

Date: August 21, 2012

**MINISTRY OF ENERGY, MINES AND NATURAL GAS  
BRIEFING NOTE FOR DECISION**

**I PREPARED FOR:** Rich Coleman, Minister of Energy, Mines and Natural Gas  
Pat Bell, Minister of Jobs, Tourism and Skills Training  
Terry Lake, Minister of Environment

**II ISSUE:** Iskut Extension Construction Options

**III BACKGROUND:**

The Northwest Transmission Line (NTL) is a 287 kilovolt (kV) line that runs 344 kilometres (km) from Skeena Substation (north of Terrace) to Bob Quinn Lake. The project will cost \$561 million (M). The NTL will support industrial (predominantly mining) and clean energy development north of Terrace.

Pages 2 through 4 redacted for the following reasons:

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s.12

**PREPARED BY:**

Scott Barillaro, Director  
Sean Darling, Director

**REVIEWED BY:**

Les MacLaren, ADM, EAED  
Tim McEwan, Associate DM, MIO  
Steve Carr, DM, EMNG



I

## Treasury Board Submission – Request for Decision

**Minister:** Honourable Rich Coleman

**Ministry:** Minister of Energy, Mines and Natural Gas

**Date:** XX/11/2012

Ministry Document #: XXXXX

**Title: Mandate Update for Iskut Extension**

**Issue:**

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Pages 7 through 10 redacted for the following reasons:

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Contact: Les MacLaren  
250-XXX-XXXX

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Honourable Rich Coleman

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Date Signed

Page 12 redacted for the following reason:

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## **TREASURY BOARD STAFF BRIEFING NOTE**

**REQUEST NO.: 12-12/13**

**T.B. MEETING DATE: DECEMBER 6, 2012**

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**TITLE: MANDATE UPDATE FOR ISKUT EXTENSION**

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### **ISSUE SUMMARY:**

s.12

s.12

s.13, s.17

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**RECOMMENDATION:**

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**CONTEXT:**

- The federal government has committed \$130M to the Northwest Transmission Line (NTL) contingent on electrifying Iskut no later than September 30, 2015.

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## RECOMMENDATION AND RATIONALE:

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TBS Contact: Marion Bernard

Date: November 30, 2012

Draft sub. 1<sup>st</sup> received: Nov 7, 2012 Final draft received: Nov 30, 2012 Signed sub. received:

TB briefing note provided to the Ministry:

Draft sent:

Final sent:

Min. DM fact sign-off:

Page 17 redacted for the following reason:

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s.12

Drafted by: Scott Barillaro, TIB  
Approved by: Les MacLaren, ADM, EAED

To: Honourable Rich Coleman  
Minister of Energy and Mines

**Re: Northwest Transmission Line: Iskut Extension Negotiation Mandate**

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Enclosed for your review are the following documents:

- A submission entitled, "Mandate Update for Iskut Extension" for review by the Chair of Treasury Board;

s.12

Please sign and forward the Submission and Appendix to Treasury Board Staff if they meet your requirements. Alternatively, please inform Ministry staff if you require any changes to the documents prior to your approval.

Steve Carr  
Deputy Minister

Enclosures



## Treasury Board Submission – Request for Decision

**Minister:** Honourable Rich Coleman

**Ministry:** Minister of Energy, Mines and Natural Gas

**Date:** 10/12/2012

Ministry Document #: 12-12/13

**Title:** Mandate Update for Iskut Extension

**Issue:**

s.12

Pages 20 through 24 redacted for the following reasons:

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Contact: Les MacLaren, ADM  
250-952-0204

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Honourable Rich Coleman

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Date Signed

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Page 26 redacted for the following reason:

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## **TREASURY BOARD STAFF BRIEFING NOTE**

**REQUEST NO.: 12-12/13**

**T.B. MINOR MEETING DATE: DECEMBER 10, 2012**

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**TITLE: MANDATE UPDATE FOR ISKUT EXTENSION**

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**ISSUE SUMMARY:**

s.12

s.13, s.17

Pages 28 through 29 redacted for the following reasons:

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s.12

s.12

## **RECOMMENDATION AND RATIONALE:**

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TBS Contact: Marion Bernard

Date: December 6, 2012

**Draft sub. 1<sup>st</sup> received:** Nov 7, 2012**Final draft received:** Nov 30, 2012      **Signed sub. received:** Dec 4, 2012

**TB briefing note provided to the Ministry:**

**Draft sent:** Dec 3, 2012

**Final sent:** Dec 6, 2012

**Min. DM fact sign-off:**

Pages 31 through 32 redacted for the following reasons:

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s.12

## **MINISTRY OF ENERGY, MINES AND NATURAL GAS**

### **BRIEFING NOTE FOR DECISION**

**I PREPARED FOR:** Honourable Rich Coleman, Minister

**II ISSUE:** Proposed Direction to British Columbia Utilities Commission Related to the Iskut Extension Project

### **III BACKGROUND:**

The Northwest Transmission Line (NTL) is a 287 kilovolt (kV) line that runs 344 kilometres (km) from Skeena Substation (north of Terrace) to Bob Quinn Lake. The project will cost \$561 million (M). The NTL will support industrial (predominantly mining) and clean energy development north of Terrace. The Government of Canada committed \$130M to the NTL contingent on a federal environmental approval (complete), accommodating First Nations on the line route (complete), and electrifying Iskut one year after the NTL in-service date, but no later than September 30, 2015.

The Red Chris Development Company (RCDC) requires a minimum 138 kV transmission interconnection to the provincial grid to power its Red Chris Mine, west of Iskut. Red Chris' target in-service date is spring 2014. A 138 kV transmission line would support the initial phase of Red Chris (45 MW), but likely not a proposed future expansion (up to 65 MW). Regardless, a 138 kV line would not have sufficient capacity to support future industrial development further north.

#### **IV DISCUSSION:**

s.12

## **VI RECOMMENDATION**

s.12

**Approved / Not Approved**

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Honourable Rich Coleman,  
Minister of Energy, Mines and Natural Gas

**DRAFTED BY:**  
Scott Barillaro, TIB  
250-952-0267

**APPROVED BY:**  
Les MacLaren, ADM ✓  
Steve Carr, DM\_\_\_\_\_



Drafted by: Scott Barillaro, TIB ✓  
Approved by: Les MacLaren, ADM, EAED ✓  
TACRD-CS\_\_\_\_

To: Honourable Rich Coleman  
Minister of Energy, Mines and Natural Gas

Re: **Proposed Direction to the British Columbia Utilities Commission Regarding the Iskut Extension Project**

Enclosed for your review are the following documents:

- A briefing note entitled, "Proposed Direction to the British Columbia Utilities Commission Regarding the Iskut Extension Project;"
- A draft Order-in-Council to implement the recommended option; and
- A draft of the Transmission Development Agreement between BC Hydro, Highway 37 Power Corporation and Red Chris Development Company.

The proposed amendment would ensure the agreements negotiated between BC Hydro and Imperial Metals can be executed and construction can begin on the Iskut Extension in spring 2013. This will meet Government's commitments to Canada under the Northwest Transmission Line Contribution Agreement to electrify Iskut while maintaining the option for future industrial development in the northwest.

Feel free to contact me with any questions you may have.

Steve Carr  
Deputy Minister

Enclosures

## **Order in Council Cabinet Summary Information**

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Pages 38 through 42 redacted for the following reasons:

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## Regulatory Criteria Checklist

### INCLUDING SMALL BUSINESS LENS

The purpose of the checklist is to demonstrate that legislative and regulatory changes have been developed according to the regulatory reform policy, while still protecting public health, safety and the environment.

**Name of authorizing legislation:**

Utilities Commission Act

**Name of regulation, if applicable:**

s.12

s.12

**Responsible Minister or Head of Regulatory Authority**

**Date**

**Ministry/Agency and Contact:**

Les MacLaren / Ministry of Energy, Mines and Natural Gas: (250) 952-0204

JULY 2010

**Explanation for checking “no” – include criterion number (if needed):**

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## TRANSMISSION DEVELOPMENT AGREEMENT

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February <@>, 2013


Pages 47 through 49 redacted for the following reasons:

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## TRANSMISSION DEVELOPMENT AGREEMENT

THIS AGREEMENT is made February , 2013

Pages 51 through 90 redacted for the following reasons:

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**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. \_\_\_\_\_, Approved and Ordered

\_\_\_\_\_  
*Lieutenant Governor*

**Executive Council Chambers, Victoria**

s.12

| draft 23

*Via Zzeem*

\_\_\_\_\_  
*Minister of Energy, Mines and Natural Gas  
and Minister Responsible for Housing and  
Deputy Premier*

\_\_\_\_\_  
*Presiding Member of the Executive Council*

\_\_\_\_\_  
*(This part is for administrative purposes only and is not part of the Order.)*

**Authority under which Order is made:**

Act and section: s.12

Other: \_\_\_\_\_

s.12

**SCHEDULE**

**DIRECTION RESPECTING THE ISKUT EXTENSION  
PROJECT**

s.12

**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. \_\_\_\_\_, Approved and Ordered

\_\_\_\_\_  
*Lieutenant Governor*

**Executive Council Chambers, Victoria**

s.12

draft 2

*Via Zzeem*

\_\_\_\_\_  
*Minister of Energy, Mines and Natural Gas  
and Minister Responsible for Housing and  
Deputy Premier*

\_\_\_\_\_  
*Presiding Member of the Executive Council*

\_\_\_\_\_  
*(This part is for administrative purposes only and is not part of the Order.)*

**Authority under which Order is made:**

Act and section: \_\_\_\_\_ s.12

Other: \_\_\_\_\_

s.12

**SCHEDULE**

**DIRECTION RESPECTING THE ISKUT EXTENSION  
PROJECT**

s.12

**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. \_\_\_\_\_, Approved and Ordered

\_\_\_\_\_  
*Lieutenant Governor*

**Executive Council Chambers, Victoria**

s.12

draft 2

*Via Zzeem*

\_\_\_\_\_  
*Minister of Energy, Mines and Natural Gas  
and Minister Responsible for Housing and  
Deputy Premier*

\_\_\_\_\_  
*Presiding Member of the Executive Council*

\_\_\_\_\_  
*(This part is for administrative purposes only and is not part of the Order.)*

**Authority under which Order is made:**

Act and section: \_\_\_\_\_ s.12

Other: \_\_\_\_\_

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**SCHEDULE**

**DIRECTION RESPECTING THE ISKUT EXTENSION  
PROJECT**

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Pages 97 through 110 redacted for the following reasons:

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s.12, s.14



## INFORMATION BULLETIN

[release number]  
March XX, 2013

Ministry of Energy, Mines and Natural Gas

### **Northwest Transmission Line extended to power new mine and electrify Iskut**

VICTORIA – The 287 kilovolt Iskuk extension to the Northwest Transmission Line (NTL) is being exempted from a certificate of public convenience and necessity (CPCN) through a provincial direction to the British Columbia Utilities Commission (BCUC). This will allow development to begin on the line to serve the Red Chris mine and meet the Province's commitment to extend grid service to the community of Iskut.

A CPCN is a formal approval from the Commission, certifying a proposed capital investment by a utility is both needed and in the public interest. This enables the utility to undertake the capital investment and recover its costs from ratepayers.

The NTL will <sup>s.13</sup> support future clean energy <sup>s.13</sup> and industrial developments in the area. The Iskut extension to NTL is a ~~XX-90 kilometer~~ kilometre line from the terminus of the NTL at Bob Quinn Lake to a new substation at Tatogga Lake south of Iskut. <sup>s.13</sup>

<sup>s.13</sup>

The Red Chris Development Company plans to open its Red Chris copper and gold Red Chris mine in spring 2014. <sup>s.13</sup> It needs electricity from the <sup>s.13</sup> to power its operations. The Iskut extension will <sup>s.13</sup> enable this, providing the mine with clean, reliable power.

As part of an agreement with Canada that resulted in a \$130 million federal contribution to the NTL, the Province agreed to extend the grid to Iskut, which is currently served by diesel generators. A new 16 kilometerkilometre distribution line from the Tatogga Substation will connect with Iskut.

