
**ALTAGAS NORTHWEST PROJECTS
UMBRELLA AGREEMENT**

May 28, 2010

ACCEPTED: FEB 17 2011
ORDER NO. G 2011


COMMISSION SECRETARY

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ALTAGAS NORTHWEST PROJECTS UMBRELLA AGREEMENT

THIS AGREEMENT is made the 28th day of May, 2010.

BETWEEN:

BRITISH COLUMBIA TRANSMISSION CORPORATION, a
Crown corporation with an office at Suite 1100, Four Bentall
Centre, 1055 Dunsmuir Street, Vancouver, BC V7X 1V5

("BCTC");

AND:

COAST MOUNTAIN HYDRO LIMITED PARTNERSHIP, a
limited partnership formed under the laws of British Columbia
with an office at Oceanic Plaza, P.O. Box 12510, 2500 - 1066
West Hastings Street, Vancouver, BC V6E 3X1

("CMHLP");

WHEREAS:

A. CMHLP beneficially holds certain agreements, rights and permits to develop the FK Project, including a proposed transmission line from the FK Project to Meziadin Junction (the "FK-Mez System") to interconnect the FK Project to the Transmission System, and has submitted an Interconnection Request to BCTC in accordance with the SGIP in connection therewith (the "FK IR");

B. CMHLP beneficially holds certain agreements, rights and permits to develop the Other Projects, and intends to develop the Other Projects in the future, including transmission lines between each of them and the FK Project to enable the electrical output of the Other Projects to be transmitted to the FK Project, and from there to the Transmission System;

C. The BC Government and BCTC have determined that the 287kV System is a better means to interconnect the FK Project (and ultimately the output of the Other Projects) to the Transmission System and to facilitate the supply of electricity to and the receipt of electricity from other future developments in the area, and has proposed interconnecting the FK Project to the 287kV System at the proposed Bob Quinn Substation and has requested that CMHLP agree to same and support and periodically make payments to BCTC to assist BCTC in respect of the development of the 287kV System;

D. BCTC and CMHLP have each agreed to interconnect the FK Project to the 287kV System at the Bob Quinn Substation by way of a proposed transmission line from the FK Project to the Bob Quinn Substation (the "FK-BQ System"), and CMHLP considers it to be in the best interests of its business activities to enter into this Agreement, and to participate in, support and periodically make payments to BCTC to assist BCTC in respect of the development of the 287kV System on the terms and conditions set out herein;

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B. As a result, CMHLP has determined that it will not proceed with the development of the FK-Mez System;

F. In addition to any electricity purchase agreements that CMHLP may enter into in respect of the Other Projects, CMHLP intends to enter into the EPA with BC Hydro in respect of the FK Project on terms and conditions that it considers beneficial, and it is anticipated that, pursuant to the EPA BC Hydro will be permitted to terminate the EPA if, at any time, CMHLP fails to perform its obligations under this Agreement, including its obligations to make any particular periodic payment to BCTC as and when required under this Agreement;

G. CMHLP anticipates that entering into this Agreement also will benefit its business interests relating to first nation and financing agreements; and

H. The Parties wish to set out their agreement in respect of the development of, and the terms and conditions of interconnecting the FK Project and the output of the Other Projects to the 287kV System, all on and subject to the terms and conditions set out herein, including without limitation the terms and conditions of this Agreement addressing, among other things, the agreement between the Parties to move the Point of Interconnection for the FK Project to the Bob Quinn Substation, and the FK Project SGIA addressing the terms and conditions of interconnection service to be provided by BCTC to CMHLP at the Bob Quinn Substation in connection with the FK Project and the output of the Other Projects, which terms and conditions include the continued performance by CMHLP of its obligations hereunder.

IN CONSIDERATION of \$1 paid by each of the Parties to the other and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Parties) and the mutual promises contained in this Agreement the Parties agree as follows:

**SECTION 1
INTERPRETATION**

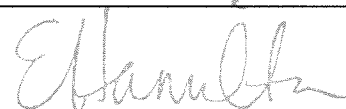
1.1 **Definitions.** In this Agreement, capitalized words not otherwise defined will have the meanings given to them in the SGIP, and:

- (a) "287kV System" means a 287kV transmission line and related facilities between BC Hydro's Skeena substation and the Bob Quinn Substation;
- (b) "287kV System ISD" means the in-service date of the 287kV System;
- (c) "287kV System Target ISD" means the date that is four months before the FK Project Target ISD, or such later date as designated pursuant to Section 3.5, 3.8 and 8.3(a)(iv);
- (d) "Agreement" means this Altgas Northwest Projects Umbrella Agreement, and all of the Schedules hereto, as they may be amended, replaced or supplemented from time to time;
- (e) "BC Hydro" means British Columbia Hydro and Power Authority;
- (f) "Bob Quinn Substation" means a new substation to be constructed as part of the 287kV System in the vicinity of Bob Quinn Lake;

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- (g) "Business Day" means any day except Saturdays, Sundays or statutory holidays in British Columbia;
- (h) "CMHLP Payments" means the amounts to be paid by CMHLP to BCTC pursuant to Schedule B;
- (i) "Decision Date" means December 1, 2010;
- (j) "Default" has the meaning given to that term in Section 8.1;
- (k) "Dispute" has the meaning given to that term in Section 9.1;
- (l) "Dispute Notice" has the meaning given to that term in Section 9.2;
- (m) "EPA" has the meaning given to that term in Section 5.1(a)(iii);
- (n) "Federal Contribution" has the meaning given to that term in Section 5.1(b)(i);
- (o) "FK IR" has the meaning given to that term in Recital A;
- (p) "FK IR Queue Position" has the meaning given to that term in Section 2.1;
- (q) "FK Project" means CMHLP's proposed Forrest Kerr Hydroelectric Project, a 195 MW hydroelectric generating facility to be located on the Iskut River near its confluence with Forrest Kerr Creek;
- (r) "FK Project ISD" means the Commercial Operation Date (as that term is defined in the EPA) of the FK Project;
- (s) "FK Project SGIA" means a modified standard generator interconnection agreement in accordance with the SGIP for the FK Project in the form attached hereto as Schedule G;
- (t) "FK Project Target ISD" means July 1, 2014, which as of the date of this Agreement is CMHLP's target Commercial Operation Date (as that term is defined in the EPA) pursuant to the EPA, or such later date as designated pursuant to Section 3.7;
- (u) "FK-BQ System" has the meaning given to that term in Recital A;
- (v) "FK-Mez System" has the meaning given to that term in Recital A;
- (w) "Force Majeure" means any act of God, civil disobedience, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, including without limitation any injunction or declaration relating to the obligation to consult with and accommodate the interests of First Nations, or any other cause beyond a Party's control, but does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure;

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- (x) "GST/HST" means the tax payable under Part IX of the *Excise Tax Act* (Canada);
- (y) "Mclymont Project" means CMHLP's proposed 66 MW Mclymont project to be located on Mclymont Creek, near its confluence with the Iskut River, in Northern British Columbia;
- (z) "Mediation Notice" has the meaning given to that term in Section 9.3(a);
- (aa) "Mediation Period" has the meaning given to that term in Section 9.3(b);
- (bb) "Meziadin Junction" means BC Hydro's Meziadin Junction substation;
- (cc) "Negotiation Meeting" has the meaning given to that term in Section 9.2;
- (dd) "NTL Working Group" has the meaning given to that term in Section 10.1;
- (ee) "Other Projects" means the Mclymont Project and the Volcano Project;
- (ff) "Parties" means the parties to this Agreement, and "Party" means any one of them;
- (gg) "Person" means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization, association or governmental authority;
- (hh) "Prime Rate" means the floating prime interest rate announced from time to time by the main branch of Bank of Montreal in Vancouver, or any successor thereto, expressed as an annual rate, as the reference rate it will use to determine rates of interest payable on Canadian dollar commercial loans made in Canada;
- (ii) "Security" means the security to be granted by CMHLP to BCTC pursuant to Schedule B;
- (jj) "Security Date" means the earlier of (i) the date agreed upon by the Parties as contemplated by Section 7.2; and (ii) the date on which BCTC provides written notice to CMHLP waiving its rights pursuant to Section 7.2;
- (kk) "SGIP" means BCTC's Standard Generator Interconnection Procedures tariff, as amended or replaced from time to time;
- (ll) "Transmission System" means those facilities owned by BC Hydro or BCTC, and operated by BCTC, over or in connection with which BCTC offers service under its Open Access Transmission Tariff; and
- (mm) "Volcano Project" means CMHLP's proposed 16 MW Volcano project to be located on Volcano Creek, in Northern British Columbia.

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1.2 Interpretation. For the purposes of this Agreement, except as otherwise expressly provide herein:

- (a) all references in this Agreement to a designated section, subsection, paragraph, or other subdivision, or to a Schedule, is to the designated section, subsection, paragraph or other subdivision of or Schedule to this Agreement unless otherwise specifically stated, and includes in respect of those Schedules that contain the form of an agreement to entered into by two or more of the Parties, any such agreement entered into by such Parties;
- (b) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, subsection, paragraph or other subdivision of or Schedule to this Agreement;
- (c) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (d) the word "including" whether or not followed by the words "without limitation" or similar words means "including but not limited to";
- (e) all references to money in this Agreement refer to lawful money of Canada and all amounts to be calculated or paid pursuant to this Agreement are to be calculated and paid in lawful money of Canada;
- (f) all references to any statute in this Agreement includes any subsequent legislation enacted in substitution thereof and all regulations made thereunder; and
- (g) any reference to a corporate or other business entity includes and is also a reference to any corporate or other business entity that is a successor to such entity by operation of law or is a permitted assignee.

1.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, without reference to its conflict of law principles, and, subject to Section 9, the Parties submit and attorn to the exclusive jurisdiction of the Courts of the Province of British Columbia.

1.4 Headings. The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

1.5 Entire Agreement. This Agreement constitutes the entire agreement among the Parties and supersedes all prior understandings, representations, communications and agreements, oral or written, by and among the Parties with respect to the subject matter of this Agreement. No inducements have been made, given or relied upon by any one or more of such entities in connection herewith.

1.6 Schedules. The following are the Schedules attached to and forming a part of this Agreement:

Schedule A	Form of Letter of Credit;
Schedule B	CMHLP Payments and Security;

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Schedule C	FK Project Budget;
Schedule D	287kV System Budget;
Schedule E	Melymont Project Budget;
Schedule F	Volcano Project Budget; and
Schedule G	FK Project SGIA.

