

AltaLink Management Ltd.

Transmission Terms and Conditions

Final – Effective March 18, 2010
As Approved in AUC *Decision 2010-116*

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1. TRANSMISSION TERMS AND CONDITIONS

These Transmission Terms and Conditions ("T&Cs") set forth the terms and conditions of service in accordance with Section 39 of the EUA upon which **AltaLink Management Ltd.** (hereinafter referred to as the "TFO") will provide Transmission Services to the Independent System Operator (hereinafter referred to as the "ISO"), established in accordance with section 7 of the EUA.

Notwithstanding anything to the contrary set out in these T&Cs, and subject to the EUA and Transmission Regulations, the TFO must comply with ISO Rules, Reliability Standards and ISO Directions. In the event of conflict between these T&Cs and any ISO Rule, Reliability Standard or ISO Direction, the ISO Rule, Reliability Standard or ISO Direction shall prevail.

For further clarity, nothing in these T&Cs restricts or constrains the ISO's ability to discharge its statutory responsibilities, including the ability of the ISO to make ISO Rules, Reliability Standards or ISO Directions.

The TFO may only object to an ISO Rule or Reliability Standard or refuse to comply with an ISO Direction on the grounds contained in the EUA as appropriate.

Certain OPPs which are now part of the ISO Rules were adopted from Transmission Administrator Operating Policies or TAOPs and were established by the Transmission Administrator and existed prior to the proclamation of the EUA in 2003. Matters dealing with the enforcement of these Operating Policies or TAOPs will be dealt with through the ISO Rules.

If an ISO Rule (including definitions), business practice, Reliability Standard or interconnection process is subsequently amended or replaced after the approval of the TFO T&C's, such amendment or replacement

shall substitute the previous Article and apply to all references within the TFO T&C's.

2. DEFINITIONS

In these T&Cs, including the recitals and Schedules, the following words and expressions have the following meanings:

“Article” – means the headings assigned to this document;

"AUC" – means the Alberta Utilities Commission and any successor organization;

“Arbitration Act” – means the Arbitration Act, R.S.A. 2000 c. A-43, as amended from time to time, and include all related regulations;

"BES" – means the Bulk Electricity System as defined by the CEA in the BES Report;

“BES Report” - means the Bulk Electric System Delivery Point Interruptions and Significant Power Interruptions – 1998-2002 Report” or subsequent report;

"Business Day" – means a day which is not a Saturday, Sunday, or statutory holiday in the Province of Alberta and “day” means any calendar day;

"CEA" – means the Canadian Electricity Association and any successor organization;

“Contingency Event” – means the loss of one or more system elements under any operating condition or anticipated mode of operation;

“Direction” – means “Direction as defined in the ISO Rules;

"Emergency Operating Limit" – means the limits beyond the Normal Operating Limit established between the TFO and the ISO from time to time in accordance with Section 39 of the EUA, the ISO Rules and the Reliability Standards, with respect to the TFO's Transmission Facility at the level, expressed in appropriate units of current, voltage and frequency, that the TFO's Transmission Facility and various elements thereof can support or withstand for a specified period during an emergency without an undue loss of equipment life or without exceeding any physical or safety limitations for the equipment involved;

"EUA" – means the *Electric Utilities Act*, S.A., 2003, c. E-5.1 as amended from time to time, and all regulations passed thereunder;

"External Agency" – means the WECC, NERC, NWPP or other similar governmental or industry agency whose role is to facilitate among governmental and industry participants coordinated operations of the IES with interconnected electrical systems of other jurisdictions to ensure their respective and joint System Security and reliability;

"Force Majeure" – has the meaning ascribed thereto in Article 7 hereof;

"Good Electric Operating Practice" – means, in respect of a party, the standard of practice attained by exercising that degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances. Good Electric Operating Practice is not restricted to the optimum practice or course of action to the exclusion of all others but rather comprises the spectrum of reasonable practices, methods or acts applicable to the circumstances, and having regard to economic considerations;

"IES" – means the "interconnected electric system" as defined in the EUA;

