CONSTRUCTION COMMITMENT AGREEMENT

THIS AGREEMENT is made as of the [Insert Date] day of [Insert Month], 200[9]. (the “Effective Date”) BETWEEN:

AltaLink, L.P., a limited partnership organized under laws of the Province of Alberta (hereinafter referred to as “AltaLink”)

-and-

[Insert Name of Party], a corporation incorporated under the laws of the [Province/State] of [Insert Jurisdiction] (hereinafter referred to as the “Customer”)

1.1 RECITALS

1. The Customer has requested system access service from the Alberta Electric System Operator (the “AESO”) and intends to enter into, or amend, a system access service agreement with the AESO in relation to the Customer’s capacity requirements for the [Insert Project Name] (the “Proposed Project”). The providing or amending of system access service to the Customer will require the construction of new transmission facilities and a commitment by the Customer in relation to the expenditure of capital for such construction.

2. The AESO’s Tariff dated effective August 1, 2008 (the “AESO Tariff”), requires customers to provide satisfactory security to fund the estimated Cancellation Costs (defined herein) of the Proposed Project. The AESO has delegated the responsibility to obtain this security to AltaLink, being the transmission facility owner that will construct, own and operate the transmission facilities.

3. AltaLink is obligated to collect all security outlined in the AESO’s Financial Obligations for Non-Distribution Facility Owners document (the “AESO’s Financial Obligations”), as noted and posted on the AESO website as well as an amount determined by the AESO to be the “Customer Contribution”.

4. Upon execution of this Construction Commitment Agreement, AltaLink shall begin implementing plans in respect of the Proposed Project to complete the work set out in Schedule “A” hereto (the “Scope of Work”). Both AltaLink and its contractors must be held harmless from any negative financial consequences emanating from a decision by the Customer to discontinue, postpone or cancel the Proposed Project.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties hereby agree as follows:
2. AGREEMENT

1. Defined Terms

Capitalized terms utilized in the Agreement shall have the meanings ascribed to such terms in the preamble or body of this Agreement, and in addition the following defined terms shall have the meanings ascribed to such terms below:

“Commission” means the Alberta Utilities Commission established by the Alberta Utilities Commission Act;

“Cancellation Costs” means all the aggregate amount of costs and expenses, as well as any losses, damages, penalties or other claims the AESO or its contractors may incur or be subject to howsoever arising from the Proposed Project, and which are incurred by the AESO or its contractors relating to facilities planning and design, the competitive procurement process (if any), material and right-of-way procurements and construction of the Proposed Project (including without limitation all cancellation penalties and salvage and reclamation costs);

“Material Adverse Change” means:

(a) a downgrade in the credit rating of the Customer or a guarantor of the Customer (“Guarantor”) by any credit rating agency; or

(b) any event, circumstance or change which results, or would reasonably be expected to result, in a material adverse change in:

i. the financial condition of the Customer or a Guarantor;

ii. the ability of the Customer or a Guarantor to perform its obligations under any Security; or

iii. the assets or business of the Customer or a Guarantor.

Term of Agreement

2. This Agreement shall take effect on the Effective Date and shall remain in full force and effect until the Proposed Project is energized and in service, or, if upon the occurrence of a Cancellation Event (as hereafter defined) the Proposed Project is deemed cancelled and all amounts owing to AltaLink hereunder have been paid in full.

Schedules

3. The following schedules the (“Schedules”) are attached hereto and form a part of this Agreement:

Schedule “A” – Proposed Project
Schedule “B” – Security
Except as otherwise provided in any Schedule, if any term or condition, express or implied, of a Schedule conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail. Except as otherwise provided in any Schedule, AltaLink and the Customer may substitute revised Schedules to this Agreement at any time by agreeing to, signing and attaching a dated copy to this Agreement, which revised Schedule shall, from such date, be the applicable Schedule.

**AESO Tariff**

4. AltaLink represents and the Customer acknowledges that the AESO has delegated to AltaLink the responsibility to collect security and/or the Customer Contribution under the AESO’s Tariff. The AESO’s Tariff shall form part of this Agreement to the extent necessary to give effect to this delegation in favour of AltaLink. The Customer shall remain fully subject to the terms and conditions of the AESO’s Tariff in respect of the Proposed Project. AltaLink shall perform the items set out in the Scope of Work in accordance with the terms and conditions in effect between AltaLink and the AESO and any Rules for Transmission Facility Projects enacted by the AESO.

5. This Construction Commitment Agreement is restricted to the completion of the Scope of Work set out in Schedule "A" and the Customer shall be required to sign a revised Schedule “A” for any additional project work the Customer may request in respect of the Proposed Project.