SECTION 2
FK PROJECT AND OTHER PROJECTS INTERCONNECTION

2.1 **Development of FK Project.** CMHLP shall use its reasonable commercial efforts to achieve a FK Project ISD on or before July 1, 2014.

2.2 **FK IR.** The Parties acknowledge that:

- (a) CMHLP has submitted the FK IR to BCTC, and the FK IR has been assigned a Queue Position in accordance with the SGIP (the "FK IR Queue Position"); and
- (b) the FK IR contemplates the output of both the FK Project and the Other Projects, and once executed the FK Project SGIA will provide for Network Resource Interconnection Service sufficient to accommodate both the FK Project and the output of the Other Projects.

2.3 **FK IR Process.** The FK IR shall be processed by BCTC in accordance with the SGIP. CMHLP shall be responsible for and pay to BCTC all study costs in connection with the FK IR as contemplated by the SGIP. The Parties agree that they have identified changes to the planned interconnection of the FK Project that may improve costs and benefits of the interconnection as contemplated by Section 4.4 of the SGIP, and have agreed to modify the Point of Interconnection and configuration of the FK IR to specify a Point of Interconnection for the FK Project at the Bob Quinn Substation on the 287kV System.

2.4 **FK Project SGIA.** BCTC and CMHLP shall enter into the FK Project SGIA in connection with the FK IR in accordance with the processes set out in the SGIP as though it was a Standard Generator Interconnection Agreement.

2.5 **CMHLP Representations.** CMHLP hereby represents, warrants and covenants to and with BCTC that: (i) as of the date hereof it holds the beneficial interest in all agreements, rights and permits to develop the FK Project and the Other Projects as may exist as of the date hereof; and (ii) subject to Section 11.7, it will continue to be the holder of the beneficial interest in all agreements, rights and permits in connection with the FK Project and the Other Projects.

SECTION 3
THE 287KV SYSTEM

3.1 **Development of the 287kV System.** BCTC shall use its reasonable commercial efforts to achieve a 287kV System ISD on or before the later of: (i) the date that is four months before the FK Project Target ISD; (ii) the 287kV System Target ISD as extended in accordance with Sections 3.5 or 8.3(a)(iv) only, and for certainty, excluding any extensions of the 287kV

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System Target ISD in accordance with Section 3.8 for reasons other than those contemplated by Sections 3.5 or 8.3(a)(iv).

3.2 CMHLP Payments Details. CMHLP agrees to pay to BCTC the CMHLP Payments to assist with the costs to be incurred by BCTC in connection with BCTC's development and operation of the 287kV System and the provision by BCTC of Interconnection Service to CMHLP at Bob Quinn Substation in connection with the FK Project and the output of the Other Projects, and CMHLP agrees to provide the Security, each as provided for in Schedule B. Where the Security is in the form of a letter of credit, such letter of credit shall be substantially in the form attached hereto as Schedule A and shall be issued or advised by a branch in Vancouver, Canada of one or more financial institutions having an A- or better credit rating from Standard & Poors Rating Group or the equivalent thereof from Moody's Investors Service, Inc., or such other financial institution(s) acceptable to BCTC. Interest will accrue on those portions of the CMHLP Payments not paid by the date specified in Schedule B at the Prime Rate plus 3%, compounded monthly. So long as this Agreement remains in force and effect, except for the CMHLP Payments and other rates and charges payable to BCTC under this Agreement and the FK Project SGIA (which CMHLP acknowledges will include a requirement to post a letter of credit in respect of certain Network Upgrades at Bob Quinn Substation), CMHLP shall not have any responsibility or liability for any costs relating to, or to contribute additional monies in respect of, the development or operation of the 287kV System, or in connection with receiving Interconnection Service for the FK Project and the output of the Other Projects at Bob Quinn Substation.

3.3 Security. If CMHLP fails to pay all or any of the CMHLP Payments as required by this Agreement or any other amounts it is obligated to pay pursuant to or in connection with this Agreement, BCTC shall be entitled to draw upon and enforce the Security to recover the unpaid amounts plus accrued interest on those amounts where applicable.

3.4 Cooperation in Regulatory Processes. CMHLP shall cooperate with BCTC, and provide such assistance as BCTC may reasonably request, towards the successful completion of all permitting and approval processes in connection with the 287kV System. CMHLP shall make such of its personnel and its general partner's personnel available as may reasonably be required for purposes of the foregoing to participate in, respond to inquiries in connection with, and provide all reasonable information and data in connection with, all such permitting and approval processes.

3.5 Standstill. CMHLP shall not: (i) proceed with the construction of all or any part of the FK-Mez System except to the extent necessary to interconnect the FK Project to the 287kV System at the Bob Quinn Substation or to preserve its rights to proceed with the development of the FK-Mez System in the event this Agreement is terminated; or (ii) do anything or take any steps that could reasonably be expected to interfere with, prevent or delay the development or construction of the 287kV System without first advising BCTC and attempting to minimize and mitigate any such impacts, and to the extent unmitigated, BCTC may, acting reasonably, extend the 287kV System Target ISD to take into account such impacts on written notice to CMHLP. All costs incurred by CMHLP to interconnect the FK Project to the 287kV System at the Bob Quinn Substation or to preserve its rights to proceed with the development of the FK-Mez System shall be at CMHLP's sole risk.

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3.6 Pioneer Rights. CMHLP acknowledges and agrees that it shall not acquire in connection with this Agreement or the matters contemplated hereby any rights, capacity, reservations, compensation or service in connection with or on the 287kV System, or any part thereof, other than pursuant to the FK Project SGIA and this Agreement. For greater certainty, CMHLP shall not acquire or have any ownership in or ownership-like rights to the 287kV System, or any part thereof, or the right to receive reimbursement for any of the CMHLP Payments or any other costs associated with the 287kV System or any portion of any revenues that may be received from future users of the 287kV System other than pursuant to this Agreement.

3.7 Changes to FK Project Target ISD. At BCTC's request from time to time CMHLP shall consider the reasonableness of the FK Project Target ISD. If at any time, or from time to time, whether as a result of BCTC's request or otherwise, CMHLP determines in good faith and acting reasonably that it will not require Interconnection Service for the FK Project on the 287kV System Target ISD, it shall, as soon as practicable, provide written notice to BCTC extending the FK Project Target ISD to such later date as is four months after the date on which CMHLP reasonably expects it will require Interconnection Service for the FK Project, and the 287kV System Target ISD shall be correspondingly extended pursuant to Section 3.1.

3.8 Changes to 287kV System Target ISD. At CMHLP's request from time to time BCTC shall consider the reasonableness of the 287kV System Target ISD. If at any time, or from time to time, whether as a result of CMHLP's request or otherwise, BCTC determines in good faith and acting reasonably that it will not achieve 287kV System ISD by the 287kV System Target ISD, it shall, as soon as practicable, provide written notice to CMHLP extending the 287kV System Target ISD to such later date as it reasonably expects to achieve 287kV System ISD.

SECTION 4
SHARING OF UNDERAGES

4.1 Sharing of Underages on the FK Project and the 287kV System.

- (a) No later than one hundred and eighty (180) days after the FK Project ISD or the 287kV System ISD, whichever is last to occur (or such later date as CMHLP and BCTC, both acting reasonably, may agree as appropriate to resolve any outstanding contractor claims in relation to the FK Project and the 287kV System, as the case may be):
 - (i) CMHLP shall prepare and deliver to BCTC a detailed accounting (the "FK Project Accounting") of all costs incurred by CMHLP in the development and construction of the FK Project corresponding to those same categories of costs as set out in the detailed budget for the FK Project attached hereto as Schedule C, and bona fide incentive or bonus payments paid or due and owing by CMHLP to independent arm's length contractors for having completed work on the FK Project early or under budget (collectively, the "FK Project Costs"), and attaching copies of all invoices and other evidence reasonably substantiating all such costs; and

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- (ii) BCTC shall prepare and deliver to CMHLP a detailed accounting (the "287kV Accounting") of all costs incurred by BCTC in the development and construction of the 287kV System corresponding to those same categories of costs as set out in the detailed budget for the FK Project attached hereto as Schedule D, and bona fide incentive or bonus payments paid or due and owing by BCTC to independent arm's length contractors for having completed work on the 287kV System early or under budget (collectively, the "287kV System Costs"), and attaching copies of all invoices and other evidence reasonably substantiating all such costs.
- (b) For a period of ninety (90) days after receipt by BCTC of the FK Project Accounting CMHLP shall provide BCTC, and/or a third party designated by BCTC, with reasonable and timely access to all of CMHLP's books and records relevant to determining the FK Project Costs, and to the premises where such books and records are located, to enable appropriate reviews, audits, inspections, examinations and monitoring to be conducted relating thereto, to verify the FK Project Accounting, and CMHLP shall, and shall ensure that all of its personnel, provide full co-operation and assistance to BCTC in connection therewith.
- (c) For a period of ninety (90) days after receipt by CMHLP of the 287kV Accounting BCTC shall provide CMHLP, and/or a third party designated by CMHLP, with reasonable and timely access to all of BCTC's books and records relevant to determining the 287kV System Costs, and to the premises where such books and records are located, to enable appropriate reviews, audits, inspections, examinations and monitoring to be conducted relating thereto, to verify the 287kV Accounting, and BCTC shall, and shall ensure that all of its personnel, provide full co-operation and assistance to BCTC in connection therewith.
- (d) BCTC may initiate a Dispute as to the accuracy of the FK Project Accounting pursuant to Section 9 by delivering a Dispute Notice no later than ten (10) days after the expiry of the ninety (90) day audit period contemplated in Section 4.1(b). CMHLP may initiate a Dispute as to the accuracy of the 287kV Accounting pursuant to Section 8 by delivering a Dispute Notice no later than ten (10) days after the expiry of the ninety (90) day audit period contemplated in Section 4.1(c). If BCTC or CMHLP fails to deliver a Dispute Notice within such period, it shall be deemed to have accepted the FK Project Accounting or 287kV Accounting, respectively, as accurate and may not thereafter initiate a Dispute in connection therewith other than in connection with fraud or willful misconduct of the other party.
- (e) For purposes of Section 4.1(f), "Underages Payment" means an amount calculated in accordance with the following formula:

$$FKU - 287U$$

where:

- (A) "FKU" represents the FK Project underage, if any, and is equal to the greater of zero and

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$$\frac{(95\% \times E) - \text{FK Project Costs}}{2}$$

where E = the budgeted FK Project Costs as set out in the budget for the FK Project attached hereto as Schedule C; and

- (B) "287U" represents the 287kV System underage, if any, and is equal to the greater of zero and

$$\frac{(95\% \times E) - 287\text{kV System Costs}}{2}$$

where E = the budgeted 287kV System Costs as set out in the budget for the 287kV System attached hereto as Schedule D.