“Interconnecting Facility” – means a distribution, generation, transmission, industrial system facility or a facility owned by a Market Participant directly connected to the TFO’s facilities, and operated by a party other than the TFO;

“ISO Members” – means the individuals appointed by the Minister as members of the Independent System Operator as per Section 8(1) of the EUA;

“ISO Rules” – means the rules made by the ISO pursuant to the EUA;

“Market Participant” – means “market participant” as defined in the EUA;

“NERC” – means the North American Electric Reliability Corporation or any successor organization;

“Normal Operating Limit” – means the limits established between the TFO and the ISO from time to time, in accordance with Section 39 of the EUA, the ISO Rules and the Reliability Standards with respect to the TFO’s Transmission Facility as the level of electrical loading, expressed in appropriate units of current, voltage, and frequency, that the TFO’s Transmission Facility and various elements thereof can support or withstand through the daily demand cycles without abnormal loss of equipment life;

“NWPP” – means the North West Power Pool and any successor organization;

“Operating Policies” – means principles, standards, policies, guidelines and criteria related to the TFO’s Transmission Facility, developed by the TFO and applicable to the TFO for fulfilling their respective duties, functions and responsibilities under the EUA;

“OPP” – means Operating Policies and Procedures established by the ISO, in accordance with Section 20 of the EUA, in relation to the operation

of the Transmission System and as modified from time to time;"Point Of Delivery", or "POD" – means the point at which electrical energy is transferred from the TFO's Transmission Facility to a distribution system and where the electric energy so transferred is measured;

"Post-Contingency" – means the time period immediately following a Contingency Event and lasting until such time as the system is restored within Normal Operating Limits;

"Procedures" – means detailed steps and responsibilities in relation to an Operating Policy describing how to execute the Operating Policy, as modified from time to time;

"Real Time Data" – means real-time power system telemetry, alarm, log, and status information provided by the TFO to the ISO and may include generator and interconnected load information in addition to TFO data;

"Reliability Standards" – means the reliability standards as defined in the Transmission Regulation;

"Requested Information" - means

- (a) as applicable to the TFO, any information (including the information identified in the Schedules attached to these T&Cs) that is necessary for the ISO to discharge its duties and functions under the EUA, other than information that has been designated as confidential by the provider of such information to the TFO: and
- (b) as applicable to the ISO, any information in the ISO's possession (including the information identified in the Schedules attached to these T&Cs) that is necessary for the TFO to discharge its duties and functions under the EUA, other than information that has been designated as confidential by the provider of such information to the ISO;

"System Disturbance" – means an unplanned event which produces an abnormal IES condition such as high or low frequency, abnormal voltage or oscillations in the IES;

"System Security" – means the ability of the IES to withstand events such as electrical short circuits, unanticipated loss of IES components and switching operations without experiencing cascading IES events or uncontrolled loss of load;

"Transmission Facility" – means "transmission facility" as defined in the EUA;

"Transmission Regulation" – means the *Transmission Regulation* (AR 86/2007), as amended from time to time;

"Transmission Services" – means the services to be provided by the TFO required to transport electricity, and Real-Time Data by means of the TFO's Transmission Facility in accordance with the EUA, ISO Rules, ISO standards, Reliability Standards, ISO business practices and ISO interconnection processes, such that the ISO can fulfill its duties as defined in the EUA;

"Transmission System" – means "transmission system" as defined in the EUA;

"WECC" – means the Western Electricity Coordinating Council and any successor organization.

"WECC RMS" – means the WECC reliability management system.

