



EXHIBIT F

Open Access Transmission Tariff

Filed with IRAC: October 3, 2007

Table of Contents

I.	Common Service Provisions	
1.	Definitions	1
1.1	Ancillary Services	1
1.2	Application	1
1.3	Business Day	1
1.4	Completed Application	1
1.5a	Control Area	1
1.5b	Control Area Operator	2
1.6	Curtailed	2
1.7	Delivering Party	2
1.8	Designated Agent	2
1.9	Direct Assignment Facilities	2
1.10	Eligible Customer	3
1.11	Facilities Study	3
1.12	Firm Point-to-Point Transmission Service	3
1.13	Good Utility Practice	3
1.14	Interruption	3
1.15	IRAC	4
1.16	Load Ratio Share	4
1.17	Load Shedding	4
1.18	Long-Term Firm Point-to-Point Transmission Service	4
1.19	Native Load Customers	4
1.20	Network Customer	4
1.21	Network Integration Transmission Service	4
1.22	Network Load	5
1.23	Network Operating Agreement	5
1.24	Network Resource	5
1.25	Network Upgrades	5
1.26	Non-Dispatchable Generator	5
1.27	Non-Firm Point-to-Point Transmission Service	6

1.28	Open Access Same-Time Information System (OASIS)	6
1.29	OATT	6
1.30	Part I	6
1.31	Part II	6
1.32	Part III	6
1.33	Parties	6
1.34	Point(s) of Delivery	7
1.35	Point(s) of Receipt	7
1.36	Point-to-Point Transmission Service	7
1.37	Power Purchase	7
1.38	Receiving Party	7
1.39	Reserved Capacity	7
1.40	Service Agreement	8
1.41	Service Commencement Date	8
1.42	Short-Term Firm Point-to-Point Transmission Service	8
1.43	System Impact Study	8
1.44	Third-Party Sale	8
1.45	Transmission Customer	8
1.46	Transmission Provider	9
1.47	Transmission Provider's Monthly Transmission System Peak	9
1.48	Transmission Service	9
1.49	Transmission System	9
1.50	Transmission System Users Group	9
2.	Initial Allocation and Renewal Procedures	9
2.1	Initial Allocation of Available Transmission Capability	9
2.2	Reservation Priority for Existing Firm Service Customers	10
2.3	Amendments	11
2.4	Replacement OATT	11
2.5	Legislation	11
2.6	Reliability Compliance	11

3.	Ancillary Services	11
3.1	Scheduling, System Control and Dispatch Service	13
3.2	Reactive Supply and Voltage Control from Generation Sources Service	13
3.3	Regulation and Frequency Response Service	13
3.4	Energy Imbalance Service	13
3.5	Operating Reserve – Spinning Reserve Service	13
3.6	Operating Reserve – Supplemental Reserve Service	14
4.	Open Access Same-Time Information System (OASIS)	14
5.	Local Furnishings Bonds	14
6.	Reciprocity	14
7.	Billing and Payment	15
7.1	Billing Procedure	15
7.2	Interest on Unpaid Balance	15
7.3	Customer Default	15
8.	Accounting for the Transmission Provider’s use of the OATT	16
8.1	Transmission Revenues	16
8.2	Study Costs and Revenues	16
9.	Regulatory Filings and Change in Law, regulation, Rule or Practice	17
9.1	Regulator Filings	17
9.2	Change in Law, Regulation, Rule or Practice	17
10.	Force Majeure and Indemnification	18
10.1	Force Majeure	18
10.2	Indemnification	18
11.	Creditworthiness	18

12.	Dispute Resolution Procedures	19
12.1	Internal Dispute Resolution Procedures	19
12.2	External Arbitration Procedures	19
12.3	Arbitration Decisions	20
12.4	Costs	20
12.5	Referral of Dispute to IRAC	20
12.6	Enforcement of Arbitration Decision	21
12.7	Transmission System users Group	21
II.	Point-to-Point Transmission Service	
13.	Nature of Firm Point-to-Point Transmission Service	22
13.1	Term	22
13.2	Reservation Priority	22
13.3	Use of Firm Transmission Service by the Transmission Provider ..	23
13.4	Service Agreements	23
13.5	Transmission Customer Obligations for Facility Additions or Redispatch Costs	23
13.6	Curtailment of Firm Transmission Service	24
13.7	Classification of Firm Transmission Service	25
13.8	Scheduling of Firm Point-to-Point Transmission Service	26
13.9	Rate Treatment for Exceeding Capacity Reservation	26
14.	Nature of Non-Firm Point-to-Point Transmission Service	27
14.1	Term	27
14.2	Reservation Priority	27
14.3	Use of Non-Firm Point-to-Point Transmission Service by the Transmission Provider	27
14.4	Service Agreements	28
14.5	Classification of Non-Firm Point-to-Point Transmission Service	28
14.6	Scheduling of Non-Firm Point-to-Point Transmission Service	28
14.7	Curtailment or Interruption of Service	29
14.8	Rate Treatment for Exceeding Capacity Reservation	30

