

THIS SETTLEMENT AGREEMENT MADE THIS 17 DAY OF JUNE, 2009.

BETWEEN:

**DON HOBBSAWN,**  
on behalf of himself and all other members of a class having claims against  
**ATCO GAS AND PIPELINES LTD.**

**OF THE FIRST PART**

- and -

**ATCO GAS AND PIPELINES LTD.**

**OF THE SECOND PART**

WHEREAS Don Hobsbawn ("Hobsbawn"), on behalf of himself, and in his capacity as the representative Plaintiff for others commenced an action in the Court of Queen's Bench of Alberta, Judicial District of Calgary, Action No. 0101-04999 (the "Action") against ATCO Gas and Pipelines Ltd. ("ATCO") respecting late payment penalties paid to ATCO, or its predecessors, Canadian Western Natural Gas Company Limited ("CWNG") and Northwestern Utilities Limited ("NUL");

AND WHEREAS the parties have agreed to settle all claims made by Hobsbawn in the Action, subject only to the approval of the Court of Queen's Bench of Alberta (the "Court");

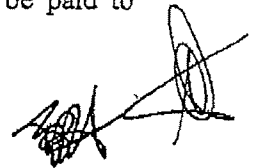
NOW THEREFORE the parties covenant and agree by this agreement (the "Settlement Agreement") as follows:

1. Subject to Court approval of this Settlement Agreement, the Action shall be certified as a class action pursuant to the provisions of the *Class Proceedings Act*, S.A. 2003, c. C-166, and Hobsbawn shall be approved and confirmed as the representative plaintiff of the following class:

All persons who are or have at any time been customers of CWNG, NUL, or ATCO, and who have paid or made late payment penalties to any of CWNG, NUL, or ATCO through to May 4, 2004, as alleged in the Action,

herein referred to as the "Class".

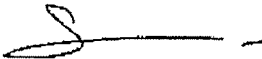
2. ATCO shall make a total payment of \$1,475,000. Of this amount, \$350,000 will be directed to Class counsel and the representative Plaintiff, Hobsbawn in recognition of all fees and expenses charged or incurred by those parties, including GST and disbursements. In recognition of the difficulty of assessing an amount to be paid to




individual Class members, the remaining \$1,125,000 will be paid to an Alberta charity and/or charitable foundation to be approved by the Court.


- 3. ATCO shall, at its expense, cause to be published in each of the Calgary Herald and the Edmonton Journal a notice in form and content similar to the Notice attached hereto as Appendix A, the publication to occur on either June 13<sup>th</sup> or 20<sup>th</sup>, 2009.
- 4. If the settlement as herein described is approved by the Court, upon payment of the monies referred to in paragraph 2 hereof, ATCO shall be deemed to have fully satisfied its obligations under this Settlement Agreement, and shall be released of and from any claims made by Hobsbawn, on behalf of himself or the Class respecting any claims made or advanced in the Action.
- 5. Hobsbawn, and Docken and Company, solicitors of record for Hobsbawn in the Action, agree that they shall not oppose any application by ATCO to include the amount of the settlement, as well as legal costs and related expenses, in ATCO's rates.
- 6. In the event that the terms of this Settlement Agreement are not approved by the Court by July 31<sup>st</sup>, 2009, this Settlement Agreement shall be considered as having terminated, and be of no further force and effect.

SIGNED, SEALED AND DELIVERED )  
 By the above named Don Hobsbawn, )  
 In the presence of: )

  
 \_\_\_\_\_ )  
 Witness )

  
 \_\_\_\_\_ )  
 DON HOBSBAWN )

ATCO GAS AND PIPELINES LTD.

Per:   
 \_\_\_\_\_ )  
 [Name] Brian Hahn )  
 [Title] President )