

**SPECIAL ELECTRIC SERVICE AGREEMENT FOR
WEST FRASER MILLS LTD. (PACIFIC INLAND RESOURCES DIVISION)**

THIS ELECTRICITY SUPPLY AGREEMENT made as of
the 1st day of JANUARY, ~~2016~~ 2017
for West Fraser Mills Ltd (Pacific Inland Resources Division)

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY,
having its head office at 333 Dunsmuir Street,
Vancouver, British Columbia V6B 5R3
(herein called "BC Hydro")

OF THE FIRST PART

AND:

WEST FRASER MILLS LTD (PACIFIC INLAND RESOURCES DIVISION), a
company incorporated under the laws of the Province of British Columbia and
having an office at 501 – 858 Beatty Street, Vancouver, British Columbia,
V6B 1C1
(herein called the "Customer")

OF THE SECOND PART

WITNESSES THAT the parties declare and agree as follows:

ACCEPTED: December 15, 2016

ORDER NO. G-186-16



ACTING COMMISSION SECRETARY

- (a) The Customer is currently a BC Hydro distribution voltage customer taking service under Rate Schedule 1611 for its plant located at 2375 Tatlow Road, Smithers, B.C. ("**Customer's Plant**") with its point of delivery located at the customer's air break switch on the first pole on the customers property ("**Point of Delivery**");
- (b) The Customer has a viable alternative of bypassing BC Hydro's distribution system by constructing a customer-owned substation and taking service pursuant to Rate Schedule 1823. The total capacity of such a substation, if built, would be 7,500 kV.A;
- (c) The Customer has applied to BC Hydro for a bypass rate and has successfully negotiated such bypass rate with BC Hydro; and
- (d) The terms and conditions of the Customer's bypass rate are outlined in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that the Customer and BC Hydro agree as follows:

1.0 RATE:

The Customer will be billed for energy and demand in accordance with Rate Schedule 1823 of BC Hydro's Electric Tariff as adjusted or amended from time to time and approved by the British Columbia Utilities Commission ("**BCUC or Commission**"). In addition, the Customer will pay an additional charge equal to \$16,415 per Billing Period ("**Rider Charge**"), which shall be billed and be payable as part of the rate. The Rider Charge represents a levelized amount payable over the term of this Agreement determined with reference to the Customer's estimated cost of bypassing BC Hydro's distribution system. The Rider Charge shall remain in effect throughout the term of this Agreement.

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2.0 CUSTOMER'S LOAD:

The Customer's load shall not exceed 7,000 kV.A of maximum demand without the prior approval of BC Hydro.

3.0 METERING:

The Customer's supply of electricity is metered at the primary potential.

4.0 FREQUENCY/VOLTAGE AND POWER FACTOR:

The supply of electricity shall be alternating current three phase four wire, having a frequency of 60 Hz+/- 0.1% metered at a nominal potential of 25,000 volts and delivered at a nominal potential of 25,000 volts at the Point of Delivery, subject to normal variations from the said frequency and voltages.

The Power Factor obligations set out in Article 7.2 of BC Hydro's Electric Tariff apply to the Customer except that the Customer's average lagging Power Factor shall not be less than 95 per cent.

5.0 ELECTRICAL EQUIPMENT ON CUSTOMER'S PREMISES:

BC Hydro owns and is responsible for the maintenance of only the following electrical equipment installed or to be installed on Customer's Plant property:

- (a) Meters and metering transformers for billing purposes; and
- (b) One span of primary service connection.

The Customer owns and is responsible for the maintenance of any other electrical equipment located on the Customer's Plant property.

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6.0 TERM AND TERMINATION:

- (a) Subject to early termination as provided in paragraph 7(b), this Agreement shall commence on the first day of the first Billing Period following approval of this Agreement by BC Hydro and continuing in force until the twentieth anniversary thereafter. For clarity, the commencement date is 01 JANUARY 2017 and the termination date will be 01 JANUARY 2037 (to be filled in following approval).
- (b) Notwithstanding paragraph 7(a), either party will have the right to terminate this Agreement at any time by giving not less than six months written notice of termination to the other party, and this Agreement shall thereupon terminate as of the termination date specified in the notice. The Customer remains liable for the residual cost of bypass service if this Agreement is terminated during the term.
- (c) Upon termination of this Agreement, the Customer will be subject to the applicable BC Hydro rates, Electric Tariff, and terms and conditions applicable to the Customer's class of service as filed and approved by the Commission.

7.0 RENEWAL OR EXTENSION:

Notwithstanding Article 6, the Customer will have the right to apply to the Commission for a renewal or extension of the term of this Agreement having regard to the original intent and purpose of this Agreement and, if approved, this Agreement will be subject to renewal or extension on such terms and conditions as the Commission may approve, including provision for further renewal or extension.

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8.0 TERMS AND CONDITIONS OF AGREEMENT:

Except to the extent inconsistent with the terms and conditions of this Agreement, in which case the terms and conditions of this Agreement shall prevail, the supply and taking of electricity is subject to the terms and conditions of the BC Hydro's Electric Tariff (including amendments thereto or replacements thereof) applicable to Rate Schedule 1611 service, as filed with and approved by the Commission. The Customer may inspect BC Hydro's Electric Tariff during normal business hours at BC Hydro's Head Office or its other general offices and such right to inspect is sufficient notice of the terms and conditions contained therein.

9.0 SUCCESSORS/ASSIGNS:

This Agreement shall operate and take effect for the benefit of, and be binding upon, BC Hydro and the Customer and their respective successors and, in the case of BC Hydro, its assigns. This Agreement, or any part of it, or any benefit or interest in it, shall not be assigned by the Customer without the prior written consent of BC Hydro. BC Hydro shall not unreasonably withhold consent for the assignment of this Agreement by the Customer.

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10.0 NOTICES:

Unless otherwise provided for by this Agreement, a notice, consent, request, demand, statement or bill that either party may be required or may desire to give to the other party shall be in writing and shall be deemed to be given to and received by the addressee on the business day next following when it is delivered by hand, by courier, by facsimile copier or by other reliable electronic means as follows:

The address that BC Hydro gives notice of is:

Customer Service – Key Account Management
British Columbia Hydro and Power Authority
333 Dunsmuir Street, 7th Floor
Vancouver, BC V6B 5R3
Fax (604) 623-3649

The address that the Customer gives notice of is:

Dean Macdonald; General Manager,
West Fraser Mills Ltd. (Pacific Inland Resources Division)
dean.macdonald@westfraser.com
PO Box 3130
Smithers, BC
V0J 2N0
Phone 250-847-6500
Fax 250-847-5520

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11.0 REGULATORY APPROVAL:

This Agreement is subject to the approval of the Commission. If such approval is not granted, this Agreement shall be considered void.

12.0 SEVERABILITY:

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof and any such invalid or unenforceable provision shall be deemed to be severable from the remaining provisions of the Agreement.

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13.0 GOVERNING LAW:


This Agreement shall be governed by the laws of the Province of British Columbia. BC Hydro and the Customer will comply with all relevant laws and regulations and the relevant orders, rules and requirements of all lawful authorities having jurisdiction.

IN WITNESS WHEREOF the duly authorized representative of each party has executed this Agreement as of the date first written above.

**BRITISH COLUMBIA HYDRO & POWER
AUTHORITY**

Per: 
Signature
Keith Anderson
Name
VP Customer Service
Title

**WEST FRASER MILLS LTD. (PACIFIC
INLAND RESOURCES DIVISION)**

Per: 
Signature
Doan mac Donald
Name
General manager
Title

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