15.	Service Availability	30
15.1	General Conditions	30
15.2	Determination of Available Transmission Capability	31
15.3	Initiating Service in the Absence of an Executed Service Agreement	31
15.4	Obligation to Provide Transmission Service that Requires Expansion or Modifications of the transmission System	31
15.5	Deferral of Service	32
15.6	Real Power Losses	32
16.	Transmission Customer Responsibilities	32
16.1	Conditions Required of Transmission Customers	32
16.2	Transmission Customer Responsibility for Third-Party Arrangements	33
17.	Procedures for Arranging Firm Point-to-Point Transmission Service	33
17.1	Application	33
17.2	Completed Application	34
17.3	Deposit	35
17.4	Notice of Deficient Application	36
17.5	Response to a Completed Application	36
17.6	Execution of Service Agreement	37
17.7	Extensions for Commencement of Service	37
18.	Procedures for Arranging Non-Firm Point-to-Point Transmission Service .	38
18.1	Application	38
18.2	Completed Application	38
18.3	Reservation of Non-Firm Point-to-Point Transmission Service	39
18.4	Determination of Available Transmission Capability	39
19.	Additional Study Procedures for Firm Point-to-Point Transmission Service Requests	40
19.1	Notice of Need for System Impact Study	40

19.2	System Impact Study Agreement and Cost Reimbursement	40
19.3	System Impact Study Procedures	41
19.4	Facilities Study Procedures	42
19.5	Facilities Study Modifications	43
19.6	Completing New Facilities	43
19.7	Partial Interim Service	43
19.8	Expedited Procedures for New Facilities	44
20.	Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-to-Point Transmission Service	44
20.1	Delays in Construction of New Facilities	44
20.2	Alternatives to the Original Facility Additions	45
20.3	Refund Obligations for Unfinished Facility Additions	45
21.	Provisions Relating to Transmission Construction and Service on the Systems of Other Utilities	46
21.1	Responsibility for Third-Party System Additions	46
21.2	Coordination of Third-Party System Additions	46
22.	Changes in Service Specifications	47
22.1	Modifications on a Non-Firm Basis	47
22.2	Modification on a Firm Basis	48
23.	Sale or Assignment of Transmission Service	48
23.1	Procedures for Assignment or Transfer of Service	48
23.2	Limitations on Assignment or Transfer of Service	49
23.3	Information on Assignment or Transfer of Service	49
24.	Metering and Power Factor Correction at Receipt and Delivery Point(s) ...	49
24.1	Transmission Customer Obligations	49
24.2	Transmission Provider Access to Metering Data	50
24.3	Power Factor	50

25.	Compensation for Transmission Service	50
26.	Stranded Cost Recovery	51
27.	Compensation for new Facilities and Redispatch Costs	51
III	Network Integration Transmission Service	
28.	Nature of Network Integration Transmission Service	52
28.1	Scope of Service	52
28.2	Transmission Provider Responsibilities	52
28.3	Network Integration Transmission Service	53
28.4	Secondary Service	53
28.5	Real Power Losses	53
28.6	Restrictions on Use of Service	54
29.	Initiating Service	54
29.1	Condition Precedent for Receiving Service	54
29.2	Application Procedures	54
29.3	Technical Arrangements to be Completed Prior to Commencement of Service	57
29.4	Network Customer Facilities	58
29.5	Filing of Service Agreement	58
30.	Network Services	58
30.1	Designation of Network Resources	58
30.2	Designation of New Network Resources	59
30.3	Termination of Network Resources	59
30.4	Operation of Network Resources	59
30.5	Network Customer Redispatch Obligation	59
30.6	Transmission Arrangements for Network Resources Not Physically Interconnected with the Transmission Provider	59
30.7	Limitation on Designation of Network Resources	60