3. PROVISION OF SERVICES

3.1 Provision of Transmission Services

Subject to Article 1, the TFO will provide and make available Transmission Services as follows:

- a) Transmission Services will be provided and made available within Normal Operating Limits and Emergency Operating Limits. The TFO will provide updates to the ISO as limits change for transmission equipment that operates at 69 kV or above, and periodically provide updates for equipment that operates below 69 kV.
- b) The ISO Rules will not require the operation of the TFO's Transmission Facility outside the current Normal Operating Limit under normal system operation, or outside the current Emergency Operating Limit during Post Contingency operations. In emergency conditions, the TFO's Transmission Facility will be available for use between the Normal Operating Limit and Emergency Operating Limits in order to maintain System Security.
- c) During Post-Contingency conditions, the TFO and ISO will return the TFO's Transmission Facility loading to within the Normal Operating Limit as soon as reasonably practicable. If extended operation between the Normal Operating Limit and the Emergency Operating Limit is necessary to maintain System Security, the TFO will make facility emergency overload capacity within those limits available upon receipt of a Direction from the ISO. Notwithstanding anything in these T&Cs, the TFO has no obligation to operate its Transmission Facility above the then current Normal Operating Limit, or, during Post-Contingency conditions, above the loading or

duration limits specified by the then current Emergency Operating Limit of its Transmission Facility unless it agrees to do so.

- d) Notwithstanding any other provision of these T&Cs, the TFO may, without liability of any kind to the ISO, interrupt or curtail the provision of Transmission Services:
 - (i) if the TFO, acting reasonably, determines that public safety, personnel safety or the physical integrity of its Transmission Facility or any Interconnecting Facility is at risk, including conditions of forced outage to protect the TFO's Transmission Facility; or
 - (ii) if the TFO, acting reasonably, determines that such interruption or curtailment is required in order to address an emergency and adhere to Good Electric Operating Practice, including the assessment of risk of damage to electric facilities, risk to the safety of utility employees or the public, and risk of undue injury to the environment and in making such determination the TFO shall have regard for the impact of the interruption or curtailment on System Security.
- e) The TFO will coordinate and report all transmission outages or curtail Transmission Services in accordance with the ISO Rules.
- f) The TFO will take reasonable precautions through its maintenance practices, consistent with Good Electric Operating Practice, to guard against unscheduled interruptions or curtailment in Transmission Services due to facility failure. The TFO will make reasonable efforts, consistent with Good Electric Operating Practice to minimize the duration of unplanned facility outages. The TFO will give a high priority to the restoration of load, or to the restoration of major transmission elements. The TFO will notify the ISO of outages on the Transmission Facility as soon as reasonably

practicable, as required for the ISO to fulfill its duty. As well, the TFO will notify any impacted Interconnecting Facility owner of the service interruptions or curtailments, as soon as reasonably practicable.

- g) Planned maintenance will be conducted by the TFO according to its maintenance standards.
- h) The ISO and the TFO will co-operate in resolving power quality problems detected on the TFO's Transmission Facility.
- i) The TFO will report equipment ratings and parameters as per ISO Rules.
- j) The TFO will report equipment changes or ratings as per ISO Rules.
- k) The TFO will provide disturbance notices and reporting as per ISO Rules.
- l) The TFO will adhere to applicable ISO standards that may be contained in ISO Reliability Standards, ISO Rules, business practices or interconnection processes.
- m) The TFO will provide Real Time Data, Status and Transmission Facility information or updates as per ISO Rules and Reliability Standards.
- n) The ISO may request to inspect a TFO Transmission Facility or may direct a TFO to test its facilities for the purposes of ensuring the security and reliability of the Transmission System and in order to comply with External Agency requirements. The TFO will use reasonable efforts to comply with any ISO Direction to test and will use reasonable efforts to make available to the ISO an engineering report of the findings of any such requested test.

- o) The TFO will provide metering services to the ISO as per ISO Rules and standards.
- p) The TFO will provide Transmission Services to the ISO for the provision of system expansions and interconnections bordering the IES and within the IES as per ISO Rules, Reliability Standards, interconnection processes and business practices.

The provisions in a) through p) above will be considered by the ISO when Rules or Reliability Standards are developed by the ISO in this regard.

3.2 Collaborative Process

The TFO agrees to work with the ISO in a collaborative manner to develop ISO Rules, interconnection business practices and processes in order to facilitate the provision of Transmission Services in accordance with these T&Cs.