This development will create jobs and economic opportunities for the area. The NTL will create up to 280 direct jobs per year over three years of construction. Red Chris mine will provide 600 construction jobs and 250 full time, ongoing jobs for the area.

BC Hydro and Imperial Metals <sup>s.13</sup> have signed a Transmission Development Agreement that outlines the electricity requirements for the mine and the <sup>s.13</sup> contributions from Imperial to the costs of both the NTL and the Iskut extension. BC Hydro <sup>s.13</sup> will recover the remaining cost for NTL from the future clean energy producers and industrial developments that will use the line.

Contact:  
Sandra Steilo

Media Relations  
Ministry of Energy, Mines and Natural Gas  
250 952-0617



## NEWS RELEASE

For Immediate Release  
[release number]  
March XX, 2013

Ministry of Energy, Mines and Natural Gas

### NTL extension will power development in northwest

VICTORIA – Rich Coleman, Minister of Energy, Mines and Natural Gas announced that work will begin on the 287 kilovolt ~~Iskut~~ Iskut Extension to the Northwest Transmission Line (NTL) this spring, providing power to the Red Chris ~~M~~mine and opening up British Columbia's northwest to new economic development and jobs.

The Iskut Extension to the NTL is a 90 ~~kilometer~~ kilometre transmission line from Bob Quinn Lake to a new substation at Tatogga Lake south of Iskut. The extension will power the Red Chris ~~M~~mine and other industrial developments in the northwest region. It will also, fulfil the Province's commitment to extend clean energy grid service to the community of Iskut.

Through a provincial direction, the Iskut extension is exempted from a review by the British Columbia Utilities Commission, a Certificate of Public Convenience and Necessity (CPCN), allowing work on the line to begin this spring. It will...add permit info...

BC Hydro and Imperial Metals, the owner of the Red Chris ~~M~~mine, are signing a transmission development agreement that outlines the electricity requirements for the mine and the contributions from Imperial to the cost of NTL and the Iskut Extension. BC Hydro will recover the remaining cost for NTL from the future clean energy producers and industrial developments that will use the line. B.C. taxpayers will not pay for NTL, keeping electricity rates among the lowest in North America for all British Columbians.

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Construction of the Iskut Extension s.13 will begin in the next few months, subject to obtaining federal and provincial permits, allowing Imperial Metals to meet its commitment to open the Red Chris gold and copper mine in spring 2014. Red Chris only needs to use a portion of the power that the Iskut extension will provide, giving other industrial developments the opportunity to access clean, reliable power. The Red Chris mine will ... add permit info...

NTL and the Red Chris mine will create jobs and economic opportunities for British Columbia's northwest region. NTL will create up to 280 direct jobs per year over the three years of construction. Red Chris mine will provide 600 construction jobs and 250 full time, ongoing jobs to the area. Do we know how many jobs will be provided by the Iskut extension?

#### Quotes:

Rich Coleman, Minister of Energy, Mines and Natural Gas:

"I am pleased that we can now move ahead with the Iskut extension and the Red Chris mine. B.C.'s northwest will benefit from the almost 900 jobs during construction of the line and the mine."

"The Iskut extension is also an important part of our long-term vision for clean, low-cost energy for all British Columbians no matter where they live."

**BC Hydro:**  
"XXX."

**Pierre Lebel, Imperial Metals:**

"This agreement, between BC Hydro and Imperial Metals, guarantees the success of the Red Chris mine, and helps bring more than 400 construction jobs and 300 full time jobs to a part of the northern BC that has not traditionally enjoyed the benefits most of the rest of us in the province take for granted."

**Quick Facts:**

- The Iskut extension will be constructed by an affiliate of Imperial Metals Corporation, in partnership with Tahltan Nation Development Corporation.
- It will cost Imperial Metals about \$XX million to build the extension. Once completed, it will be sold to BC Hydro for \$52 million.
- The Red Chris mine was issued an Environmental Assessment certificate in 2005 and a Mines Act permit on May 4, 2012.
- A CPCN is a formal approval from the Commission, certifying a proposed capital investment by a utility is needed and in the public interest. This enables the utility to undertake the capital investment and recover its costs from ratepayers.
- The line will be extended a further 16 kilometers to the community of Iskut, as part of the Province's agreement with the federal government and \$130 million federal contribution to NTL.
- Iskut is currently powered by diesel generators and this extension will bring clean, affordable energy to the community.
- Without the extension, NTL is 287 kilovolt line that will run approximately 340 km from Skeena Substation (near Terrace) to a new substation to be built near Bob Quinn Lake.
- NTL was given environmental approval by the federal government on May 6, 2011 and provincial approval under the Environmental Assessment Act on February 23, 2011.
- Construction of NTL began in January 2012 and work is underway on the upgrades required to the Skeena Substation.

**Learn More:**

- To find out more, visit [www.bchydro.com](http://www.bchydro.com) and insert Imperial Metal website??

Contact:  
Sandra Steilo  
Media Relations

Ministry of Energy, Mines and Natural Gas  
250 952-0617

| For Internal Use Only Questions and Answers

**Ministry of Energy, Mines and Natural Gas**  
**NTL Iskut Extension**  
**Q and A – March 19, 2013**

*Draft 2*

**Q: What is the Iskut extension and why is it necessary?**

| A: The 287 kilovolt Iskut extension to ~~NTL~~Northwest Transmission Line (NTL) is a 90 ~~kilometer~~kilometre line from Bob Quinn Lake to a new substation at Tatogga Lake south of Iskut. This will allow development to begin on the line to serve the Red Chris mine and meet the Province's commitment to extend grid service to the community of Iskut.

**Q: What is being exempted?**

| A: The 287 kilovolt ~~Iskut~~Iskut Extension to the Northwest Transmission Line (NTL)~~NTL~~ is being exempted from a Certificate of Public Convenience and Necessity (CPCN) through a provincial direction to the British Columbia Utilities Commission (BCUC).

**Q: What is a certificate of public convenience and necessity?**

A: A CPCN is a formal approval from the Commission, certifying that a utility's proposed capital investment is necessary and in the public interest. This enables the utility to make the investment and recover its costs from ratepayers.

**Q: Why is government directing the BCUC to do this?**

| A: This will <sup>s.13</sup> enable development to begin on the line to serve the Red Chris mine and meet the Province's commitment to extend grid service to the community of Iskut.

This development will create jobs and economic opportunities for the area. The NTL will create up to 280 direct jobs per year over three years of construction. Red Chris mine will provide 600 construction jobs and 250 full time, ongoing jobs for the area.

**Q: Has the Province ever issued a Direction to the BCUC before?**

A: Yes. Directions to the BCUC are nothing new. Governments of all stripes have been issuing directions since the 1980s.

For Internal Use Only Questions and Answers

**Q: Isn't government just ensuring that its "pet projects" are removed from BCUC oversight?**

A: No. We are expediting the Iskut extension because it is key to meeting government's economic development objectives. Transmission projects take a long time to build, particularly in northern parts of the province due to short construction seasons. Work on the Iskut extension must begin soon in order to be constructed in time to meet the Red Chris mine's demand for electricity in 2014 as well as meet the terms of the NTL Contribution Agreement to electricity Iskut in 2015.

**Q: What kind of public scrutiny will these projects receive if it is outside of BCUC's public oversight?**

A: There will be an opportunity for public input through BC Hydro's and Highway 37 Power Corporation's (Imperial's subsidiary) permitting processes related to the project. s.13 Both BC Hydro and Highway 37 s.13 will meet the Crown's duty to consult, and if necessary accommodate s.13 First Nations s.13 as part of the project.

**Q: Will there be enough power for other developments in the area?**

A: Yes, the Red Chris mine only needs s.13 a maximum of 65 megawatts (MW) of capacity. s.13 The NTL currently has a nameplate capacity of 295 MW with the ability to expand to a maximum of 375 MW in the future if required.

**Q: Won't these upgrades just increase hydro rates for British Columbians?**

A: No, the priority of government remains to keeping electricity rates among the lowest in North America for all British Columbians.

BC Hydro is implementing a tariff, currently with the BC Utilities Commission, to recover the remaining cost for NTL from the clean energy producers and industrial developments that will use the line. The intent is to apply a similar tariff model to the Iskut Extension once clean energy or industrial projects connect to the system.

**Q: Is the Red Chris mine approved?**

A: Yes. The Red Chris mine was issued an EA certificate in 2005 and a Mines Act permit on May 4, 2012.

**Q: s.13 Do local First Nations support the Iskut Extension?**

A: The Iskut Extension and the Red Chris Mine will be constructed in the traditional territory of the Tahltan Nation. Government and BC Hydro staff has kept the Tahltan apprised of the status

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| For Internal Use Only Questions and Answers

of negotiations at a general level given the commercial sensitivity for both BC Hydro and Imperial. However, Government has been clear that it expects BC Hydro and Highway 37 to meet the Crown's duty to consult, and if necessary accommodate, the Tahltan. It is expected that initial engagement between the proponents and the Tahltan will begin in the near future now that the Transmission Development Agreement is in place.

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Bold

Do local First Nations support the Red Chris Mine?

A: The Tahltan have been consulted through the Environmental Assessment and permitting process for Red Chris. There is a group within the Tahltan that still oppose the mine, but I understand that the Tahltan and Imperial have maintained a constructive relationship throughout the process.

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-end-

**MINISTRY OF ENERGY AND MINES  
ELECTRICITY AND ALTERNATIVE ENERGY DIVISION  
ESTIMATES BRIEFING NOTE 2013/14**

**ISSUE:** Northwest Transmission Line and Iskut Extension

**KEY MESSAGES:**

- The Northwest Transmission Line (NTL) will encourage industrial and clean energy development in the northwest part of British Columbia while supporting the Province's goal of mitigating greenhouse gas emissions.
- Permit cost increases have been due to challenges clearing rights of way and building roads, higher labour costs due to shortages and winter work, and deciding to use heavier line to increase capacity and reduce losses.
- The terms of the Contribution Agreement with Canada require British Columbia to electrify Iskut. The proposed Iskut Extension will extend publicly owned, high-voltage transmission infrastructure north to support regional economic development.
- As part of a commercial agreement between BC Hydro and Imperial Metals, Imperial Metals is constructing the transmission line portion of the Iskut Extension to BC Hydro standards and will sell it to BC Hydro.
- This commercial arrangement will meet Government's goal of extending the publicly-owned, high voltage system as well as maintain Imperial Metal's earliest in-service date for the Red Chris Mine.

**BACKGROUND:**

- The NTL is a 287 kilovolt (kV) line that runs 344 km from Skeena Substation (near Terrace) to Bob Quinn Lake. The \$746 million (M) project will support mining, and potentially clean energy development north of Terrace.
- The Government of Canada (Canada) committed \$130M to the NTL provided it:
  - 1) met federal environmental assessment standards;
  - 2) met the federal obligation to consult with First Nations; and
  - 3) electrified Iskut to reduce emissions from diesel generation within 12 months of when the NTL enters service.
- The NTL is fully permitted and is under construction. BC Hydro estimates it will enter service in summer 2014.
- Imperial Metals Corporation's (Imperial) Red Chris Mine (Red Chris) requires a minimum of a 138 kV transmission line to interconnect to the provincial grid. This infrastructure would normally be permitted, constructed and owned by Imperial.
- Imperial's proposed 138 kV line would not provide enough capacity to support further mining development north of Iskut. Imperial included a line route for both a 138 kV and 287 kV transmission line when it filed to amend its Environmental Assessment Certificate (EAC) in 2011.

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s.16

- Imperial is currently securing Crown permits for the transmission line. BC Hydro is currently securing Crown permits for upgrades to the Bob Quinn substation, the new Tatogga substation and the distribution line from Tatogga to Iskut.
- The Ministry of Forests, Lands and Natural Resource Operations (FLNRO) expects to complete consultation on initial Crown permits in July 2013. Construction could begin as early as late summer 2013.

