

SERVICES AGREEMENT

THIS AGREEMENT made effective March 7, 2008.

BETWEEN:

HEARTLAND TRANSMISSION, L.P., a limited partnership organized pursuant to the laws of the Province of Alberta (the "Partnership")

- and -

EPCOR DISTRIBUTION & TRANSMISSION INC., a corporation organized pursuant to the laws of the Province of Alberta ("EDTI" or the "Service Provider")

RECITALS

- A. The Partnership has been formed to pursue the design, development, construction, ownership, operation and maintenance of certain transmission facilities along a route or routes, as determined pursuant to the applicable AUC approval process, substantially within the TUC (the "Project"), with the intent that the Partnership will own such transmission facilities, together with all associated real, personal and mixed property (whether tangible or intangible) (the "Project Facilities").
- B. The Partnership wishes to engage Service Provider to provide the Services (as defined below) to the Partnership during the Term.
- C. The Partnership and Service Provider are entering into this Agreement to set forth the terms under which the Services are to be provided to the Partnership.

NOW THEREFORE in consideration of the mutual covenants contained herein, the Parties agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Definitions

Unless a clear contrary intention appears, the following terms and expressions have the following meanings when used in this Agreement:

"Affiliate" of any Person means any other Person who directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person.

“Agreement” means this Services Agreement.

“AltaLink Heartland” means AltaLink Heartland Holdings, L.P., an initial Limited Partner of the Partnership.

“Applicable Law” means, with respect to any Person or property (i) the common law and principles of equity, (ii) all federal, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, decisions and orders of any Authorized Authority (to the extent the Person or property is subject to the jurisdiction of such Authorized Authority), (iii) agreements with Authorized Authorities and (iv) rules, regulations, policies and guidelines (in each case, having the force of law), directives, interpretations, licenses, exemptions, approvals and permits of or issued by any Authorized Authority, in each case applicable from time to time to such Person or property.

“AUC” means the Alberta Utilities Commission, or any other Authorized Authority succeeding to the powers of such commission.

“AUC NID Application” – the document(s) pursuant to which application for approval of the need for the Project Facilities is made to the AUC by the Alberta Electric System Operator confirming the need for the construction of the Project Facilities.

“AUC NID Approval” – the approval issued by the AUC pursuant to the AUC NID Application.

“AUC Facilities Application” – the document(s) pursuant to which application for approval is made to the AUC by the Partnership under the HEE Act for authority to construct and operate the Project Facilities.

“AUC Facilities Approval” – the approval or order issued by the AUC pursuant to the AUC Facilities Application.

“Authorizations” means all authorizations, permits, decisions, judgments, directions, entitlements, licenses, orders, consents, approvals, exemptions, registrations, rulings, advance rulings and certificates whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Authorized Authority.

“Authorized Authority” means, in relation to any Person, transaction or event, any: (i) federal, provincial, state, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; or (iv) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including securities exchanges, in each case having jurisdiction over such Person, transaction or event.

“Bankruptcy” or **“Bankrupt”** means with respect to any Person:

- (a) such Person files a voluntary petition in bankruptcy;
- (b) such Person files a petition, answer or other pleading seeking for such Person (i) any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any bankruptcy or insolvency law, or (ii) the appointment of a custodian, trustee, receiver, liquidator, assignee, sequestrator (or other similar official) of such Person or of all or any substantial part of such Person's properties;
- (c) such Person consents to, acquiesces in, or solicits the filing of a pleading, or the institution of a proceeding, of a type described in the foregoing paragraphs (a) and (b), including (i) by filing an answer or other pleading admitting or failing to contest the material allegations in such a petition that is filed, or in such proceedings that are instituted, against such Person, or (ii) by soliciting any other Person to file such a pleading or to institute such a proceeding against such Person;
- (d) such Person becomes the subject of an order for relief or is declared insolvent in any bankruptcy or insolvency proceedings;
- (e) such Person makes an assignment for the benefit of creditors;
- (f) except as required by law, such Person admits its inability to pay its debts generally as they become due;
- (g) such Person takes any action in furtherance of any action described in the foregoing paragraphs (a) through (f); or
- (h) against such Person, a proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any bankruptcy or insolvency law has been commenced and 120 days have expired without dismissal thereof or with respect to which, without such Person's consent or acquiescence, a custodian, trustee, receiver, liquidator, assignee, sequestrator (or other similar official) of such Person or of all or any substantial part of such Person's properties has been appointed and 90 days have expired without the appointment having been vacated or stayed, or 90 days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

"Board" or **"Board of Directors"** means the board of directors of the General Partner.

"Business Day" means any day other than a Saturday, a Sunday or statutory holiday on which Canadian chartered banks in the Province of Alberta are closed.

"Capital Opportunity" means an opportunity to construct or acquire facilities in order to: (a) modify, improve, expand or increase the capacity of the Project Facilities, or any portion thereof; or (b) expand the scope of the Partnership beyond the Project Facilities.

"Claims" means, in relation to any Person, any and all past, present or future:

- (a) debts, costs, expenses, liabilities, obligations, losses, damages, dues, Taxes, security interests, fees, fines or penalties imposed on, incurred by, suffered by or asserted against such Person or to which it or its assets is or may be subject;
- (b) actions, suits, causes of action, claims, proceedings, hearings, investigations, charges, demands or complaints of whatsoever nature or kind, including regulatory or administrative, pending or threatened, against such Person or its assets;
- (c) allegations, notices of violation, demands, injunctions, prosecutions or mandatory communications issued, made or threatened to or against such Person or its assets, status or ability to carry on business by any Authorized Authority or other Person, regardless of the remedy or recourse sought thereby; and
- (d) judgments, orders, decrees, rulings, directions (conditional or otherwise) or other remedies issued or made against such Person or its assets,

which, in each of the foregoing cases, involves or relates to the Project or to the performance of this Agreement whether arising or based on common law or equity, on the basis of contract, liability in tort or strict or absolute liability, or arising out of or based on requirements of Applicable Laws or any other theory or basis of liability and whether absolute or contingent and, except as otherwise expressly provided herein, includes all out-of-pocket costs, disbursements, fees (including fees of legal counsel on a solicitor and his own client basis) and expenses paid or incurred by such Person in investigating, pursuing, defending or considering the defence of any of the foregoing or any proceeding relating to any of the foregoing.