4. PAYMENT TERMS

Subject to the AUC's approval of the TFO's general tariff application or an interim refundable rider, on or before the 10th Business Day of each month the TFO will invoice the ISO for these AUC approved costs an amount equal to one twelfth of the TFO's annual revenue requirement. The ISO shall pay to the TFO on or before the 20th Business Day of each month, the amount invoiced by the TFO for the preceding month. Amounts payable hereunder by the ISO may be netted against undisputed amounts payable to the ISO by the TFO, provided that all amounts so netted are itemized on an invoice accompanying the payment. Netting shall only occur within a single legal entity.

Late payments of any kind by the ISO shall be subject to a late payment charge of 18% per annum calculated monthly for each month or part thereof for which such payment is late.

Should the AUC approve or order a change to the TFO's revenue requirement after the approval of these T&Cs, the TFO will revise its invoices to the ISO to reflect such approved changes and the ISO agrees to pay such amounts which will be reflected in the next billing cycle (i.e. production month).

The ISO's obligation to pay the TFO in accordance with this provision continues notwithstanding any interruption or curtailment of the TFO's Transmission Service for any reason whatsoever, including an event of Force Majeure.

5. PROVISION OF INFORMATION

The following provisions apply to information to be exchanged between the TFO and the ISO, including information specifically identified in the Schedules attached to these T&Cs, but does not apply to information specifically required per an ISO Rule or Reliability Standard:

- a) Each of the TFO and the ISO (a "Requesting Party") can request the other party (the "Providing Party") to provide Requested Information.
- b) If the Requested Information is readily available, the Providing Party will provide the Requested Information to the Requesting Party as soon as reasonably practicable. If the Requested Information is not readily available or is not in a format required by the Requesting Party, the Requesting Party and Providing Party will agree on a schedule and format for the provision of the Requested Information. If circumstances arise that would delay the provision

of such information, the Providing Party shall notify the Requesting Party of the revised timeframe in which it is expected that the information will be available.

- c) The Requested Information provided by the Providing Party to the Requesting Party will be as complete as is available to the Providing Party. The Providing Party will endeavor to provide Requested Information at a level of completeness and accuracy no less than it would provide for its own internal use. However, the Providing Party makes no guarantees, express or implied, with respect to the completeness and / or accuracy of information provided.
- d) At the time any Requested Information is provided, the Providing Party may request that the data be kept confidential for commercial or competitive reasons. The confidentiality provisions shall not be unreasonably used.

The Providing Party shall not be entitled to use the confidentiality provisions in respect of Requested Information that:

- (i) is generally available to the Alberta electric industry or the public at the time of disclosure; or
- (ii) subsequent to receipt by the Requesting Party becomes generally available to the electrical industry or the public as a result of a disclosure of the Providing Party or its representatives; or
- (iii) the Requesting Party can establish, by reasonable evidence, was available to the Requesting Party on a non-confidential basis prior to its disclosure to the Requesting Party; or

- (iv) subsequent to receipt by the Requesting Party, the Requesting Party can establish, by reasonable evidence, that the Requested Information is available to the Requesting Party on a non-confidential basis from a source other than the Providing Party or its representatives (the Requesting Party not having provided the Requested Information to the other source), without breach of these T&Cs; or
 - (v) have been disclosed by law to a government authority where there is no reasonable alternative to such disclosure and the government authority determines that such information must be made public; or
 - (vi) must by law be disclosed to other participants in the Alberta electric industry (including without limitation parties interconnected to the IES).
- e) Notwithstanding Articles 5 a) to 5 d), if Requested Information includes information which the TFO is under a legal obligation to a third party to maintain confidential (in this paragraph “Confidential Information”), the TFO shall so advise the ISO. Subject to any legislation, regulation, court order or order of a regulatory authority requiring such disclosure, the TFO shall not be required to disclose the Confidential Information until the consent of the third party is obtained and the TFO shall use reasonable efforts to obtain the consent. To the extent the TFO is aware that information is of the type reasonably likely to be Requested Information, the TFO shall use reasonable efforts to ensure that it does not enter into legal obligations with third parties which would prevent the disclosure of such information.

