

concerning the Dispute and consider whether to invoke the procedures of Article XVI of the Treaty for settlement of differences between the Governments. If, within 45 days following the effective date of the Notice, neither the Parties nor the Governments have resolved the dispute and neither Government has informed the other Government in writing that it is invoking the procedures of Article XVI of the Treaty concerning settlement of differences, either British Columbia or Bonneville may proceed to arbitration in accordance with Section 6.4 by delivering to the other a notice to arbitrate ("Notice to Arbitrate").

6.4. Any arbitration under this Section 6.4 shall commence and proceed in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law ("UNCITRAL Rules"), as they may be in force at the time of the arbitration, subject to the following modifications:

- (a) arbitrations shall be by a panel of three arbitrators selected in accordance with this Section 6.4;
- (b) within 15 days of receipt of the Notice to Arbitrate, each Party shall select one arbitrator who is willing and able to act as such, has expertise in the subject of transmission and generation of electrical power, and is not and has not within two years prior to the Notice of Dispute been an employee of or contractor to either of the Parties. Each Party shall notify the other Party on the date of such selection. If a Party fails to notify the other Party of its selection within such 15 day period, the other Party may select the Party's arbitrator and such arbitrator shall be deemed selected by the Party that failed to notify the other Party of its selection;
- (c) the arbitrators selected by the Parties shall select the third arbitrator from the list of arbitrators ("the List") of the Western Region Transmission Association ("WRTA") or its successor organization;
- (d) if the arbitrators selected by the Parties cannot agree upon the third arbitrator within 30 days of receipt of the Notice to Arbitrate, the Parties shall, within 5 days after the expiry of such 30-day period, meet at a time and location in Vancouver,