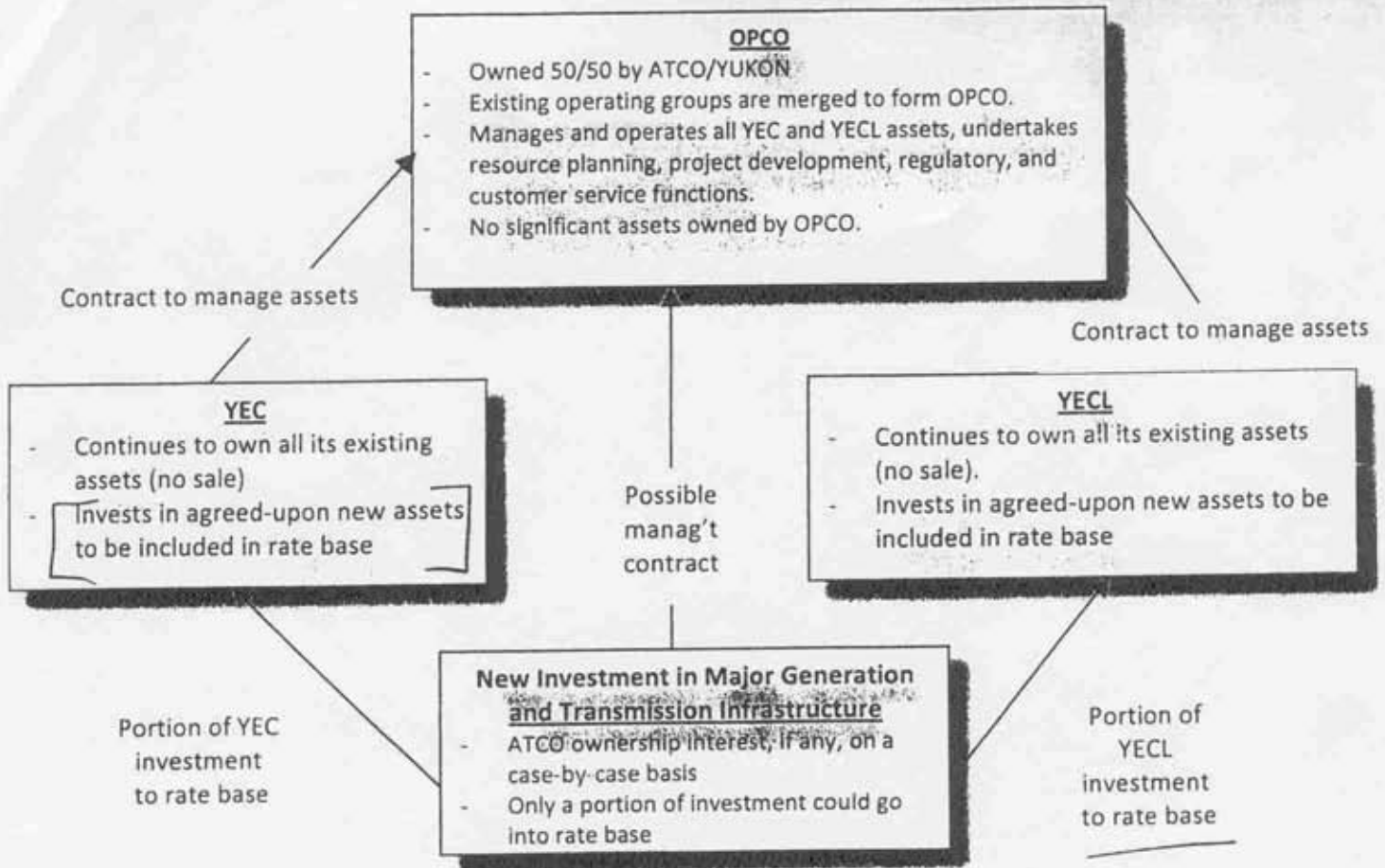


Two Company (2C) Model



Issue: Structure - General

Joint Position: While ATCO has stated a preference for the limited partnership model, Yukon is not interested in that model at this time due to the change in ownership that occurs for any assets transferred to the limited partnership. ATCO and Yukon are prepared to continue to develop a "2 Company" ("2C") structure.

Issue: Structure - 50/50 Shares of Ownership in Selected Assets ("50/50 Assets")

[NTD - ATCO owns most of the distribution assets and Yukon owns the transmission assets. Without a substantial portion of Yukon's existing transmission assets being included in the 50/50 Assets, there is little reason to continue discussions because ATCO would have to sell a portion of its existing distribution assets or give up future investment to make 50/50 work on only distribution assets.]

1. How to achieve 50/50 on 50/50 Assets?