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- The Tahlitan requested a "Level 4" engagement process under the SDA. Ministry of Aboriginal Relations and Reconciliations (MARR) officials are working with the Tahlitan to establish a Terms of Reference for the engagement. MARR suggested that officials from the Ministry of Energy and Mines (MEM) participate as part of the consultation process once established.

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**PROVINCE OF BRITISH COLUMBIA**  
**ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL**

Order in Council No. \_\_\_\_\_, Approved and Ordered

\_\_\_\_\_  
*Lieutenant Governor*

Executive Council Chambers, Victoria

s.12

\_\_\_\_\_  
*Minister of Energy, Mines and Natural Gas  
and Minister Responsible for Housing and  
Deputy Premier*

\_\_\_\_\_  
*Presiding Member of the Executive Council*

\_\_\_\_\_  
*(This part is for administrative purposes only and is not part of the Order.)*

**Authority under which Order is made:**

Act and section: s.12

Other: \_\_\_\_\_

s.12

**DIRECTION TO THE BRITISH COLUMBIA UTILITIES  
COMMISSION RESPECTING THE ISKUT EXTENSION PROJECT**

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## **TRANSMISSION DEVELOPMENT AGREEMENT**

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March 18, 2013

Pages 125 through 165 redacted for the following reasons:

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THIS ELECTRICITY SUPPLY AGREEMENT, made as of  
the 18<sup>th</sup> Day of March, 2013  
for the Red Chris Mine.

BETWEEN:

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY,  
having its head office at 333 Dunsmuir Street,  
Vancouver, British Columbia  
(herein called "B.C. Hydro")

OF THE FIRST PART

AND:

RED CHRIS DEVELOPMENT COMPANY LTD.,  
having an office in British Columbia at  
Suite 200 – 580 Hornby Street, Vancouver, BC V6C 3B6  
(herein called the "Customer")

OF THE SECOND PART

WITNESSES THAT the parties declare and agree as follows:

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## GENERAL DEFINITIONS

1. In this Agreement:

- (a) "Billing Demand" means the kV.A Demand used for billing purposes, all in accordance with the provisions of Schedule 1823;
- (b) "Billing Period" means a period of from 27 to 35 consecutive days between two regular meter readings and there shall be not less than 12 Billing Periods in any period of 52 consecutive weeks. Following the installation of suitable metering, the Billing Period will be a calendar month Billing Period from 0800 hours local time, at the Customer's Plant, on the first day of the calendar month to 0800 hours on the first day of the following calendar month, provided that the Billing Period may be varied by agreement between B.C. Hydro and the Customer;
- (c) "B.C. Hydro's Guide" means the guide prepared by B.C. Hydro and titled "Guide & Requirements for Service at 69,000 to 287,000 volts", as amended or replaced from time to time;
- (d) "Contract Demand" is the kV.A Demand which B.C. Hydro is obligated to supply under this Agreement as specified in clause 6;
- (e) "Customer's Plant" means Customer's Red Chris Mine, including Customer's substation and all Customer-owned transmission lines between Customer's Red Chris Mine and the Point of Delivery;
- (f) "Electricity" means electrical power and electrical energy. Power is measured and expressed in kilowatts (kW) or kilovolt-amperes (kV.A) and energy is measured and expressed in kilowatt-hours (kW.h);
- (g) "Endangerment or Interference" has the meaning set out in clause 19;
- (h) "Facilities Study" means the Facilities Study to be completed by BC Hydro at Customer's cost in connection with electrical service to be provided pursuant to this Agreement;
- (i) "Force Majeure" has the meaning set out in clause 16;
- (j) "kV.A Demand" means the power demand of the Customer's Plant, determined over a time interval of 30 consecutive minutes and reduced to the next lowest whole number of kV.A;
- (k) "Lawful Strike" means a strike as defined in the *Labour Relations Code*, R.S.B.C. 1996, c. 244 that complies with Part 5 of the *Labour Relations Code*;
- (l) "Maximum kV.A Demand" means the kV.A Demand which is the greater of:
  - (i) 85 percent of the Contract Demand as set out in subclause 6 (a); or

- (ii) the highest kV.A Demand previously established at the Customer's Plant during the 47 Billing Periods immediately preceding, or the lesser number that the Customer's Plant has been in operation excluding the initial 4 Billing Periods immediately following the Customer's Plant start-up date;
- (m) "NTL" has the meaning given to that term in the TDA;
- (n) "Point of Delivery" means:
  - (i) initially, the point of connection of B.C. Hydro's facilities at Bob Quinn Substation to the 287kV transmission line to be developed by Highway 37 Power Corp. between Bob Quinn Substation and a location in the vicinity of Tatogga Lake;
  - (ii) then, contemporaneous with the acquisition by B.C. Hydro of such 287kV transmission line from Highway 37 Power Corp., the point of connection between the 287kV transmission line and Customer's Plant; or
  - (iii) if such 287kV transmission line is instead connected to a substation developed by B.C. Hydro in the vicinity of Tatogga Lake, and the Customer's transmission line from the Customer's Plant is also connected at such substation, then the point of connection between B.C. Hydro's facilities at such substation and Customer's transmission line between such substation and the Customer's Plant.
- (o) "Point of Metering" means a location within the Customer's substation located at the Customer's Plant, determined by BC Hydro upon completion of the Facilities Study;
- (p) "Power Factor" means the ratio, expressed as a percentage, of kW to kV.A when both are measured simultaneously over a specified time interval;
- (q) "Schedule 1823" means Schedule 1823, Transmission Service – Stepped Rate of the B.C. Hydro Electric Tariff as amended or replaced from time to time, filed as required by the *Utilities Commission Act*, R.S.B.C. 1996, c. 473;
- (r) "Schedule 1880" means Schedule 1880, General Service - Transmission - Emergency, Maintenance and Special Supply of the B.C. Hydro Electric Tariff as amended or replaced from time to time, filed as required by the *Utilities Commission Act*, S.B.C. 1980, c. 60;
- (s) "Tariff" means BC Hydro's tariff for electrical service, including without limitation BC Hydro's Electric Tariff Supplements No. 5 and No. 6 and related rate schedules, and BC Hydro's tariffs in place from time to time for NTL and the 287kV Line (as that term is defined in the TDA);
- (t) "Transmission Development Agreement" or "TDA" means the Transmission Development Agreement among BC Hydro, Customer and Highway 37 Power Corp. entered into on the same date as this Agreement; and

- (u) “Unlawful Strike” means a strike as defined in the *Labour Relations Code* that does not comply with Part 5 of the *Labour Relations Code*.

#### BASIC OBLIGATIONS

- 2. (a) B.C. Hydro will supply Electricity to the Customer up to the Contract Demand at the Point of Delivery and the Customer will pay for Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, Schedule 1823 and Appendix “1” containing provisions respecting transmission extensions and the site specific matters.
- (b) B.C. Hydro may also supply additional Electricity for emergency, maintenance and special supply purposes to the Customer at the Point of Delivery and the Customer will pay for such Electricity, all in accordance with the provisions of this Agreement which incorporates, by reference, Schedule 1880.
- (c) Schedule 1823 and Schedule 1880 are attached as Schedules to this Agreement and B.C. Hydro will provide to the Customer a copy of all amendments or replacements to such schedules.
- (d) RCDC agrees that for purposes of calculating rates payable by RCDC in connection with electrical service to Customer’s Plant, this Agreement constitutes and shall be deemed to be the equivalent of the Electricity Supply Agreement provided for in Tariff Supplement No. 5, and RCDC acknowledges that such electrical service shall be supplied by BC Hydro by means of the NTL, and accordingly RCDC shall be subject to any Tariff and all applicable Tariff rates in connection with the NTL for the electrical service provided pursuant to this Agreement, including in respect of the initial Contract Demand of s.17, s.21 and in respect of any increase to the Contract Demand permitted by subclause 6 (a). Without limiting the generality of the foregoing, RCDC acknowledges that accordingly, and in combination with the TDA, RCDC is a customer to which BC Hydro’s Tariff Supplement No. 37 as filed with the British Columbia Utilities Commission on December 11, 2012 would apply. RCDC shall be subject to any Tariff in connection with the 287kV Line for the electrical service provided pursuant to this Agreement, but will not be subject to or be required to pay any Tariff rates in connection with the 287kV Line for the electrical service provided pursuant to this Agreement up to the initial Contract Demand of s.17, s.21 but shall be subject to all applicable Tariff rates in connection with any increase to the Contract Demand permitted by subclause 6 (a).

#### COMMENCEMENT DATE

- 3. (a) The “Commencement Date” is the date upon which B.C. Hydro will be willing and able to supply Electricity to the Customer, for the Customer’s Plant, at the Point of Delivery. It is also the date upon which the Billing Periods for the Customer will commence and upon which the obligation to pay for Electricity will commence.

- (b) The Commencement Date shall be the later of: (i) the Red Chris Mine ISD (as defined in the TDA); and (ii) NTL ISD (as defined in the TDA), unless otherwise agreed or suspended by Force Majeure.

#### TERM OF AGREEMENT

4. (a) Unless otherwise provided for by this Agreement, this Agreement shall be in force for an initial term of one (1) year from the Commencement Date and, unless terminated at the end of the initial term, shall extend until terminated in accordance with this Agreement.
- (b) Either party shall give the other party not less than 6 months' notice if it intends to terminate the Agreement at the end of the initial term or thereafter and upon expiration of the notice period, this Agreement shall terminate.

#### FREQUENCY, VOLTAGE

5. (a) The Electricity to be supplied by B.C. Hydro at the Point of Delivery shall be three phase alternating current, at a frequency of 60 Hz +/- 0.1 Hz.
- (b) If and when the Customer is maintaining the Power Factor required by this Agreement and the Customer's Plant is operating at or above 75 percent of Contract Demand then the service voltage shall be within +/- ten percent (10%) of 287,000 volts under B.C. Hydro system normal operating conditions. Short term variations of the service voltage may occur due to sudden load changes or as a result of system contingency or emergency situations.
- (c) If and when the frequency and voltage at the Point of Delivery are within the limits set out in subclauses (a) and (b) then B.C. Hydro shall be deemed to be willing and able to supply Electricity to the Customer's Plant.

In the event that the service voltage is normally at or near the lower or upper limits of the range set out in subclause (b) and is impairing the operations of the Customer, B.C. Hydro and the Customer agree to take such action as may reasonably be required to relieve the impairment.

- (d) If and when the frequency or voltage, or both, are outside the above limits then such occurrences shall be deemed to be a suspension in the supply of Electricity to the Customer's Plant unless the Customer continues to take Electricity.

#### CONTRACT DEMAND, INCREASES IN kV.A DEMAND

6. (a) The Contract Demand under this Agreement : s.17, s.21 The Customer shall not exceed the Contract Demand without the prior approval of B.C. Hydro.

The Customer may nominate an increase in the Contract Demand and, subject always to B.C. Hydro's ability to supply, B.C. Hydro shall not unreasonably refuse to permit the nominated increase provided that any such increase is subject to Appendix 1 of Electric Tariff Supplement No. 6 Provisions Respecting System

Reinforcement and Transmission Extension Policies for Permanent Service, and other applicable provisions of BC Hydro's Electric Tariff, including as contemplated by subclause 2 (d).

- (b) The Customer may increase its Maximum kV.A Demand within the limit of the Contract Demand, over any period of 12 consecutive months by the amounts hereinafter set forth:
  - (i) For an amount equal to or less than 1000 kV.A, no notice is required; and
  - (ii) For an amount greater than 1000 kV.A notice from the Customer to B.C. Hydro is required and B.C. Hydro shall identify the date when such an increase can commence, which will depend on work that may be required on the B.C. Hydro electrical system to facilitate the supply of the increase requested.
- (c) Subject to B.C. Hydro being willing and able to supply the increased Maximum kV.A Demand, the minimum Billing Demand during the 12 Billing Periods immediately following the effective date identified by B.C. Hydro pursuant to subclause 6(b) shall be 75 percent of the sum of:
  - (i) the increase specified in the request; and
  - (ii) the highest Billing Demand for the Customer's Plant in the immediately preceding period of November to February, both months included.