“Code of Conduct” means the inter-affiliate code of conduct prepared in compliance with the AUC’s direction to establish standards and conditions for interaction between the Partnership and its Affiliates.

“Communications/Consultation Manager” means the communications/consultation manager provided by EDTI under the Shareholders’ Agreement.

“Completion” or **“Completion Date”** means the date on which the Project Facilities are energized and placed in service through interconnection to Alberta’s interconnected electric system.

“Confidential Information” information and data (including all copies thereof) that is furnished or submitted by any of the Parties or their Affiliates, whether oral, written, or electronic, on a confidential basis to the other Parties or their Affiliates, in connection with the Facilities, and any and all of the activities and studies performed pursuant to the MOU or the Project Documents, and the resulting information and data obtained from those studies, including market evaluations, market proposals, service designs and pricing, transmission line system design and routing, cost estimating, rate studies, identification of permits, strategic plans, legal documents, environmental studies and requirements, public and governmental relations planning, identification of Canadian regulatory issues and development of related strategies, legal analysis and documentation, financial planning, studies of the electricity supplies for the Facilities, and other studies and

activities to determine the potential viability of the Facilities. Notwithstanding the foregoing, the term “**Confidential Information**” shall not include any information that:

- (a) is in the public domain at the time of its disclosure or thereafter, other than as a result of a disclosure directly or indirectly by a Party or its Affiliates in contravention of the MOU or the Project Documents;
- (b) as to any Party, was in the possession of such Party or its Affiliates prior to the execution of the MOU; or
- (c) has been independently acquired or developed by a Party or its Affiliates without violating any of the obligations of such Party or its Affiliates under (i) the MOU or the Project Documents or (ii) to the knowledge of such Party and its Affiliates, any other confidentiality agreement or duty by which such Party or its Affiliates is bound.

“**Control**” or “**Controlled**” means one or more of the following:

- (a) a body corporate is controlled by a Person if: (A) securities of the body corporate to which are attached more than 50% percent of the votes that may be cast to elect directors of the body corporate are beneficially owned, directly or indirectly, by such Person; and (B) the votes attached to those securities are sufficient to elect a majority of the directors of the body corporate;
- (b) an association, partnership, trust or other organization is controlled by a Person if (A) more than 50% of the ownership interests, however designated, into which the association, partnership, trust or other organization is divided are beneficially owned, directly or indirectly, by such Person; and (B) the Person is able to direct the business and affairs of the association, partnership, trust or other organization;
- (c) a body corporate, association, partnership, trust or other organization is controlled by a Person if such Person has, directly or indirectly, control in fact of the body corporate, association, partnership, trust or other organization; or
- (d) a body corporate, association, partnership, trust or other organization that controls (within the meaning of this definition) another body corporate, association, partnership, trust or other organization is deemed to control (within the meaning of this definition) any body corporate, association, partnership, trust or other organization that is controlled or deemed to be controlled (within the meaning of this definition) by the other body corporate, association, partnership, trust or other organization.

“**Day**” means a calendar day; provided, however, that, if any period of Days referred to in this Agreement shall end on a Day that is not a Business Day, then the expiration of such period shall be automatically extended until the end of the first succeeding Business Day.

“Default Rate” means a rate per annum equal to the lesser of: (a) a varying rate per annum equal to the sum of (i) the prime lending rate on Canadian dollar commercial loans made in Canada as published from time to time by the Royal Bank of Canada, with adjustments in that varying rate to be made on the same Day as any change in that rate is so published, plus (ii) five (5) % per annum; and (b) the maximum rate permitted by Applicable Law.

“Effective Date” means the date on which the Partnership Agreement is executed.

“Electric Operating Laws” means the Electric Utilities Act (Alberta), the Safety Codes Act (Alberta), the Canadian Electrical Code (CSA), the Alberta Electrical Communication and Utility Code, the Electricity and Gas Inspection Act (Canada), the Occupational Health and Safety Act (Alberta), the Hydro and Electric Energy Act (Alberta), as applicable, and any other applicable legislation, safety codes and safety standards.

“EPC Agreement” means the engineering, procurement and construction agreement to be entered into between the Partnership and the EPC Contractor in relation to the engineering, procurement and construction of the Project Facilities.

“EPC Contractor” means the contractor selected and appointed by the Partnership under the EPC Agreement.

“EPCOR Heartland” means EPCOR Transmission Development (Heartland) Limited Partnership, an initial Limited Partner of the Partnership.

“Facilities” includes (a) the Project Facilities and (b) other transmission facilities located within the Province of Alberta that are approved by the General Partner as Capital Opportunities and constructed or acquired by the Partnership in accordance with the Partnership Agreement.

“GAAP” means, in relation to any Person at any time, accounting principles generally accepted in Canada as recommended in the Handbook of the Canadian Institute of Chartered Accountants or its successor, applied on a basis consistent with the most recent audited financial statements of such Person and, if applicable, its consolidated subsidiaries (except for changes approved by the auditors of such Person).

“General Partner” means Heartland Transmission Management Ltd. and any Person hereafter admitted to the Partnership as general partner pursuant to the provisions of the Partnership Agreement.

“Good Industry Practice” means any of the practices, methods and acts that, in the exercise of reasonable judgment in the light of the facts known, or that reasonably should be known, to the Party applicable at the time that a decision was made, could reasonably have been expected to accomplish the desired result in a cost-effective manner consistent with licensing and regulatory considerations, environmental considerations, reliability, safety and expedition. Good Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts employed by owners and operators of facilities similar in size and operational characteristics to the Project Facilities, including those involving the use of new concepts or technology, and having due regard for

practices followed from time to time by the electric industry, applicable electrical, safety and maintenance codes and standards, manufacturers' warranties, permits and all Applicable Law.

"Gross Negligence or Wilful Misconduct" means any act or failure to act (whether sole, joint or concurrent) by a Person that was intended to cause, or was in reckless disregard of, or with wanton indifference to, the harmful consequences to the safety or property of another Person or to the environment, which the Person acting or failing to act knew (or should have known) would result from such act or omission. However, Gross Negligence or Wilful Misconduct does not include any act or failure to act insofar as it: (i) constituted mere ordinary negligence; or (ii) was done or omitted in accordance with the express instructions or approval of all Partners, insofar as the act or failure to act otherwise constituting Gross Negligence or Wilful Misconduct was implicit in such instructions or approval.

