

THE CONMEE BILL.

Following are the provisions of the Conmee Bill as adopted by the Ontario Legislature a week ago, defining the relations which shall in future exist between municipalities and electric lighting companies :

14. (1) Sub-section 4 of section 566 of the said Act is amended by striking out the first six lines and article (a) thereof, and inserting in lieu thereof the following words and articles (a) to (ag) inclusive :—

By the councils of cities, towns and villages.

4. For constructing gas, electric light or waterworks, and for levying an annual special rate to defray the yearly interest of the expenditure therefor and to form an equal yearly sinking fund for the payment of the principal within a time not exceeding thirty years and not less than five years for gas or waterworks, in the case of any such city, town or village, or for electric light works, in towns having a population of 5,000 or less, as ascertained by the latest census of Canada, and in villages and not exceeding twenty years or less than five years for electric light works in cities and towns having a population of over 5,000 as ascertained by such latest census. (a) In case there is any gas, electric light or water company incorporated for or in the municipality, the council shall not levy any such special rate, or construct works for lighting the public streets, until such council has, by by-law, fixed a price to offer for the works and property of the company or companies, nor until after thirty days have elapsed after notice of such price has been communicated to the company or companies without the company or companies having accepted the same, or without the company or companies, having, under the provisions of this Act, as to arbitrations, named and given notice of an arbitrator to determine the price, nor until the price accepted or awarded has been paid, or has been secured to the satisfaction of the company or companies, and in case the company or companies and the municipality do not agree, the said price shall be determined by arbitration under this Act : And where there is more than one such company in the municipality the arbitrators shall determine the share or proportion of the price to be paid to each company. This clause (a) shall only apply to a gas or electric light company that has supplied or shall supply gas or electric light for street lighting in the municipality, or to a water company that has supplied or shall supply water for street hydrants in the municipality.

(a2) In any arbitration under clause (a) hereof to determine the price to be paid for the works and property of a gas or water company, the arbitrators shall determine the actual value of such works and property having regard to what the same would cost if the works should be then constructed or the property then bought making due allowance for deterioration and wear and tear, and making all other proper allowances, but not allowing anything for prospective profits or franchise and shall increase the amount so ascertained by ten per cent. thereof, and such increased amount shall be the amount which the arbitrator or arbitrators shall award as the price to be allowed for the said works and property.

(a3) In any arbitration under clause (a) hereof to determine the price to be paid for the works and property of an electric light company the arbitrators shall determine the actual value of such works and property having regard : (1) To what the same would cost if the works should be then constructed or the property then bought ; (2) to the condition of the works and to any deterioration thereof from use and wear and tear or by reason of the system or appliances having become in whole or in part obsolete ; (3) to the value of such works and property to the municipal corporation for the purposes, and to the extent to which the municipality can make use of the same and to such value for commercial and such other purposes as a company could use them for ; and (4) to the cost of procuring more valuable or modern improvements or appliances therefor, if any, and the cost of acquiring the right to use and of adapting such improvements, the arbitrators making all proper allowances but not allowing anything for prospective profits or franchise, and such amount so ascertained shall be the amount which the arbitrators shall award as the price to be allowed for the works and property hereunder.

(a4) Where in any of the said municipalities the municipal council desires to construct works as aforesaid to supply light for street lighting and other public uses on highways, or to supply water for street hydrants and other public uses on highways, but not for commercial purposes, the council may, by the said by-law,

limit the price to be offered as aforesaid to a price for part only or for the use of part or for the purchase of certain parts and the use of other parts of the works of a company, that is to say, to so much thereof as may be required for such public uses, and in the event of an arbitration hereunder thereafter held to determine as to such offer and price, the arbitrator or arbitrators shall have power after taking into consideration the effect of severance, if any, or user on the remaining property and business of the company to award a severance of the works if the arbitrator or arbitrators shall determine that after severance, if any, or user, the company will be, in all probability, having regard to the nature of the business and all the circumstances, in a position to successfully carry on that part of their business which consists in supplying private consumers at rates not less favorable to the consumers, the company to have the right to continue to operate the balance of their works for that purpose, and if the arbitrator or arbitrators shall so award a severance, they shall by their award, determine what part of the works the municipality shall acquire for said purposes before levying the said special rate, as well as the price thereof, but nothing herein contained shall affect the right of the council at any subsequent time to offer a price for the said balance of the said works, under the provisions of this Act.

(a5) And, if within one month, after the publication of any award made under article (a) or (a4) hereof the municipality shall give notice in writing to the company that they will not accept the terms thereof, their offer may be withdrawn provided they first pay all costs of the reference and award and provided also that in the event of such withdrawal the municipality shall not, until after the expiration of two years from such withdrawal be entitled to again avail themselves of the provisions of the clause under which the award is made.

(a6) In case there is any gas or electric light company supplying gas, electric energy or light or water company supplying water in any municipality the council may, by by-law, fix a price and terms to offer for the supply by contract by such gas or electric light company of gas or electric energy or light for street lighting and other public uses, or for the supply by contract by such water company of water for street hydrants and other public uses for a term of not less than five years and not more than ten years and after thirty days have elapsed after notice of such price and terms has been communicated to the company without the company's having accepted the same the council may, under the provisions of this Act, as to arbitrations, name and give notice of an arbitrator to determine the prices and terms of the contract for such supply of gas or electric light as aforesaid, and in case the company and the municipality do not agree, the said price and terms shall be determined by arbitration under this Act.

(a7) Upon an application in writing signed by not less than five ratepayers of the municipality the council of any municipality may, at its discretion, by by-law, permit the persons making such application to use the name of the municipal corporation for the purpose of taking proceedings to determine the price at which electric light shall be supplied to inhabitants of the municipality for domestic and other purposes ; provided that no such by-law shall be passed until the persons making such application have given satisfactory security to the council to indemnify the municipal corporation against all costs which may be incurred in the arbitration proceedings. After the passing of such by-law the said applicants may, in the name of the municipal corporation, name and give notice of an arbitrator to determine the price and terms of the contract for the supply of electric light or energy to the inhabitants of the municipality for domestic and all other lighting purposes ; and for the purposes in this paragraph set forth, the said applicants so acting in the name of the municipal corporation shall have the power to do all necessary things and take all necessary steps, and their acts shall be as binding upon the municipal corporation as if the said proceedings were taken by the municipal council thereof, and in case the company and the applicants so acting in the name of the municipal corporation do not agree, the said price shall be determined by arbitration under this Act. The municipal corporation shall have the right and is hereby authorized to take proceedings by arbitration in its own name for the purposes in this sub-section mentioned, and shall have all necessary powers for that purpose whether on its own motion or when used as in this sub-section is provided.

(a8) All the provisions of this section shall apply where an individual supplies electric light or electrical energy or gas or water for municipal and public purposes. In all such cases the municipal corporation and the individuals shall proceed hereunder