#### CUSTOMER'S PROTECTIVE AND CONTROL EQUIPMENT AND OTHER DEVICES

- 7. (a) In accordance with the technical requirements set out in B.C. Hydro's Guide and any specific requirements identified in the Facilities Study, the Customer, at its cost, will supply, install, operate and maintain in good working order all protective and control equipment to isolate the Customer's Plant and to interrupt fault current from the B.C. Hydro electrical system and, when applicable, fault current from the Customer's Plant. B.C. Hydro may refuse to supply Electricity to the Customer or suspend the same at any time if, in B.C. Hydro's judgment, the equipment is not compatible with or not suitable for the B.C. Hydro electrical system.
- (b) B.C. Hydro may from time to time make tests of such protective and control equipment at the Customer's Plant.
- (c) The Customer shall inform B.C. Hydro of the type, ratings or settings of such protective and control equipment at the Customer's Plant and B.C. Hydro shall have the right to accept or reject such type, ratings or settings. The Customer shall not change the type, ratings or settings without obtaining, in advance, the acceptance, in writing, of B.C. Hydro and in the event that the settings are changed the Customer shall promptly advise B.C. Hydro in writing of the change.

- (d) Any judgment by B.C. Hydro, its servants or agents in connection with the protective and control equipment at the Customer's Plant shall not be interpreted by the Customer or others as an endorsement of the design or as a warranty by its servants or agents of the safety, durability or reliability of the devices.
- (e) The initial three-phase symmetrical fault contribution at 287kV from the B.C. Hydro electrical system, when operating normally, at the Point of Delivery specified in clause 1(n)(i) shall be not less than 891 MVA. The ultimate three-phase symmetrical fault contribution from the B.C. Hydro electrical system shall not exceed 2,500 MVA.
- (f) Unless otherwise agreed, the Customer shall not install any equipment or device whatsoever on the B.C. Hydro electrical system.

#### POWER FACTOR

8. (a) If and when the kV.A Demand of the Customer's Plant is greater than 75 percent of the Maximum kV.A Demand, the Customer shall make all reasonable efforts to ensure that the Power Factor at the Point of Delivery measured over an interval of 5 minutes is at least ninety five percent (95%) lagging.
- (b) In the event that the Customer fails to maintain the Power Factor specified under subclause 8(a), and such failure results in an operational problem for B.C. Hydro, then B.C. Hydro may, in addition to any other remedies it has under subclause 8(c) or any other provision of this Agreement, require the Customer to reduce load if necessary to maintain the integrity of its system or portions thereof.
- (c) B.C. Hydro shall advise the Customer in writing of the particulars of a specific operational problem caused by the Customer's failure to maintain the specified Power Factor and shall provide an estimate of B.C. Hydro's costs to accommodate the Power Factor deviation and provide 15 days for the Customer to initiate corrective action. If required, B.C. Hydro shall consult with the Customer to determine the cause of the failure to maintain the specified Power Factor and to discuss possible remedies. Following such advice or consultation, if the Customer does not commence to take all reasonable action to achieve the specified Power Factor within 15 days, then B.C. Hydro may initiate any necessary alterations to its system and the Customer shall pay to B.C. Hydro the cost of any such work within 15 days of receipt of the bill.
- (d) If the specified Power Factor is less than 95 percent lagging the Customer will undertake reasonable investigations and appropriate action to improve its Power Factor over time.

#### OUTAGES

9. The Customer shall give BC Hydro reasonable prior notice of planned outages of all or any part of the Customer's Plant, but in any event will only implement a planned outage of all or any part of the Customer's Plant with BC Hydro's prior written consent, such consent not to be unreasonably withheld or delayed. For certainty, it shall be reasonable



for BC Hydro to refuse to consent to a planned outage for reasons related to the reliability or stability of the Transmission System or, except where planned outages during such months have been minimized to the greatest extent reasonably possible, in respect of any planned outage during the months of May, June or July.

#### NOTICES

10. (a) Unless otherwise provided for by this Agreement, a notice, consent, request, demand, statement or bill that either party may be required or may desire to give to the other party shall be in writing and shall be deemed to be given to and received by the addressee on the business day next following when it is delivered by hand, by courier, by telex, or by facsimile copier, and is deemed to be given when received if delivered by prepaid mail at the address that each party shall give notice of from time to time.
- (b) The address that B.C. Hydro gives notice of is:
- Customer Care - Key Account Management  
British Columbia Hydro and Power Authority  
Suite 900 - 4555 Kingsway  
Burnaby, BC V5H 4T8  
Fax: (604) 453-6285
- (c) The address that the Customer gives notice of is:
- Suite 200 - 580 Hornby St  
Vancouver, BC V6C 3B6  
Attention: President

#### BILLING, PAYMENT OF ACCOUNTS

11. (a) B.C. Hydro will provide bills, including advance bills at the election of the Customer, from time to time to the Customer for each Billing Period for Electricity and for any other amount as it becomes owing to B.C. Hydro under this Agreement but failure to provide a bill, or a correct bill, shall not release the Customer from liability for payment of any amount.
- (b) Each bill shall become due one business day after being delivered to the Customer and in the case of bills other than advance bills shall become overdue if it is unpaid, in whole or in part, by the Customer 15 days from the day the bill is due. Advance bills shall become overdue 55 days from the day the bill is due.
- (c) The customer will, by electronic funds transfer or other method as agreed to in advance by B.C. Hydro, pay to B.C. Hydro's General Bank Account the amount shown on each bill, without setoff or withholding, at par in Canadian funds before such bill becomes overdue.
- (d) Any unpaid amount of any overdue bill shall be subject to interest at the rate of interest which is equal to the annual rate of interest declared from time to time by

the lead chartered bank in Canada used by B.C. Hydro as the rate of interest charged by such bank to its most creditworthy commercial borrowers for loans in Canadian dollars payable on demand and commonly referred to as its "prime rate", plus:

- (i) 2 percent from the last day of the applicable Billing Period for the first 30 days that the payment remains unpaid and 5 percent thereafter until the same is paid where the Customer has not, during the immediately preceding 6 Billing Periods, failed to make any payment when due hereunder; or
  - (ii) 5 percent from the last day of the applicable Billing Period until the payment is made where the Customer has, during the immediately preceding 6 Billing Periods, failed to make any payment when due hereunder.
- (e) Ten days after giving the Customer notice that a bill is overdue, B.C. Hydro, in lieu of or in addition to any other remedy provided by this Agreement may suspend the supply of Electricity to the Customer until all bills are paid in full and B.C. Hydro's servants or agents may enter the Customer's Plant to undertake such suspension. No such suspension by B.C. Hydro shall relieve the Customer from any provision of this Agreement, including the payment of any amount payable, nor shall suspension be deemed to be a termination of this Agreement and the validity or duration of this Agreement shall be otherwise unaffected.
- (f) B.C. Hydro may appropriate an amount equal to any overdue amount of any bill from a security deposit established by the Customer with B.C. Hydro pursuant to clause 12 of this Agreement if and when any bill or part thereof becomes overdue.

#### ADVANCE BILLING

12. At any time, the Customer may provide reasonable notice to B.C. Hydro that it has elected to receive from B.C. Hydro and pay, in accordance with clause 10, advance bills for the amount, estimated by B.C. Hydro, to be owing for a future Billing Period by that Customer to B.C. Hydro. Notwithstanding subclause 10(b), any advance bill shall be due 10 days prior to the first day of the future Billing Period and is late if it is unpaid, in whole or in part, by the Customer 10 days from the day the advance bill is due. Provided that the Customer does not allow the advance bill to become late, B.C. Hydro will entitle the Customer to a discount on the amount estimated by B.C. Hydro to be owing. The discount shall be equal to the interest payable on the said amount over a 45 day period at the simple rate of interest payable on January 1, April 1, July 1 or October 1, whichever is most recent to the Billing Period, for 30-day Government of Canada Treasury Bills for the denomination of \$100,000.00. All amounts paid under the advance billing and payment plan shall be subject to adjustment in the following Billing Period to fully and properly reflect the actual amount owing for the advance Billing Period.

The Customer may, subject to clause 12, upon reasonable notice to B.C. Hydro, elect to return to B.C. Hydro's regular billing procedures set out in clause 10.

SECURITY DEPOSITS

13. (a) If:

- (i) the Customer has not maintained an account with B.C. Hydro for the purchase of Electricity under Schedule 1823 for the immediately preceding two years;
- (ii) the Customer, at any time, has permitted any account under this Agreement to become overdue and has not supplied information which reasonably satisfies B.C. Hydro that the Customer is creditworthy; or
- (iii) B.C. Hydro is not satisfied, on a reasonable basis, that the Customer is creditworthy,

then, after B.C. Hydro has provided the Customer with a written statement, which either indicates that an account has not been maintained for two years or which sets out the reasons for not accepting that the Customer is creditworthy, the Customer shall choose one of the options set out in subclause 12(b).

(b) The three options available to a Customer in the circumstances set out in subclause 12(a) are as follows:

- (i) to commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by B.C. Hydro as described in clause 11, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to B.C. Hydro;
- (ii) to supply certified statements showing a two year projection of the Customer's operating revenues and expenses and, where applicable, certified financial statements for the three years immediately preceding including notes as to the basic assumptions used, all of which statements B.C. Hydro agrees to hold in confidence; or
- (iii) to establish and maintain with B.C. Hydro a security deposit as described in subclause 12(d).

(c) If, on the basis of reasonable criteria used in evaluating the certified statements referenced in subclause 12(b)(ii), B.C. Hydro is not satisfied as to the creditworthiness of the Customer, then the Customer shall either:

- (i) commence and maintain payments on a current basis pursuant to the advance billing and payment plan established by B.C. Hydro as described in clause 11, provided that this option shall not be available if the Customer has previously participated in the said plan and, in so doing, has made a late payment to B.C. Hydro; or

- (ii) establish and maintain with B.C. Hydro a security deposit as described in subclause 12(d).
- (d) A security deposit shall be in an amount equal to two times the Customer's normal bill, as estimated by B.C. Hydro for a Billing Period, and it shall be in a form which has the prior approval of B.C. Hydro. This may include:
  - (i) irrevocable letter of credit;
  - (ii) contract bond;
  - (iii) guarantee by a corporation other than the Customer;
  - (iv) bank term deposit, to be deposited in trust for B.C. Hydro; or
  - (v) negotiable bearer bond, that is government guaranteed at face value.
- (e) Any security deposit will be returned to the Customer, or released to the guarantor, as appropriate, when the conditions requiring security no longer exist.
- (f) If all or part of any bill becomes overdue, then B.C. Hydro may appropriate all or any part of any security deposit towards payment of such bill and thereupon the Customer's right to such security, or any part of that security so appropriated, shall terminate.
- (g) B.C. Hydro will not pay interest on any security deposit held by it. The Customer may arrange with its bank to pay any interest earned on a bank term deposit, deposited in trust for B.C. Hydro, directly to the Customer's account.

#### METERING

- 14. (a) Determination, directly or indirectly, of the kilovolt-amperes, kilowatt-hours, or other factors or quantities shall be made by B.C. Hydro at the voltage at the Point of Delivery, unless otherwise agreed by B.C. Hydro, by means of meters owned, installed, operated and maintained by B.C. Hydro at the Point of Metering.
- (b) All meters and metering apparatus supplied by B.C. Hydro or the Customer for revenue purposes shall not be moved or removed from the Point of Metering without prior consent of B.C. Hydro.
- (c) The Customer shall act as a prudent owner would and protect the meters and metering apparatus of B.C. Hydro at the Customer's Plant, and will pay to B.C. Hydro the cost of repairing or replacing meters or metering apparatus missing or damaged except to the extent that the Customer can reasonably show that such was missing or damaged due to a defect therein or to an act or omission of B.C. Hydro, its servants or agents.