"HEE Act" means the *Hydro and Electric Energy Act* (Alberta).

"Limited Partner" means each of AltaLink Heartland and EPCOR Heartland and **"Limited Partners"** means both of them and includes any Person hereafter admitted to the Partnership as a limited partner pursuant to the provisions of the Partnership Agreement.

"MOU" means the March 23, 2007 memorandum of understanding between AltaLink, L.P. and EPCOR Distribution & Transmission Inc. which sets out their basic intentions in relation to the Project.

"Necessary Regulatory Approvals" means all Authorizations (all of which must be final and non-appealable) as may be required (but excluding Authorizations of a nature not customarily obtained prior to commencement of construction of transmission facilities) in connection with (a) the construction and operation of the Project Facilities or any Capital Opportunity (as applicable). In the case of the Project Facilities, the Necessary Regulatory Approvals will also include any Authorizations as may be required in connection with the formation of the Partnership. In the case of any Capital Opportunities, the Necessary Regulatory Approvals will include any required approval or order under the HEE Act from the AUC.

"Operations & Maintenance Agreement" means the operations and maintenance agreement to be entered between AltaLink, L.P., as Operator, and the General Partner for the management, operation and maintenance of the Project Facilities.

"Operator" means the operator appointed under the Operations & Maintenance Agreement.

"Partnership Agreement" means the limited partnership agreement made effective March 7, 2008, among the General Partner, and AltaLink Heartland and EPCOR Heartland, as initial limited partners.

"Partnership's Representative" means the representative appointed by the Partnership, to be the principal contact for the Partnership and who shall have the responsibility and authority as described in Section 3.7 and elsewhere in this Agreement.

"Party" means a party to this Agreement and any reference to a Party includes its heirs, executors, administrators, successors and permitted assigns; and **"Parties"** means every Party.

“Person” includes an individual, a general or limited partnership, a corporation, a trust, a joint venture, an incorporated or unincorporated organization or association, a sole proprietorship, a firm, an entity, a body corporate, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual.

“Personnel” means, with respect to any Party, such Party’s directors, officers, agents, employees (permanent or temporary), consultants, contractors and subconsultants, and their employees, agents, contractors and subcontractors.

“Project” has the meaning set out in the first recital to this Agreement.

“Project Documents” means each of:

- (a) the Shareholders’ Agreement;
- (b) the Partnership Agreement;
- (c) the Operations & Maintenance Agreement;
- (d) any Services Agreement; and
- (e) any other contracts, licences and agreements entered into by or on behalf of any of the Parties solely for or in connection with the Project and which are required or deemed necessary from time to time to complete the Project.

“Project Facilities” has the meaning set out in the first recital to this Agreement.

“Services Agreement” means this Agreement and any other service agreement between the Partnership and either AltaLink, L.P. (or any of its Affiliates), or EPCOR Distribution & Transmission Inc. (or any of its Affiliates) in relation to the provision of the human resources and services required by the Partnership to conduct its business.

“Service Provider’s Representative” means the representative appointed by Service Provider to be the principal contact for Service Provider and who shall have the responsibility and authority as described in Section 3.7 and elsewhere in this Agreement.

“Service Cost” has the meaning set forth in Section 4.1.

“Services” has the meaning set forth in Section 3.2.

“Shareholders’ Agreement” means the unanimous shareholders’ agreement made effective March 6, 2008 among the General Partner and each of AltaLink Management Ltd. and EPCOR Distribution & Transmission Inc., as shareholders of the General Partner.

“Tariff” means the tariff applied for and approved for the Partnership by the Authorized Authorities pursuant to the *Electric Utilities Act* (Alberta).

“**Taxes**” means all taxes, duties, fees, premiums, imposts, levies and other similar charges imposed by any Authorized Authority under Applicable Law, however denominated, including any interest, penalties, fines, additions to tax or other additional amounts that may become payable in respect thereof, imposed by any Authorized Authority, including income or profits taxes (including federal and provincial income taxes), capital taxes, goods and services taxes, harmonized taxes, withholding taxes, payroll and employer health insurance and taxes, employment insurance, social insurance and social security taxes, sales taxes, value-added taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, surtaxes, environmental taxes, education taxes, transfer taxes, workers’ compensation, custom duties and import and export taxes, countervail and anti-dumping duties, licence, franchise and registration fees, Canada and any provincial government pension plan contributions or premiums and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing.

“**Term**” has the meaning set forth in Section 2.1.

“**Third Parties**” means Persons other than: (i) the Limited Partners (and their respective Affiliates); (ii) the General Partner and its shareholders (and their respective Affiliates); and (iii) the Partnership.

“**TUC**” means the lands designated for a Transportation/Utility Corridor pursuant to the *Edmonton Restricted Development Area Regulations* as set forth in Exhibit C to the Partnership Agreement.

1.2 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) the singular includes the plural and *vice versa*;
- (b) reference to any Person includes any successor or assign of such Person that is permitted under this Agreement;
- (c) reference to a Person in a particular capacity excludes such Person in any other capacity;
- (d) reference to any gender includes all genders;
- (e) a grammatical variation of a defined term has a corresponding meaning;
- (f) reference to any agreement, document or instrument means such agreement, document or instrument as amended, restated or modified and in effect from time to time in accordance with the terms thereof;
- (g) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or re-enacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or re-enactment of such section or other provision;

- (h) references to an Article, Section, subsection, paragraph, exhibit or schedule by number or letter or both refer to this Agreement;
- (i) a reference to a paragraph also refers to the subsection in which it is contained and a reference to subsection refers to the Section in which it is contained
- (j) "Agreement", "this Agreement", "herein", "hereby", "hereunder", "hereof", "hereto" and words of similar import are references to the whole of this Agreement and not, unless a particular Section or other part thereof is referred to, to any particular Section or other part;
- (k) "including" means including without limiting the generality of any description preceding or succeeding such term and for purposes hereof the rule of *ejusdem generis* shall not be applicable to limit a general statement, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned;
- (l) the phrases "the aggregate of", "the total of", "the sum of", or a similar phrase means "the aggregate (or total or sum), without duplication, of";
- (m) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding";
- (n) accounting terms shall be construed and interpreted, and accounting determinations and computations shall be made, in accordance with GAAP;
- (o) unless otherwise stated, any reference to dollars means Canadian dollars;
- (p) payments and transfers of funds are to be made in immediately available funds;
- (q) a reference to time or date is a reference to the time or date in effect in Alberta, taking into account the *Daylight Saving Time Act* (Alberta);
- (r) a reference to a day is a reference to a period of time commencing at midnight and ending the following midnight; and
- (s) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day.

