

**BRITISH COLUMBIA COORDINATED PLANNING GROUP
MEMORANDUM OF UNDERSTANDING**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made as of the 10 day of March, 2011 (the “Effective Date”) between **BRITISH COLUMBIA HYDRO AND POWER AUTHORITY (“BC Hydro”), FORTISBC INC., RIO TINTO ALCAN INC., TECK METALS LTD. and COLUMBIA POWER CORPORATION** (Columbia Power Corporation is representing Brilliant Power Corporation, Brilliant Expansion Power Corporation, Waneta Expansion Ltd. Partnership and Arrow Lakes Power Corporation). All of the above parties are collectively referred to as the “Parties” or individually as a “Party”.

WHEREAS:

- A. On behalf of the Parties, BC Hydro submitted an application (the “Application”) to the Western Electricity Coordinating Council (“WECC”) on January 27, 2011 to become a subregional planning group (“SPG”) that is recognized by WECC’s Transmission Expansion Planning Policy Committee (“TEPPC”). A copy of the Application is attached to this MOU as Appendix A.
- B. TEPPC has approved the Application subject to certain steps being taken to formalize the SPG, including providing to TEPPC a written MOU amongst the Parties that outlines the purpose, membership and governance of the SPG.
- C. The Parties to this MOU wish to set out their mutual understanding of how the SPG will be formed and developed going forward.

THEREFORE, the Parties confirm their mutual understanding as follows:

- 1. The Parties agree to collaborate to form an SPG in British Columbia in accordance with the principles outlined in the Application. The SPG will be called the British Columbia Coordinated Planning Group (“BCCPG”).
- 2. The Parties agree that the BCCPG will be a planning forum which will work towards assuring a high degree of reliability of the electric system through joint planning, development and operation of the high voltage transmission system in British Columbia. Specifically, the BCCPG will provide a technical forum to complete reliability assessments, develop joint business opportunities and accomplish coordinated planning under the single-system planning concept.
- 3. The Parties will be the initial members of the BCCPG. However, BCCPG is a voluntary organization and membership will be open to all parties that have an interest in participating in the stakeholder process for development of the electric transmission system within British Columbia.
- 4. The Parties agree to collaborate to develop a charter for the BCCPG in a timely fashion which will outline in detail the principles and goals of the BCCPG as well as the detailed terms and conditions of membership, voting and the coordinated transmission planning process. At a high level, the Parties agree that the BCCPG will be operated by a Steering Committee (“SC”). The SC will manage the BCCPG, constitute any committees, subcommittees, work groups or task forces as it determines is necessary, provide coordination among these groups and ensure progress in the overall BCCPG activities. The SC will include of a representative from each BCCPG member that owns high voltage (over 100kV) transmission facilities within British

Columbia as well as the Chair of any subcommittees or other group struck by the SC from time to time.

5. A Party is entitled to terminate its participation under this MOU upon 30 days' prior written notice, in which event that Party will no longer be a party to this MOU and will be released from further obligations hereunder (other than those obligations which accrued prior to the date of termination). This MOU will remain in effect until there are fewer than two Parties to this MOU.
6. BC Hydro will provide the resources required to coordinate the development of the Charter as contemplated herein. The cost implications of BCCPG's mandate and the ongoing cost allocations will be further discussed by the Parties as the Charter is developed.

This MOU shall take effect on the Effective Date and shall continue until terminated as contemplated herein. This MOU will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province. This MOU may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original, but all of which taken together constitute one and the same instrument. This MOU may be executed by facsimile or any other means of electronic communication, and execution pages exchanged by facsimile or any other means of electronic communication will be binding upon the executing party to the same extent as the original executed pages.

IN WITNESS WHEREOF the parties have executed this MOU as of the Effective Date.

**BRITISH COLUMBIA HYDRO AND
POWER AUTHORITY**

Per: 
Authorized Signatory

RIO TINTO ALCAN INC.

Per: _____
Authorized Signatory

COLUMBIA POWER CORPORATION

Per: _____
Authorized Signatory

FORTISBC INC.

Per: _____
Authorized Signatory

TECK METALS LTD.

Per: _____
Authorized Signatory




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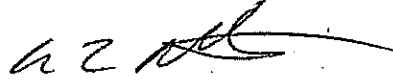
FORTISBC INC.

Per: 
Authorized Signatory

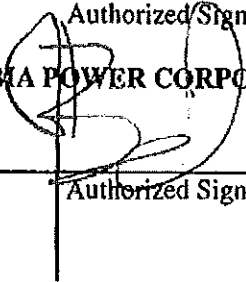
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