- (d) B.C. Hydro, but not the Customer, may test, calibrate, remove, install, substitute or otherwise change the revenue metering equipment from time to time at any reasonable time and the Customer may have a representative present at such time.
- (e) The *Electricity and Gas Inspection Act*, R.S.C. 1985, c.E-4 or re-enactment of the same shall govern metering under this Agreement.
- (f) Notwithstanding any statutory provision to the contrary, should the revenue metering equipment fail to register correctly or for any reason meter readings be unobtainable, the amount of Electricity supplied will be estimated by B.C. Hydro from the best information available, including the Customer's records, if any, during the Billing Period in question and such estimate, except in the case of manifest error, shall for billing purposes have the same force and effect as an exact meter reading.
- (g) Further technical requirements in connection with metering are set out in B.C. Hydro's Guide.

#### B.C. HYDRO'S EQUIPMENT & DEVICES & ACCESS TO CUSTOMER'S PLANT

- 15. (a) B.C. Hydro may install at its cost at the Customer's Plant any equipment or device which, in B.C. Hydro's judgment, is required for B.C. Hydro use or convenience in exercising its rights, or carrying out its obligations under this Agreement and all such equipment or devices, whether affixed or otherwise, by B.C. Hydro at the Customer's Plant shall remain the property of B.C. Hydro.
- (b) To the extent that it may be necessary, the Customer hereby grants to B.C. Hydro, its servants or agents, for the initial term, any extension, and a reasonable time thereafter, the free and uninterrupted right to enter the Customer's Plant for any purpose related to this Agreement.
- (c) The rights hereby granted to B.C. Hydro shall be exercised subject to prior notification and to any reasonable requirement of the Customer necessary for the safety or security of the Customer's Plant and employees or for continuity of the Customer's operations.
- (d) Nothing contained in this clause shall impair the right of B.C. Hydro to terminate service pursuant to this Agreement.

#### REMOVAL OF EQUIPMENT AND DEVICES

- 16. Upon termination of this Agreement, each party shall remove within 90 days of receipt of a written request by the other party, all of its plant and equipment from the other's lands and premises, except those which are located by B.C. Hydro on a Right-of-Way granted by the Customer to B.C. Hydro.

### FORCE MAJEURE

17. (a) In this Agreement, the term Force Majeure includes but is not limited to Lawful Strikes, legal lockouts, other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), fire, flood, accidents, tempest or acts of God, sabotage or acts of the Queen's enemies, acts or failure to act by lawful authority or any other cause whatsoever beyond the reasonable control of the parties, provided that in no event shall lack of finances, loss of markets or inability to perform due to the financial condition of either party constitute Force Majeure.
- (b) Where expressly provided for by this Agreement, and subject to subclause 18(d), if either party is or was wholly or partly unable, because of a Force Majeure, to perform an obligation and claims that a Force Majeure is occurring or has occurred and reasonably establishes that fact, then the performance of the obligation shall be deemed to be suspended provided always that:
- (i) the suspension shall be of no greater scope and no longer duration than the Force Majeure; and
  - (ii) the non-performing party shall use all reasonable efforts to counter the Force Majeure or to otherwise remedy its inability to perform the obligation.

### SUSPENSION OF SUPPLY

18. (a) B.C. Hydro may, without notice to the Customer, suspend the supply of Electricity to the Customer for the purpose of protecting against harm to human life or property of any person.
- (b) B.C. Hydro may, without notice to the Customer, deliberately or unintentionally suspend the supply of Electricity to the Customer in the event of a breakdown or failure of any component of B.C. Hydro's electrical system or an event for which B.C. Hydro could claim Force Majeure pursuant to clause 16.
- (c) At any time in the event of a shortage of Electricity whether actual or apprehended by B.C. Hydro, B.C. Hydro may request that the Customer suspend or reduce its taking of Electricity at the Point of Delivery but if the Customer does not so suspend or reduce then B.C. Hydro may suspend or reduce the supply of Electricity to the Customer. B.C. Hydro will make all reasonable efforts to give notice, in writing or otherwise, and to treat alike all Customers under substantially similar circumstances and conditions of service of the same description.
- (d) B.C. Hydro may, after notice to the Customer in writing or otherwise, suspend the supply of Electricity to the Customer for the purpose of maintaining and making repairs, renewals, extensions or replacements to B.C. Hydro's electrical system. All such suspensions shall be of the shortest duration reasonably possible and, whenever reasonably possible, after taking into account Customer requirements

and impacts, shall be arranged to occur at a time least objectionable to the Customer.

- (e) Nothing in this clause shall restrict B.C. Hydro's right to discontinue, suspend or reduce the supply of Electricity to the Customer in accordance with other provisions of this Agreement.

#### BILLING ADJUSTMENTS

19. (a) If the Customer claims and reasonably establishes to B.C. Hydro that there has been a reduction in the taking of Electricity by the Customer, as a result of a cause expressly stated in this clause then B.C. Hydro shall make the adjustments, herein called the "Billing Adjustments", set out below. The Customer may elect to have Billing Adjustments based upon a lesser period than the total period during which it has been forced to reduce the taking of electricity and, should the Customer so elect, the Billing Adjustments set out below will be calculated in accordance with the lesser period and the mean value of kV.A during that period. Billing Adjustments shall only be made in calculating a bill for the Billing Period when the reduction is occurring or has occurred.
- (b) The kV.A Demand applicable to the time when the reduction is occurring or has occurred shall be deemed to be:

$$BD_R = \frac{K}{LF}$$

where:

$BD_R$  = the reduced Billing Demand

$K$  = the mean value of kV.A during such time; and

$LF$  = the load factor at which the Customer took Electricity in the immediately prior Billing Period when the taking or supply of Electricity was not reduced.

- (c) If the time over which the reduction is occurring or has occurred is less than the whole of the Billing Period, then:

- (i) the Demand Charge applicable to such time shall be:

$$\text{Demand Charge} = BD_R \times R \times \frac{H}{H_{BP}}$$

where:

$BD_R$  = the reduced Billing Demand as above;

$R$  = the Demand Charge set out in Schedule 1823;

- H = the number of half-hour intervals during such time; and
- H<sub>BP</sub> = the number of half-hour intervals during the Billing Period; and
- (ii) the Demand Charge applicable to the balance of the Billing Period shall be:

$$\text{Demand Charge} = \text{BD}_N \times R \times \frac{(\text{H}_{\text{BP}} - H)}{\text{H}_{\text{BP}}}$$

where BD<sub>N</sub> = the Billing Demand and

R, H and H<sub>BP</sub> have the meanings given above.

- (d) A suspension, pursuant to clause 16, for more than 4 consecutive hours shall be cause for Billing Adjustments to be made by B.C. Hydro, except that in the case of the Lawful Strikes, legal lockouts, and other labour disturbances (including exercises of non-affiliation rights but excluding illegal lockouts), Billing Adjustments for both causes shall be limited to a collective maximum of 1440 hours in any calendar year. Further, Billing Adjustments for each occurrence of an Unlawful Strike shall not be made if the suspension is for less than twelve (12) consecutive hours and, in any event, the Billing Adjustments for any such occurrence shall be limited to a maximum of five (5) days.
- (e) Unless the Customer continues to take Electricity, a frequency or voltage, or both, for more than 1 hour outside the limits established in clause 5 shall be cause for Billing Adjustments to be made by B.C. Hydro.
- (f) A suspension or reduction, pursuant to clause 17, for more than 1 hour shall be cause for Billing Adjustments to be made by B.C. Hydro.
- (g) A suspension or discontinuance pursuant to clause 10 or suspension pursuant to clause 19 shall not be cause for Billing Adjustments to be made by B.C. Hydro.
- (h) In addition to the Billing Adjustments set out above, B.C. Hydro may, in its judgment, make other Billing Adjustments from time to time so as to decrease the bills for the Customer's Plant to reflect unusual or unanticipated conditions or events in such plant.

#### ENDANGERMENT, INTERFERENCE

20. (a) "Endangerment or Interference" includes:
- (i) the introduction of harmonics into B.C. Hydro's electrical system;
- (ii) the creation of undue and abnormal voltage fluctuations on B.C. Hydro's system;



- (iii) the depression or elevation of the voltage level on B.C. Hydro's system below or above the voltage range provided by B.C. Hydro to the Customer for Electricity supplied under normal operating conditions; and
- (iv) the creation of an undue voltage imbalance between phases.

Normal standards for subclauses (i) to (iv) are provided in B.C. Hydro's Guide.

- (b) The Customer shall make its best efforts to take or use Electricity so as not to cause an Endangerment or Interference with the B.C. Hydro electrical system, or in connection with Electricity supplied to any other Customer of B.C. Hydro, but if such occurs then:
  - (i) B.C. Hydro may require the Customer, at the Customer's cost, to take corrective action including the provision of corrective equipment; or
  - (ii) if, in the judgment of B.C. Hydro, the Endangerment or Interference is critical then B.C. Hydro may, without notice to the Customer, suspend the supply of Electricity until the Customer takes corrective action.

#### PARALLEL OPERATION

21. The Customer may operate an electrical generating plant, at the Customer's Plant, connected to the B.C. Hydro electrical system, provided always that the Customer provides notice to B.C. Hydro reasonably in advance of parallel operation of such plant, and provided always that:
- (a) the Customer shall install in advance, at its cost, on its electrical system the protective and control equipment required, including that required in the judgment of B.C. Hydro;
  - (b) the Customer shall pay in advance to B.C. Hydro the cost of the protective and control equipment required, in the judgment of B.C. Hydro, on the B.C. Hydro electrical system and this equipment shall be the property of B.C. Hydro and shall remain so upon termination of this Agreement unless the Customer pays to B.C. Hydro the costs of adapting the system to operate without that equipment; and
  - (c) the Customer shall follow operating orders or guidelines established by B.C. Hydro and provided to the Customer from time to time for parallel operation.

#### CONNECTIONS

22. Except as provided for by local operating order or by operation of a switching device, connections to or disconnections from B.C. Hydro's electrical system shall be made only by B.C. Hydro's servants or agents or such other persons as B.C. Hydro may specifically authorize or permit.

NON-WAIVER

23. No failure by B.C. Hydro or the Customer at any time or from time to time to enforce or require a strict observance or performance of any of the provisions of this Agreement shall constitute a waiver of such provisions or affect or impair such provisions or the right of B.C. Hydro or the Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

LIABILITY, INDEMNITY, LIMITATIONS AND REQUIREMENTS FOR NOTICE

24. (a) B.C. Hydro does not warrant a continuous supply of Electricity or the maintenance of unvaried frequency or voltage and B.C. Hydro, its servants or agents, shall not be liable to the Customer for any loss, injury, damage or expense of the Customer caused by or resulting from any suspension, discontinuance or defect in the supply of Electricity, alleged or caused by an act or omission of B.C. Hydro, its servants or agents, except for direct loss or damage to the physical property of the Customer resulting from wilful misconduct or negligent acts or omissions by B.C. Hydro, its servants or agents.

For greater certainty, it is agreed that "direct loss or damage to the physical property of the Customer" shall not include inconvenience, mental anguish, loss of profits, loss of earnings or any other indirect or consequential loss. It is further agreed that the duty of care imposed upon B.C. Hydro will be the common law duty of care imposed upon a municipality or other government agency. It is also further agreed that B.C. Hydro shall not be liable for direct loss or damage which could have been prevented, in whole or in part, if the Customer had taken reasonable protective measures.

It is also further agreed that B.C. Hydro shall not be liable under this subclause unless the Customer has given notice to B.C. Hydro of a potential claim within 7 days of when the Customer knew or ought to have known of the alleged direct loss or damage.

- (b) The liability of B.C. Hydro under subclause 23(a) applies only when the direct loss or damage to the Customer arising from a single occurrence exceeds the sum of \$10,000.00. In no event shall the liability of B.C. Hydro exceed the sum of \$1,000,000.00 for any single occurrence.
- (c) B.C. Hydro shall indemnify the Customer from all liabilities for claims, demands, suits, losses or damages brought against the Customer arising out of damage to property or injury to persons resulting from wilful misconduct or negligent acts or omissions by B.C. Hydro, its servants or agents, if and when they enter the Customer's Plant.

RESALE OF ELECTRICITY

25. The Customer shall not sell, or otherwise dispose of for compensation, all or part of the Electricity supplied pursuant to this Agreement to any other person directly or indirectly

without prior authorization from the British Columbia Utilities Commission and notice to B.C. Hydro.