1.3 Schedules

The following schedule (the "Schedule") is attached hereto and forms a part of this Agreement:

Schedule "A" – Addresses for Notice and Representative Information

If any term or condition, express or implied, of any Schedule conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the Schedule shall prevail. Except as otherwise provided herein or in any Schedule, the Parties may substitute revised Schedules to this Agreement at any time by agreeing to, signing and attaching a dated copy of the revised Schedule(s) to this Agreement, which revised Schedule(s) shall from that date be the governing Schedule(s).

1.4 Headings

The division of this Agreement and the recitals, table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Rules of Construction

This Agreement was negotiated by the Parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any Party shall not apply to any construction or interpretation hereof or thereof.

**ARTICLE 2
APPOINTMENT AND TERM**

2.1 Appointment and Term

The Partnership hereby engages Service Provider, and Service Provider hereby accepts such engagement, to perform the Services for the Partnership in relation to the Facilities, during the period (the “**Term**”) commencing as of the date of this Agreement and ending on the earlier of the following dates:

- (a) the date that is ninety (90) Days following the date either Party provides notice of termination of this Agreement;
- (b) the date either Party is Bankrupt;
- (c) the date of dissolution of the Partnership pursuant to Article 12 of the Partnership Agreement; or
- (d) the date of termination for default provided for in Section 2.2 hereof.

2.2 Termination on Certain Events

In the event that Service Provider is in material breach or default in the performance of the Services provided for in this Agreement and such breach or default persists for a period of more than thirty (30) Days (or such longer cure period as may be approved by the Partnership, acting reasonably) after notice thereof has been delivered to Service Provider, the Partnership may cause this Agreement to be terminated upon fifteen (15) Days’ notice.

2.3 Payments Upon Termination

In the event of any termination of this Agreement, the Partnership shall forthwith pay to Service Provider, as of the effective date of such termination, all accrued and unpaid costs and expenses that have been incurred but not yet reimbursed, subject only to receipt by the Partnership of the necessary invoices therefor in accordance with Article 4.

2.4 Transition Upon Termination

In the event of any termination of this Agreement, Service Provider shall cooperate with the Partnership and shall use commercially reasonable efforts to transition all obligations under this Services Agreement to a new service provider.

ARTICLE 3 SERVICES

3.1 General Principles

Service Provider hereby agrees to provide, or cause to be provided, during the Term of this Agreement various services in relation to the Facilities as set out in Section 3.2 hereof ("Services"). Service Provider covenants and agrees to carry out its responsibilities hereunder in such a manner as to:

- (a) act in a commercially reasonable, efficient, timely and professional manner and in accordance with Good Industry Practice;
- (b) provide the Services to at least the standard and quality of similar services it provides to its own operations;
- (c) if applicable, provide the Services to meet all requirements of the Authorized Authorities or the AUC NID Approval or the AUC Facilities Approval, as applicable, including requirements relating to safety and reliability;
- (d) if applicable, provide the Services to meet all requirements of the Electric Operating Laws and other industry standards;
- (e) provide the Services in compliance with Applicable Law;
- (f) provide the Services in compliance with the AUC NID Approval or the AUC Facilities Approval and all Necessary Regulatory Approvals held by the Partnership in connection with the Project Facilities and not take any action in providing the Services that would invalidate, violate or otherwise render invalid the AUC NID Approval or the AUC Facilities Approval or any Necessary Regulatory Approvals;
- (g) act in accordance with any agreement or instrument to which the Partnership is a Party, or by which it is bound;

- (h) act in accordance with the Project Documents; and
- (i) act in accordance with the overall reasonable directions of the Partnership.

3.2 Services

Service Provider shall provide, or cause to be provided, throughout the Term the following Services to the Partnership, as and when directed by the Partnership:

- (a) accounting, finance and treasury services, including without limitation, the determination of accounting policies, the review, approval and payment of invoices, the preparation and filing, as applicable, of tax returns, remittances, income statements, audited and unaudited financial statements, and annual returns;
- (b) business development services, including without limitation, the assessment of business opportunities and acquisitions, including the development and application of economic models to assess such opportunities or acquisitions;
- (c) regulatory services, including without limitation, any and all regulatory support services as required from time to time to secure the AUC NID Approval, the AUC Facilities Approval, the Tariff and all other Necessary Regulatory Approvals for the Facilities;
- (d) assistance and advice in the negotiation of financing arrangements;
- (e) operational services, including without limitation, due diligence on acquisitions, engineering, procurement, construction, management, operations and/or maintenance as required from time to time for the Project Facilities prior to or after the Completion Date;
- (f) office space, equipment and personnel as may be reasonably necessary to perform its obligations hereunder;
- (g) administrative services, including without limitation, reporting and mailing to stakeholders as required;
- (h) all facilities and equipment reasonably necessary to provide the Services;
- (i) all services required to fulfill the functions of the Communications/Consultation Manager; and;
- (j) such other services as the Parties may agree upon from time to time.

3.3 Access to Records

Service Provider shall provide to the Partnership and to others as the Partnership may from time to time designate full and free access at all reasonable times to all records,

documents and materials in the possession or control of Service Provider which relate to the Partnership and the Facilities.

3.4 Code of Conduct

Service Provider represents and warrants that this Agreement complies with Service Provider's Code of Conduct as approved by the AUC and covenants that the performance of the Services hereunder shall at all times be performed in a manner that complies with such Code.