**Security**

6. As security for the payment and performance of all present and future debts, liabilities and obligations of the Customer to AltaLink, arising pursuant to this Agreement or the Security (as hereinafter defined), the Customer agrees to provide or cause to be provided to AltaLink the guarantee(s), security and other documents set forth and described in Schedule “B” attached hereto (the “Security”), which security shall be in an amount adequate to fund the maximum of the estimated cost of the Proposed Project as determined by AltaLink or the AESO, as may be applicable. If AltaLink or the AESO determines at any time that the existing Security is inadequate to fund the maximum of the estimated cost of the Proposed Project, AltaLink shall have the right to require the Customer or any Guarantor to provide such additional guarantee(s), security or other documents as AltaLink determines necessary (which shall form part of the Security hereunder), up to the maximum of the estimated cost of the Proposed Project.

7. If all or part of the obligations of the Customer to AltaLink pursuant hereto are unsecured, and the Customer becomes aware of any Material Change, the Customer shall provide written notice thereof to AltaLink within two (2) business days of the occurrence of such Material Adverse Change. Upon the occurrence of a Material Adverse Change, AltaLink shall have the right to require the Customer or any Guarantor to provide such additional guarantee(s), security or other documents as AltaLink deems necessary (which shall form part of the Security hereunder), up to the maximum of the estimated cost of the Proposed Project as determined by AltaLink.

8. In no event shall AltaLink be required to proceed with or cause any of the Scope of Work to be undertaken without first receiving the Security, or such additional guarantee(s), security or
other documents as the AESO or AltaLink deems necessary contemplated in paragraphs 6 and 7, in form and substance satisfactory to AltaLink in its sole discretion.

Cancellation of Proposed Project

9. The Proposed Project shall be deemed to be cancelled upon the occurrence of any of the following events (each, a “Cancellation Event”):

(a) the Customer fails to provide or cause to be provided the Security in the form set out in Schedule “B” concurrently with the execution and delivery of this Agreement, or fails to provide or cause to be provided such additional guarantee(s), security or other documents as it may be required to deliver to AltaLink pursuant to the terms and conditions hereof;

(b) the Customer terminates the Proposed Project, gives notice to AltaLink or the AESO, or AltaLink or the AESO otherwise become aware, that the Customer is not proceeding with the Proposed Project, or the Customer otherwise takes such action or inaction to cause AltaLink or the AESO, acting reasonably, to believe that the Customer is not proceeding with the Proposed Project;

(c) the Commission rejects or fails to approve the relevant application for the Proposed Project;

(d) the Customer fails to:

   i. execute the system access service agreement (in the AESO’s standard form); or

   ii. enter into an amendment of its existing system access service agreement with respect to the Proposed Project (in the AESO’s standard form),

within thirty (30) days after the completion of the Proposed Project;

(e) the Customer or any Guarantor breaches any term, condition, proviso, agreement or covenant under this Agreement or the Security and fails to remedy such breach within five (5) days of receipt of written notice of such breach by AltaLink to the Customer;

(f) any representation or warranty made or given by the Customer in connection with this Agreement is shown to be incorrect as at the date given or ceases to be true and correct during the term of the Agreement;

(g) the Customer or any Guarantor is found to be insolvent or bankrupt by a court of competent jurisdiction or makes an authorized assignment of its assets or a compromise or arrangement for the benefit of its creditors, makes a proposal to its creditors under the Bankruptcy and Insolvency Act (Canada), seeks relief under the Companies’ Creditors Arrangement Act (Canada), the Winding Up Act (Canada) or any other bankruptcy, insolvency or analogous law in Canada or the United States, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian or
other person with similar powers over all or any substantial portion of its assets, files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any similar law affecting creditor's rights or consents to, or acquiesces in, the filing of such a petition; or if a petition in bankruptcy is filed or presented against the Customer or any Guarantor;

(h) there is instituted by or against the Customer or any Guarantor any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against, or winding up of the affairs of, the Customer or any Guarantor, or a resolution is passed for dissolution, liquidation or winding up the Customer or any Guarantor;

(i) the Customer or any Guarantor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy;

(j) a receiver, receiver and manager or receiver-manager of all or any part of the property, assets or undertakings of the Customer or any Guarantor is appointed;

(k) the Customer creates or permits to exist any charge, security interest, lien, encumbrance or claim against any of the collateral charged under the Security which ranks or could in any event rank in priority to or pari passu with the Security; or

(l) the holder of any charge, security interest, lien, encumbrance or claim against any of the collateral charged under the Security does anything to enforce or realize on such charge, security interest, lien, encumbrance or claim.