- (f) Within thirty (30) days of the last to occur of:
- (i) expiry of the ninety (90) day audit period contemplated in Section 4.1(b);
 - (ii) expiry of the ninety (90) day audit period contemplated in Section 4.1(c); and
 - (iii) final resolution of all Disputes initiated within the ten (10) day periods contemplated in Section 4.1(d),

if the Underages Payment is a positive number, CMHLP shall pay the Underages Payment to BCTC, or if the Underages Payment is a negative number, BCTC shall pay the absolute value of the Underages Payment to CMHLP, in each case plus applicable GST/HST.

4.2 Sharing of Underages on the Other Projects.

- (a) No later than ninety (90) days after the Commercial Operation Date (as that term is defined in the electricity purchase agreement between BC Hydro and CMHLP applicable to the Other Project) for each of the Other Projects (or such later date as CMHLP and BCTC, both acting reasonably, may agree as appropriate to resolve any outstanding contractor claims in relation to the applicable Other Project, as the case may be), CMHLP shall prepare and deliver to BCTC a detailed accounting (each, an "Other Projects Accounting") of all costs incurred by CMHLP in the development and construction of the applicable Other Project corresponding to those same categories of costs as set out in the detailed budget for such Other Project attached hereto as Schedule E or F, as applicable, and bona fide incentive or bonus payments paid or due and owing by CMHLP to independent arm's length contractors for having completed work on such Other Project early or under budget (collectively, the "Other Project Costs"), and attaching copies of all invoices and other evidence reasonably substantiating all such costs; and
- (b) For a period of ninety (90) days after receipt by BCTC of an Other Project Accounting CMHLP shall provide BCTC, and/or a third party designated by

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BCTC, with reasonable and timely access to all of CMHLP's books and records relevant to determining the Other Project Costs, and to the premises where such books and records are located, to enable appropriate reviews, audits, inspections, examinations and monitoring to be conducted relating thereto, to verify such Other Project Accounting, and CMHLP shall, and shall ensure that all of its personnel, provide full co-operation and assistance to BCTC in connection therewith.

- (c) BCTC may initiate a Dispute as to the accuracy of an Other Project Accounting pursuant to Section 9 by delivering a Dispute Notice no later than ten (10) days after the expiry of the ninety (90) day audit period contemplated in Section 4.2(b). If BCTC fails to deliver a Dispute Notice within such period, it shall be deemed to have accepted such Other Project Accounting as accurate and may not thereafter initiate a Dispute in connection therewith other than in connection with fraud or willful misconduct of CMHLP.
- (d) For purposes of Section 4.2(e), "Underages Payment" means an amount calculated in accordance with the following formula:

$$\frac{(95\% \times E) - \text{Other Project Costs}}{2}$$

where E equals:

- (i) for the McIymont Project, the budgeted Other Project Costs for the McIymont Project as set out in the budget for the McIymont Project attached hereto as Schedule E; and
 - (ii) for the Volcano Project, the budgeted Other Project Costs for the Volcano Project as set out in the detailed budget for the Volcano Project attached hereto as Schedule F.
- (e) Within thirty (30) days of the last to occur of the following in respect of each Other Project:
 - (i) expiry of the ninety (90) day audit period contemplated in Section 4.1(b);
 - (ii) final resolution of all Disputes initiated within the ten (10) day periods contemplated in Section 4.1(d),

if the Underages Payment in respect of that Project is a positive number, CMHLP shall pay the Underages Payment to BCTC, plus applicable GST/HST.

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**SECTION 5
CONDITIONS PRECEDENT**

5.1 **BCTC's Conditions Precedent**. BCTC's obligations pursuant to Section 2.3 and Section 3 and Section 4 are subject to the following conditions being fulfilled, performed or waived by the specified date:

- (a) by June 30, 2010:
 - (i) the Province of British Columbia and BCTC having made arrangements on terms and conditions satisfactory to BCTC, providing for funding of BCTC's costs of developing the 287kV System through to the Decision Date, other than any costs actually funded by the CMHLP Payments or the Federal Contribution;
 - (ii) approval of this Agreement by BCTC's Board of Directors; and
 - (iii) BCTC having received confirmation from BC Hydro that CMHLP and BC Hydro have entered into an electricity purchase agreement in connection with the FK Project (the "EPA") on terms and conditions satisfactory to BC Hydro;
- (b) by the Decision Date, on terms and conditions satisfactory to BCTC:
 - (i) the Government of Canada and the Province of British Columbia having entered into a binding agreement pursuant to which the Government of Canada has agreed to make a financial contribution to the development of the 287kV System ("Federal Contribution");
 - (ii) BCTC having received an Environmental Assessment Certificate pursuant to the *Environmental Assessment Act*, SBC 2002, c. 43 for the 287kV System,
 - (iii) a decision has been made by responsible authorities, under section 20(1)(a) or 37(1)(a) of the *Canadian Environmental Assessment Act*, S.C. 1992, that the 287kV System is not likely to cause significant adverse environmental effects, or that, if the 287kV System is likely to cause significant adverse environmental effects, those effects can be justified in the circumstances;
 - (iv) BCTC having obtained a certificate of public convenience and necessity under sections 45 and 45 of the *Utilities Commission Act*, RSBC 1996, c. 473, as amended ("UCA") in respect of the 287kV System, or BCTC having been exempted from the requirement to obtain such a certificate, or the requirement to obtain such a certificate being eliminated;
 - (v) the Lieutenant Governor in Council having issued a direction pursuant to s. 3 of the UCA with respect to the regulation of the 287kV System, or the requirement for such a direction is eliminated; and

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- (vi) this Agreement together with the FK SGIA are determined as just, reasonable and lawful rates for the services provided by BCTC pursuant hereto, or BCTC has been exempted from the requirement to obtain such a determination, or the requirement for such a determination is eliminated;
- (c) by the Decision Date, BCTC receiving confirmation from BC Hydro that on terms and conditions satisfactory to BC Hydro:
 - (i) the EPA has been accepted for filing under section 71 of the UCA, or BC Hydro has been exempted from the requirement to file the EPA, or the requirement to file the EPA is eliminated; and
 - (ii) the Lieutenant Governor in Council has issued a direction pursuant to s. 3 of the UCA with respect to the regulation of the EPA, or the requirement for such a direction is eliminated.

5.2 Sole Benefit of BCTC. CMHLP agrees that the conditions set out in Section 5.1 are for the sole benefit of BCTC, and that none of such conditions shall be waived except by written notice from BCTC or its solicitors to CMHLP or its solicitors.

5.3 CMHLP Bound. Notwithstanding that Section 5.1 may leave discretion in BCTC whether to perform pursuant to Section 2.3 and Section 3 and Section 4 CMHLP agrees, for \$10 and other good and valuable consideration, that it shall be bound by this Agreement.

5.4 CMHLP's Conditions Precedent. CMHLP's obligations pursuant to Sections 2.1, 2.3 and Section 3 and Section 4 are subject to the following conditions being fulfilled, performed or waived by June 30, 2010:

- (a) CMHLP and BC Hydro having entered into the EPA on terms and conditions satisfactory to CMHLP;
- (b) approval of this Agreement by the Board of Directors of each of CMHLP's general partners; and
- (c) CMHLP having entered into an Impact Benefits Agreement with the Tahltan First Nation in respect of the FK Project on terms and conditions satisfactory to CMHLP, and a letter of intent or similar arrangement to enter into Impact Benefits Agreements in respect of the Other Projects on similar terms and conditions.

5.5 Sole Benefit of CMHLP. BCTC agrees that the conditions set out in Section 5.4 are for the sole benefit of CMHLP, and that none of such conditions shall be waived except by written notice from CMHLP or its solicitors to BCTC or its solicitors.

5.6 BCTC Bound. Notwithstanding that CMHLP's conditions may leave discretion in CMHLP whether to perform pursuant to Sections 2.1, 2.3 and Section 3 and Section 4 BCTC agrees, for \$10 and other good and valuable consideration, that BCTC shall be bound by this Agreement.

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SECTION 6
FORCE MAJEURE

6.1 **Force Majeure.** A Party shall not be considered in Default to the extent it is prevented or delayed in performing one or more of its obligations hereunder by Force Majeure. A Party relying upon Force Majeure shall give prompt written notice to the other Party of any such Force Majeure and shall use all commercially reasonable efforts to mitigate the effect of the Force Majeure. Where a time or period of time is stipulated for the performance of any obligation and Force Majeure has been relied upon as delaying such performance, the time or period of time for such performance shall be extended by the length of time the Force Majeure operates to delay or prevent such performance.

SECTION 7
ABANDONMENT AND TERMINATION

7.1 **Termination for Failure to Satisfy Conditions Precedent.** This Agreement shall terminate, without liability or penalty attaching to any Party, if any of the conditions precedent set out in Section 5 are not fulfilled, performed or waived within the times specified.

7.2 **Termination for Legal Proceedings.** BCTC may terminate this Agreement on written notice to CMHLP delivered no later than a date to be agreed upon by the Parties if at the time such notice is given:

- (a) an appeal or judicial review of, or any other legal action challenging any of, the decisions, instruments or other matters referred to in Section 5.1(b) or 5.1(c) or the decision by BC Hydro to enter into the EPA commenced within any applicable limitation or appeal period is pending, and BCTC determines in its sole and absolute discretion that such appeal, judicial review or other legal action may succeed;
- (b) any such appeal or judicial review or legal action is so commenced, and the outcome of any such appeal or judicial review or legal action is that any of the decisions, instruments or other matters referred to in Section 5.1(b) or 5.1(c) or the decision by BC Hydro to enter into the EPA is reversed, quashed or otherwise no longer remains in force; or
- (c) BCTC has determined, acting reasonably, that an appeal or judicial review or legal action challenging any of, the decisions, instruments or other matters referred to in Section 5.1(b) or 5.1(c) or the decision by BC Hydro to enter into the EPA is likely to be commenced, and if it were to be commenced BCTC has determined in its sole and absolute discretion that such appeal, judicial review or other legal action may succeed.

