

BY-LAW NO. 00-23

THE CORPORATION OF THE CITY OF PETERBOROUGH

BEING A BY-LAW TO TRANSFER THE ASSETS, LIABILITIES, RIGHTS, EMPLOYEES, AND OBLIGATIONS OF THE PETERBOROUGH UTILITIES COMMISSION AND THE CITY OF PETERBOROUGH ASSOCIATED WITH THE GENERATION, DISTRIBUTION, TRANSMISSION AND RETAILING OF ELECTRICITY AND ASSOCIATED BUSINESS ACTIVITIES TO PETERBOROUGH UTILITIES INC., PETERBOROUGH UTILITIES SERVICES INC., PETERBOROUGH DISTRIBUTION INC., AND CITY OF PETERBOROUGH HOLDINGS INC., BUSINESS CORPORATIONS ACT (ONTARIO) CORPORATIONS TO BE INCORPORATED UNDER SECTION 142(1) OF THE ELECTRICITY ACT, 1998 AND SECTIONS 71 AND 73 OF THE ONTARIO ENERGY BOARD ACT, 1998.

WHEREAS under Section 145(1) of the Electricity Act, 1998 the Council may make by-laws transferring employees, assets, liabilities, rights, and obligations of the Corporation of the City of Peterborough (the “City”) or of a commission or other body through which the City generates, transmits, distributes or retails electricity, to Business Corporations Act corporations incorporated under Section 142 of the Electricity Act, 1998;

AND WHEREAS the City generates, transmits, distributes and retails electricity through the Peterborough Utilities Commission;

AND WHEREAS Council is authorizing the incorporation of Peterborough Utilities Inc., Peterborough Utilities Services Inc., Peterborough Distribution Inc. and City of Peterborough Holdings Inc., (collectively, the “Corporations”) under Section 142(1) of the Electricity Act, 1998 and Sections 71 and 73 of the Ontario Energy Board Act, 1998 for the purpose of generating, transmitting, distributing or retailing electricity and associated business activities and the incorporation of any further Subsidiaries necessary or desirable for carrying out any such activities;

The Council of the City of Peterborough HEREBY ENACTS as follows:

1.1 Definitions.

As used in this By-law, the following terms shall have the meanings indicated:

- a) ACT - The Electricity Act, 1998 and any regulations thereunder.
- b) ASSETS - Except for the Excluded Assets, all assets, interests, property, rights and undertakings, registered or unregistered, secured or unsecured, of the Commission and the City held or used by either of them for the purpose of generating, distributing, transmitting or retailing electricity and carrying on associated business activities on the Effective Date, including the following:
 - i. Cash, Accounts Receivable, Legal Actions - All of the cash on hand, and all accounts receivable of the Commission-Electric Utility, including without limitation, all customer and trade accounts, notes receivable, book debts and other debts due or accruing to the Commission-Electric Utility and the benefits of all security and security deposits for accounts and debts, and all benefits of legal actions on behalf of the Commission-Electric Utility.
 - ii. Computer Hardware and Software - All computer hardware and software, including all rights under licences and other agreements or instruments relating thereto, but excluding the City’s Civic Data Centre hardware and software.

