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WWW.ALTALINK.CA

August 29, 2022

Mr. Kent Robinson
Executive Director, Corporate Services
Rocky View County
262075 Rocky View Point
Rocky View County, AB T4A 0X2
Canada

Dear Mr. Robinson:

Subject: 2022 Property Tax Late Payment Penalties

AltaLink is seeking a review and forbearance related to the late payment penalties that Rocky View County has assessed related to 2022 property taxes. AltaLink mailed a cheque in the amount of \$4,771,096.98 as a property tax payment to Rocky View County on June 23, 2022, with a Canada Post postage mark as proof of mailing. On July 21, 2022, the cheque was returned to AltaLink's head office with the envelope marked "vacant". AltaLink then identified that the cheque was mailed to Rocky View County at Box 3009 Station B, 911 – 32nd Ave NE Calgary rather than 262075 Rocky View Point, Rocky View County. AltaLink promptly made the full payment of \$4,771,096.98 on July 21, 2022, before the end of the day at Scotia Bank and notified Rocky View County about the event.

Historically, AltaLink has always paid all Rocky View County property taxes on time and in full. In 2020, AltaLink's property tax cheque was mailed to the same address used in 2022, was successfully received by the County and AltaLink did not receive any notification that the incorrect address was being used and/or that its payment was being forwarded. In 2021, AltaLink's property tax cheque was printed on June 26, 2021, and on June 29, 2021, it was taken directly to the bank to expedite payment, due to fears of mail delays caused by the COVID pandemic.

Due to the risk of fraudulent invoices, AltaLink does not change vendor master file information (including addresses) based solely on invoices. A formal request is required by the vendor and AltaLink verifies the new address by phoning the vendor using the phone number it has in AltaLink's master file. AltaLink has been unable to find any request from Rocky View County notifying AltaLink of the change in the County's address. AltaLink acknowledges that its normal process involves checking that the address on the invoice is the same as the address in its master file; however, inadvertently that did not take place in this case.

AltaLink, like most organizations, has experienced a significant increase in the number and sophistication of fraudulent invoices it receives. Perpetrators are using computer technology and information on vendor websites to create very realistic looking invoices. AltaLink has been improving its internal controls and it attempts to work with its key business partners to ensure that multimillion dollar payments are secure and received by the correct organizations. In several cases, even where vendors have been hacked and AltaLink has received invoices from the vendors, such controls prevented payments to the fraudulent perpetrators.

AltaLink has initiated steps with Rocky View County to set up electronic funds transfer (EFT) from AltaLink to ensure that funds are securely received before the due dates. AltaLink is also investigating how to further strengthen its processes to ensure all invoices which contain vendor addresses are validated to AltaLink's master file.

AltaLink regrets this event and wants to maintain the relationship it has developed with Rocky View County while maintaining and expanding transmission assets within the County for the benefit of all Albertans. Given the circumstances previously noted and the onerous penalties totaling \$511,775.31, AltaLink is requesting a review and forbearance of the late payment penalties that have been assessed.

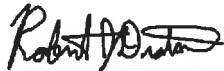
AltaLink requests to be notified of the Council meeting date if a review is granted, so that it can attend the meeting to answer any questions.

Yours truly,

AltaLink, L.P., by its general partner,
AltaLink Management Ltd.


Christopher J. Lomore (Aug 29, 2022 14:03 MDT)

Chris Lomore
Vice President, Treasurer



Robert Drotar
Vice President, Controller