- f) If the parties cannot agree to the provision of information or the need for confidentiality under this Article 5, the dispute shall be resolved in accordance with Article 8 of these T&Cs.

6. INDEMNITY AND CONSEQUENTIAL LOSS

6.1 Indemnity

- (a) Each party (as applicable, the “Indemnitor”) will indemnify and hold harmless the other party and its directors, or ISO Members, officers, employees, agents and representatives (“Indemnitee(s)”) from and against any direct damages, injuries, losses and other liabilities claimed against the Indemnitee or any of them, and all related costs and expenses (including reasonable legal fees) suffered or incurred by any of them in relation to any claims, cause of action, action, suit or proceeding by a third party (“Claim”) which arises from damage to property or injury to or death of persons resulting from the Indemnitor’s failure to perform its obligations under these T&Cs which failure is caused by the negligence or willful act of the Indemnitor or any of its directors, ISO Members, officers, employees, agents or representatives acting within the scope of their authority or employment. The indemnity under this Article 6.1(a) will be limited to an amount in proportion to the degree to which the Indemnitor or its directors, officers, employees, agents or representatives acting within the scope of their authority or employment are at fault. For the purpose of this Article 6.1(a) “willful act” means any act or omission which is an intentional tort or an intentional breach of any obligations under these T&Cs.
- b) In the event that an Indemnitee is entitled to and desires to assert its right to indemnification from an Indemnitor under this Article 6.1 such Indemnitee will give the Indemnitor prompt notice of the

Claim, which shall describe the Claim in reasonable detail and shall indicate the estimated amount, if practicable, of the indemnifiable loss that has been or may be sustained by the Indemnitee. The failure to promptly notify the Indemnitor hereunder shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor is actually and materially prejudiced by the failure to so notify promptly.

- c) Subject to Article 6.1(d) hereof, if the Indemnitor delivers to the Indemnitee a written acknowledgement of its unconditional and irrevocable obligation to indemnify the Indemnitee under Article 6.1(a) in respect of:
- (i) all of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or suffered or incurred by, the Indemnitee in respect of the Claim within 10 Days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the existence of such obligation to indemnify is made known by the Indemnitor to the third party claimant (and, if applicable, to the court or other tribunal determining the Claim), the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to the particular Claim and the Indemnitor shall be entitled, at its option, to take carriage of the defence of the Claim by its own counsel and, if it elects to do so, the Indemnitee shall cooperate with the Indemnitor to the fullest reasonable extent in the defence, settlement or compromise of the Claim; or
 - (ii) some, but less than all, of the damages, injuries, losses, liabilities, costs and expenses that may be claimed against, or

suffered or incurred by, the Indemnitee in respect of the Claim within 10 Days following the Indemnitor's receipt of the Indemnitee's notice of such Claim and if the Indemnitee is of the opinion that the Indemnitor's interests are not in conflict with its own, the Indemnitee shall make available to the Indemnitor all information in its possession or to which it has access, other than information that has been designated as confidential by the provider of such information, which is or may be relevant to that portion of the Claim in respect of which the Indemnitor has an obligation to indemnify the Indemnitee and consult with the Indemnitor in respect thereof.

The Indemnitee shall not make any admission of the liability regarding, or settle or compromise, that portion of the Claim in respect of which the Indemnitor has acknowledged its obligation to indemnify the Indemnitee without the written consent of the Indemnitor, which consent shall not be unreasonably withheld.

- d) The provisions of Article 6.1(c) hereof shall not apply in respect of any Claim to which the Indemnitor is, or may reasonably be expected to be, a party and where the Indemnitee is asserting legal defences in relation to the Claim that conflict with legal defences being asserted by the Indemnitor.
- e) Except to the extent to which either party is required to indemnify the other party (and those other persons specified in this Article 6) by the express terms of Article 6, neither party, nor its directors, ISO Members, officers, agents, employees, and representatives, will be liable to the other party for any damages, costs, expenses, injuries, losses, or liabilities suffered or incurred by the other party, its directors, ISO Members, officers, employees, agents and

representatives howsoever and whenever caused, and each party, for itself and as agent for its directors, ISO Members, officers, agents, employees and representatives hereby forever release the other party, its directors, ISO Members, officers, agents, employees and representatives from any liability or obligation in respect thereof. For greater certainty, neither party shall be limited in a claim against the other for specific performance or other equitable relief in relation thereto, or direct damages only and related costs and expenses (including reasonable legal fees), arising from a breach of these T&Cs.