- iii. Contracts, Rights - The full benefit of all franchise, licence or management agreements and all other contracts, commitments, rights, benefits, arrangements, understandings, and agreements, written or oral, to which the Commission-Electric Utility is a party, bound or benefitted or otherwise including:
- iv. All written or oral contracts, agreements, commitments, undertakings, rights and arrangements.
- v. All forward commitments to the Commission-Electric Utility for supplies or materials entered into in the usual and ordinary course of business whether or not there are any written contracts with respect thereto.
- vi. Goodwill - The goodwill of the Commission-Electric Utility, including:
- vii. The exclusive right of any of the Corporations to represent themselves as carrying on a business in continuation of and in succession to the Commission-Electric Utility and the right to use any words indicating that their business is so carried on.
- viii. All records of sales, customer lists, customer data and supplier lists of or used by the Commission-Electric Utility.
- ix. Insurance Policies - All policies of insurance of the Commission-Electric Utility and the benefit thereof.
- x. Intellectual Property - All of the right, title, benefit and interest of the Commission-Electric Utility in and to all registered trade marks, trade names, brand names, patents and copyrights, all unregistered trade marks, trade names and copyrights and all patent applications, trade mark registration applications and copyright registration applications, both domestic and foreign, owned or made by the Commission, including without limitation those described in Schedule A.
- xi. Inventories - All inventories and supplies of the Commission-Electric Utility including, but without limitation, all finished goods, work in progress, raw materials, production and shipping supplies and maintenance items and all other materials and supplies on hand to be used or consumed in the conduct of the business of the Commission-Electric Utility.
- xii. Know-How - All patterns, plans, designs, research data, copyrights, trade secrets and other proprietary know-how, processes, drawings, technology, unpatented blueprints, flow-sheets, equipment and parts lists and descriptions and related instructions, manuals, data, records and procedures and any and all data owned or used by the Commission-Electric Utility, and all licences, agreements and other contracts and commitments relating to any of the foregoing to which the Commission-Electric Utility is a party or by which it is bound or benefitted.
- xiii. Licences and Permits - All licences, registrations, permits, consents, quotas, approvals, certificates, and other authorizations of the Commission-Electric Utility including, without limitation, those described in Schedule B.
- xiv. Machinery and Equipment - All machinery and equipment, metering and measurement devices, hot water heaters, plenum heaters, lighting and appliances and all goods and chattels and other personal property and all tools, handling equipment, furniture, furnishings and accessories relating to the business of the Commission-Electric Utility.
- xv. Plant, Building, Fixtures - All plant, buildings, structures, erections, improvements, appurtenances and fixtures (including fixed machinery and fixed equipment) conduits, pipes, poles, wires, rods, cables, fibres and other apparatus, devices, appliances and equipment, materials, works, transformer stations, transformers, vaults, transmission lines, distribution lines, ducts,

pipelines, fittings, apparatus and meters, wheresoever situate on property owned by the Commission-Electric Utility or the City, on private property and on public property.

- xvi. Prepaid Expenses - All pre-paid expenses and deposits, held by or in relation to the business of the Commission-Electric Utility, the benefits of which will accrue to any of the Corporations.
 - xvii. Real Property Interests - The freehold lands and premises listed in Schedule C and all easements, rights of way, licences and all other rights or interests therein and fixtures thereon.
 - xviii. Records - All personnel records of transferred employees, inspection records and all other records, books, documents and data bases relating to transferred employees, the Assumed Liabilities, the business of the Commission-Electric Utility, or to the Assets in the possession or under the control of the Commission-Electric Utility and all rights of access which the Commission-Electric Utility has to records, books, documents and data bases relating to the business of the Commission-Electric Utility in the possession of third parties.
 - xix. Reserves - The portion of any reserve established pursuant to section 33 of the *Development Charges Act, 1997* that relates to development charges collected in respect of electrical power services and the portion of any reserve fund referred to in section 63 of the *Development Charges Act, 1997* that relates to development charges collected in respect of electrical power services.
 - xx. Vehicles - All trucks, cars and vehicles of all kinds used by the Commission Electric-Utility as described in Schedule D hereto.
 - xxi. Warranties - The full benefit of all warranties and warranty rights, implied, express or otherwise, against manufacturers, suppliers or sellers which apply to any of the Assets and all warranty claims relating to the Assets outstanding as of the Effective Date.
- c) ASSUMED LIABILITIES - Other than Excluded Liabilities, all of the debts, liabilities and obligations of the Commission-Electric Utility.
 - d) BODY CORPORATE - A firm, partnership, limited partnership, unincorporated association, joint venture, body corporate, corporation, bank, trust, pension fund, union, government, government agency, board, tribunal, ministry, or commission or other legal entity of any kind whatsoever, but excludes an individual or natural person.
 - e) CITY - The Corporation of the City of Peterborough.
 - f) COMMISSION-ELECTRIC UTILITY - The electric utility portion of the Peterborough Utilities Commission.
 - g) COMMISSION-WATER UTILITY - The water utility portion of the Peterborough Utilities Commission.
 - h) CORPORATIONS - City of Peterborough Holdings Inc., Peterborough Utilities Inc., Peterborough Utilities Services Inc. and Peterborough Distribution Inc., collectively.
 - i) COMMISSION - The Peterborough Utilities Commission, established under the *City of Peterborough Act, 1968*, the *City of Peterborough Act, 1914*, and deemed a commission under Part III of the *Public Utilities Act* RSO 1990.
 - j) EFFECTIVE DATE - The date for each transfer set out in Section 8.1.
 - k) EMPLOYEES - All full-time and part-time, union and non-union, active employees of the Commission, including trainees, and probationary employees, on the Effective Date, as described in Schedule E hereto.