3.5 Personnel

In performing the Services contemplated by this Agreement, Service Provider:

- (a) agrees that all Personnel supplied by it in connection with the Services shall be employees of Service Provider, or the Personnel of Affiliates of Service Provider, except as otherwise agreed to by the Parties pursuant to Section 3.6 herein;
- (b) agrees that with respect to its employees and subcontractors, that it is responsible for all aspects arising out of the relationship between it and each such employee or subcontractor, as the case may be, including, without limitation: the provision of supervision; responsibility for hiring, dismissal, discipline, direction and control of such employees; the payment of salary; and the withholding and remittance of taxes, pension plan contributions, employment insurance, health care, workers' compensation and any other premiums and amounts generally payable by such employer in respect of such employee or subcontractor, as the case may be;
- (c) shall employ at all times the quantity and quality of Personnel, including supervisory Personnel, necessary for the effective and efficient performance of the Services;
- (d) shall at all times be responsible for the performance and payment of all Personnel in accordance with this Agreement;
- (e) shall ensure that all Personnel involved in the provision of the Services:
 - (i) are trained and competent in performing the assigned work;
 - (ii) use reasonable care in performance of the Services; and
 - (iii) to the extent required for the proper performance of the assigned work, have any required professional standing in accordance with Good Industry Practice;
- (f) agrees that if the Partnership, acting reasonably, determines, for any reason, that any Personnel is unqualified or otherwise unsatisfactory with respect to the performance of the Services, then upon written notice from the Partnership to

Service Provider, Service Provider shall promptly remove such individual from the performance of the Services; and

- (g) shall provide the following information:
 - (i) evidence of qualifications for Personnel performing the Services; and
 - (ii) a list of the Personnel involved in the performance of the Services;
- from time to time, upon the reasonable request of the Partnership.

3.6 Use of Subcontractors

Service Provider may not use subcontractors to perform its material obligations pursuant to this Agreement unless Service Provider has first obtained the Partnership's consent, which consent shall not be unreasonably withheld. Service Provider may ask the Partnership to pre-approve a list of subcontractors for various duties, which, once approved, shall constitute the Partnership's consent unless and until the Partnership gives Service Provider notice to the contrary. The use of subcontractors shall not relieve Service Provider of any of its obligations and liabilities under this Agreement.

3.7 Representatives

The titles of the individuals appointed as the Partnership's Representative and Service Provider's Representative are set forth in Schedule "A" hereto. The responsibilities of the Partnership's Representative and Service Provider's Representative appointed by the Partnership and Service Provider, respectively, shall include, among other things:

- (a) administering the performance of the Partnership and Service Provider's obligations, as applicable under this Agreement;
- (b) advising the Partnership of any adjustments required from time to time to the scope of the Services required; and
- (c) such other responsibilities to which the Parties may mutually agree.

ARTICLE 4 PAYMENTS AND INVOICES

4.1 Payments

Service Provider shall be reimbursed by the Partnership for the Services provided pursuant to this Agreement (the "**Service Costs**"), payable in Canadian dollars. Subject to the provisions of any Authorization to the contrary, the Service Costs charged by Service Provider shall be calculated strictly on a cost recovery basis in compliance with the applicable Code of Conduct.

4.2 Invoices

Service Provider shall submit to the Partnership an invoice for the Service Costs and all other expenses and charges payable by the Partnership pursuant to this Agreement, together with reasonable documentation supporting such invoice, within twenty (20) Business Days of the end of each Month during the Term with respect to the immediately preceding Month. Payment of invoices shall be made by the Partnership within thirty (30) Days of receipt.

4.3 Failure to Invoice

If Service Provider fails to deliver an invoice to the Partnership with respect to any Service Costs within one (1) year from the date Service Provider is entitled to issue such invoice, Service Provider's right to such costs shall be forfeited and the Partnership will have no further obligation for the payment of such costs.

4.4 Maintenance of Records by Service Provider and Partnership's Right of Review

- (a) Service Provider shall maintain and preserve records, books and accounts pertaining to the performance of Services under this Agreement for a period of seven (7) years from the date of performance of such Services to the extent such records, books and accounts are required for tax purposes. Otherwise, Service Provider shall maintain such records, books and accounts for the Term. At the end of the Term, Service Provider shall surrender such records, books and accounts to the Partnership, provided that Service Provider may retain copies thereof;
- (b) The Partnership shall have the right at any time during the Term, during Service Provider's normal business hours, and upon at least five (5) Business Days prior written notice to Service Provider, to examine records, books and accounts pertaining to the performance of Services under this Agreement, as may be reasonably necessary for the purposes of:
 - (i) meeting AUC requirements or the requirements of other Authorized Authorities;
 - (ii) ensuring the Services under this Agreement are being performed in accordance with this Agreement;
 - (iii) assessing equipment condition and conducting incident investigations; and
 - (iv) substantiating charges appearing on invoices rendered under this Agreement;
- (c) the Partnership's cost of review pursuant to this Section 4.4 will be borne by the Partnership, and if such review discloses an overcharge, Service Provider shall reimburse the Partnership the amount of such overcharge and in the event that the review discloses a deviation of ten (10%) percent overcharge or more in the

accuracy of monthly invoices, Service Provider shall be responsible to reimburse the Partnership the actual cost of the review (or the applicable portion thereof to the extent that such review covers more than the subject matter described in clause (iv) of Section 4.4(b)).

4.5 Facilitation of Review by Service Provider

Service Provider shall use its commercially reasonable efforts to provide the Partnership with information in sufficient quantity and quality so as to facilitate the review contemplated in Section 4.4. Neither Party shall unreasonably withhold information related to the Services, the performance thereof or payment therefore, if requested by the other Party for review.

4.6 Disputes

If a Party disputes (the “**Disputing Party**”) the invoice or payment owing to the other Party (the “**Other Party**”) under this agreement, the Disputing Party shall be obliged to pay to the Other Party full amount owing until a contrary determination is made. Such disputes shall be settled in accordance with the provisions of Article 7 herein. If it is determined that the Disputing Party is entitled to reimbursement of any disputed amount, the Other Party shall pay the Disputing Party such amount within five (5) Days, together with interest at the Default Rate, from the date such payment was originally made until the date such reimbursement is made.

4.7 Overdue Amounts

A Party obligated to make a payment hereunder shall pay interest on any overdue payment at the Default Rate from the date such payment is due until payment is received by the Party entitled to such payment.

4.8 Taxes

The Partnership agrees to pay all Taxes imposed under Applicable Law with respect to the provision of the Services invoiced under this Agreement, but no Party shall be responsible for the other Party’s income taxes.