6.2 Consequential Loss

Notwithstanding anything to the contrary contained in these T&Cs, neither party will be liable to the other party for any damage, cost, expense, injury loss or other liability of an indirect, special or consequential nature suffered by the other party or claimed by any third party against the other party which arises due to such party's failure to perform its obligations under these T&Cs or for any other reason (including without limitation, negligence or willful misconduct on its part or on the part of any person for whose acts it is responsible), howsoever and whensoever caused, and whether arising in contract, negligence or other tort liability, strict liability or otherwise; and without limiting the generality of the foregoing, damage, injury or loss of an indirect or consequential nature shall include loss of revenue, loss of profits, loss of production, loss of earnings, loss of contract, cost of purchased or replacement capacity and energy, cost of capital and loss of the use of any facilities or property owned, operated, leased or used by the other party.

7. FORCE MAJEURE

7.1 Definition

The term "Force Majeure", as employed, herein and for all purposes relating hereto, shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of public enemy, acts of the Queen's enemies, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, explosions, fires, civil disturbance, mechanical breakdowns; intervention of federal, provincial, state or local government or from any of their agencies or boards, the order or direction of any court; and any other causes whether of the kind herein enumerated or otherwise, not within the reasonable control of the party claiming relief and which by the exercise of reasonable diligence and at a reasonable cost such party is unable to prevent or overcome.

7.2 Force Majeure Relief

The TFO or ISO, as the case may be, is relieved of its obligations hereunder, and shall not be liable for any failure to perform any term of these T&Cs to the extent that and when such failure is due to, or is a consequence of, any event of Force Majeure

7.3 Exclusions

Notwithstanding Article 7.2, lack of funds, including any lack of funds resulting from a decision, direction or order made by the AUC in the normal course of it exercising its authority to establish the appropriate revenue requirement of the TFO, shall not be an event of Force Majeure.

7.4 Notice

The party claiming relief from liability under the provisions of Article 7.1 shall promptly give the other party notice of the Force Majeure including full particulars thereof and shall promptly give the other party notice when

the Force Majeure ceases to prevent performance of the applicable term of these T&Cs.

7.5 Obligation to Remedy

The party claiming relief from liability under the provisions of Article 7.1 shall promptly remedy the cause and effect of the Force Majeure insofar as it is reasonably able to do so.

7.6 Strikes and Lockouts

Notwithstanding any other provision of these T&Cs the settlement of any strike, lockout or other industrial disturbance shall be wholly in the discretion of the party claiming relief from liability and such party may settle such strike, lockout or industrial disturbance at such time and on such terms and conditions as it may deem appropriate and no failure or delay in settling such strike, lockout or industrial disturbance shall constitute a cause or event within the control of such party or deprive such party of the benefits of this Article 7.

8. DISPUTE RESOLUTION

Matters which the ISO Rules, Reliability Standards, and ISO Directions mandate be subject to the dispute resolution provisions of the ISO Rules shall be settled in accordance with the dispute resolution rules and processes under the ISO Rules. The ISO Rules dispute resolution process is without prejudice to any market participant's statutory right to bring an objection or complaint, as the case may be, before the Commission.

9. MAINTENANCE OF RECORDS

Maintenance of records within these T&Cs does not apply to records required for ISO Rules or Reliability Standards. Other than Real Time Data, which shall be maintained for a minimum of six months from the date of its creation or data that must be retained for a longer period as dictated by an ISO Rule or Reliability Standard, the TFO and ISO will maintain accurate records for a period of six (6) years relating to the matters associated with these T&Cs in such a manner that any data required to verify any information provided by either party will be available to the other party when necessary.