30.8	Use of Interface Capacity by the Network Customer	60
30.9	Network Customer Owned Transmission Facilities	60
31.	Designation of Network Load	61
31.1	Network Load	61
31.2	New Network Loads Connected with the Transmission Provider ...	61
31.3	Network Load Not Physically Interconnected with the Transmission Provider	61
31.4	New Interconnection Points	62
31.5	Changes in Service Requests	62
31.6	Annual Load and Resource Information Updates	62
32.	Additional Study Procedures for Network Integration Transmission Service Requests	62
32.1	Notice of Need for System Impact Study	62
32.2	System Impact Study Agreement and Cost Reimbursement	63
32.3	System Impact Study Procedures	64
32.4	Facilities Study Procedures	64
33.	Load Shedding and Curtailments	65
33.1	Procedures	65
33.2	Transmission Constraints	66
33.3	Cost Responsibility for Relieving Transmission Constraints	66
33.4	Curtailments of Scheduled Deliveries	66
33.5	Allocation of Curtailments	67
33.6	Load Shedding	67
33.7	System Reliability	67
34.	Rates and Charges	68
34.1	Network Integration Transmission Service Rate	68
34.2	Determination of Network Customer’s Monthly Network Load	68
34.3	Determination of Transmission Provider’s Monthly Transmission System Load	69

34.4	Redispatch Charge	69
34.5	Stranded Cost Recovery	69
34.6	Power Factor	69
35.	Operating Arrangements	70
35.1	Operation Under the Network Operating Agreement	70
35.2	Network Operating Agreement	70

Schedules

Schedule 1	Scheduling, System Control and Dispatch Service	72
Schedule 2	Reactive Supply and Voltage Control from Generation Sources Service	73
Schedule 3	Regulation and Frequency Response Service	74
Schedule 4	Energy Imbalance Service	77
Schedule 5	Operating Reserve – Spinning Reserve Service	79
Schedule 6	Operating Reserve – Supplemental Reserve Service	81
Schedule 7	Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service	84
Schedule 8	Non-Firm Point-To-Point Transmission Service	86
Schedule 9	Non-Capital Support Charge Rate	88
Schedule 10	Residual Uplift	89

Attachments

Attachment A	Form for Long-Term Firm Point-to-Point Transmission Service Agreement	90
Attachment B	Form for Short-term Firm and Non-Firm Point-to-Point Service Agreement	95
Attachment C	Methodology to Assess Available Transfer Capabilities for Maritime Electric Interfaces with Neighboring Utilities	100
Attachment D	Methodology for Completing a System Impact Study	106
Attachment E	Index of Point-to-Point Transmission Service Customers	109
Attachment F	Service Agreement for Network Integration Transmission Service	110

Attachment G	Network Operating Agreement	117
Attachment H	Network Integration Service Rates and Network Load Determination	144
Attachment I	Index of Network Integration Transmission Service Customers	145
Attachment J	Generation Interconnection Agreement	146
Attachment K	Transmission Expansion Policy	147
Attachment L	Standards of Conduct	149
Attachment M	Special Condition	157

I. COMMON SERVICE PROVISIONS

1 DEFINITIONS

1.1 Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of Maritime Electric Company, Limited (MECL)'s Transmission System in accordance with Good Utility Practice.

1.2 Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Open Access Transmission Tariff (OATT).

1.3 Business Day

A Business Day is Monday to Friday, inclusive, excluding statutory holidays which are posted on the MECL website for the Transmission Provider. The regular business hours on a Business Day are from 08:00 hour to 16:00 hour Atlantic Time.

1.4 Completed Application

An Application that satisfies all of the information and other requirements of the OATT, including any required deposit.

1.5a Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.5b Control Area Operator

The Control Area Operator for the MECL Transmission System is the New Brunswick System Operator (NBSO). The Maritime Electric Energy Control Centre Operator (MESO) works with the Control Area Operator to meet the requirements of the Control Area.

1.6 Curtailment

A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

1.7 Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.8 Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer as required under the OATT.

1.9 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the OATT. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the MECL Transmission Customer and shall be submitted to IRAC.

1.10 Eligible Customer

Any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electric energy for sale for resale and connected to the Transmission System; electric energy sold or produced by such entity may be electric energy produced in the Canada, United States or Mexico.