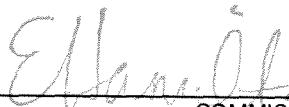
7.3 **Termination for Default.** If:

- (a) BCTC is in Default then CMHLP may terminate this Agreement on notice to BCTC; or

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- (b) CMHLP is in Default then BCTC may terminate this Agreement on notice to CMHLP,

provided, in each such case where the alleged Default is pursuant to Section 8.1(b), the termination notice must be given within ten (10) days after the expiry of the fourteen (14) day notice period contemplated by Section 8.1(b).

7.4 Termination for Termination of EPA.

- (a) CMHLP may terminate this Agreement on notice to BCTC if the EPA is terminated for any reason other than:
- (i) a Buyer Termination Event (as defined in the EPA); or
 - (ii) pursuant to Section 16.1(b) of the EPA, unless termination occurred because Force Majeure Days (as defined in the EPA) exceeded the applicable limit established by that provision,

provided the termination notice must be given within ten (10) days after the termination of the EPA.

- (b) BCTC may terminate this Agreement on notice to CMHLP if the EPA is terminated pursuant to Section 16.1(b) of the EPA, unless termination occurred because Force Majeure Days (as defined in the EPA) exceeded the applicable limit established by that provision, provided the termination notice must be given within ten (10) days after the termination of the EPA.

7.5 Effect of Termination and Survival. From and after the termination of this Agreement for any reason, no Party shall have any further obligations to or rights against the other Party in respect of this Agreement, except as follows:

- (a) if
- (i) this Agreement terminates pursuant to Section 7.1;
 - (ii) BCTC terminates this Agreement pursuant to Section 7.2;
 - (iii) CMHLP terminates this Agreement pursuant to Section 7.3; or
 - (iv) CMHLP terminates this Agreement pursuant to Section 7.4(a) because the EPA has terminated:
 - (A) because of a Seller Termination Event (as defined in the EPA); or
 - (B) because the duration of Force Majeure (as defined in the EPA) resulting from a delay in the 287kV System ISD exceeded the applicable limit established by 16.1(b), 16.1(c) or 16.2(b) of the EPA, provided however for certainty, any delays resulting from impacts described in 3.5(ii) or suspension of performance pursuant to Section 8.3(a)(iv) shall not form part of the period of Force

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Majeure (as defined in the EPA) resulting from a delay in the 287kV System ISD for purposes of this paragraph (B);

then:

- (v) where CMHLP terminates this Agreement pursuant to Section 7.4(a) because of the termination of the EPA for a Seller Termination Event (as defined in the EPA) after COD (as defined in the EPA), BCTC shall be entitled to keep all CMHLP Payments paid by CMHLP and CMHLP shall be relieved of its obligations hereunder in respect of the remaining unpaid balance of the CMHLP Payments, and BCTC shall return, release and discharge all Security; and
 - (vi) in all other circumstances described in (a)(i) to (iv), BCTC shall reimburse CMHLP for all CMHLP Payments paid by CMHLP to BCTC, CMHLP shall be relieved of its obligations hereunder in respect of the remaining unpaid balance of the CMHLP Payments, and BCTC shall return, release and discharge all Security; and
 - (vii) at BCTC's request, CMHLP will work together with BCTC and consider in good faith the purchase by CMHLP of all materials, equipment and other facilities procured or developed by BCTC in connection with the 287kV System that are reasonably useful to CMHLP in connection with the FK-Mez System on terms and conditions acceptable to BCTC and to CMHLP, acting reasonably;
- (b) if BCTC terminates this Agreement pursuant to Section 7.3 from and after FK Project ISD, BCTC shall continue to have, in addition to any other rights or remedies it may have under this Agreement and applicable laws, its rights and remedies pursuant to Section 8.3(a);
 - (c) if CMHLP terminates this Agreement pursuant to Section 7.4(a) for any reason other than those described in 7.5(a)(iv) then BCTC shall be entitled to keep all CMHLP Payments paid by CMHLP to the extent spent or committed, but in respect of amounts committed, only to the extent such amounts may not be reduced by cancellation, forfeiture of deposits, or other reasonable commercial mitigation opportunities, and BCTC shall return the balance of all CMHLP Payments paid by CMHLP and CMHLP shall be relieved of its obligations hereunder in respect of the remaining unpaid balance of the CMHLP Payments, and BCTC shall return, release and discharge all Security; and
 - (d) if BCTC terminates this Agreement pursuant to Section 7.3 at any time before the FK Project ISD or pursuant to Section 7.4(b), a portion of the CMHLP Payments equal to \$120 million less those CMHLP Payments already paid by CMHLP and received by BCTC shall immediately become due and payable by CMHLP to BCTC, and BCTC shall be entitled to:
 - (i) keep all CMHLP Payments paid by CMHLP and received by BCTC;
 - (ii) draw down the Security, and apply the proceeds thereof against:

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- (A) any amounts payable by CMHLP, including without limitation any amounts payable by CMHLP pursuant to this Section 7.5(d); and
- (B) the costs of developing, constructing and operating the 287kV System, including without limitation any deconstruction and related costs in the event BCTC elects to deconstruct any or all of the 287kV System.

For certainty, on termination of this Agreement, the agreement contained herein to modify the Point of Interconnection and configuration of the FK Project IR to specify a Point of Interconnection for the FK Project at the Bob Quinn Substation on the 287kV System pursuant to Section 2.3 terminates, and the Point of Interconnection of the FK Project IR shall revert to Meziadin Junction and remain subject to the SGIP without modification in any way by this Agreement. If the 287kV System is subsequently developed, any Interconnection Request for the FK Project or any of the Other Projects, whether or not specifying a Point of Interconnection at any point on the 287kV System, shall be subject to the SGIP and all applicable rates for Interconnection Service pursuant thereto, provided however, where BCTC terminated this Agreement pursuant to Section 7.3 or 7.4(b), or CMHLP terminated this Agreement pursuant to Section 7.4(a) for any reason other than those described in 7.5(a)(iv), and any such Interconnection Request specifies a Point of Interconnection at any point on the 287kV System, CMHLP's rate for Interconnection Service for the FK Project or Other Project(s) which are the subject of such Interconnection Request shall be modified to be the greater of: (i) the sum of all CMHLP Payments not received by BCTC pursuant to this Agreement either because of the termination of this Agreement or because CMHLP was relieved from its obligations to make such CMHLP Payments; and (ii) all applicable rates for Interconnection Service, less a credit equivalent to those CMHLP Payments received and retained by BCTC pursuant to this Agreement. This Section 7.5 sets out the Parties' sole and exclusive remedies against the others in the event of a termination of this Agreement. This Section 7.5 shall survive the termination of this Agreement.

**SECTION 8
DEFAULT / REMEDIES**

- 8.1 **Default.** A Party is in default (a "Default") if:
- (a) it fails to pay any amount due under this Agreement in full within 5 days after a non-defaulting Party has in writing demanded that such failure be cured;
 - (b) it fails to observe, perform or carry out any of its material obligations hereunder (except those covered by paragraph (a) above) and such failure continues for 14 days after a non-defaulting Party has in writing demanded that such failure be cured;
 - (c) it is declared bankrupt, or a receiver or receiver-manager is appointed for the whole or any part of its assets, or makes an assignment for the benefit of creditors generally;

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- (d) it institutes or there is instituted against it any formal or informal proceeding for its dissolution or liquidation, settlement of claims against it, or winding-up of its affairs;
- (e) it is CMHLP, and BCTC receives notice, as provided for in the special condition contained in the form of letter of credit attached hereto as Schedule A, that any letter of credit posted as part of the Security will expire, and BCTC does not receive a replacement letter of credit that complies with CMHLP's obligations under this Agreement on or before the date that is fifteen (15) days before the date of expiry of the original letter of credit; or
- (f) it is CMHLP, and the EPA is terminated by BC Hydro for a Buyer Termination Event (as defined in the EPA).

8.2 **Effect of Default.** Without limitation, in the event CMHLP is in Default:

- (a) prior to COD (as defined in the EPA), a portion of the CMHLP Payments equal to \$120 million less those CMHLP Payments already paid by CMHLP and received by BCTC shall immediately become due and payable by CMHLP to BCTC;
- (b) after COD (as defined in the EPA), the present value of the balance of all CMHLP Payments not yet paid by CMHLP as of the date of the Default, as calculated by BCTC using a discount rate of 8%, shall become due and payable by CMHLP to BCTC no later than thirty (30) days after the Default. BCTC shall provide notice of such amount to CMHLP no later than ten (10) days after it learns of the Default; and
- (c) as contemplated by Section 8.1(e), a portion of the CMHLP Payments equal to the then current amount of the Security shall immediately become due and payable by CMHLP to BCTC.

8.3 **Remedies.**

- (a) In the event CMHLP is in Default, BCTC may exercise any or all of the following rights and remedies, which shall be cumulative and without prejudice to any other rights that BCTC may have under this Agreement or applicable laws:
 - (i) apply to a court of competent jurisdiction for any relief by way of restraining order, mandatory or other injunctions, specific performance, decree, or otherwise that may be appropriate to ensure strict compliance with the provisions of this Agreement;
 - (ii) keep all CMHLP Payments paid by CMHLP and received by BCTC;
 - (iii) draw down the Security, and apply the proceeds thereof against:
 - (A) any amounts payable by CMHLP, including without limitation any amounts payable by CMHLP pursuant to Sections 8.2(a) and 8.2(c);

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- (B) the costs of developing, constructing and operating the 287kV System, including without limitation any deconstruction and related costs in the event BCTC elects to deconstruct any or all of the 287kV System; and
- (C) any other liability, loss, cost, action, claim or expense suffered or incurred by BCTC to the extent related to CMHLP's Default; and
- (iv) for so long as such Default subsists, BCTC may, on written notice to CMHLP, suspend the performance of any or all of its obligations under this Agreement, and on resumption BCTC may, acting reasonably, extend the 287kV System Target ISD to take into account such suspension on written notice to CMHLP,

provided however, that notwithstanding any other provision hereof, CMHLP's liability to BCTC pursuant to this Agreement for any Default prior to COD (as defined in the EPA) shall not exceed the amount of the Security at the time of the Default.