- l) EMPLOYEE AGREEMENTS - All contracts, agreements, and commitments in respect of Employees as at the Effective Date to which the Commission is a party or by which it is bound, including:
 - i. All collective agreements.
 - ii. All contracts of employment.
- m) EMPLOYEE PLANS - All employee benefit plans, pension plans, bonus or incentive plans, employee medical insurance and disability plans and savings plans relating to the Employees.
- n) EXCLUDED ASSETS - The assets described in Schedule F.
- o) EXCLUDED LIABILITIES - The liabilities described in Schedule G.
- p) OBCA - The Business Corporations Act, (Ontario) and any regulations thereunder.
- q) OEB - The Ontario Energy Board.
- r) OEBA - The Ontario Energy Board Act, 1998 and any regulations thereunder.
- s) OTHER LIABILITIES - All liabilities and obligations relating to the Commission-Water Utility assets transferred to Peterborough Utilities Services Inc. pursuant to subsection 3.1(d) of this By-law and to the Employees (including retirees).
- t) PERSON - A natural person or Body Corporate.
- u) SUBSIDIARY - With respect to City of Peterborough Holdings Inc., any Body Corporate of which more than 50 percent of the outstanding securities of any class carrying exercisable voting rights are beneficially owned, directly or indirectly, by or for City of Peterborough Holdings Inc., and includes any Body Corporate in like relation to a Subsidiary.

1.2 Interpretation.

In this By-law, unless a contrary intention appears:

- a) Words importing the singular shall include the plural and vice versa and words importing gender shall include all genders.
- b) If any section of this By-law is invalid or ultra vires the City it shall not affect the operation of the remaining portions of this By-law.
- c) The following Schedules are attached to and form part of this By-law:
 - i. Schedule A - Intellectual Property
 - ii. Schedule B - Licences and Permits
 - iii. Schedule C - Real Property Interests
 - iv. Schedule D - Vehicles
 - v. Schedule E - Transferred Employees
 - vi. Schedule F - Excluded Assets
 - vii. Schedule G - Excluded Liabilities
 - viii. Schedule H - Allocation of Consideration
 - ix. Schedule I - Dispute Resolution
 - x. Schedule J - Retransfer Agreement
- d) This By-law is binding on the City, the Commission, the Corporations and all other Persons.
- e) In accordance with the Act, this By-law applies despite any general or special act or any rule of law, including any act or rule of law which requires notice or registration of transfers; provided, however, the Corporations may register such documents, instruments and agreements, including certified copies of this By-law, as may be necessary or desirable in order to evidence or confirm such transfers.
- f) Where the context requires, Corporations shall include any Subsidiaries.

2.1 Incorporation.

- a) The incorporation of Peterborough Utilities Services Inc., Peterborough Utilities Inc., Peterborough Distribution Inc., and City of Peterborough Holdings Inc., under the OBCA, to continue the generation, transmission, distribution and retailing of electricity and associated business activities of the Commission and the City and the incorporation of any further Subsidiaries necessary or desirable for any such activities is authorized.
- b) Any common shares or other securities issued by any of the Corporations incorporated pursuant to this By-law shall be issued upon such incorporation in the name of the City.

2.2 Corporate, Shareholder Administration.

- a) The City, in its capacity as initial shareholder of the Corporations, shall execute and deliver a Shareholder Declaration and Direction to provide for the organization, management and administration of the Corporations and any further Subsidiaries, in a form approved by Council of the City.
- b) The City and the Commission shall execute and deliver to the Corporations, where necessary, in form suitable for registration, recording and filing with such public authorities as may be reasonably required by the Corporations, any bills of sale, assignments, instruments of transfer, assurances, consents and other documents necessary to effectively transfer to the Corporations all the City and the Commission's right, title and interest in the Assets.