The ISO shall maintain technical information exchanged between the TFO and ISO in accordance with Schedule A. The ISO and TFO will each independently maintain information relating to billing metering, commercial arrangements and financial transactions.

The TFO and ISO shall each have the right, at its own cost, to request verification of information or data provided to it under these T&Cs (other than Real Time Data) for a period of six (6) years following the date upon which such information or data is provided to it. The TFO and ISO shall each have the right, at its own cost, to request verification of Real Time Data for a period of six (6) months following the date upon which such information or data was created.

10. NOTIFICATIONS

All notices and other communications given under these T&Cs, other than notices and communications for which a contact person has been designated under a Schedule, shall be in writing and shall be given by personal service, Fax, electronic mail or by registered letter addressed to:

Transmission Facility Owner: AltaLink Management Ltd.
2611 – 3rd Avenue SE
Calgary, Alberta T2A 7W7

Attention: Executive Vice President and
Chief Operating Officer

Email: dennis.frehlich@altalink.ca

Independent System Operator: Alberta Electric System Operator
2500, 330-5th Avenue S. W.
Calgary, Alberta T2P 0L4

Attention: Vice President,
Regulatory

Fax: 403-539-2450

Email: aesoregulatorynotifications@aeso.ca

11. SEVERABILITY

If any provision of these T&Cs is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

12. ENFORCEABILITY

These T&Cs shall remain in full force and effect from the date of its approval by the AUC pursuant to Section 124 of the EUA until subsequent T&Cs are approved by the AUC pursuant to Section 124 of the EUA.

13. GENERAL

The performance by the TFO of each of its obligations hereunder is subject to the TFO obtaining, and complying with, all governmental orders,

permits, approvals, consents and other authorizations (the “authorizations”) required by law for the satisfaction of such obligation. The TFO will use reasonable efforts to obtain, maintain or renew, as expeditiously as possible, all required authorizations; and will promptly advise the ISO as soon as it becomes aware that its performance hereunder may be adversely affected by a failure or delay in obtaining, maintaining or renewing any such authorization.

No waiver of any breach of any term or provision of these T&Cs will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

The division of these T&Cs into Articles and the insertion of headings are for convenience only and will not affect the construction or interpretation of these T&Cs.

14. AMENDMENTS TO THE SCHEDULES

The Schedules to these T&Cs may be amended from time to time, as is necessary to permit the TFO or the ISO to discharge their respective duties and function under the EUA. Either the TFO or the ISO may request that a Schedule to these T&Cs be amended. Such notice, from one party to the other, shall describe the proposed amendment and reasons that the proposed amendment is necessary. Any request to amend a Schedule to the T&Cs, initiated by either the TFO or the ISO must be brought to the AUC for consideration and approved by the AUC, prior to inclusion in a Schedule to these T&Cs.

SCHEDULE A. INFORMATION AND DATA

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary and secondary contact person. Such person(s) may be changed from time to time by providing written notice to the other party.

1) Information Required by the Independent System Operator and Other Transmission Facility Owners

The TFO will use all reasonable efforts to provide the following Transmission Facility information to the ISO in accordance with Article 5 of these T&Cs not presently covered in an ISO Rule or Reliability Standard and the ISO may treat any such information as public information unless it is designated as confidential by the TFO at the time the information is provided. The information requirements are as follows:

a) Facility Performance and Reliability Information**i) Provide annually a current year plus 5 year summary of:**

- (1) Transmission Facility outage statistics, for all transmission line, transformer, circuit breakers, Static Var Compensators, DC Convertors, Capacitors, and Reactors by voltage class and equipment type, including cause if known; and
- (2) POD reliability statistics for each POD served by voltage class and supply type, as contained in the BES Report, Transmission Performance Indices. POD reliability statistics reporting will be based on the CEA reporting conventions and definitions as defined and outlined in the BES Report.