- (b) In the event BCTC is in Default, CMHLP's sole and exclusive remedy as against BCTC shall be termination of this Agreement and exercise of their remedies, in each case only as provided for in Section 7. For greater certainty, CMHLP shall not be entitled to seek or recover any damages, whether at law or in equity, in connection with any such Default, circumstances permitting CMHLP to terminate this Agreement or any resulting termination of this Agreement by CMHLP.

8.4 Consequential Damages. Notwithstanding any other provision of this Agreement, in no event whatsoever will any Party be liable to any other Party for indirect, consequential, exemplary, incidental, special or other similar damages including but not limited to lost profits, lost business revenue or other commercial or economic loss of any kind.

SECTION 9 DISPUTE RESOLUTION

9.1 Dispute. All disputes arising out of or in connection with this Agreement (a "Dispute") shall be dealt with in accordance with this Section 9.

9.2 Meeting To Negotiate Resolution. A Party may at any time deliver written notice specifying in reasonable detail the nature of a Dispute (a "Dispute Notice") to the other Parties, in which case representatives of all Parties with decision making authority shall meet to attempt to negotiate a resolution to the Dispute (a "Negotiation Meeting") within 14 days of delivery of the Dispute Notice.

9.3 Mediation.

- (a) If a Dispute is not resolved at a Negotiation Meeting, or the Parties fail to have a Negotiation Meeting within the 14 day period provided for in Section 9.2, a Party may deliver written notice (a "Mediation Notice") to the other Parties requiring

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the Dispute go to mediation, in which case the Parties shall appoint a mutually acceptable mediator within 14 days of delivery of the Mediation Notice.

- (b) The Parties shall participate in good faith in the mediation and related negotiations for a period of at least 30 days (the "Mediation Period").
- (c) The Parties will bear their own mediation costs.

9.4 Inadmissibility of Negotiations and Discussions. All negotiations conducted pursuant to Section 9.2 and mediated discussions conducted pursuant Section 9.3 shall be treated as compromise and settlement negotiations between the Parties and shall not be subject to disclosure through discovery or any other process and shall not be admissible as evidence in any proceeding.

9.5 Arbitration. If a Dispute is not resolved during a Mediation Period, or the Parties fail to appoint a mediator within the 14 day period provided for in Section 9.3(a), any Party may refer the Dispute for final resolution to arbitration administered by the British Columbia International Commercial Arbitration Centre pursuant to its Rules for Domestic Commercial Arbitration Proceedings. The number of arbitrators shall be three. The place of arbitration shall be Vancouver, British Columbia, Canada. The language used shall be English.

9.6 Adjudication in Law and Equity. The arbitrators must adjudicate the dispute, and may grant remedies, in both law and equity; provided that the arbitrators shall not grant remedies that are inconsistent with the provisions of this Agreement. For greater certainty, where pursuant to Section 8.3(b) the exclusive remedy for a Default or other circumstance described therein is termination of this Agreement, the arbitrators may not award any other remedy.

9.7 Shared Costs. Each Party shall bear its own costs of legal representation and presentation of its case in respect of any arbitration. The other costs of the arbitration, including the fees and expenses of the arbitrators and administrative fees and charges, shall be shared equally by the Parties.

SECTION 10 PROJECT COMMUNICATION

10.1 Working Group. Each of the Parties shall designate an individual as its representative, and a second individual as its substitute representative, to a working group (the "NTL Working Group"). Each of the Parties shall advise the other Parties in writing of its representative and substitute representative.


10.2 Working Group Meetings. Until the 287kV Project ISD, the Working Group shall meet in person or by telephone conference call at least monthly, or as the Parties may otherwise agree. Each Party shall ensure that its Working Group representative or substitute representative attends each such meeting.

10.3 Working Group Mandate. The purpose of the Working Group is to establish dialogue among the Parties to facilitate the development of the 287kV System and to keep all Parties advised of material events, including without limitation: permitting; regulatory applications and approvals; construction scheduling of the 287kV System, the FK Project and the

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Other Projects; changes to the FK Project Target ISD; changes to the 287kV System Target ISD; and First Nation and stakeholder consultations.

10.4 **Exchange of Information.** Each Party shall make available to another Party any and all information reasonably requested by that other Party in connection with the matters set out in Section 10.3.

10.5 **Press Releases and Other Public Statements.** Until such time as BCTC has announced the 287kV System project publicly, and the contents and nature of this Agreement is made public, no Party shall disclose any information in respect of the project or this Agreement publicly without the prior written consent of the others. Once such announcement has been made and the contents and nature of this Agreement is made public, no Party shall issue any press release or make or release any other similar kind of public statement in connection with this Agreement or the 287kV System without first providing the other Parties with an advanced copy of such press release or statement at least twenty-four (24) hours in advance.

10.6 **Restrictions on Disclosure.** Notwithstanding anything else contained in this Section 10, no Party shall be required to disclose or share with any other Party any information the disclosure of which would constitute a breach by the disclosing Party of applicable laws or regulatory requirements, including without limitation BCTC's standards of conduct.

**SECTION 11
GENERAL**

11.1 **Notice.** Any communication or notice required or desired to be given pursuant to this Agreement shall be in writing and actually delivered (including by facsimile) to the other Party addressed as follows:

If to BCTC:
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, BC V7X 1V5
Attention: Vice President, Customer and Strategy Development
Fax Number: 604 699 7539

If to CMHLP:

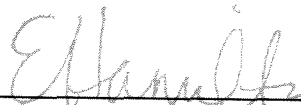
Oceanic Plaza,
P.O. Box 12510
2500 - 1066 West Hastings Street
Vancouver, BC V6E 3X1
Attention: Regional Vice President Renewable Energy - Hydro
Fax Number: 604 623 4751

With a copy to:

AltaGas Ltd.
1700, 355 - 4th Avenue SW
Calgary, AB T2P 0J1

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Attention: Vice President Legal
Fax Number: 403 691 7508

or at such other address as such Party may from time to time designate by notice delivered in accordance with this Section 11.1. Any notice shall be deemed to have been given on the day delivered, if delivered by hand. If faxed, notice will be deemed to have been given and received on the Business Day following the date of successful faxing.

11.2 Taxes. All monetary amounts referred to herein exclude applicable taxes.

11.3 Enurement. This Agreement shall enture to the benefit of and be binding upon the Parties and their respective successors and assigns.

11.4 Time of the Essence. Time is expressly declared to be of the essence of this Agreement.

11.5 Waiver. Any waiver by a Party must be made in writing and shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or in any way otherwise affect the rights or remedies of such Party.

11.6 Further Assurances. The Parties agree to use all reasonable efforts to execute and deliver all such other and additional instruments or documents and to do all such other acts and things as may be necessary to give full effect to this Agreement.

11.7 Assignment. No Party shall have any right to transfer or otherwise assign this Agreement or any rights, powers, duties or obligations hereunder to any other Person without the prior written consent of the other Parties hereto, which is not to be unreasonably withheld. Without limiting the generality of the foregoing: (i) for so long as the EPA remains in effect, CMHLP shall not transfer or otherwise assign this Agreement or any rights, powers, duties or obligations hereunder to any other Person unless it concurrently transfers and assigns all of its rights, powers, duties and obligations under the EPA to such other Person in accordance with the requirements for an assignment specified in the EPA; (ii) CMHLP shall not transfer or otherwise dispose of any interest in the FK Project or the Other Projects, unless the transferee first enters into a written agreement with BCTC, acting reasonably, pursuant to which the transferee assumes CMHLP's obligations in connection with the FK Project or the Other Projects or both, as applicable, hereunder.

11.8 No Partnership. The Parties acknowledge and agree that this Agreement does not create a partnership or joint venture relationship between or among them. No Party has any authority or capacity whatsoever to contract for or on behalf of or bind any other Party in respect of any matter related to this Agreement or otherwise.

11.9 Counterparts. This Agreement may be executed in one or more counterparts or by facsimile transmission and if so executed such counterparts or facsimile transmissions shall be read and construed together as if they formed one document.

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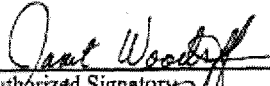


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IN WITNESS WHEREOF the Parties have executed this Agreement on the date first above written.


**BRITISH COLUMBIA
TRANSMISSION CORPORATION**

Per: 
Authorized Signatory

Per: 
Authorized Signatory

**COAST MOUNTAIN HYDRO LIMITED PARTNERSHIP, by its General Partners:
COAST MOUNTAIN HYDRO CORP. and ALTAGAS RENEWABLE ENERGY INC.**

Per: 
Authorized Signatory

Per: 
Authorized Signatory

Per: 
Authorized Signatory

Per: 
Authorized Signatory

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CREDIT FOR SUCH ADDITIONAL PERIOD. THE NOTIFICATION SHALL BE SENT VIA OVERNIGHT COURIER TO YOUR ADDRESS LISTED ABOVE.

PARTIAL AND MULTIPLE DRAWINGS ARE PERMITTED. THE AMOUNT OF THIS LETTER OF CREDIT SHALL BE AUTOMATICALLY REDUCED BY THE AMOUNT OF ANY DRAWINGS MADE HEREUNDER.

DOCUMENTS MUST BE PRESENTED AT OUR OFFICES LOCATED AT [ENTER VANCOUVER ADDRESS ONLY] NOT LATER THAN THE EXPIRATION DATES, AND DURING THE ONE-YEAR RENEWAL TERM IF SUCH RENEWAL HAS BEEN MADE.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 2007 REVISION, INTERNATIONAL CHAMBER OF COMMERCE, PARIS, FRANCE, PUBLICATION 600. ALL MATTERS NOT COVERED BY UCP 600, REVISION 2007 WILL BE GOVERNED BY THE LAWS APPLICABLE IN THE PROVINCE OF BRITISH COLUMBIA. NOTWITHSTANDING ARTICLE 36 OF SAID PUBLICATION, IF THIS STANDBY CREDIT EXPIRES DURING AN INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 36, WE AGREE TO EFFECT PAYMENT IF THE STANDBY CREDIT IS DRAWN WITHIN 15 DAYS AFTER RESUMPTION OF BUSINESS.