1.11 Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.12 Firm Point-to-Point Transmission Service

Transmission Service under this OATT that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this OATT.

1.13 Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

1.14 Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.15 IRAC

The Island Regulatory and Appeals Commission.

1.16 Load Ratio Share

Ratio of a Transmission Customer's Network Load to the PEI hourly peak load for the month computed in accordance with Section 34.2 of the Network Integration Transmission Service under Part III of the OATT.

1.17 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations.

1.18 Long-Term Firm Point-to-Point Transmission Service

Firm Point-to-Point Transmission Service under Part II of the OATT with a term of one year or more.

1.19 Native Load Customers

The wholesale and retail power customers of the MECL on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission System to meet the reliable electric needs of such customers.

1.20 Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the OATT.

1.21 Network Integration Transmission Service

The transmission service provided under Part III of the OATT.

1.22 Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the OATT. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the OATT for any Point-to-Point Transmission Service that may be necessary for such non-designated load.

1.23 Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the OATT.

1.24 Network Resource

Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.25 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.26 Non-Dispatchable Generator

A generator that is subject to instantaneous or near-instantaneous limitation on its output by wind speed, river flows, or other non-controllable inputs.

1.27 Non-Firm Point-to-Point Transmission Service

Point-to-Point Transmission Service under the OATT that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this OATT. Non-Firm Point-to-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.28 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct normally found on an OASIS will be provided on the MECL website until such time as MECL determines the need for an OASIS.

1.29 OATT

Open Access Transmission Tariff

1.30 Part I

OATT Definitions and Common Service Provisions contained in Sections 2 through 12.

1.31 Part II

OATT Sections 13 through 27 pertaining to Point-to-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.32 Part III

OATT Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.33 Parties

The Transmission Provider and the Transmission Customer receiving service under the OATT.

1.34 Point(s) of Delivery

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II and Part III of the OATT. The Point(s) of Delivery shall be specified in the Service Agreement.

1.35 Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II and Part III of the OATT. The Point(s) of Receipt shall be specified in the Service Agreement.

1.36 Point-to-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the OATT.

1.37 Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under the OATT.

1.38 Receiving Party

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.39 Reserved Capacity

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the OATT. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.40 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the OATT.

1.41 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the OATT.

1.42 Short-Term Firm Point-to-Point Transmission Service

Firm Point-to-Point Transmission Service under Part II of the OATT with a term of less than one year.

1.43 System Impact Study

An assessment by the Transmission Provider of:

- (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-to-Point Transmission Service or Network Integration Transmission Service; and
- (ii) whether any additional costs may be incurred in order to provide Transmission Service.

1.44 Third-Party Sale

Any sale for resale in interprovincial, interstate or international commerce to a Power Purchaser that is not designated as part of Network Load under the Network Service Integration Transmission Service.

1.45 Transmission Customer

Any Eligible Customer (or its Designated Agent) that:

- (i) executes a Service Agreement, or

- (ii) requests in writing that the Transmission Provider file with IRAC, a proposed unexecuted Service Agreement to receive Transmission Service under Part II or Part III of the OATT. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this OATT.

1.46 Transmission Provider

Maritime Electric Company, Limited (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy and capacity in interprovincial or interstate commerce and provides Transmission Service under the OATT.

1.47 Transmission Provider's Monthly Transmission System Peak

Not Applicable.

1.48 Transmission Service

Point-to-Point and Network Integration Transmission Service provided under Part II and Part III of the OATT on a firm and non-firm basis.

1.49 Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide Transmission Service under Part II and Part III of the OATT.

1.50 Transmission System Users Group

A voluntary organization of Transmission Customers and other entities formed to provide non-binding recommendations to the Transmission Provider for improving Transmission Service.

2 INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Initial Allocation of Available Transmission Capability

For purposes of determining whether existing capability on the Transmission

Provider's Transmission System is adequate to accommodate a request for firm service under this OATT, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the OATT will be deemed to have been filed simultaneously. Such Transmission Service requests will be evaluated and ranked in a decreasing order according to the net present value of their stream of revenues. Reservation priorities shall be assigned to such Transmission Service requests in accordance with the ranking order so established, beginning with the Transmission Service request(s) with the highest net present value. If there is not enough remaining transmission capability to accommodate all of the requests equally ranked, a lottery system conducted by an independent party shall be used to assign priorities for such requests. Subsequent to this initial sixty (60) day period, when new total transfer capability is identified the above noted process will be repeated. Otherwise, all Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2.