3.1 Transfer to Corporations.

- a) All the Assets and Assumed Liabilities of the Commission and the City associated with the generation, distribution, transmission and retailing of electricity and associated business and the Employees, except for the Excluded Assets and Excluded Liabilities, are transferred to and assumed by the Corporations in accordance with the Act and this By-law as set out in Subsections 3.1(b), (c), (d), (e), (f) and (g).
- b) On the Effective Date, the Assets and Assumed Liabilities of the Commission and the City used in connection with owning and operating an electricity transmission and distribution system are transferred to and assumed by Peterborough Distribution Inc.
- c) On the Effective Date, the Assets and Assumed Liabilities of the Commission and the City used in connection with electricity generation, water heaters, rental lights, other energy services and telecommunications are transferred to and assumed by Peterborough Utilities Inc.
- d) On the Effective Date:
 - i. the Employees, all liabilities related to their employment, and all liabilities related to retirees from the Commission, including, without limitation, the Employee Agreements and Employee Plans;
 - ii. the lands and buildings located at 1867-1877 Ashburham Drive, Peterborough;
 - iii. the Vehicles;
 - iv. all tools of the Commission;
 - v. the computer hardware and software and related licenses referred to in Subsection 1.1(b)(ii) of this By-law; and
 - vi. the Other Liabilitiesare transferred to and assumed by Peterborough Utilities Services Inc.
- e) Any of the Assets and Assumed Liabilities of the Commission and the City and Employees which are transferred to the Corporations pursuant to this By-law may be transferred to any Subsidiary on such terms and for such consideration as the directors of the transferring corporation may from time to time approve, subject to Subsection 4.1(a) of this By-law. The City, the Commission or the Corporations may enter into any agreements or other documents required to evidence the transfers.
- f) The Employees transferred to Peterborough Utilities Services Inc., in accordance with Sections 145 and 147 of the Act, shall cease to be Employees of the Commission from

and including the Effective Date and shall thereupon be employees of Peterborough Utilities Services Inc.

- g) Excluded Assets and Excluded Liabilities will not be transferred to the Corporations.
- h) The Reserves are transferred to Peterborough Distribution Inc. to be used only to pay for capital costs in respect of electrical power services for which the Reserves were collected.
- i) Despite any other provision of this By-law or the *Electricity Act*, 1998, if any of the Assets shall not be assignable, or shall only be assignable with the consent or approval of any other third party, the City or Commission shall:
 - i. use all efforts in co-operation with the assignee Corporation to secure the consent required in connection with those assignments and all costs of obtaining any consent will be paid by the assignee Corporation: and
 - ii. pending the effective transfer thereof, hold all rights or entitlements that the City or the Commission has thereto in trust for the exclusive benefit of the assignee Corporation provided that the assignee Corporation shall pay, perform and discharge all obligations arising or accruing with respect thereto during such period.
- j) Certain of the assets transferred to Peterborough Utilities Services Inc. pursuant to Section 3.1(d) of this By-law will be subject to the Re-Transfer Agreement attached hereto as Schedule J.

4.1 Consideration and Financing.

- a) All costs and expenses incurred or to be incurred by the City and the Commission and all provincial taxes incurred or payable in connection with the transfer of the Assets shall be borne by the respective Corporations and the respective Corporations shall reimburse the City and the Commission on demand for any such costs, expenses or taxes.
- b) The Assets transferred to Peterborough Distribution Inc. under Subsection 3.1(b) of this By-law shall be transferred at their respective fair market values on the Effective Date. The fair market value of the Assets shall be deemed to be book value on the Effective Date subject to adjustment under Subsections 4.1(h) and 5.1 of this By-law. The consideration payable by Peterborough Distribution Inc. for the Assets transferred under Subsection 3.1(b) shall be satisfied as follows:
 - i. by the assumption by Peterborough Distribution Inc. of the Assumed Liabilities referred to in Subsection 3.1(b); and
 - ii. as to the balance by:
 - A. the issuance and allotment to the City of 999 fully paid and non-assessable common shares of Peterborough Distribution Inc. having an ascribed value equal to 50 percent of such balance which amount shall be added to the stated capital account for such shares, and
 - B. the issuance by Peterborough Distribution Inc. to the City of a promissory note having a principal amount equal to 50 percent of such balance, due and payable on demand, to be non-interest bearing until July 1, 2000 and to bear interest at an effective rate of 6% per annum from July 1, 2000, calculated and payable quarterly and to be in form and content satisfactory to the Treasurer of the City.
- c) The Assets transferred to Peterborough Utilities Inc. under Subsection 3.1(c) of this By-law shall be transferred at their respective fair market values on the Effective Date. The

fair market value of the Assets shall be deemed to be book value on the Effective Date, subject to adjustment under Subsections 4.1(h) and 5.1 of this By-law. The consideration payable by Peterborough Utilities Inc. for the Assets transferred under Subsection 3.1(c) shall be satisfied as follows:

- i. by the assumption by Peterborough Utilities Inc. of the Assumed Liabilities referred to in Subsection 3.1(c); and
 - ii. as to the balance by:
 - A. the issuance and allotment to the City of 999 fully paid and non-assessable common shares of Peterborough Utilities Inc. having an ascribed value equal to 50 percent of such balance which amount shall be added to the stated capital account for such shares; and
 - B. the issuance by Peterborough Utilities Inc. to the City of a promissory note having a principal amount equal to 50 percent of such balance, due and payable on demand, to be non-interest bearing until July 1, 2000 and to bear interest at an effective rate of 6% per annum from July 1, 2000, calculated and payable quarterly and to be in form and content satisfactory to the Treasurer of the City.
- d) The Assets transferred to Peterborough Utilities Services Inc. under Subsection 3.1(d) of this By-law shall be transferred at their respective fair market values on the Effective Date. The fair market value of the Assets shall be deemed to be book value on the Effective Date subject to adjustment under Subsections 4.1(h) and 5.1 of this By-law. The consideration payable by Peterborough Utilities Services Inc. for the Assets transferred under Subsection 3.1(d) shall be satisfied as follows:
- i. by the assumption by Peterborough Utilities Services Inc. of the Assumed Liabilities referred to in Subsection 3.1(d); and
 - ii. as to the balance by:
 - A. the issuance and allotment to the City of 999 fully paid and non-assessable common shares of Peterborough Utilities Services Inc. having an ascribed value equal to 50 percent of such balance which amount shall be added to the stated capital account for such shares, and
 - B. the issuance by Peterborough Utilities Services Inc. to the City of a promissory note having a principal amount equal to 50 percent of such balance, due and payable on demand, to be non-interest bearing until July 1, 2000 and to bear interest at an effective rate of 6% per annum from July 1, 2000, calculated and payable quarterly and to be in form and content satisfactory to the Treasurer of the City.
- e) Each of the Corporations shall grant in favour of the City a first fixed and floating charge over the assets of the Corporations to secure payment of any indebtedness of the Corporations to the City including, without limitation, pursuant to the promissory notes issued by the Corporations pursuant to Sections 4.1(b)(ii)(B), 4.1(c)(ii)(B) and 4.1(d)(ii)(B) of this By-law.
- f) On or before December 31, 2001, the City, after consultation with the respective Corporations, may exchange the promissory notes referred to in Subsections 4.1(b)(ii)(B), 4.1(c)(ii)(B), and 4.1(d)(ii)(B) for cash or one or more debt instruments of the respective Corporations having a form and content satisfactory to the City as evidenced by the written acceptance of the Treasurer of the City.

- g) The consideration payable by the Corporations shall be allocated among the Assets as set out in Schedule H and the Corporations shall report the transfer of the Assets in accordance with the provisions of Schedule H.
- h) The book value of the Assets, and the amount of the Assumed Liabilities transferred under this By-law to the Corporations on the Effective Date, shall be determined by the Treasurer of the City in consultation with the Corporations.
- i) The Corporations shall be bound by, assume, pay, satisfy, discharge, observe, perform and fulfil, and indemnify and save harmless the City and the Commission from and against the Assumed Liabilities assumed by them respectively.
- j) Any liability and obligation transferred by this By-law may only be enforced against the transferee after the Effective Date of the transfer and may not after the Effective Date be enforced against the transferor. The transfer of a liability or obligation by this By-law releases the transferor from the liability or obligation.

4.2 Transfer Exemptions.

- a) Any transfer of Assets under this By-law is exempt from land transfer tax and retail sales tax under Section 159 of the Act.
- b) Any transfer of Assets under this By-law is exempt from the provisions of the Bulk Sales Act (Ontario) and all other legislation referred to in, or prescribed by regulations made under Section 159 of the Act.
- c) Any transfer of Assets under this By-law will constitute the transfer of all or substantially all of the assets necessary for the relevant Corporation to carry on the business transferred to it as a business. The City and the relevant Corporation, both being registered for Goods and Services Tax purposes, undertake to sign the election provided for in Section 167 of the Excise Tax Act and the relevant Corporation shall file the election in accordance with the provisions of that Section so that the transfer is not subject to Goods and Service Tax.