SIGNED:

Authorized Signatory

Authorized Signatory

DM_VAN/260254-00062/7464212.34

ACCEPTED: FEB 17 2011

ORDER NO. 6 2011



COMMISSION SECRETARY

SCHEDULE B

CMHLP PAYMENTS AND SECURITY

Payments

1. CMHLP shall make a series of four (4) payments in amounts and on the dates as provided in the following table, plus applicable GST/HST:

Date	Payment (in \$ millions)	Letter of Credit (in \$ millions)
On the Decision Date	2.7	0
Within 10 days of the Security Date		117.3
On July 1, 2011	18.0	99.3
On July 1, 2012	40.50	58.8
On July 1, 2013	28.80	30
Subject to further reduction for payments made under paragraph 2 as contemplated by paragraph 4(iii) of this Schedule B, thereafter until FK Project ISD		30
Thereafter	0.000	0
Total	90	n/a

If BCTC provides notice of Force Majeure pursuant to Section 6.1 before any or all of the payments due July 1st of 2011, 2012 and 2013 are due, and so often as it provides such a notice, the payment dates for those payments whose due dates fall after the notice of Force Majeure is given may be delayed by CMHLP by the same number of days during which BCTC relies on the Force Majeure to extend the performance of its obligations hereunder.

2. CMHLP shall make a series of 20 annual payments beginning no later than fourteen (14) days following 287kV System ISD, the first of which shall be in the amount of \$4,900,000, and annually thereafter no later than the anniversary of 287kV System ISD in the amount of \$9,800,000, in every case adjusted for inflation as follows, plus applicable GST/HST:

$$\text{Payment in Year N} = \text{SPP} * \text{CPI (1 January Year N)} / \text{CPI (1 January 2009)},$$

where "PP" means the amount of the payment being \$4,900,000 for the first such payment, and \$9,800,000 for the following nineteen payments, "CPI" means the Consumer Price Index for Canada, All Items (Not Seasonally Adjusted) as published by Statistics Canada, adjusted or replaced in accordance with Section 3 of this Schedule B. The payments are to assist with the costs to be incurred by BCTC in connection with BCTC's operation of the 287kV System and the provision by BCTC of Interconnection Service to CMHLP at Bob Quinn Substation in connection with the FK Project and the output of the Other Projects for the twelve (12) months following the 287kV System ISD with respect to the first payment and the twelve (12) months following the payment due date for all other payments.

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ACCEPTED: FEB 17 2011
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- 2 -

3. If Statistics Canada (or the then recognized statistical branch of the Canadian Government):
- (i) computes, at any time after 1 January 2010, the CPI on a basis different to that employed at the date of execution of this Agreement, then the CPI will be converted using the appropriate formula recommended by Statistics Canada (or the then recognized statistical branch of the Canadian Government);
 - (ii) at any time ceases to publish or provide the CPI, then there will be substituted an available replacement index that most nearly, of those then publicly available, approximates the intent and purpose of the index that has so ceased or changed. This Agreement shall be amended as necessary to accommodate such index, all as determined by written agreement between the Parties, or failing agreement, by dispute resolution pursuant to Section 9;
 - (iii) has not published the CPI for a relevant period at the time CMHLP is required to make a payment to BCTC, CMHLP shall make such payment based on the CPI in effect at the time the payment is made and when the CPI for the relevant period is published, CMHLP shall recalculate the payment amounts in the next succeeding payment and shall include a credit or debit, without interest, in the next succeeding payment based on the results of the recalculation; and
 - (iv) recalculates the CPI within 36 months after a payment affected by that CPI calculation has been made, then CMHLP shall recalculate the payment amounts for the relevant period in the next succeeding payment and shall include a credit or debit, without interest, in the next succeeding payment based on the results of the recalculation.

Security

- 4.
- (i) On or before the later of the Decision Date and ten days after the Security Date, CMHLP shall deliver to BCTC a letter of credit in the amount of \$117.3 million.
 - (ii) After each payment made pursuant to paragraph 1 of this Schedule B, the letter of credit may be replaced by a letter of credit reduced by an equal amount (excluding GST/HST).
 - (iii) After each payment made pursuant to paragraph 2 of this Schedule B, the letter of credit may be replaced by a letter of credit reduced by an equal amount (excluding GST/HST).
 - (iv) BCTC shall return the letter of credit to CMHLP on the FK Project ISD.

DM_VAN260254-00062/7464222.14

ACCEPTED: FEB 17 2011

ORDER NO. 6 20 11




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SCHEDULE C

FK PROJECT BUDGET

Forest Kerr Budget

Note: 1) Does not include CMHLP
Payments.
2) Does not include the sunk costs
already expended (e.g. purchase of the
site, permitting to date)

	<u>Totals (\$Million)</u>
Engineering	
Site Prep and Earthworks	
Camp Facilities	
Underground Excavations	
Batch & Deliver Concrete and Shotcrete	
Civil Work and BOP	
Turbine & Generator Equipment	
Substation Electrical	
Transmission (Plant - POI)	
Construction Support Services	
Construction Management	
Permits & Fees	
Contingency	
<u>Total</u>	597.00

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SCHEDULE D
287KV SYSTEM BUDGET

Calendar Year	NTL Total Project Cost Breakdown - \$404M Total						Total Cost
	2009	2010	2011	2012	2013	2014	
Definition Stage Work							13,502.0
Transmission SKA-AYH							44,718.0
Transmission AYH-MEZ							55,914.0
Transmission MEZ-BQN							68,866.3
Stations							54,526.2
Telecommunications							15,925.0
Other							25,064.1
Total Direct w/o Contingency							290,463.6
Contingency (20%)							58,686.7
Total Direct w/ Contingency							350,144.3
OH (corporate overhead) (2.47%)							8,846.2
IDC (Interest during construction)							36,959.2
Total Project Cost							403,949.7

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E. Hamilton

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SCHEDULE E

MCLYMONT PROJECT BUDGET

McLymont Budget

Note: 1) Does not include the CMHLP Payments
 2) Does not include the sunk costs already expended (e.g. purchase of the site, permitting to date)

	Totals (\$Million)
Engineering	
Site Prep and Earthworks	
Camp Facilities	
Underground Excavations	
Batch & Deliver Concrete and Shotcrete	
Civil Work and BOP	
Turbine & Generator Equipment	
Substation Electrical	
Transmission (Plant - POI)	
Construction Support Services	
Construction Management	
Permits & Fees	
Contingency	
Total	217.00

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SCHEDULE F

VOLCANO PROJECT BUDGET

Volcano Budget

Note: 1) Does not include CMHLP Payments.
2) Does not include the sunk costs already expended (e.g. purchase of the site, permitting to date)

	Totals (\$Million)
Engineering	
Site Prep and Earthworks	
Batch & Deliver Concrete and Shotcrete	
Civil Work and BOP	
Turbine & Generator Equipment	
Substation Electrical	
Transmission (Plant - POI)	
Construction Management	
Permits & Fees	
Contingency	
Total	43.00

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SCHEDULE G
EK PROJECT SGIA

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British Columbia Transmission Corporation
Open Access Transmission Tariff

Standard Generator Interconnection Agreement (SGIA)

DM_VAN/260254-00062/1573085.5

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ORDER NO. G 20 11

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BC Transmission
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British Columbia Transmission Corporation
 Open Access Transmission Tariff

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E. Hanu

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British Columbia Transmission Corporation
Open Access Transmission Tariff

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British Columbia Transmission Corporation
Open Access Transmission Tariff

THIS STANDARD GENERATOR INTERCONNECTION AGREEMENT (Agreement) is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the Province of _____ (Interconnection Customer), and BRITISH COLUMBIA TRANSMISSION CORPORATION, a British Columbia Crown corporation organized and existing under the laws of the Province of British Columbia (Transmission Provider). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Generating Facility in Appendix C to this Agreement; and,


WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

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Article 1. Definitions

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affiliate shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, provincial and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council shall mean the reliability council(s) applicable to the Transmission System.

Applicable Reliability Standards shall mean the requirements and guidelines of NERC, WECC, the Applicable Reliability Council, and the Control Area of the Transmission System.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies.

Breach shall mean the failure of a Party to perform or observe any material term or condition of this Standard Generator Interconnection Agreement.

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Breaching Party shall mean a Party that is in Breach.

Business Day shall mean Monday through Friday, excluding Holidays.

Calendar Day shall mean any day including Saturday, Sunday or a Holiday.

Combined Study Agreement shall mean the Combined Study Agreement dated [REDACTED] between Interconnection Customer and Transmission Provider in respect of the Generating Facility.

Commercial Operation shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date of a unit shall mean the date on which the Generating Facility commences Commercial Operation as confirmed by Interconnection Customer pursuant to Appendix D to this Standard Generator Interconnection Agreement.

Commission means the British Columbia Utilities Commission, or its successor.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of this Standard Generator Interconnection Agreement.

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Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties as set out in Appendix G to the SGIA.

Effective Date shall mean, subject to Article 18.4, the date on which this Standard Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this Standard Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Force Majeure shall mean any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device for the production of electricity identified in Appendix C, but shall not include the Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, provincial, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or

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Open Access Transmission Tariff

the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Holiday shall mean a statutory holiday in British Columbia.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

In-Service Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment, as identified in Appendix A of this Standard Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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British Columbia Transmission Corporation
Open Access Transmission Tariff

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Stand Alone Network Upgrades or Network Upgrades.

Interconnection Facilities Study shall mean the Interconnection Facilities Study dated [REDACTED] in respect of the Generating Facility.

Interconnection Feasibility Study shall mean the Interconnection Feasibility Study dated [REDACTED] in respect of the Generating Facility.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Generator Interconnection Procedures, in accordance with the Tariff, in respect of the Generating Facility.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of this Standard Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

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British Columbia Transmission Corporation
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Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under this Standard Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date or that would affect the reliability or stability of the Transmission System.

Metering Equipment shall mean all metering equipment installed or to be installed pursuant to this Standard Generator Interconnection Agreement at the metering points specified in Appendix A, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fibre optics.

NERC shall mean the North American Electric Reliability Council or its successor organization.

Network Customer shall have the meaning provided in the Tariff.

Network Resource shall have the meaning provided in the Tariff.

Network Resource Interconnection Service shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's Transmission System in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the Point of

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Interconnection to accommodate the interconnection of the Generating Facility to the Transmission Provider's Transmission System.