This information for each year will be provided not later than March 31st of the following year.

b) TFO Operating Policies and Procedures

TFO's relevant Operating Policies, Procedures, bulletins and/or other information relating to safe, secure and reliable utilization of the TFO's Transmission Facility.

c) Ratings

TFO specified normal and emergency facility voltage, current and frequency operating limits including identification of limiting factor(s) for each transformer, transmission path and bus.

d) Archived Real Time System Data

The TFO will provide to the ISO, upon request, any archived Real Time Data required to verify system models and assess system dynamic performance, provided the data requested is still maintained by the TFO.

e) Electromagnetic Transients and Power Quality Study Requirements

The ISO may require additional power system information from the TFO in order to carry out, or require an interconnecting party to carry out, an electromagnetic transients or Power Quality study. This requirement will be situational and related to new facilities being interconnected with the TFO's facilities. The ISO will request such information on a case by case basis and / or request the TFO to provide the necessary information directly to a party proposing to interconnect with the TFO's facility.

2) Information Required by the Transmission Facility Owner

Except with respect to information designated as confidential by the provider of such information, the ISO will provide information to the TFO about the Transmission System corresponding to the information required to be

provided by the TFO about its Transmission Facility under Part 1 of this Schedule A, and in addition the ISO will provide to the TFO, Transmission System information as follows:

a) System Model

All necessary Transmission System, facility and load information of sufficient quantity and quality to maintain an appropriate and accurate electrical model of the IES for the current year and five (5) following years provided that information is not confidential.

b) ISO Rules and Standards

ISO Rules, standards, Reliability Standards and/or other information relating to operation and planning of the IES.

c) Real Time Data

As a condition of interconnection the ISO will require any third party interconnecting with the TFO's facilities to provide such Real Time Data to the TFO as is reasonably required for the TFO to fulfill its obligations.

d) IES Reports

IES planning, reliability, performance or other reports developed by the ISO pertaining to the overall condition and performance of the IES.

e) WECC Reports

Reports provided to the WECC by the ISO regarding IES performance or compliance with WECC RMS or other successor reliability management criteria or process, unless provision of such reports violates confidentiality obligations of the ISO.

SCHEDULE B. NOTIFICATIONS

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary and secondary contact person. Such designated person(s) may be changed from time to time by providing written notice to the other party. All notifications outlined below not presently covered in an ISO Rule or Reliability Standard shall follow the provisions described in the applicable Operating Policy to be developed by the ISO or the TFO, as the case may be.

1) Notification Provided to the ISO**a) Changes to TFO's Transmission Standards**

The TFO shall make reasonable efforts to notify the ISO of changes to its transmission standards as they occur.

2) Notification Provided to the TFO**a) Short Term Capacity Confirmation**

The ISO will advise the TFO, as soon as reasonably practicable, when temporary or opportunity service has been requested at a POD. The ISO will confirm the physical availability of transmission facilities at the POD with the TFO and notify the TFO with respect to the timing, duration and increased loading level that has been approved for the POD.

SCHEDULE C. OPERATING AND PLANNING PRACTICES

For the purposes of this Schedule, the ISO and the TFO shall each designate in writing a primary or secondary contact person. Such person(s) may be changed from time to time by providing written notice to the other party.

1) ISO Operating Policies and Procedures

The TFO agrees to work with the ISO in accordance with the provisions of Article 3.2.

2) TFO Operating Policies and Procedures

The TFO will develop Operating Policies and Procedures as necessary to fulfill its duties and functions under the EUA, as well as required to comply with ISO Rules or Reliability Standards. In keeping with these T&Cs, copies of relevant TFO Operating Policies relating to safe, secure and reliable utilization of the TFO's Transmission Facility and any amendments thereto shall be provided to the ISO in a timely manner.

3) ISO Committees

The TFOs, in accordance with Section 39(2) of the EUA, will assist the ISO in any manner to enable the ISO to carry out its duties, responsibilities and functions including supporting the ISO in maintaining the ISO operations coordination committee. The ISO shall, from time to time, consult with members of the ISO operations coordination committee in connection with the performance of its duties and functions under the EUA.