10. Upon the occurrence of a Cancellation Event, the Proposed Project shall be deemed to have been cancelled and AltaLink may, without limiting or restricting other rights or remedies under contract, at law or in equity, do any one or more of the following:

(a) refuse to continue to perform any of the Scope of Work on the Proposed Project;

(b) demand that the Customer shall, within fifteen (15) days of written demand, reimburse AltaLink for the aggregate amount of the Cancellation Costs which are incurred by AltaLink or its contractors relating to facilities planning and design, the competitive procurement process (if any), material and right-of-way procurements and construction of the Proposed Project (including without limitation all cancellation penalties, salvage and reclamation costs);

(c) demand immediate payment under any guarantee granted to AltaLink;

(d) exercise its rights under all or any part of the Security, and any other security in respect of the Proposed Project provided to AltaLink by the Customer under separate construction commitment agreements; and

(e) commence such legal actions or proceedings against the Customer or the Guarantee as it determines appropriate.
11. In the event that the Customer terminates the Proposed Project prior to its completion, AltaLink shall use, and shall cause its contractors to use, reasonable commercial efforts to minimize the amount of the Cancellation Costs to the extent such is within their control.

12. The Customer shall forthwith, upon demand having been made therefore by AltaLink, pay the Cancellation Costs within fifteen (15) days of written demand by AltaLink. In the event that the Customer fails to pay AltaLink upon demand, AltaLink shall be entitled to charge the Customer 1.5% per month interest (equivalent to an annual rate of 19.56%) on late payment of all amounts due from the date of demand to the date of payment to AltaLink.

13. In the event that the Customer has not paid all of the Cancellation Costs to AltaLink in accordance with the terms of this Agreement, or upon occurrence of an event of default under any security referenced in Schedule “B” or otherwise provided by the Customer as assurance of payment under any other construction commitment agreement relating to the Proposed Project, AltaLink shall be entitled to realize fully upon any and all such security, which, for the avoidance of doubt, shall include any security referenced in Schedule “B” to this Agreement and any other security in respect of the Proposed Project provided under separate construction commitment agreements.

14. AltaLink or the Customer may terminate this Agreement or the Customer may terminate any item in the Scope of Work without cause at any time by providing the other party with fifteen (15) days’ written notice of its intent to do so. If this Agreement or any Scope of Work is so terminated, the parties shall cooperate in good faith to replace this Agreement with a revised construction commitment agreement in respect of the ongoing Proposed Project including, unless otherwise permitted under the AESO’s Tariff, appropriate security as assurance of payment in respect of any Cancellation Costs. Notwithstanding such termination, unless the parties enter into a new construction commitment agreement and AltaLink receives the appropriate security for any Cancellation Costs already incurred prior to such termination, then the Customer’s obligation to pay Cancellation Costs (and interest thereon) in respect of any of the Project Work shall continue in full force and effect and AltaLink may use any legal remedies available to recover such costs.

Representations and Warranties

15. The Customer represents and warrants to AltaLink as follows:

(a) the Customer is a duly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;

(b) the Security is provided to AltaLink free and clear of any and all security interests, mortgages, liens, charges and encumbrance of any nature;

(c) this Agreement has been duly authorized, executed and delivered by the Customer and constitutes a legal, valid and binding obligation of the Customer, enforceable against it in accordance with its terms, except to the extent that such enforceability may be limited by bankruptcy, insolvency, winding-up, reorganization, and similar laws affecting the enforceability of creditors’ rights generally and the availability of equitable remedies such as specific performance or injunction; and
(d) the authorization, execution and performance by the Customer of this Agreement:

i. does not and will not violate any laws applicable to the Customer; and

ii. is not in contravention of its constating documents or its by-laws or the provisions of any loan agreement or other agreement to which it is a party or by which it is bound.

16. For the avoidance of doubt, all Scope of Work performed by AltaLink in respect of the Proposed Project shall be performed for the AESO. This Agreement is an indemnity agreement and nothing contained herein shall be construed as an agreement for services between AltaLink and the Customer.

General

17. AltaLink may assign its interest in this Agreement to the AESO without the consent of the Customer. This Agreement may not be assigned by the Customer without the prior written consent of AltaLink.

18. The Parties shall perform all obligations under this Agreement in accordance with and subject to the Electric Utilities Act (Alberta) and its regulations, including the Liability Protection Regulation, as applicable.

19. The recitals to this Agreement are hereby incorporated herein.

20. The Customer will pay for AltaLink’s legal fees (on a solicitor and his own client basis) and other costs, charges and expenses in respect of the enforcement of this Agreement and the Security by AltaLink.

21. This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

22. No failure or delay on AltaLink’s part in exercising any power or right hereunder will operate as a waiver thereof.

23. AltaLink’s rights and remedies hereunder are cumulative and not exclusive of any rights or remedies at law or in equity.