4.9 Responsibility for Disallowed Costs

If the AUC or other Authorized Authority determines that any Service Costs charged to the Partnership by Service Provider in connection with the Services were excessive or unjustified and not recoverable as part of the Tariff approved for the Partnership, the Partnership will be responsible for any such Service Costs which are so disallowed by the AUC or other Authorized Authority. In the event any Service Costs are disallowed by the AUC or other Authorized Authority, the Partnership may direct the Service Provider, by notice in writing, to alter its practices and procedures in such a manner as to minimize the potential for any future disallowances.

ARTICLE 5 INDEMNIFICATION

5.1 Service Provider Indemnity

- (a) Notwithstanding any provision of this Agreement, Service Provider, its Affiliates, and their respective directors, officers, employees, subcontractors, agents and representatives thereof (the "**Service Provider Group**") shall not be liable to the Partnership, its Affiliates, and their respective directors, officers, employees, subcontractors, agents or representatives (the "**Partnership Group**"):
 - (i) for damage, losses, liabilities, costs or expenses ("**Losses**") suffered or incurred by any member of the Partnership Group; or
 - (ii) for Claims (including those which may be brought against any member of the Partnership Group by or in favour of a Third Party (including those Claims arising in favour of or brought by or on behalf of any the Partnership's employees, agents, contractors, subcontractors or representatives),

based upon, in connection with, relating to or arising out of the provision of the Services, except and to the extent that any such Losses or Claims are based upon, in connection with, relating to or arising out of the Gross Negligence or Wilful Misconduct of any member of Service Provider Group.

- (b) To the extent that the actions or omissions of Service Provider in performing its obligations hereunder constitute Gross Negligence or Wilful Misconduct, Service Provider shall, subject to Section 5.3, be liable for such Losses and Claims and, in addition, shall indemnify and save harmless the Partnership Group from and against the same.

5.2 Partnership Indemnity

Except in respect of those Losses for which Service Provider has assumed liability pursuant to Section 5.1 above, the Partnership shall, subject to Section 5.3, be responsible for and shall indemnify and save harmless Service Provider Group from and against all Claims which may be brought by or in favour of any Third Party against or suffered or incurred by any member of Service Provider Group, which is based upon, in connection with, relating to or arising out of the performance by Service Provider of its obligations under this Agreement.

5.3 Limitation of Liability

Notwithstanding anything to the contrary contained in this Agreement, neither Party (the “**First Party**”) will be liable to the other Party (the “**Second Party**”) for any Loss or Claim of an indirect, special, consequential or punitive nature (including Claims resulting from loss of profit, loss of revenue, loss of business opportunity or loss of use) suffered by the Second Party which arises due to the First Party’s failure to perform its obligations under this Agreement or for any other reason, whether or not such acts or omissions constitute Gross Negligence or Wilful Misconduct.

ARTICLE 6 CONFIDENTIALITY

6.1 Treatment of Confidential Information

- (a) Except as permitted by Section 6.1(b), (i) each Party shall keep confidential all Confidential Information and shall not disclose any Confidential Information to any Person, including any of its Affiliates, and (ii) each Party shall use the Confidential Information only in connection with the Facilities.
- (b) Notwithstanding Section 6.1(a), but subject to the other provisions of this Section 6.1, a Party may make the following disclosures and uses of Confidential Information:
 - (i) disclosures to another Party, Service Provider or to any Affiliate which has direct or indirect interest or function in connection with the Facilities;
 - (ii) disclosures and uses that are approved by the Partnership (which approval shall not be unreasonably withheld);
 - (iii) disclosures that may be required from time to time to obtain requisite Authorizations, Necessary Regulatory Approvals or financing for the Project Facilities or any proposed Capital Opportunity, if such disclosures are approved by the Partnership (which approval shall not be unreasonably withheld);
 - (iv) disclosures to an Affiliate of such Party on a “need to know” basis in connection with the Facilities, if such Affiliate abides by the terms of this Section 6.1;
 - (v) disclosures to a Person that is not a Party or an Affiliate of a Party, if such Person has been retained to provide services to the Partnership in connection with the Facilities and has agreed to abide by the terms of this Section 6.1;
 - (vi) disclosures that a Party is legally compelled to make by deposition, examinations for discovery, interrogatory, request for documents, subpoena, civil investigative demand, order of a court of competent

jurisdiction, or similar process; provided, however, that, prior to any such disclosure, such Party shall:

- (A) provide the other Parties with prompt notice of such requirements so that one or more of the Parties may seek a protective order or other appropriate remedy or waive compliance with the terms of this Section 6.1(b)(vi);
 - (B) consult with the Partnership on the advisability of taking steps to resist or narrow such disclosure; and
 - (C) cooperate with the other Parties in any attempt one or more of them may make to obtain a protective order or other appropriate remedy or assurance that confidential treatment will be afforded the Confidential Information; and in the event such protective order or other remedy is not obtained, or the other Parties waive compliance with the provisions hereof, such Party agrees (i) to furnish only that portion of the Confidential Information that the other Parties are advised (by written opinion of counsel to the disclosing Party) is legally required and (ii) to exercise commercially reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information;
- (vii) disclosures to a Party's or Affiliate's lenders, consultants and legal and financial advisors; and
 - (viii) other disclosures that are required by Applicable Law (including applicable securities laws).
- (c) Each Party shall take such precautionary measures as may be required to ensure (and such Party shall be responsible for) compliance with this Section 6.1 by any of its Affiliates, and its and their directors, officers, employees and agents, including any subcontractors engaged by Service Provider and other Persons to which it may disclose Confidential Information in accordance with this Section 6.1.
 - (d) Promptly upon termination of this Services Agreement, Service Provider shall use commercially reasonable efforts to destroy or return to the Partnership, all Confidential Information in its possession, except for electronically archived data protected by security measures satisfactory to the Partnership, acting reasonably. Service Provider shall also use all commercially reasonable efforts to ensure that its subcontractors comply with the obligations of this provision. Notwithstanding the foregoing, Service Provider may retain for a stated period, but not disclose to any other Person, Confidential Information for the limited purpose of (i) explaining Service Provider's corporate decisions with respect to the Facilities or (ii) preparing Service Provider's tax returns and defending audits,

investigations and proceedings relating thereto; provided, however, that Service Provider must notify the Partnership in advance of such retention and specify in such notice the period of such retention.