#### ACTION ON DEFAULT

26. Subject to other provisions of this Agreement, if the Customer fails at any time in the performance of its obligations under clauses 20 or 21 or subclauses 6(a), 6(b), 7(c), 7(f), 13(b), 13(c), 13(d) or 14(b) and does not, within 30 days after B.C. Hydro has given to it notice of such failure, commence to remedy with due diligence, and thereafter continue to remedy the matter in which it is in default, B.C. Hydro may, without terminating this Agreement, after the expiry of 5 days' notice given to the Customer by B.C. Hydro of its intention to do so, and without liability therefor, discontinue the supply of Electricity to the customer, but no such discontinuance shall relieve the Customer from any obligation under this Agreement. B.C. Hydro shall not be obliged to resume the supply of Electricity to the Customer until such failure shall have been remedied.

#### SUCCESSORS, ASSIGNS

27. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and assigns, provided, however, that this Agreement shall not be transferred or assigned by the Customer without prior consent of B.C. Hydro, which consent shall not be unreasonably withheld.

#### HEADINGS

28. The headings in this Agreement are provided for convenience only and shall not be used to interpret the Agreement.

#### PRIOR AGREEMENTS

29. All prior agreements for supply of Electricity by B.C. Hydro to the Customer at the Point of Delivery are terminated as of the Commencement Date, subject to entitlements or obligations, then accrued or incurred, of both parties.

#### LAW

30. (a) This Agreement shall be construed in accordance with the laws of the Province of British Columbia.
- (b) B.C. Hydro and the Customer will promptly comply with all relevant laws and regulations and the relevant orders, rules and requirements of all authorities having jurisdiction.

IN WITNESS WHEREOF the duly authorized representative of each party has executed this Agreement.

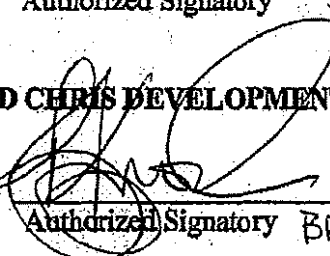
20

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

Per: Mike Brandson  
Authorized Signatory  
*Mike Brandson, Senior Key Account Manager*

Per: \_\_\_\_\_  
Authorized Signatory

**RED CHRIS DEVELOPMENT COMPANY LTD.**

Per:   
Authorized Signatory *BRIAN KYNOCCH, PRESIDENT*

Per: \_\_\_\_\_  
Authorized Signatory

Refer to Schedule 1823 in the Electric Tariff, as amended or replaced from time to time.

Refer to Schedule 1880 in the Electric Tariff, as amended or replaced from time to time.

APPENDIX "1"

Provisions Respecting Transmission Extensions and Other Site Specific Matters


Such provisions as reasonably required to reflect the results of the Facilities Study as determined by BC Hydro and communicated to the Customer in writing, and thereupon this Appendix shall be deemed to be amended accordingly. Such provisions shall include, but not be limited to, a description of facilities and equipment Customer is to supply and install in Customer's Plant to accommodate the interconnection of the Customer's Plant to B.C. Hydro's electric system, including Customer's obligation to supply and install communication facilities between the 287kV transmission line to be developed by Highway 37 Power Corp. and the Customer's Red Chris Mine and substation.

And such other provisions as agreed to between BC Hydro and Customer in writing from time to time as additions to this Appendix 1, and thereupon this Appendix shall be deemed to be amended accordingly.

Electricity delivered by BC Hydro at Bob Quinn Substation and wheeled by Highway 37 Power Corp. pursuant to the Provisional Wheeling Agreement contemplated by the TDA across the 287kV transmission line to be developed by Highway 37 Power Corp. shall not be included in the calculation of the kV.A Demand.

**SCHEDULE C**

**FORM OF DECLARATION OF COMPATIBILITY**

|   |                          |                             |
|---|--------------------------|-----------------------------|
| <b>BC hydro</b>    |                          |                             |
|   |                          |                             |
|   |                          | <b>Circuit Designation:</b> |
|   |                          |                             |
|   |                          |                             |
| 1. Submitted the Professional Engineer's declaration(s) that the Customer System has been designed, constructed, and tested to a state suitable for operation in accordance with Good Utility Practice. | <input type="checkbox"/> | <input type="checkbox"/>    |
|   |                          |                             |
| 1. Confirmation of correct phase rotation where applicable.   | <input type="checkbox"/> | <input type="checkbox"/>    |
| 2. Confirmed the coordination of the protective relay settings:   |                          |                             |
| • Line Protection.  | <input type="checkbox"/> | <input type="checkbox"/>    |
| 3. Reviewed the 287kV Line to confirm compliance with BC Hydro's technical requirements for operation.  | <input type="checkbox"/> | <input type="checkbox"/>    |
| 4. Approved the Operating Order by BC Hydro and RCDC. RCDC and Control Centre have copies.  | <input type="checkbox"/> | <input type="checkbox"/>    |
| 5. Received a copy of the Electrical Inspection Approval.   | <input type="checkbox"/> | <input type="checkbox"/>    |
| 6. Completed the 287kV Line and confirmed to meet Functional Requirements:  | <input type="checkbox"/> | <input type="checkbox"/>    |
| • Property Rights.  |                          |                             |
| • Right of way standard, design and preparation and damage restoration.   |                          |                             |
| • Transmission line design and materials  |                          |                             |
| • Transmission line construction  |                          |                             |
| • Environmental aspects   |                          |                             |
| 7. Approval by BC Hydro Real Time Operations to allow energization.   | <input type="checkbox"/> | <input type="checkbox"/>    |
| 8. Operating One-Line Diagram   | <input type="checkbox"/> | <input type="checkbox"/>    |



|  |                   |
|--|-------------------|
| Provide explanation if "No" has been checked for any item above. |                   |
|  |                   |
|  |                   |
|  |                   |
| <i>Print Name</i>  | <i>Print Name</i> |
| <i>Signature</i>   | <i>Signature</i>  |
| <u>Date</u>  | <u>Date</u>       |

Distribution:      Project Manager  
(electronic)      Area BCH Field Operations Office  
                         Construction Agency  
                         BC Hydro Asset Program Manager (Station or Transmission Line)  
                         BC Hydro Control Centre  
                         Project File  
                         BC Hydro Interconnections  
                         BC Hydro System Performance & Assessment

**SCHEDULE D**  
**PROVISIONAL WHEELING AGREEMENT**

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## **PROVISIONAL WHEELING AGREEMENT**

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March 18, 2013

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## PROVISIONAL WHEELING AGREEMENT

THIS AGREEMENT is made March 18, 2013

BETWEEN:

**BRITISH COLUMBIA HYDRO AND POWER  
AUTHORITY**, with an office on the 18<sup>th</sup> Floor, 333 Dunsmuir  
Street, Vancouver, BC V6B 5R3

("BC Hydro");

AND:

**HIGHWAY 37 POWER CORP.**, a corporation formed under the  
laws of British Columbia with an office at Suite 200 – 580 Hornby  
Street, Vancouver, BC V6C 3B6

("H37P");

WHEREAS:

- A. The Parties have entered into a Transmission Development Agreement of even date (the "**TDA**") pursuant to which, among other things, H37P will develop and sell the 287kV Line to BC Hydro;
- B. BC Hydro wishes to provide electrical service to the community of Iskut, and may wish to do so before its acquisition of the 287kV Line; and
- C. BC Hydro wishes to contract with H37P for the option to wheel power across the 287kV Line until its acquisition by BC Hydro, and H37P wishes to contract with BC Hydro for the same, all on the terms and conditions set out in this Agreement.

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

### SECTION 1 INTERPRETATION

**1.1 Definitions.** In this Agreement, capitalized words defined in the TDA and not defined in this Agreement will have the meanings given to those words in the TDA, capitalized words defined in the Tariff and not defined in this Agreement or the TDA will have the meanings given to them in the Tariff, and:

- (a) "**287kV Line ISD**" means the date on which the 287kV Line is both connected to BQN and electrified;

- (b) **"Agreement"** means this Provisional Wheeling Agreement;
- (c) **"Applicable Laws"** means, at any given time, all applicable federal, provincial, municipal, local and foreign statutes, codes, ordinances, decrees, rules, regulations and by-laws, and judicial, executive, arbitral, administrative, ministerial, departmental or regulatory judgments, decrees, decisions, rulings, awards, policies, requirements, standards, guidelines, permits, licences, authorizations, approvals and orders, and all applicable common law and the law of equity, in each case having the force of law and in effect at that time;
- (d) **"BC Hydro's Indemnified Persons"** has the meaning given to that term in Section 8.1;
- (e) **"Business Day"** means any day except Saturdays, Sundays or statutory holidays in British Columbia;
- (f) **"Commencement Date"** means a date, after the 287kV Line ISD, TAT is completed and the 287kV Line has been connected to TAT in accordance with the TDA, designated by written notice from BC Hydro to H37P at least ten (10) days in advance;
- (g) **"Dispute"** has the meaning given to that term in Section 9.1;
- (h) **"Dispute Notice"** has the meaning given to that term in Section 9.2;
- (a) **"Emergency"** means any condition where, whether by reason of a forced outage or concern for a forced outage, or otherwise, there is an imminent risk of danger to a Party's personnel, the public or others, or an imminent risk of material damage to property.
- (i) **"Force Majeure"** means any act of God, civil disobedience, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, but does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure;
- (j) **"Good Utility Practice"** means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be acceptable practices, methods or acts generally accepted in the Western Electricity Coordinating Council region;

- (k) **"GST/HST"** means the tax payable under Part IX of the *Excise Tax Act* (Canada);
- (l) **"H37P Indemnified Persons"** has the meaning given to that term in Section 8.2;
- (m) **"Knowledge"** means:
  - (i) with respect to H37P, the actual knowledge of Brian Kynoch, Byng Giraud and Raj Anand, after due inquiry; and
  - (ii) with respect to BC Hydro, the actual knowledge of Rohan Soulsby, Tim Jennings and Ivan Kuun, after due inquiry;
- (n) **"Liabilities"** means all actions, charges, claims, costs, damage, damages, debts, demands, expenses, (including reasonable legal and consulting fees), fines, liabilities, losses, penalties, proceedings and obligations, whether primary or secondary, direct or indirect, known or unknown, fixed, contingent, absolute or otherwise, howsoever arising;
- (o) **"Mediation Notice"** has the meaning given to that term in Section 9.3(a);
- (p) **"Mediation Period"** has the meaning given to that term in Section 9.3(b);
- (q) **"Negotiation Meeting"** has the meaning given to that term in Section 9.2;
- (r) **"Parties"** means BC Hydro and H37P, and **"Party"** means any one of them;
- (s) **"Planned Outages"** means outages that are planned by H37P, and are expected to impact the Wheeling Service;
- (t) **"Point of Receipt"** means the 287kV Line termination structure at TAT; and
- (u) **"Service Termination Date"** means the earlier of: (i) thirty (30) days after delivery of notice from BC Hydro to H37P; and (ii) the Term Deadline;
- (v) **"TDA"** has the meaning given to that term in Recital A;
- (w) **"Term Deadline"** means the date that is one hundred eighty (180) days after the Commencement Date, provided however, if BC Hydro does not complete the Closing during such ninety (90) day period because one or more of the conditions precedent set out in Section 5.2 of the TDA (other than Section 5.2(e) and 5.2(h)) has not yet been satisfied, and during that period BC Hydro has used its reasonable commercial efforts in good faith to assist H37P in satisfying the outstanding conditions precedent, then the Term Deadline shall be automatically extended for a further ninety (90) days, and BC Hydro shall be entitled to further ninety (90) days extensions until the Closing provided it has used those same efforts before each further ninety (90) day extension period is granted;



- (x) **"Transfer Taxes"** means all sales taxes, sales and use taxes, value added taxes, goods and services taxes, property transfer taxes, harmonized sales taxes and other transfer taxes and similar charges required to be reported upon or paid to any Governmental Entity in respect of a transaction for the sale or transfer or provision of property, goods or services, and all interest and penalties on any of them, whether initially or as a result of reassessment;
- (y) **"Wheeling Charge"** has the meaning given to that term in Section 3.1; and
- (z) **"Wheeling Service"** means the wheeling service to be provided by H37P pursuant to Section 2.1.