Operating Orders means those operating instructions, protocols and procedures developed by the Joint Operating Committee pursuant to Article 29.1.6.

Party shall mean Transmission Provider or Interconnection Customer, and **Parties** shall mean both of them.

Point of Change of Ownership shall mean the point, as set forth in Appendix A to this Standard Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to this Standard Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under this Standard Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Reliability Management System (RMS) Provisions shall mean the provisions contained in Appendix F to the SGLA as prescribed by the Transmission Provider's Reliability Management System Agreement with WECC.

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network

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Upgrades and identify them in Appendix A to this Standard Generator Interconnection Agreement.

Standard Generator Interconnection Agreement (SGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, that is included in the Transmission Provider's Tariff.

Standard Generator Interconnection Procedures (SGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Commission, and as amended or supplemented from time to time, or any successor tariff.

Technical Interconnection Requirements means the "69 kV to 500 kV Interconnection Requirements for Power Generators" British Columbia Transmission Corporation, May 2004, as amended from time to time.

Transmission Owner shall mean the British Columbia Hydro and Power Authority.

Transmission Provider's Interconnection Facilities (TPIF) shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in

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Appendix A to this Standard Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Stand Alone Network Upgrades or Network Upgrades.

Transmission System shall mean the facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under the Tariff.

Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Umbrella Agreement shall mean the AltaGas Northwest Projects Umbrella Agreement entered into between the Transmission Provider and the Interconnection Customer dated April 20, 2010.

WECC shall mean Western Electricity Coordinating Council, or any successor organization.

Article 2. Effective Date, Term and Termination

2.1 Effective Date

Subject to Article 18.4, this SGIA shall become effective upon execution by the Parties subject to acceptance by the Commission (if applicable), or if filed unexecuted, upon the date specified by the Commission. Transmission Provider shall promptly file this SGIA with the Commission upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement

Subject to the provisions of Article 2.3, this SGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request and shall be automatically renewed for each successive one-year

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period thereafter, provided however that this Agreement will terminate concurrently with any termination of the Umbrella Agreement.

2.3 Termination Procedures

2.3.1 Written Notice

This SGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying the Commission after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default

Either Party may terminate this SGIA in accordance with Article 17.

2.3.3 RMS Provisions

If Interconnection Customer elects to terminate its obligation to comply with the RMS Provisions as provided for in Section 2.9 of the RMS Provisions, Transmission Provider may at any time thereafter terminate this SGIA on five (5) Calendar Days advance written notice to Interconnection Customer.

2.3.4 Notwithstanding Articles 2.3.1 through 2.3.3, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Commission of a notice of termination of this SGIA, if required, which notice has been accepted for filing by the Commission.

2.4 Termination Costs

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other

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Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this SGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this SGIA, unless otherwise ordered or approved by the Commission:

2.4.1 With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this SGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which

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case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this SGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection

Upon termination of this SGIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

2.6 Survival

This SGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this SGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this SGIA was in effect; as provided in Article 11.4.2; and to permit each Party to have access to the lands of the other Party pursuant to this SGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing

Transmission Provider shall file this SGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request

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that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this SGIA, or any amendment thereto, the Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope Of Service

4.1 Interconnection Product Options

Interconnection Customer has selected the following (checked) type of Interconnection Service:

4.1.1 Energy Resource Interconnection Service

4.1.1.1 The Product

Energy Resource Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Appendix A to this SGIA.

4.1.1.2 Transmission Delivery Service Implications

Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. No transmission delivery service from the Generating

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Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service

4.1.2.1 The Product

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Appendix A to this SGIA.

4.1.2.2 Transmission Delivery Service Implications

Network Resource Interconnection Service allows Interconnection Customer's Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Generating Facility's full output, on the same basis as existing Network Resources

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interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the Generating Facility in the same manner as it accesses other Network Resources. A Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for transmission service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with Transmission Provider's Tariff for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System; Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as all other Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Generating Facility be designated as a

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Network Resource by a Network Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Generating Facility be undertaken, regardless of whether or not such Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

4.2 Provision of Service

Transmission Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection, provided however that notwithstanding any other provision of this SCIA, Transmission Provider need not provide Interconnection Service for the Generating Facility at the Point of Interconnection unless Interconnection Customer has made the CMHLP Payments as required pursuant to the Umbrella Agreement and is otherwise not in Default (as defined in the Umbrella Agreement) pursuant to the Umbrella Agreement. Before Transmission Provider does not provide

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Interconnection Service as permitted by this Article 4.2, Transmission Provider shall provide Interconnection Customer with written notice. Any non-provision of Interconnection Service pursuant to this Article 4.2 shall continue only for so long as Interconnection Customer has failed to make the CMHLP Payments as required pursuant to the Umbrella Agreement or is otherwise in Default (as defined in the Umbrella Agreement) pursuant to the Umbrella Agreement.

4.3 Performance Standards

Each Party shall perform all of its obligations under this SGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this SGIA for its compliance therewith. If such Party is the Transmission Provider, then that Party shall amend the SGIA and submit the amendment to the Commission for approval.

4.4 No Transmission Service

The execution of this SGIA does not constitute a request for, nor the provision of, any transmission service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

4.5 Interconnection Customer Provided Services

The services provided by Interconnection Customer under this SGIA are set forth in Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

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Article 5. Interconnection Facilities Engineering, Procurements and Construction

5.1 Construction Timing

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and target Commercial Operation Date. Such dates shall be set forth in Appendix B, Milestones.

5.1.1 Reserved

5.1.2 Agreement on Dates

5.1.2.1 If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labour agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2.2 If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and

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construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by the dates specified in Article 5.1. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.2.3 If Interconnection Customer elects not to exercise its option under Article 5.1.2.2, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revisions of the specified dates, the provision of incentives or the procurement and construction of a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to Article 5.1.2.1.

5.2 General Conditions Applicable to Option to Build

If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;

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- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all Applicable Laws and Regulations to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

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- (8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider or its designee;
- (10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

5.3 Reserved

5.4 Power System Stabilizers

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council and as required by the RMS Provisions. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall

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immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement

If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

- 5.5.1 Transmission Provider has completed the Interconnection Facilities Study pursuant to the Combined Study Agreement;
- 5.5.2 Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;

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- 5.6.3 Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 Limited Operation

If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and Interconnection Customer Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection

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Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this SGIA. Transmission Provider shall permit Interconnection Customer to operate the Generating Facility and Interconnection Customer Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities (ICIF)

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities and Network Upgrades.

5.10.1 Interconnection Customer's Interconnection Facility Specifications

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications (including the Technical Interconnection Requirements), operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed Confidential Information.

5.10.2 Transmission Provider's Review

Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure

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that the ICIF are compatible with the technical specifications (including the Technical Interconnection Requirements), operational control, and safety requirements of Transmission Provider.

5.10.3 ICIF Construction

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Transmission Provider's Interconnection Facilities Construction

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, and at Interconnection Customer's cost, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and relay diagrams].

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Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (Granting Party) shall furnish at no cost to the other Party (Access Party) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Generating Facility with the Transmission System; (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this SGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

5.13 Lands of Other Property Owners

If any part of Transmission Provider's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider, Transmission Provider shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, and to the extent consistent with Applicable Laws and Regulations, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain,

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test, inspect, replace or remove Transmission Provider's Interconnection Facilities and/or Network Upgrades upon such property.

5.14 Permits

Each Party shall be responsible for obtaining all permits, licenses and authorizations that are necessary for it to accomplish the matters it is obligated to complete hereunder in compliance with Applicable Laws and Regulations. Transmission Provider and Interconnection Customer shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. With respect to this paragraph, Transmission Provider shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's, generation.

5.15 Early Construction of Base Case Facilities

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which were included in the Base Case for the Interconnection Facilities Study, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this SGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility

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Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this SGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labour contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to cancelling or suspending any such material, equipment or labour contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs, plus any applicable taxes, pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this SGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this SGIA on or before the expiration of three (3) years following commencement of such suspension, this SGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

5.17 Tax Indemnity

Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this SGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

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British Columbia Transmission Corporation
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5.18 Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this SGIA is intended to adversely affect Transmission Provider's tax exempt status.

5.19 Modification

5.19.1 General

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

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APPENDIX B to SGIA

Milestones

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APPENDIX C to SGIA

Interconnection Details

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Open Access Transmission Tariff

APPENDIX D to SGIA

Commercial Operation Date

This Appendix D is a part of the SGIA between Transmission Provider and Interconnection Customer.

[Date]

British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street
Vancouver BC, V7X 1V5

Attention: Manager, Market Operations

Re: _____ Generating Facility

Dear _____:

On [Date] [Interconnection Customer] has completed Trial Operation of Unit No. _____. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. _____ at the Generating Facility, effective as of [Date plus one day].

Thank you.

[Signature]

[Interconnection Customer Representative]

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APPENDIX E to SGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

British Columbia Transmission Corporation
Suite 1100, Four Bentall Centre
1055 Dunsmuir Street
Vancouver BC, V7X 1V5

Attention: Manager, Market Operations

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

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British Columbia Transmission Corporation
Open Access Transmission Tariff

APPENDIX F to SGIA

WECC RMS Agreement

1. Definitions

In this Appendix, the following words and terms will have the meaning ascribed to them in this Clause 1, unless the context requires otherwise.

"Canadian Regulatory Authority" means the agency or agencies established under the laws of Canada or the applicable Provinces of Canada and having jurisdiction over facilities, interconnections, transmission rates, charges, terms and conditions of service of Transmission Provider.

"Member" means any party to the WECC Agreement.

"Participant" has the meaning set out in the WSCC Reliability Criteria Agreement.

"Reliability Management System" or "RMS" means the contractual reliability management program implemented through the WECC Reliability Criteria Agreement, Clause 2 of this Appendix, and any similar contractual arrangement.

"Western Interconnection" means the area comprising those states and provinces, or portions thereof, in Western Canada, Northern Mexico and the Western United States in which members of the WECC operate synchronously connected transmission systems.

"WECC" means the Western Electricity Coordinating Council or any successor entity.

"WECC Agreement" means the Western Electricity Coordinating Council Agreement dated March 20, 1967, as such may be amended from time to time.

"WECC Reliability Criteria Agreement" means the Electricity Systems Coordinating Council Reliability Criteria Agreement - Canadian Language Version dated November 1,

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2000 among the WECC and certain of its Canadian member transmission operators, as such may be amended from time to time.