- (e) The Parties agree that no adequate remedy at law exists for a breach or threatened breach of any of the provisions of this Section 6.1, the continuation of which unremedied will cause the Partnership and the other Parties to suffer irreparable harm. Accordingly, the Parties agree that the Partnership and the other Parties shall be entitled, in addition to other remedies that may be available to them, to immediate injunctive relief from any breach of any of the provisions of this Section 6.1 and to specific performance of their rights hereunder, as well as to any other remedies available at law or in equity.
- (f) The obligations of the Parties under this Section 6.1 (including the obligations of Service Provider) shall terminate on the second anniversary of the dissolution of the Partnership.

ARTICLE 7 DISPUTE RESOLUTION

7.1 Disputes

This Article 7 shall apply to any dispute arising under or related to this Agreement (whether arising in contract, tort or otherwise, and whether arising at law or in equity), including (a) any dispute regarding the construction, interpretation, performance, validity or enforceability of any provision of this Agreement or whether any Person is in compliance with, or in breach of, any provisions of this Agreement, and (b) the applicability of this Article 7 to a particular dispute. If an approval, consent, determination or other decision must, under the terms of this Agreement, be made (or withheld) in accordance with a standard other than sole discretion (such as a reasonableness standard), then the issue of whether such standard has been satisfied may be a dispute to which this Article 7 applies. Any dispute to which this Article 7 applies is referred to herein as a **"Dispute."** With respect to a particular Dispute, each Party that is a party to such Dispute is referred to herein as a **"Disputing Party."** The provisions of this Article 7 shall be the exclusive method of resolving Disputes and the Parties acknowledge and agree that the Service Provider shall not be relieved of its obligation to provide the Services regardless of the nature of any dispute(s) arising under this Agreement.

7.2 Negotiation to Resolve Disputes

If a Dispute arises, the Disputing Parties shall attempt to resolve such Dispute through the following procedure:

- (a) first, any Disputing Party shall prepare and issue a notice (the **"Dispute Notice"**) to all the Disputing Parties summarizing, in reasonable detail, the pertinent information relating to the Dispute;
- (b) second, within ten (10) Days of the receipt of the Dispute Notice during the construction phase of the Project Facilities and twenty (20) Days thereafter, a

representative of each of the Disputing Parties shall promptly meet (whether by phone or in person) in a good faith attempt to resolve the Dispute;

- (c) third, if the Dispute remains unresolved after ten (10) Days following the commencement of the discussions described in Section 7.2(b), then the chief executive officer or such other Person fulfilling the role of a chief executive officer or a similar role or office (or his designate) of each Disputing Party shall meet (whether by phone or in person but within five (5) Days after the ten (10) Day period referred to in this Section 7.2(c)) in a good faith attempt to resolve the Dispute; and
- (d) fourth, if the Dispute remains unresolved after ten (10) Days following the commencement of the discussions described in Section 7.2(c), then any Disputing Party may submit such Dispute to binding arbitration under this Article 7 by notifying the other Disputing Parties (an “**Arbitration Notice**”).

7.3 Selection of Arbitrator

- (a) Any arbitration conducted under this Article 7 shall be heard by a sole arbitrator (the “**Arbitrator**”) selected in accordance with this Section 7.3. Each Disputing Party and the proposed Arbitrator shall disclose to the other Disputing Parties any business, personal or other relationship or affiliation that may exist between such Disputing Party and such proposed Arbitrator, and any Disputing Party may disapprove of such proposed Arbitrator on the basis of such relationship or affiliation.
- (b) The Disputing Party that submits a Dispute to arbitration shall designate a proposed Arbitrator in its Arbitration Notice. If any other Disputing Party objects to such proposed Arbitrator, it may, on or before the tenth Day following delivery of the Arbitration Notice, notify all of the other Disputing Parties of such objection. Where notice of objection to a proposed Arbitrator is made by any Disputing Party, all of the Disputing Parties shall attempt to agree upon a mutually acceptable Arbitrator. If they are unable to do so within twenty (20) Days following delivery of the notice described above, any Disputing Party may apply to the Court of Queen’s Bench of Alberta to appoint the Arbitrator having regard to the need to appoint an arbitrator that is suitably qualified to render an informed decision on the Dispute. If the Arbitrator so chosen shall die, resign or otherwise fail or becomes unable to serve as Arbitrator, a replacement Arbitrator shall be chosen in accordance with this Section 7.3.

7.4 Conduct of Arbitration

The Arbitrator shall expeditiously (and, if possible, within ninety (90) Days after the Arbitrator’s selection) hear and decide all matters concerning the Dispute. Any arbitration hearing shall be held in the City of Calgary, Alberta. The arbitration shall be final and binding on the Disputing Parties and shall be conducted in accordance with the rules and procedures (including rules relating to the discovery process) (the “**Arbitration Rules**”) determined and

agreed to in advance by the Disputing Parties. Except as expressly provided to the contrary in this Agreement or in the Arbitration Rules, the Arbitrator shall have the power to: (i) gather such materials, information, testimony and evidence as it deems relevant to the Dispute before it (and each Party will provide such materials, information, testimony and evidence requested by the Arbitrator, except to the extent any information so requested is proprietary, subject to a third-party confidentiality restriction or is otherwise privileged); and (ii) grant injunctive relief and enforce specific performance. If necessary, the Arbitrator may propose to the Disputing Parties that one or more other experts be retained to assist in resolving the Dispute. The retention of such other experts shall require the unanimous consent of the Disputing Parties, which shall not be unreasonably withheld. Each Disputing Party, the Arbitrator and any proposed expert shall disclose to the other Disputing Parties any business, personal or other relationship or affiliation that may exist between such Disputing Party (or the Arbitrator) and such proposed expert; and any Disputing Party may disapprove of such proposed expert on the basis of such relationship or affiliation. The decision of the Arbitrator on the Dispute (which shall be rendered in writing) shall be final, non-appealable and binding upon the Disputing Parties and may be enforced in any court of competent jurisdiction; provided that the Parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive or exemplary damages to any Disputing Party. The responsibility for paying the costs and expenses of the arbitration, including the fees and expenses to the Arbitrator and any experts retained by the Arbitrator, shall be allocated among the Disputing Parties in a manner determined by the Arbitrator to be fair and reasonable under the circumstances. Each Disputing Party shall be responsible for the fees and expenses of its respective counsel, consultants and witnesses, unless the Arbitrator determines that compelling reasons exist for allocating all or a portion of such costs and expenses to one or more of the other Disputing Parties.