2.2 Reservation Priority For Existing Firm Service Customers

Existing firm service customers with a contract term of one-year or more, have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for Transmission Service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by IRAC, for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

2.3 Amendments

Subject to the approval of IRAC, the OATT may be amended as required. Nothing in the OATT or any Completed Application shall be construed as affecting in any way the right of the Transmission Provider to amend the OATT, including but not limited to a change in rates, charges and terms and conditions (including applicable rates) of Transmission Service. Transmission Customers shall take Transmission Service under the OATT as amended.

2.4 Replacement OATT

In the event that the OATT is replaced by a subsequent transmission OATT and subject to the approval of IRAC, Transmission Customers that have been receiving Transmission Service under the OATT shall take service under the terms and conditions (including applicable rates) of the replacement transmission OATT.

2.5 Legislation

The OATT is subject to legislation and regulations which govern the operations of the Transmission Provider and may be subject to change as such legislation or regulations evolve. Transactions arising from the OATT shall be governed by the laws of Prince Edward Island.

2.6 Reliability Compliance

All rights and obligations of the Transmission Provider and Transmission Customers receiving Transmission Service under the OATT shall be subject to the reliability guidelines and any amendments thereto issued by the Control Area Operator, or its successor.

3 ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the Transmission Service. The Transmission Provider is required to provide (or offer to arrange with the local

Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services:

- (i) Scheduling, System Control and Dispatch, and
- (ii) Reactive Supply and Voltage Control from Generation Sources.

The Transmission Customer serving load is required to secure or self-supply in quantities determined by the NBSO the following Ancillary Services:

- (i) Regulation and Frequency Response,
- (ii) Energy Imbalance,
- (iii) Operating Reserve - Spinning, and
- (iv) Operating Reserve – Supplemental

The Transmission Customer serving load is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may elect to:

- have the Transmission Provider act as its agent,
- secure Ancillary Services directly from the Control Area Operator, or
- secure the Ancillary Services (discussed in Schedules 3, 4, 5 and 6) from a third party or by self-supply when technically feasible. The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the OATT. If the Transmission Provider offers an Eligible Customer a rate discount, or attributes a discounted Ancillary Service rate to its own transactions for

Scheduling, System Control and Dispatch, Reactive Supply or Voltage Control from Generation Sources, the Transmission Provider must offer at the same time the same discounted Ancillary Service rate for these Ancillary Services to all Eligible Customers. Information regarding any discounted Ancillary Service rates must be posted on the MECL website pursuant to the following:

- Once details of a negotiated discount have been finalized (service, price, length of service) they must be posted immediately on the MECL website.
- Discounts may be limited to particular time periods.
- Discounts must apply for the same time period and must be offered to all Transmission Customers.
- The Transmission Provider may discount only if necessary to increase usage of the Ancillary Services or to reflect reduced cost of procurement to the Transmission Provider.

In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner. Sections 3.1 through 3.6 below list the six Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation Sources Service

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service

Where applicable, the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service

Where applicable, the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service

Where applicable, the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service

Where applicable, the rates and/or methodology are described in Schedule 6.

4 OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS)

The information system and standards of conduct normally found on an OASIS will be provided on the MECL website until such time as MECL determines the need for an OASIS.

**5 LOCAL FURNISHING BONDS
(NOT USED AT THIS TIME)**

6 RECIPROCITY

A Transmission Customer receiving Transmission Service under this OATT agrees to provide comparable Transmission Service to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy in interprovincial commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy and capacity or interprovincial commerce owned, controlled or operated by the Transmission Customer's corporate affiliates.

Similar to the safe harbour provision in Orders 888 and 889, when full regulatory approval within the jurisdiction of the system external to Prince Edward Island cannot be achieved in a timely manner or if the terms and conditions of the reciprocal Transmission Service offered by the operator of the external system are not considered to be comparable by the Transmission Provider, the operator of the external system may submit its Standards of Conduct and Open Access Transmission Tariff to IRAC for its review and approval relative to this reciprocity requirement and the ruling of IRAC shall prevail.