**1.2 Interpretation.** For the purposes of this Agreement:

- (a) all references to a designated section, subsection, paragraph, or other subdivision, or to a Schedule, is to the designated section, subsection, paragraph or other subdivision of or Schedule to this Agreement unless otherwise specifically stated, and includes in respect of those Schedules that contain the form of an agreement to be entered into by the Parties, any such agreement entered into by them;
- (b) the words **"herein"**, **"hereof"** and **"hereunder"** and other words of similar import refer to this Agreement as a whole and not to any particular section, subsection, paragraph or other subdivision of or Schedule to this Agreement;
- (c) the singular of any term includes the plural and vice versa and the use of any term is equally applicable to any gender and where applicable to a body corporate;
- (d) the word **"including"** or similar words means **"including but not limited to"**;
- (e) all references to money refer to lawful money of Canada and all amounts to be calculated or paid pursuant to this Agreement are to be calculated and paid in lawful money of Canada;
- (f) all references to any statute include any subsequent legislation enacted in substitution thereof and all regulations made thereunder; and
- (g) any reference to a corporate or other business entity includes and is also a reference to any corporate or other business entity that is a successor to such entity by operation of law or is a permitted assignee.

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

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

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

## **SECTION 2 WHEELING SERVICE**

**2.1 Wheeling Service.** In each hour after the Commencement Date and until the earlier of the Closing Time and the Service Termination Date H37P shall wheel over the 287kV Line from the Point of Delivery to the Point of Receipt electricity delivered at the Point of Delivery by BC Hydro in excess of the electricity delivered at the Point of Delivery by BC Hydro pursuant to the Red Chris Mine ESA, provided however, that H37P shall have no obligation to wheel any such electricity in any hour exceeding the sum of the amount for that month specified in the table below plus wheeling losses experienced between the Point of Receipt and the Point of Delivery in respect of such electricity:

|          |         |
|----------|---------|
| January  | 1300 kW |
| February | 1200 kW |
| March    | 1100 kW |
| April    | 900 kW  |
| May      | 800 kW  |
| June     | 600 kW  |

|           |         |
|-----------|---------|
| July      | 600 kW  |
| August    | 800 kW  |
| September | 800 kW  |
| October   | 900 kW  |
| November  | 1100 kW |
| December  | 1300 kW |

### **2.2 Curtailments and Interruptions.**

- (a) The Wheeling Service is a firm transmission service and H37P will not curtail or interrupt the Wheeling Service except in the event of an Emergency or a Planned Outage scheduled pursuant to Section 2.2(b). H37P will make any permissible curtailments or interruptions to the Wheeling Service on a non-discriminatory basis, treating the Wheeling Service and any other uses of the 287kV Line as equal.
- (b) From the Commencement Date to the earlier of the Closing Time and the Service Termination Date, H37P shall schedule all Planned Outages of the 287kV Line in consultation with BC Hydro. H37P will give BC Hydro at least thirty (30) days' notice of all Planned Outages. H37P will use reasonable commercial efforts to ensure that Planned Outages will be of minimal frequency and duration and cause minimal inconvenience to the provision of the Wheeling Service.

### SECTION 3 RATES AND PAYMENT

**3.1 Wheeling Charge.** The charge applicable to the Wheeling Service (the "Wheeling Charge") between the Point of Delivery and the Point of Receipt shall be equal to \$17,000/month (prorated for partial months).

**3.2 Invoicing.** BC Hydro shall calculate and pay the Wheeling Charge to H37P, plus applicable Transfer Taxes, for each month or partial month during which the Wheeling Service is provided no later thirty (30) days after the end of that month.

### SECTION 4 REPRESENTATIONS AND WARRANTIES

**4.1 BC Hydro's Representations and Warranties.** BC Hydro represents and warrants to H37P that:

- (a) **Incorporation.** It is a corporation duly incorporated or amalgamated and validly existing under the Applicable Laws of its jurisdiction of incorporation or amalgamation.
- (b) **Power and Capacity.** It has the corporate power and capacity to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement.
- (c) **Due Authorization, Absence of Conflict.** The execution, delivery and performance by it of this Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement:
  - (i) have been duly authorized by all necessary corporate action on its part;
  - (ii) do not (and would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of or default under, or conflict with any of the terms or provisions of, or allow any other Person to exercise any rights under or terminate or cancel, its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected or any judgment, order, writ, injunction or, to the best of its Knowledge, any decree of any Government Entity having jurisdiction over it; and
  - (iii) will not result in the violation of any Applicable Laws.
- (d) **Enforceability.** This Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement constitute legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other

laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (e) **GST Registration.** It is registered for the purposes of GST/HST under registration number R121454151.
- (f) **Proceedings.** There are no proceedings before or pending before any Governmental Entity, or, to BC Hydro's Knowledge, threatened to be brought by or before any Governmental Entity by or against BC Hydro affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated herein.

**4.2 Representations and Warranties of H37P.** H37P hereby represents and warrants to BC Hydro that:

- (a) **Incorporation.** It is a corporation duly incorporated or amalgamated and validly existing under the Applicable Laws of its jurisdiction of incorporation or amalgamation.
- (b) **Power and Capacity.** It has the corporate power and capacity to own and operate its property, carry on its business and enter into and perform its obligations under this Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement.
- (c) **Due Authorization, Absence of Conflict.** The execution, delivery and performance by it of this Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement:
  - (i) have been duly authorized by all necessary corporate action on its part;
  - (ii) do not (and would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of or default under, or conflict with any of the terms or provisions of, or allow any other Person to exercise any rights under or terminate or cancel, its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected or any judgment, order, writ, injunction or, to the best of its Knowledge, any decree of any Government Entity having jurisdiction over it; and
  - (iii) will not result in the violation of any Applicable Laws.
- (d) **Enforceability.** This Agreement and all documents, instruments and agreements required to be delivered by it pursuant to this Agreement constitute legal, valid and binding obligations, enforceable against it in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

- (e) **GST Registration.** It is registered for the purposes of GST/HST under registration number 844848135 RT0001.
- (f) **Proceedings.** There are no proceedings before or pending before any Governmental Entity, or, to H37P's Knowledge, threatened to be brought by or before any Governmental Entity by or against H37P affecting the legality, validity or enforceability of this Agreement or the provision of the Wheeling Service as contemplated herein.

## **SECTION 5 CONDITIONS**

**5.1 Conditions for the Benefit of BC Hydro.** The obligations of BC Hydro pursuant to this Agreement are subject to the following conditions to be fulfilled or performed on or before the date specified, which conditions are for the exclusive benefit of BC Hydro and may be waived, in whole or in part, by BC Hydro in its sole discretion:

- (a) The TDA being executed and delivered by H37P and RCDC at the same time as this Agreement;
- (b) The Red Chris ESA being executed and delivered by RCDC at the same time as this Agreement; and
- (c) BC Hydro being satisfied, in its sole and absolute discretion, with the regulatory support or regulatory exemptions available to it in order to complete its obligations pursuant to this Agreement, and recover its costs in connection with this Agreement and related infrastructure in rates, no later than April 15, 2013.

**5.2 Sole Benefit of BC Hydro.** H37P agrees that the conditions set out in Section 5.1 are for the sole benefit of BC Hydro, and that none of such conditions shall be waived except by written notice from BC Hydro or its solicitors to H37P or its solicitors.

**5.3 H37P Bound.** Notwithstanding that Section 5.1 may leave discretion in BC Hydro whether to take the Wheeling Service, H37P agrees, for \$10 and other good and valuable consideration, that it shall be bound by this Agreement.

**5.4 Conditions for the Benefit of H37P.** The obligations of H37P pursuant to this Agreement are subject to the following conditions to be fulfilled or performed on or before the date specified, which conditions are for the exclusive benefit of H37P and may be waived, in whole or in part, by H37P in its sole discretion:

- (a) The TDA being executed and delivered by BC Hydro at the same time as this Agreement; and
- (b) The Red Chris Mine ESA being executed and delivered by BC Hydro at the same time as this Agreement.

**5.5**            **Sole Benefit of H37P.** BC Hydro agrees that the conditions set out in Section 5.4 are for the sole benefit of H37P, and that none of such conditions shall be waived except by written notice from H37P, or its solicitors, to BC Hydro or its solicitors.

**5.6**            **BC Hydro Bound.** Notwithstanding that Section 5.4 may leave discretion in H37P whether to provide the Wheeling Service BC Hydro agrees, for \$10 and other good and valuable consideration, that BC Hydro shall be bound by this Agreement.

**5.7**            **Actions to Satisfy Conditions.**

- (a) H37P shall each take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that all of the conditions set forth in Section 5.1 are fulfilled at or before the time specified in such Section.
- (b) BC Hydro shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that all of the conditions set forth in Section 5.4 are fulfilled at or before the time specified in such Section.

## **SECTION 6**

### **ABANDONMENT AND TERMINATION**

**6.1**            **Termination for Failure to Satisfy Conditions Precedent.** This Agreement shall terminate, without liability or penalty attaching to any Party, if any of the conditions precedent set out in Section 5.1 or 5.4 are not fulfilled, performed or waived within the times specified.

**6.2**            **Termination by BC Hydro Before the Commencement Date.** BC Hydro may terminate this Agreement at any time before the Commencement Date on written notice to H37P.

**6.3**            **Termination after Service Termination Date.** This Agreement shall terminate after the Service Termination Date once BC Hydro has paid the final Wheeling Charge for the period up to the Service Termination Date in accordance with Section 3.

**6.4**            **Survival.** Section 6, Section 8, Section 9 and Section 10 shall survive the termination of this Agreement pursuant to Section 6.2 or 6.3.

## **SECTION 7**

### **FORCE MAJEURE**

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

performance, the time or period of time for such performance shall be extended by the length of time the Force Majeure operates to delay or prevent such performance.

## SECTION 8 INDEMNIFICATION AND LIMITATION OF LIABILITY

**8.1        Indemnification in Favour of BC Hydro.** H37P shall jointly and severally indemnify and save each of BC Hydro, and its directors, officers, employees and agents (collectively, "**BC Hydro's Indemnified Persons**") harmless of and from any Liabilities suffered by, imposed upon or asserted against any of BC Hydro's Indemnified Persons to the extent they are the result of, in respect of, connected with, or arising out of, under, or pursuant to:

- (a) any failure of H37P to perform or fulfil any of its covenants under this Agreement; and
- (b) any breach or inaccuracy of any representation or warranty given by H37P in or pursuant to this Agreement.

**8.2        Indemnification in Favour H37P.** BC Hydro shall indemnify and save H37P and each of their directors, officers, employees and agents (collectively, the "**H37P Indemnified Persons**") harmless of and from any Liabilities suffered by, imposed upon or asserted against any of the H37P Indemnified Persons to the extent they are the result of, in respect of, connected with, or arising out of, under or pursuant to:

- (a) any failure of BC Hydro to perform or fulfil any of its covenants under this Agreement; and
- (b) any breach or inaccuracy of any representation or warranty given by BC Hydro in or pursuant to this Agreement.

## SECTION 9 DISPUTE RESOLUTION

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

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

**9.3        Mediation.**

- (a) If a Dispute is not resolved at a Negotiation Meeting, or the Parties fail to have a Negotiation Meeting within the 14 day period provided for in Section 9.2, a Party

may deliver written notice (a "**Mediation Notice**") to the other Party requiring the Dispute go to mediation, in which case the Parties shall appoint a mutually acceptable mediator within 14 days of delivery of the Mediation Notice.

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

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

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

**9.6        Adjudication in Law and Equity.** The arbitrators must adjudicate the dispute, and may grant remedies, in both law and equity; provided that the arbitrators shall not grant remedies that are inconsistent with the provisions of this Agreement.