ARTICLE 8 NOTICES

8.1 General

- (a) Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement (“Notices”) must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile transmission.
- (b) Subject to Section 8.1(c) below, Notices given by personal or courier delivery are deemed received only on actual delivery. Notices given by facsimile transmission are deemed received only when successful transmission is confirmed to the sender.
- (c) Notices given by personal or courier delivery or by facsimile transmission on a day that is not a Business Day, or given after 4:30 pm on a Business Day, are deemed given at 9:00 am on the next following Business Day and deemed received in accordance with Section 8.1(b) above.
- (d) Notices given by mail must be given by first class registered mail, postage prepaid, and are deemed received at noon on the earlier of the actual date of

receipt or the fourth (4th) Business Day following the mailing thereof. However, if postal service is, or is reasonably anticipated to be, interrupted or operating with unusual delay Notices shall not be served by such means during such interruption or period of delay.

- (e) All Notices to be sent to a Party must be sent to or made at the address given for that Party on Schedule A, or such other address as that Party may specify by Notice in writing to the other Parties. Whenever any Notice is required to be given by Applicable Law or this Agreement, a written waiver thereof, signed by the Party entitled to receive such Notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such Notice.

8.2 Notice of Material Facts

Service Provider covenants and agrees that it shall provide prompt notice to the Partnership of any material facts or information of which it is aware in relation to and which affect the Project Facilities, including without limitation any pending or threatened claims by or against the Partnership before any Authorized Authority and any violations in the management or operations of the Project Facilities of any Electric Operating Laws.

ARTICLE 9 GENERAL PROVISIONS

9.1 Waiver

- (a) No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any further or other exercise thereof.
- (b) No waiver of any provision of this Agreement, including this Section, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by, or by duly authorized representatives of, the Party making such waiver.
- (c) No consent or waiver, express or implied, by a Party to or of any breach or default by another party in the performance of such other Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations of such other party hereunder. Failure on the part of a Party to complain of any act or failure to act of another party or to declare another Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such first mentioned party of its rights hereunder.

9.2 Amendments

This Agreement shall not be varied or amended in its terms by oral agreement or by representations or otherwise than by an instrument in writing dated subsequent to the date hereof, executed by, or by duly authorized representatives of, the Parties hereto.

9.3 Assignment

Except as expressly provided for in this Agreement, no Party may assign its rights hereunder without the prior written consent of the other Party, which consent may be given or withheld in the absolute discretion of each Party.

9.4 Further Assurances

Each Party agrees that it will from time to time at the reasonable request of another Party execute and deliver such assignments, instruments and conveyances and take such further action as may be required to accomplish the purposes of this Agreement.

9.5 Enurement

Except as otherwise set forth herein, this Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

9.6 Surviving Provisions and Continued Rights

Sections 2.4, 4.4 and 4.5 and Articles 5 and 6 of this Agreement contain continuing obligations of the Parties and shall remain in full force and effect after termination of this Agreement. Termination of this Agreement shall not affect any rights or liabilities of any Party that have accrued to it before the effective date of such termination.

9.7 Entire Agreement

This Agreement supersedes all prior negotiations, understandings and agreements and constitutes the entire agreement of the Parties relative to the subject matter hereof and there are no collateral or other statements, understandings, covenants, agreements, representations or warranties, written or oral, relative to the subject matter hereof or which bear upon the meaning and effect of this Agreement other than as contained herein or in the Project Documents.

9.8 No Joint Venture or Partnership

This Agreement does not constitute and will not be construed as constituting a partnership or joint venture between or the Partnership and Service Provider. Service Provider will not have any right to obligate or bind the Partnership or each other in any manner whatsoever except as expressly provided herein.

9.9 Breach

The Parties agree that in the event of a breach or apprehended breach of the terms or conditions of this Agreement, damages may be difficult or impossible to determine and that specific performance or injunction (mandatory or prohibitive), as appropriate, shall be available as remedies to any aggrieved party, in addition to any other remedies provided at law, in equity, by statute or otherwise; and each Party hereby waives the right to, and agrees that it shall not, assert or plead that a Party seeking to enforce this Agreement has an adequate remedy in damages or at law.

9.10 Time of Essence

Time is of the essence in this Agreement.

9.11 Applicable Law

This Agreement and the transactions contemplated by this Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta, including the federal laws of Canada applicable therein, excluding any conflicts of laws rules that might otherwise require the application of the laws of another jurisdiction.

9.12 Attornment

Except to the extent inconsistent with an express provision of this Agreement to submit matters to an alternative forum for dispute resolution, each Party:

- (a) irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Alberta for determining any dispute concerning this Agreement or the transactions contemplated by this Agreement; and
- (b) waives any right it has to object to an action being brought in those courts including claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

9.13 Invalidity of Provisions

If any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

9.14 Third Party Rights

This Agreement is not intended to and does not create any rights in favour of any Person other than the Parties hereto who hold such rights on their own behalf and they have not indicated and will not indicate to the contrary to any Person.

9.15 No Indirect Breach

No Party shall permit any Affiliate to do any act it is prohibited from doing hereunder.

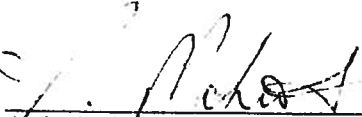
**ARTICLE 10
FACSIMILE AND COUNTERPARTS**

This Agreement may be executed and delivered by facsimile and in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

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

**HEARTLAND TRANSMISSION, L.P.,
by its General Partner, Heartland
Transmission Management Ltd.**

Per:




Authorized Signatory

Per:

Authorized Signatory

**EPCOR DISTRIBUTION &
TRANSMISSION INC.**

Per:



Authorized Signatory

Brian Vaasjo

Per:



Authorized Signatory

Guy Bridgeman

SCHEDULE "A"

ADDRESSES FOR NOTICE AND REPRESENTATIVE INFORMATION

The Partnership's: 2611 – 3rd Avenue S.E.
Address for Notice: Calgary, Alberta
T2A 7W7

The Partnership's Representative: Each Limited Partner at its
address for notices as
provided pursuant to the
Partnership Agreement

The Service Provider's: 1800, 10065 Jasper Avenue
Address for Notice: Edmonton, Alberta
T5J 3B1

The Service Provider's Representative: Senior Vice President,
Distribution & Transmission