7 BILLING AND PAYMENT

7.1 Billing Procedure

Within five Business Days after the first day of each month, the Transmission Provider, or its Designated Agent, shall submit an invoice to the Transmission Customer for the charges for all services furnished under the OATT during the preceding month. Such charges shall be calculated using the current rates in effect.

The invoice is due and shall be paid by the Transmission Customer by the twentieth (20th) day of each month, or if the twentieth day of the month is a Saturday, Sunday or statutory holiday for either Party, the closest previous common working day to the twentieth day. Payments shall be made electronically to a bank named by the Transmission Provider. If the rendering of an invoice is unavoidably delayed, an interim invoice based on estimated charges may be issued by the Transmission Provider or its Designated Agent. Each invoice shall be subject to adjustment for any errors in calculations, meter readings, estimating or otherwise. Any such billing adjustments shall be made as promptly as practical, but in no event later than twelve (12) months after issuing the invoice.

7.2 Interest On Unpaid Balances

Any amounts not paid by the due date, including amounts placed in escrow pursuant to Section 7.3, shall be subject to interest, calculated on a daily basis, from the due date to the date of payment, at an interest rate equal to the sum of (a) the prime rate per annum as charged by the RBC Royal Bank, Queen Street Branch, Charlottetown, Prince Edward Island, or any other bank designated by the Transmission Provider or its Designated Agent, on the last banking day of the month for which payment is due; and (b) five percent per annum.

7.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or

before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to remedy such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may suspend Transmission Service without further notice. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend Transmission Service seven (7) calendar days following such notice.

8 ACCOUNTING FOR THE TRANSMISSION PROVIDER'S USE OF THE OATT

The Transmission Provider shall record the following amounts, as outlined below.

8.1 Transmission Revenues

Include in a separate operating revenue account or sub account the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the OATT.

8.2 Study Costs and Revenues

Include in a separate transmission operating expense account or sub account, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if construction of new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the OATT, or others' uses; and include in a separate operating revenue account or sub account the revenues received for System Impact Studies or Facilities Studies performed

when such amounts are separately stated and identified in the Transmission Customer's billing under the OATT.

9 REGULATORY FILINGS AND CHANGE IN LAW, REGULATION, RULE OR PRACTICE

9.1 Regulator Filings

Nothing contained in the OATT or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to IRAC for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under the Electric Power Act and pursuant to the IRAC's rules and regulations promulgated thereunder. Nothing contained in the OATT or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the OATT to exercise its rights under the Electric Power Act and pursuant to IRAC's rules and regulations promulgated thereunder.

9.2 Change in Law, Regulation, Rule or Practice

If the Province, IRAC or Maritime Electric implements a change in any law, regulation, rule or practice; which change affects or is reasonably expected to affect the provision of Transmission Service to Customer pursuant to agreements arising from this OATT, the parties agree to negotiate in good faith to determine the amendments, if any, to those agreements arising from this OATT reasonably necessary to conform the terms of Transmission Service to such change, and where practicable will provide Customer with thirty (30) days advance notice; provided that if the Parties are unable to reach agreement as to what, if any, amendments are necessary, Customer will have the right to oppose such filing and participate fully in any proceeding established by IRAC to address such amendment.

10 FORCE MAJEURE AND INDEMNIFICATION

10.1 Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this OATT if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this OATT is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this OATT.

10.2 Indemnification

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, legal fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this OATT on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 CREDITWORTHINESS

For the purpose of determining the ability of the Transmission Customer to meet its obligations under the OATT, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect an

unconditional and irrevocable letter of credit as deposit in an amount to fully meet its responsibilities and obligations under the OATT, or an alternative form of security proposed by the Transmission Customer and accepted by, at the sole discretion of, the Transmission Provider.

12 DISPUTE RESOLUTION PROCEDURES

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving Transmission Service under the OATT (excluding applications for rate changes or other changes to the OATT, or to any Service Agreement entered into under the OATT, which shall be presented directly to IRAC for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) Business Days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures

Any arbitration initiated under the OATT shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Business Days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Business Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein,

shall generally conduct the arbitration in accordance with the Arbitration Act of Prince Edward Island and any applicable IRAC regulations.

12.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the OATT and any Service Agreement entered into under the OATT and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Arbitration Act of Prince Edward Island.

12.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (b) one half the cost of the single arbitrator jointly chosen by the Parties.

In the event that it is necessary to enforce such award, all costs of enforcement shall be payable and paid by the Party against whom such award is enforced.

