

SCHEDULE "8"

COST FOR CHANGES TO LINE INVENTORY

PART 1 **DEFINITIONS**

- 1.1 In this Agreement, "**Inventory Adjustment Unit Price**" means, for the first Contract Year, the sum of \$@@ and, for subsequent Contract Years, the Inventory Adjustment Unit Price for the first Contract Year as adjusted by applying the Price Adjustment Factor for each of those subsequent Contract Years as set out in Schedule 9 (Annual Adjustment Process).

PART 2 **CALCULATION OF THE CHANGES TO QUANTITY OF LINE**

- 2.1 If a notice is delivered under section 6.1 and if the change to Routine Line Inventory or Quantified Line Inventory is other than zero, then the Minister will calculate the value of the change to Routine and Quantified Line Inventory by multiplying the sum of all Line Kilometres that have been added or deleted during the Contract Year by the Inventory Adjustment Unit Price. The resulting value will become the value referenced in the definition of Changes to Line Inventory for the purpose of Schedule 9 (Annual Adjustment Process).
- 2.2 Then the Minister will also calculate the percentage change resulting from that notice by dividing the value of Changes to Line Inventory (as numerator) by the Annual Price (as denominator), and expressing the result as a percentage; and will notify the Contractor of the results of such calculations.