5.1 Consideration Adjustment.

- a) The value of the Assets transferred and the consideration payable in Subsections 4.1(b), (c) and (d) of this By-law may be adjusted as a consequence of any OEB rate order and any valuation of the Assets subsequent to the enactment of this By-law.
- b) Any consideration or revised consideration payable under this By-law shall be determined by the Treasurer of the City in consultation with the Corporations.
- c) All necessary adjustments to the consideration payable under this By-law shall have the same effect as if they were made on the Effective Date.

6.1 Restructuring.

- a) On and effective on the Effective Date, all of the shares of Peterborough Distribution Inc., Peterborough Utilities Inc. and Peterborough Utilities Services Inc. received by the City on incorporation or pursuant to Sections 4.1(b), 4.1(c) and 4.1(d) of this By-law are transferred by the City to City of Peterborough Holdings Inc. In consideration for such transfer, City of Peterborough Holdings Inc. shall issue to the City 3,000 fully paid and non-assessable common shares of City of Peterborough Holdings Inc. The fair market value of the common shares of City of Peterborough Holdings Inc. received by the City pursuant to this section shall equal the aggregate fair market value of the common shares of Peterborough Distribution Inc., Peterborough Utilities Inc. and Peterborough Utilities Services Inc. received by City of Peterborough Holdings Inc. from the City pursuant to this section and such aggregate value shall be added to the stated capital account for such shares. The Treasurer of the City shall determine such fair market values in consultation with the Corporations and make such adjustments in the number of common shares of

City of Peterborough Holdings Inc. receivable by the City pursuant to this section as the Treasurer of the City determines.

- b) On and effective on the Effective Date, all of the right, title, estate, benefit and interest of the City in, to and under all promissory notes issued to the City by Peterborough Distribution Inc., Peterborough Utilities Inc. and Peterborough Utilities Services Inc. pursuant to Sections 4.1(b), 4.1(c) and 4.1(d) of this By-law are transferred by the City to City of Peterborough Holdings Inc. In consideration for such transfer, City of Peterborough Holdings Inc. shall issue to the City a promissory note for an amount equal to the collective sum of the promissory notes transferred by the City to City of Peterborough Holdings Inc. pursuant to this section, and otherwise having the same terms as the transferred promissory notes.
- c) The exchange of shares and promissory notes pursuant to Sections 6.1(a) and 6.1(b) of this By-law shall occur, and by virtue of Section 150(4) of the *Act* shall for all purposes be deemed to occur, on the Effective Date immediately after the transfers pursuant to Sections 3.1(b), 3.1(c) and 3.1(d) of this By-law.

7.1 Miscellaneous.

- a) In the event of any disagreement among any of the City, the Commission and the Corporations with respect to the effect of, performance required pursuant to or the interpretation of this By-law, any of the City, the Commission or the Corporations may by notice to all others affected submit the disagreement to arbitration to be conducted pursuant to Schedule I.
- b) The City, the Commission and each of the Corporations shall each take all actions and execute all such documents, conveyances, assignments and transfers as are within its power to give effect to the provisions of this By-law.

8.1 Effective Date of Transfer.

Subject to Section 6.1(c), the Effective Date of the transfers set out in Subsections 3.1(b), (c), (d) and (f) and Section 6.1 hereof is, and by virtue of Section 150(3) of the Act shall be deemed for all purposes to be, January 1, 2000.

By-law read a first and second time this 14th day of February

By-law read a third time and finally passed this 14th day of February

(Sgd.) D. Paul Ayotte, Deputy Mayor

(Sgd.) Steven F. Brickell, City Clerk

SCHEDULE A

INTELLECTUAL PROPERTY

Transferred to Peterborough Utilities Inc.

Peterborough Utilities

Transferred to Peterborough Distribution Inc.

Peterborough Distribution

Transferred to Peterborough Utilities Services Inc.

Peterborough Utilities Services

SCHEDULE B

1. Waste Generator Registration
Peterborough Distribution Inc.
Issued by: Ministry of Environment
Title: Generator Number ON 0568301
Description: Permits generation of waste.

