shall be borne by the parties or one of them in such manner and amount as the arbitrator or arbitrators determine.

21. The arbitration under the provisions of this Agreement shall be conducted in accordance with the Statutes of the Province of British Columbia providing for the arbitration of disputes and differences. All rights of appeal given by law against awards shall be open to either party.

22. The Company agrees with the City that during the continuance of this agreement it will at no time supply electrical energy to any customer other than the City of Prince Rupert at any rate or upon any basis which will give to any such customer using power in similar quantities and under similar conditions a cheaper supply of electrical energy than is supplied to the City of Prince Rupert.

23. This agreement shall confer upon the Company no right whatever to sell or dispose of electrical energy within the existing or future

(Continued on page 4)

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