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

## **SECTION 10 GENERAL**

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

If to BC Hydro:

British Columbia Hydro and Power Authority  
10<sup>th</sup> Floor – 333 Dunsmuir Street  
Vancouver, BC V6B 5R3  
Attention: Vice President, Energy Planning & Economic Development  
Fax Number: 604 623 4540

If to H37P:



580 Hornby St  
Suite 200  
Vancouver, BC V6C 3B6  
Attention: President

or at such other address as that Party may from time to time designate by notice delivered in accordance with this Section 10.1. Any notice shall be deemed to have been given on the day delivered, if delivered by hand. If faxed, notice will be deemed to have been given and received on the Business Day following the date of successful faxing.

**10.2        Enurement.** This Agreement enures to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

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

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

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

**10.6        Assignment.** No Party has any right to transfer or otherwise assign this Agreement or any rights, powers, duties or obligations hereunder to any other Person without the prior written consent of the other Party, which is not to be unreasonably withheld. Without limiting the generality of the foregoing, H37P shall not transfer or otherwise dispose of any interest in the 287kV Line unless the transferee first enters into a written agreement with BC Hydro, acting reasonably, pursuant to which the transferee assumes H37P's obligations hereunder.

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

**10.8        Set-Off.** If at any time BC Hydro on the one hand, and H37P on the other hand, each agrees that each owes the other an amount hereunder, or under any other agreement, then such amounts shall be aggregated and the relevant Party may discharge its obligations to the other Party by set-off and netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed. Any payment obligations of a Party hereunder that are so set-off and netted against payment obligations of the other Party shall for all purposes be and be deemed to be satisfied and discharged in full.

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

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

**BRITISH COLUMBIA HYDRO AND  
POWER AUTHORITY**

Per: 

Authorized Signatory

**HIGHWAY 37 POWER CORP.**

Per: 

Authorized Signatory

**SCHEDULE E**  
**FUNCTIONAL REQUIREMENTS**

## Iskut Functional Requirements Table of Contents

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| Section 7  | ALIGNMENT AND RIGHT-OF-WAY |  |
| Section 8  | ACCESS                     |  |
| Section 9  | CLEARING                   |  |
| Section 10 | TRANSMISSION LINE DESIGN   |  |
| Section 11 | MATERIALS AND FABRICATION  |  |
| Section 12 | CONSTRUCTION REQUIREMENTS  |  |
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## Iskut Functional Requirements General Matters

In these Functional Requirements, unless the context otherwise requires, capitalized terms defined in Section 1.1 of the Agreement shall have the meaning ascribed to them, and:

(a) **“Agreement”** means the Transmission Development Agreement among British Columbia Hydro and Power Authority, Highway 37 Power Corp. and Red Chris Development Company Ltd. dated February 28, 2013;

(b) **“Contractor”** means all of H37P’s contractors and subcontractors engaged by H37P directly, or indirectly, to engineer, design, construct, develop and commission the 287kV Line; and

(c) **“Owner”** means H37P.

Where these Functional Requirements refer to an obligation of the Contractor, the Owner shall include the obligation in the Owner’s contract with the Contractor, shall ensure the Contractor shall perform the required obligation, and shall be as fully responsible to BC Hydro for the performance of the Contractor’s obligations as if such obligations were stated as obligations to be performed directly by the Owner.

Where these Functional Requirements refer to an obligation of the Owner, the Owner may delegate or subcontract that obligation to the Contractor, but shall remain fully responsible to BC Hydro for the performance of that obligation.

Without limiting any specific rights BC Hydro may have hereunder, BC Hydro may at any time and from time to time request that the Owner provide to BC Hydro, and the Owner shall provide to BC Hydro in a timely manner, copies of any submittals, drawings, documents or other information developed by the Owner, or developed by the Contractor and provided to the Owner, in connection with the 287kV Line or the Purchased Assets.

Subject to Section 5.9(c) of the Agreement, but notwithstanding anything else contained herein, review by BC Hydro of any such information is for general conformity to the intent of these Functional Requirements, and such review shall not relieve the Owner of the sole risk and responsibility for meeting all requirements of the Agreement, including these Functional Requirements, and failure by BC Hydro to identify defects, errors, omissions, conflicts or other deficiencies shall not relieve the Owner of its sole responsibility for correcting and remedying such defects, errors, omissions, conflicts or other deficiencies at its own cost.

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Pages 211 through 212 redacted for the following reasons:

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S.14



FOR GENERATIONS

30 May 2013

**Inter-office memo  
PRIVILEGED AND CONFIDENTIAL**

**To: Amy Carruthers, Legal Services and Chris  
Heminsley, Energy Planning and Economic  
Development**

**From: Craig Godsoe, Legal Services**

s.12

Pages 214 through 221 redacted for the following reasons:

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s.12



**From:** Barillaro, Scott W EMNG:EX  
**Sent:** Friday, May 17, 2013 1:04 PM  
**To:** Dias, Oswald EMNG:EX  
**Subject:** Re: Iskut and the draft AR

s.13, s.17

I suggest going back to Chris/Ivan and asking for the projected estimates for these three things.

Bob Quinn substation upgrades  
Tatogga substation construction  
Distribution line from Tatogga to Iskut.

s.13, s.17

I agree s.22

WSB

On 2013-05-17, at 11:55 AM, "Dias, Oswald EMNG:EX" <[Oswald.Dias@gov.bc.ca](mailto:Oswald.Dias@gov.bc.ca)> wrote:

s.13, s.17

Lets see what Ivan says.

**Oswald Dias**

Electricity Policy Analyst  
Electricity Policy Branch  
Ministry of Energy, Mines & Natural Gas  
Mail: PO Box 9314 Stn Prov Govt, Victoria BC V8W 9N1

Phn: (250) 953-3747; Fax: (250) 952-0258

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**From:** Barillaro, Scott W EMNG:EX  
**Sent:** Friday, May 17, 2013 10:59 AM  
**To:** Dias, Oswald EMNG:EX  
**Subject:** Re: Iskut and the draft AR

s.17

WSB

On 2013-05-17, at 10:42 AM, "Dias, Oswald EMNG:EX" <[Oswald.Dias@gov.bc.ca](mailto:Oswald.Dias@gov.bc.ca)> wrote:

Scott,

s.13, s.17

**Oswald Dias**  
Electricity Policy Analyst  
Electricity Policy Branch  
Ministry of Energy, Mines & Natural Gas

## **Dias, Oswald MEM:EX**

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**From:** Garry Merkel [gmerkel@telus.net]  
**Sent:** Thursday, August 16, 2012 9:08 AM  
**To:** Barillaro, Scott W MEM:EX; 'Robert McPhee'; Trumpy, Chris MEM:EX; 'Wu, Marian'; 'Jennings, Tim'  
**Cc:** Dias, Oswald MEM:EX  
**Subject:** RE: Discussion on Iskut Extension and Energy Vision

I may have an 1.0 – 1.5 hours at 2:00 on the 23<sup>rd</sup>.

---

**From:** Barillaro, Scott W MEM:EX [<mailto:Scott.Barillaro@gov.bc.ca>]  
**Sent:** Thursday, August 16, 2012 9:22 AM  
**To:** 'Garry Merkel'; 'Robert McPhee'; Trumpy, Chris MEM:EX; 'Wu, Marian'; 'Jennings, Tim'  
**Cc:** Dias, Oswald MEM:EX  
**Subject:** Discussion on Iskut Extension and Energy Vision

Hi all. s.22 It turned out that there were several  
conflicts to resolve anyway, so it's likely best to start fresh.

I understand from my colleagues at MARR that there is another SEA meeting scheduled for August 24<sup>th</sup>. I think this would provide us an opportunity to meet in Vancouver when everyone plans to be there.

Accordingly, what do schedules look like in the morning and afternoon of Thursday, August 23<sup>rd</sup> and the morning of August 24<sup>th</sup>?

Again, my apologies for the delay and thanks for your time.

WSB

**W. Scott Barillaro, B.A, B.Mus, MPA**  
Director, Transmission and Industrial Electricity Policy  
Electricity Policy  
Ministry of Energy and Mines  
4th Floor, 1810 Blanshard Street  
Victoria, BC  
V8T 4J1  
(o) 250-952-0267  
(c) 250-415-1031

## **Dias, Oswald MEM:EX**

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**From:** Dias, Oswald MEM:EX  
**Sent:** Tuesday, August 7, 2012 5:04 PM  
**To:** Dias, Oswald MEM:EX  
**Subject:** RE: Iskut milestones

End of 3<sup>rd</sup> ¼ 2013 permits  
Aug of 2013 design  
4th quarter 2013 to 3<sup>rd</sup> quarter 2014 clearing  
Mid 2013 to start 2015 construction  
Spring 2015 in service

Model

### **Oswald Dias**

Electricity Policy Analyst  
Electricity Policy Branch  
Ministry of Energy & Mines  
Mail: PO Box 9314 Stn Prov Govt, Victoria BC V8W 9N1  
Phn: (250) 953-3747; Fax: (250) 952-0258

-----Original Appointment-----

**From:** Dias, Oswald MEM:EX  
**Sent:** Tuesday, August 7, 2012 10:36 AM  
**To:** 'tim.jennings@bchydro.com'  
**Subject:** Iskut milestones  
**When:** Tuesday, August 7, 2012 3:00 PM-3:30 PM (GMT-08:00) Pacific Time (US & Canada).  
**Where:** Will call you

Hi Tim, Hoping we can discuss this. This is to be included to a letter to the Feds. Thanks. -Os

**From:** Dias, Oswald MEM:EX  
**Sent:** Friday, July 20, 2012 1:30 PM  
**To:** 'joe.truscott@bchydro.com'; 'Tim.jennings@bchydro.com'  
**Subject:** Iskut distribution line milestones

Hi Joe and Tim,

Regarding the distribution line would you have be able to say much regarding XXX on an interim basis:

- The expected milestones are: confirm permits by XXXX; obtain final design and engineering approvals by XXXX; begin construction by XXXX; and in-service by XXXX.

Thanks you.

### **Oswald Dias**

Electricity Policy Analyst  
Electricity Policy Branch  
Mail: PO Box 9314 Stn Prov Govt, Victoria BC V8W 9N1  
Phn: (250) 953-3747; Fax: (250) 952-0258

Pages 226 through 228 redacted for the following reasons:

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s.14

**From:** West, Michele L MEM:EX  
**Sent:** Tuesday, September 3, 2013 12:41 PM  
**To:** Dias, Oswald MEM:EX  
**Subject:** call, Sept. 4, 3pm, re Tahltan Iskut Extension update

In Les's office.

-----Original Appointment-----

**From:** West, Michele L MEM:EX **On Behalf Of** Heminsley, Chris  
**Sent:** Tuesday, September 3, 2013 12:34 PM  
**To:** Heminsley, Chris; Dias, Oswald MEM:EX; MacLaren, Les MEM:EX; Wieringa, Paul MEM:EX; 'Viereck, Lyle'; 'Soulsby, Rohan'  
**Subject:** FW: Tahltan Iskut Extension Update  
**When:** Wednesday, September 4, 2013 3:00 PM-3:30 PM (GMT-08:00) Pacific Time (US & Canada).  
**Where:** Conference Call

Os, if you are available, please join Paul and Les. I'm checking with Kevin to see if in Les's room or a boardroom, will advise. Michele

-----Original Appointment-----

**From:** Heminsley, Chris [<mailto:Chris.Heminsley@bchydro.com>]  
**Sent:** Tuesday, September 3, 2013 12:30 PM  
**To:** MacLaren, Les MEM:EX; Wieringa, Paul MEM:EX; Viereck, Lyle; Soulsby, Rohan; Heminsley, Chris  
**Subject:** Tahltan Iskut Extension Update  
**When:** Wednesday, September 4, 2013 3:00 PM-3:30 PM (GMT-08:00) Pacific Time (US & Canada).  
**Where:** Conference Call

Gentlemen,

Please see dial-in numbers below:

From BCH facility – s.17  
In the Lower Main:  
Outside Lower Mainland and in North America - s.17

Conference ID for all participants –  
Conf password for all participants - s.17  
Conf password for chairperson only

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-BCHydroDisclaimerID5.2.8.1541