2. PCB Storage Site Registrations
Issued by: Ministry of Environment
Peterborough Utilities Services Inc.
1867 Ashburnham Drive
MOE Site Number 305 89 A142
Peterborough Distribution Inc.
MS#36 Neal Drive at Bensfort Road Substation
MOE Site Number 305 85 AOO1

3. Radio Licenses
Issued by: Industry Canada
Title: Radio Licenses
Description: Various radio licenses to install, own and operate radio equipment.
Peterborough Distribution Inc.
900 megahertz - SCADA
Peterborough Distribution Inc.
VHF - LOAD MANAGEMENT
Peterborough Utilities Services Inc.
Two-Way Radio frequency

4. All Fuel Handling and Storage Licenses and Permits.
Peterborough Utilities Services Inc.
Includes Ministry of Consumer and Commercial Relations
Number 1056163-01.

5. CVOR- Commercial Vehicle Operator Registration
Issued by: Ministry of Transportation
Title: Vehicle Registration
Description: Registration to operate a commercial vehicle fleet.
Peterborough Utilities Services Inc.
RIN 134-565-274 : Electric Company Vehicles
Peterborough Utilities Commission
RIN 010-390-804 : Water Utility Vehicles

SCHEDULE E

EMPLOYEES

ACCOUNTING

ANDY HOGGARTH
ROB KENT
Donna Noyes
Jan Packer
Sandra Wilson

ADMINISTRATION

BOB LAKE
Mary McGuire
BARBARA THOMPSON
ELIZABETH WILLIAMS
CARISSA MCCAWE

CUSTOMER SERVICE

Elizabeth Bergsma
Valerie Coc
Heather Davidson
Yvonne Endicott
Diane Jackson
Claire Legault
Gloria Neuman
Ginette Power
DAVID WHITEHOUSE
Adene Wilson *

DATA PROCESSING

Wendy Dunford
Wynne Eastbrook
Ron Esson
Barbara Fowler
LARRY FRANKS
Rob Lowes
Nancy McNeely*
Susan McQuarrie
Anne Owers
Randy Pagitt
Meg Seabrook
Philip Starr
RICK WARNER

ELECTRIC

DEPARTMENT

Joe Bertrand
Kevin Brown
Larry Collins
DOUG DALE
Roger Ferguson
Bob Grimes
Allan Guthrie
KEITH HOCKADAY
David Human
BILL JACKMAN
Steve Jackson
Ken Logan
Morris Manton
Roy McCullum
Bruce Meadows
John Overdyk
Shelley Parker
Kirk Preston
Jamie Reynolds
Marshall Robinson
Andrew Turney
Mark Van Dam
Alan West
GEORGE WOOD

ENGINEERING

Cheryl Argue
Steve Billings
Allan Clarke
Paul Dunford
JEFF GUILBEAULT
KEITH MCALLISTER
John McDonald
Grant Murphy
KEITH RYE
Scott Seabrook
WAYNE STIVER
BILL TAIT
Julie Webb

WATER TREAT PLANT

Wayne Carpenter
Rick Foster
Norm Fuley
Doug Fannon
Ron Hibbert
Jennifer Koene
Mike Kollaard
Bill Lee
Vinuo Lynch
Ken MacDonald
WAYNE MANLEY
GEORGE MASCHKE
Dennis Schelin
Ted Stabler
GARY STEVENSON

METER DEPARTMENT

Roger Crough
Paul Doyle
Bob Emmett
JOHN FAULKNER
Wayne Kulcheski
Gord Simmons
Basil Young

METER TECHNICAL

Jim Dunn
Terry Murray
BRIAN PACKER
Colin Todd

PARK & ZOO

JACK SISSON
Richard Sullivan
Bruce Reed
Steve Theaton
Doug Wells

PURCHASING/STORES

RON BUTTERWORTH
Gary Duffett
Dan Clark
Trina Garrett

WATER DEPARTMENT

Elizabeth Avon
Terry Cranley
Howard English
Steve Green
Keith Harris
HANS KAMPING
Allan Kent
Doug Leach
Gord Lowes
DAVE MCINTYRE
Damon Hamidge
Danton Payne
Ken Swift

SCHEDULE F

EXCLUDED ASSETS

1. Properties and Buildings located at the Water Treatment Plant.
2. Properties and Buildings located at the Riverview Park and Zoo.
3. Properties and Buildings located at the Water Street pumphouse.
4. Properties and Buildings located at water pumping stations.
5. Properties, Buildings and Structures located at water storage sites.
6. All water pipes and related infrastructure used for the distribution and supply of water.
7. All assets described in the attached Balance Sheet of the Peterborough Utilities Commission Water Utility.

