

Further work is required to determine if a position for First Nations on the Board is required. There was no discussion of the consequences to composition of Board if First Nations require director(s).

4. Appointment of President

Joint Position – ATCO will appoint the President and the Board must approve the appointment.

[NTD – ATCO indicated that the President would be from within the ATCO organization and would have a term for a minimum period of time – 5 years was mentioned. ATCO noted that the Premier told Nancy Southern that longer would be better. On the issue of sourcing other senior management positions, it is recognized that failure would be defined as only ATCO people in senior OPCO positions – ATCO recognized this and stated emphatically that the President would have full authority to use existing management employees of YEC and YECL and to search anywhere for new management personnel.]

5. Roles of President, Chair and Corporate By-laws

Joint Position – the roles and responsibilities of the President and Chair are to be drafted by ATCO. In so doing, ATCO will limit expansion of the President's role and responsibilities beyond those consistent with normal business practice. Any concerns with certain corporate activities, such as timing of rate cases, will be set out in the by-laws of OPCO and not through expansion of the President's roles and responsibilities. ATCO will also identify those by-law provisions.

[NTD – ATCO agreed that the President needs to be a senior executive and the "training" position for the head of YECL, which has often been the case historically, is not consistent with the new role as the head of OPCO.]

Issue: Operational Capability

Joint Position – Yukon and ATCO understand the need for OPCO to be a Yukon-based "full capability" organization.

Yukon's position is that ATCO must understand and accept that the nature of large transmission and generation projects in the Yukon requires that OPCO take a substantial and direct role in initiating and, as directed, capturing such investment opportunities even though the investments are larger than can be put into rate base and borne by ratepayers. In other words, substantial effort is required from OPCO but its owners may not receive significant investment due to limitations on the amounts that can be put into rate base.

ATCO's position is that it understands Yukon's position and, while not opposed, wants to consider the matter further.

Issue: Load Forecast, Resource Planning and Project Initiation and Development

Joint Position – Yukon and ATCO will require OPCO to have a material capability to undertake load forecasting and resource planning in the normal course of its utility activities. Such a capability will be funded annually by inclusion of reasonable costs to be recovered in rates charged to customers. Yukon and ATCO will agree to a protocol through which OPCO will bring forward transmission and generation