24. Time is of the essence of this Agreement and all documents or instruments delivered hereunder.

25. If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby to the fullest extent possible by law.

26. This Agreement will be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Parties submit to nonexclusive jurisdiction of the Courts of the Province of Alberta and agree to be bound by any suit, action or
proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding, but the foregoing will in no way limit the right of AltaLink to commence suits, actions or proceedings based on this Agreement in any jurisdiction it may deem appropriate.

27. This Agreement may be varied or amended only by or pursuant to an agreement in writing signed by the parties hereto.

28. This Agreement may be executed and delivered in counterparts with the same effect as if both Parties had executed and delivered the same copy, and when each Party has executed and delivered a counterpart, all counterparts together shall constitute one agreement.

THE CUSTOMER AND ALTALINK have executed this Agreement on the Effective Date:

Altalink, L.P., by its general partner, Altalink Management Ltd.

Per: ___________________________

Per: ___________________________

Date: ___________________________

[Insert Customer Legal Name]

Per: ___________________________

Per: ___________________________

Date: ___________________________
SCHEDULE “A”
To the Construction Commitment Agreement
Between AltaLink, L.P. and [Insert Customer Legal Name]
Dated [Insert Date - Same as Page 1]

PROPOSED PROJECT

Project Description: [Insert Project Description]

<table>
<thead>
<tr>
<th>SCOPE OF WORK</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Connection Study Scope, Engineering Studies [add description of studies], Connection Proposal including (#) +/-50% ballpark and/or (#) +/-30% Order of Magnitude Estimate, and Preliminary Project Management</td>
<td>[$]</td>
</tr>
<tr>
<td>Complete Preliminary Engineering and Preliminary Siting, Consultation, Environmental Assessment, Proposal to Provide Service and associated +20/-10% Estimate, Preliminary Project Management, Preparing and Filing of the Facility Application, and Receipt of Permit and License (no hearing anticipated)</td>
<td>[$]</td>
</tr>
<tr>
<td>Complete Material Procurement for long lead items: [add description of item(s)]</td>
<td>[$]</td>
</tr>
<tr>
<td>Additional costs for Receipt of Permit and License including anticipated hearing costs (if required): [add description]</td>
<td>[$]</td>
</tr>
<tr>
<td>Design, Engineering, Material Procurement, Project Management, Construction and Energization</td>
<td>[$]</td>
</tr>
</tbody>
</table>

NEW TOTAL: [$]

Collect Customer Contribution: [$]

The total Scope of Work is estimated at [$] ($ CAD) plus GST [Author: If Customer Contribution collection, add the following, otherwise delete] and the Total Customer Contribution required is [$] ($ CAD) plus GST

This Construction Commitment Agreement covers all expenditures related to the [Insert Project Name] Project from the time of project initiation on [Insert Date (Month Day, Year)]. The parties have executed this revised Schedule “A” as of _________________, 201__.
AltaLink, L.P., by its general partner, AltaLink Management Ltd.

Per: ______________________________

[Insert Customer Legal Name]

Per: ______________________________
SCHEDULE “B”
To the Construction Commitment Agreement
Between AltaLink, L.P. and [Insert Customer Legal Name]
Dated [Insert Date - Same as Page 1]

SECURITY

Upon execution of this Construction Commitment Agreement the Customer shall provide to AltaLink the following:

[Author: please choose one of the following two paragraph options, delete the other option and then delete this note.]

1. Of the total unsecured credit available to the Customer by the AESO pursuant to its credit policies, [Insert Dollar Amount - Non-Numeric] dollars ($[Insert Numeric Dollar Amount] CAD) is allocated to the Proposed Project.

2. A Letter of Credit in the amount of [Insert Dollar Amount - Non-Numeric] dollars ($[Insert Numeric Dollar Amount] CAD), on behalf of [Insert Applicant Name] to cover the Customer’s obligations in relation to Cancellation Costs outlined in this Construction Commitment Agreement dated [Insert Date].

3. A Customer Contribution Amount as defined in the Customer Contribution Application of Proceeds Agreement (“CCAPA”) dated [Insert Date], between the parties in the amount of [Insert Dollar Amount - Non-Numeric] dollars ($[Insert Numeric Dollar Amount] CAD) plus GST. This Customer Contribution Amount shall be applied by AltaLink in accordance with the provisions of this Construction Commitment Agreement and the CCAPA dated [Insert Date].

The parties have executed this revised Schedule “B” as of ________________, 200[9].

AltaLink, L.P., by its general partner, AltaLink Management Ltd.

Per: ____________________________

[Insert Customer Legal Name]

Per: ____________________________