

Re-Power contract-
Coniagas

November 7, 1933

It is Mr. Tilley's view that if the Commission desires to get rid of this contract, it would be well advised to make a claim against the Reduction Company, based on a mistake having been made in the previous billing over the last fifteen or twenty years. The difference in the billing would be very largely in favor of the Commission, although I have not been able to ascertain the exact amount from the Operating Department, who inform me that owing to the difficulty of getting records on one-minute peaks prior to the time at which the Commission took over the Ontario Power Company, they have not been able to work up a statement.

I am of the opinion and Mr. Tilley agrees, that the right of the Commission to recover a larger amount is at least arguable. It is however complicated by (a), the billing and payment were made for a long period of years on the 150 horsepower minimum basis, and therefore the conduct of the parties is against the interpretation which the contract might otherwise bear, and (b), the Company might persuade the Courts to permit rectification of the contract, if they could prove that the intention was clearly against the automatic increase in firm power. Mr. Tilley's view is, however, and after discussing it with him, I am inclined to agree, that we should probably make some effort along this line if it is still the desire of