ATTACHMENT TO SCHEDULE F
 PETERBOROUGH UTILITIES COMMISSION
 WATER UTILITY
 BALANCE SHEET AS AT DECEMBER 31, 1999
 (To be updated to December 31, 1999 Audited Numbers)

ASSETS

1999

| | |
|---|-------------|
| 2005 Cash and short-term deposits | \$7,295,036 |
| Accounts receivable - | |
| 2010 Customer accounts | 598,193 |
| 2015 Sewer surcharge | 618,160 |
| 2020 Sundry | 253,170 |
| 2023 Unbilled revenue on customer accounts | 786,239 |
| Unbilled sewer surcharge | |
| 2025 Inventories | 121,398 |
| | <hr/> |
| | 9,670,188 |
| | <hr/> |
| OTHER ASSETS | |
| Prepaid expenses | 47,448 |
| Deferred software charges | 10,289 |
| | <hr/> |
| | 57,735 |
| | <hr/> |
| CAPITAL ASSETS | |
| 2035 Water treatment plant and reservoirs | 18,006,044 |
| 2040 Water distribution system | 55,502,187 |
| 2045 RiverView Park and Zoo | 2,673,463 |
| 2050 Other | 1,429,407 |
| | <hr/> |
| 2055 | 77,411,101 |
| 2060 Less: Accumulated amortization | 34,785,806 |
| 2065 | <hr/> |
| | 42,625,295 |
| 2066 Construction in progress | 5,814,401 |
| | <hr/> |
| | 48,439,696 |
| | <hr/> |
| RESTRICTED CASH | |
| 2071 Water Treatment Plant Reserve Fund | 1,263,226 |
| 2072 Development Charges Act Reserve Fund | 500,410 |
| 2171 Park and Zoo Major Projects Reserve Fund | 97,529 |
| 2181 Park and Zoo Animal Care Reserve Fund | 61,028 |
| | <hr/> |
| 2075 | 1,912,192 |
| | <hr/> |
| | 560,079,749 |

SCHEDULE G

EXCLUDED LIABILITIES

All liabilities, debts and obligations of the Commission-Water Utility (including, without limitation, deposits, loans, debenture issues and legal actions), except for the Other Liabilities described in the attached Balance Sheet of the Peterborough Utilities Commission Water Utility.

SCHEDULE 1

DISPUTE RESOLUTION

Any arbitration pursuant to Section 7.1(a) of By-Law No. 00-23 shall be conducted in accordance with the following:

- (i) upon written demand of the notice giver, the representatives of those involved shall meet and attempt to appoint a single arbitrator. In the event that such representatives are unable to agree on a single arbitrator then a single arbitrator shall be appointed by any Justice of the Ontario Superior Court of Justice;
- (ii) The arbitrator shall be qualified by education, experience and training to pass upon the particular dispute;
- (iii) The arbitrator shall immediately hear and determine all questions in dispute within forty-five (45) days after appointment, subject to any reasonable delay due to unforeseen circumstances. In the event that the arbitrator fails to make a decision within such period, then any involved party may have a new arbitrator chosen as provided herein, as if none had previously been selected;
- (iv) The decision of the arbitrator shall be in writing and shall be final and binding upon all parties; and
- (v) The arbitration shall be governed in all respects by The Arbitrations Act (Ontario) and regulations thereunder.

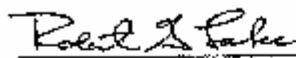
SCHEDULE J

RE-TRANSFER AGREEMENT

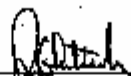
This agreement between Peterborough Utilities Services Inc. (herein after called the "Corporation") and the City of Peterborough (herein after called the "City") will address the transfer of tools and computer hardware and software (as such assets are described in Subsection 3.1(d) of By-law 00-23 from the Corporation to the City in the event that a decision is made by City Council to remove the responsibility for servicing the Peterborough Utilities Commission - Water Utility from the Corporation.

In the event that the City Council removes the responsibility for servicing the Peterborough Utilities Commission - Water Utility from the Corporation, on or about January 1, 2001, such tools and computer hardware and software will be transferred from the Corporation to the City for the aggregate sum of two dollars (\$2.00), pursuant to a transfer agreement in form and content satisfactory to the City.

Signed at Peterborough this 17 day of February, 2000.



Robert G. Lake P.Eng.
President
Peterborough Utilities Services Inc.



Ron Chittick
Administrator
City of Peterborough