"WECC Staff" means those employees of the WECC, including personnel hired by the WECC on a contract basis, designated as responsible for the administration of the RMS.

2. Reliability Management System

2.1 Purpose

In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which Interconnection Customer and Transmission Provider shall be required to comply.

2.2 Compliance

Interconnection Customer will comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, agrees to be subject to the sanctions applicable to such failure. Such sanctions will be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Clause 2 as though set forth fully herein, and Interconnection Customer shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WSCC Reliability Criteria Agreement.

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British Columbia Transmission Corporation
Open Access Transmission Tariff

2.3 Payment of Sanctions

Interconnection Customer shall be responsible for payment of any monetary sanction assessed against Interconnection Customer by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment will be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

2.4 Transfer of Control or Sale of Generation Facilities

In any sale or transfer of control of any generation facilities subject to this SGIA, Interconnection Customer shall as a condition of such sale or transfer require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Interconnection Customer with respect to this Appendix or to enter into an agreement with Transmission Provider imposing on the acquiring party or transferee the same obligations applicable to Interconnection Customer pursuant to this Clause 2.

2.5 Publication

Interconnection Customer consents to the release by the WECC of information related to the Interconnection Customer's compliance with this Appendix only in accordance with the WECC Reliability Criteria Agreement.

2.6 Third Parties

Except for the rights and obligations between the WECC and Interconnection Customer specified in this Clause 2, this Appendix creates contractual rights and obligations solely between the Parties. Nothing in this Appendix will create, as between the Parties or with respect to the WECC: (1) any obligation or liability whatsoever (other than as expressly provided in this Appendix), or (2) any duty or standard of care whatsoever. In addition, nothing in this Appendix shall create any duty, liability, or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Clause 2, of the WECC against Interconnection Customer, no third-party shall have any rights

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Provider and the WECC within forty-five (45) days of the date the appropriate Canadian Regulatory Authority accepts or approves such amendment, provided further that the forty-five (45) day period within which notice of termination is required may be extended by Interconnection Customer for an additional forty-five (45) days if Interconnection Customer gives written notice to Transmission Provider of such requested extension within the initial forty-five (45) day period;
or

- (b) for any reason on one year's written notice to Transmission Provider and the WECC.

2.10 Mutual Agreement

This Clause 2 may be terminated at any time by mutual agreement of Transmission Provider and Interconnection Customer.

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APPENDIX G to SGIA

Dispute Resolution Procedure

1. Internal Dispute Resolution Procedures

Any dispute between the Interconnection Customer and Transmission Provider involving Interconnection Service under the Tariff or this SGIA (excluding applications for rate changes or other changes to the Tariff which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Interconnection Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) Calendar Days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

2. External Arbitration Procedures

Any arbitration initiated pursuant to Paragraph 1 above shall be conducted in British Columbia before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in British Columbia and shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Act of British Columbia.

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3. Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and this SGIA, as applicable, and shall have no power to modify or change any of them in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards of the Commercial Arbitration Act of British Columbia. The final decision of the arbitrator must also be filed with the Commission if it affects the Transmission Provider's rates, terms and conditions of service or facilities.

4. Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (b) one half the cost of the single arbitrator jointly chosen by the Parties.

5. Rights Under The British Columbia *Utilities Commission Act*

Nothing in this dispute resolution procedure shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the British Columbia *Utilities Commission Act*.

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COMMISSION SECRETARY



British Columbia Transmission Corporation
Open Access Transmission Tariff

APPENDIX H to SGIA

Transmission Owner Indemnity

THIS INDEMNITY AGREEMENT is made as of the ____ day of _____, 20 ____.

WHEREAS British Columbia Transmission Corporation (BCTC) and the undersigned (the Indemnitor) entered into a Standard Generator Interconnection Agreement dated the ____ day of _____, 20 ____ (the Interconnection Agreement); and

WHEREAS BCTC operates the Transmission System (as defined in the Interconnection Agreement), but British Columbia Hydro and Power Authority (BC Hydro) has legal ownership of the majority of the Transmission System; and

WHEREAS it is a condition of the Indemnitor interconnecting the Indemnitor's Generating Facility to the Transmission System (each as defined in the Interconnection Agreement) that the Indemnitor execute this Indemnity Agreement in favour of BC Hydro.

NOW THEREFORE THIS INDEMNITY AGREEMENT WITNESSES that, in consideration of BCTC permitting the Indemnitor's Generating Facility to be interconnected to the Transmission System, the sum of ten (\$10) dollars paid by BCTC on behalf of BC Hydro to the Indemnitor, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Indemnitor, the Indemnitor covenants and agrees with BC Hydro as follows:

1. Subject to paragraphs 2 and 3, the Indemnitor shall indemnify and save and hold harmless BC Hydro, its directors, officers, employees, shareholders, agents, successors and assigns (collectively, the Indemnitees and each individually, an Indemnitee) from and against any and all claims, liabilities, losses, damages, costs and expenses (including legal fees and disbursements on a solicitor-client basis and consultant fees and disbursements), fines, penalties, judgements, awards, assessments or charges of any kind, with any of the Indemnitees incurs, suffers or is put to which in any way relate to or arise

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or result from any third-party claim, demand or proceeding, which in any way relate to or arise or result from any failure by the Indemnitor to keep, observe or perform any obligations, covenants, terms or conditions under the Interconnection Agreement to be kept, observed or performed by the Indemnitor, or any negligent, reckless or intentional wrongdoing of the Indemnitor or any director, officer, employee, shareholder or agent of the Indemnitor.

2. Paragraph 1 shall not apply to the extent any claims, liabilities, losses, damages, costs and expenses (including legal fees and disbursements on a solicitor-client basis and consultant fees and disbursements), fines, penalties, judgements, awards, assessments or charges are attributable to any gross negligence or intentional wrongdoing of any of the Indemnitees.
3. Notwithstanding paragraph 1, neither the Indemnitor nor BC Hydro, nor any of its directors, officers, employees, shareholders, agents, successors and assigns, shall be liable to the other party, or any of its directors, officers, employees, shareholders, agents, successors and assigns, under or in relation to the Interconnection Agreement for indirect or consequential damages, injury or loss suffered by that other party or its directors, officers, employees, shareholders, agents, successors and assigns, howsoever and whensoever caused, and whether arising in contract or in tort, including loss of profits, loss of revenue, cost of capital, cost of purchased or replacement capacity or energy, and loss of use of any facilities, property or equipment.
4. This Indemnity shall survive any amendment or termination of the Interconnection Agreement and shall enure to the benefit of BC Hydro and its successors and assigns.

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IN WITNESS WHEREOF the Indemnitor has executed this Indemnity under seal as of the date first above written.

THE CORPORATE SEAL of _____)
_____)
_____)
was hereunto affixed in the presence of: _____)
_____)
Authorized Signatory _____)
_____)
Authorized Signatory _____)

C/S

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COMMISSION SECRETARY

**AMENDING AGREEMENT
TO ALTAGAS NORTHWEST PROJECTS UMBRELLA AGREEMENT**

THIS AGREEMENT made as of November 30, 2010,

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY,
a crown corporation with an office at Suite 1100, Four
Bentall Centre, 1055 Dunsmuir Street, Vancouver, BC V7X
1V5

("BC Hydro")

AND:

COAST MOUNTAIN HYDRO LIMITED PARTNERSHIP, a
limited partnership formed under the laws of British
Columbia with an office at Oceanic Plaza, P.O. Box 12510,
2500 – 1066 West Hastings Street, Vancouver, BC V6E
3X1

("CMHLP")

WHEREAS:

- A. British Columbia Transmission Corporation ("BCTC") and CMHLP entered into the Altagas Northwest Projects Umbrella Agreement (the "Original Agreement") made as of May 28, 2010 in respect of the development of, and the terms and conditions of interconnecting the FK Project and the output of the Other Projects to the 287kV System;
- B. The Government of British Columbia enacted legislation that effected the transfer of substantially all of BCTC's assets to BC Hydro as of July 5, 2010, including, but not limited to the Original Agreement; and
- C. BC Hydro and CMHLP wish to amend the Original Agreement on the terms and subject to the conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants made hereunder and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

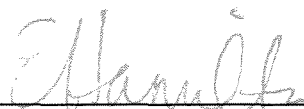
- 1. **Confirmation.** Other than as expressly amended by the terms of this Agreement, the Original Agreement is hereby confirmed and remains in full force and effect in accordance with its terms

ACCEPTED: _____

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2. **Interpretation.** In this Agreement, any capitalized words or phrases shall, unless otherwise defined herein or unless the context otherwise requires, have the same meaning given to those words or phrases in the Original Agreement.

3. **Amendments to Original Agreement.** The Original Agreement is hereby amended as follows:

- (b) The definition of Decision Date in section 1.1(i) be amended by deleting "December 1, 2010" and replacing it with "March 1, 2011";
- (c) Section 5.1(b) be amended by deleting "by the Decision Date";
- (d) Subsections 5.1(b)(i), (iv) and (v) be amended by inserting "by December 1, 2010" at the beginning of each subsection;
- (e) Subsections 5.1(b)(ii), (iii) and (vi) be amended by inserting "by the Decision Date" at the beginning of each subsection; and
- (f) Section 5.1(c) be amended by deleting "by the Decision Date" and replacing it with "by December 1, 2010".

4. **Counterparts.** This Agreement may be signed in two counterparts (including by facsimile) and each of such counterparts shall constitute an original document and both such counterparts, taken together, shall constitute one and the same instrument and notwithstanding the date of execution will be deemed to bear the date as of the day and year first above written.

5. **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the province of British Columbia and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have signed, sealed and delivered this Agreement as of the date first written above.

**BRITISH COLUMBIA HYDRO AND
POWER AUTHORITY**

Per: 

Authorized Signatory

Per: _____

Authorized Signatory

ACCEPTED: _____

FEB 17 2011

ORDER NO. _____

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COMMISSION SECRETARY

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COAST MOUNTAIN HYDRO LIMITED PARTNERSHIP, by its General Partners:
COAST MOUNTAIN HYDRO CORP. and ALTAGAS RENEWABLE ENERGY INC.


Per: 
Authorized Signatory

Per: 
Authorized Signatory

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

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COMMISSION SECRETARY