12.5 Referral of Dispute to IRAC

Notwithstanding anything contained in this Section 12, either party may:

- (a) instead of proceeding through the External Arbitration Procedures outlined in Sections 12.2 to 12.4 above, elect to refer a dispute directly to IRAC by filing a complaint with IRAC in the manner set out below and the

decision of IRAC with respect to the matter shall be final and binding and the matter in dispute cannot thereafter proceed to the dispute resolution process; or

- (b) if either party is dissatisfied with the results of an arbitration decision rendered pursuant to Section 12.3, refer a complaint to IRAC for determination and the decision of IRAC with respect to the matter shall be final and binding.

Complaints filed with IRAC must be in writing and must include reasons and evidence in support of the dissatisfied party's position. A copy of the complaint, together with the supporting reasons and evidence, must be filed with the other party.

IRAC may require a complainant to provide such security for the costs incurred or to be incurred by IRAC, as it considers reasonable, and such security may be forfeited to IRAC if the complaint is not substantiated.

12.6 Enforcement of Arbitration Decision

The Arbitration Act of Prince Edward Island shall govern the procedures to apply in the enforcement of any award made pursuant to Section 12.3.

12.7 Transmission System Users Group

A Transmission System Users Group will be established consisting of one representative from each Eligible Customer and the Transmission Provider. The Transmission System Users Group shall advise the Transmission Provider on issues related to the OATT.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of this OATT. Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

13 NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE

13.1 Term

The minimum term of Firm Point-to-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority

Long-Term Firm Point-to-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-to-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines; one Business Day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the OATT. A longer term competing request for Short-Term Firm Point-to-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the

competing request within the time limits indicated by the Transmission Provider's published practices. Firm Point-to-Point Transmission Service will always have a reservation priority over Non-Firm Point-to-Point Transmission Service under the OATT. All Long-Term Firm Point-to-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the OATT when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-to-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements

The Transmission Provider shall offer a standard form for Long-Term Firm Point-to-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-to-Point Transmission Service. The Transmission Provider shall offer a standard form for Short-Term Firm and Non-Firm Point-to-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm (or Non-Firm) Point-to-Point Transmission Service pursuant to the OATT. Executed Service Agreements that contain the information required under the OATT shall be filed with IRAC.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-to-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-to-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the

Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer under the OATT will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Native Load Customers, Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service on a similar basis. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the OATT when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

- (a) The Transmission Customer taking Firm Point-to-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-to-Point Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-to-Point Service Agreement along with a corresponding capacity reservation associated with each Point of Delivery. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission

Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery (See Section 13.9).

13.8 Scheduling of Firm Point-to-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service must be submitted to the Transmission Provider no later than 9:00 a.m. Atlantic Time of the Business Day prior to commencement of such service. Schedules submitted after 9:00 a.m. Atlantic Time will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

13.9 Rate Treatment for Exceeding Capacity Reservation

A Transmission Customer may not exceed its Firm capacity reservation at the Point of Receipt and the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 110% of the charge for the On-Peak or Off-Peak Hourly Firm Point-to-Point Transmission Service based on the time of the excess, including Schedules 1 and 2 Ancillary Services. During periods when the Transmission System is constrained, the Transmission Customer shall pay 150% of the charge for the On-Peak or Off-Peak Hourly Non-Firm Point-to-Point

Transmission Service based on the time of the excess, including Schedules 1 and 2 Ancillary Services.

14 NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

14.1 Term

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority

Non-Firm Point-to-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation or reservation for Firm Point-to-Point Transmission Service before being preempted. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the OATT.

14.3 Use of Non-Firm Point-to-Point Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of

Part II of the OATT when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-to-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements

The Transmission Provider shall offer a standard Form for Short-Term Firm and Non-Firm Point-to-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm (or Short-Term Firm) Point-to-Point Transmission Service pursuant to the OATT. Executed Service Agreements that contain the information required under the OATT shall be filed with IRAC.

14.5 Classification of Non-Firm Point-to-Point Transmission Service

Non-Firm Point-to-Point Transmission Service shall be offered under terms and conditions contained in Part II of the OATT. The Transmission Provider undertakes no obligation under the OATT to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-to-Point Transmission Service. Parties requesting Non-Firm Point-to-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the OATT. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation (See Section 14.8). Non-Firm Point-to-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-to-Point Transmission Service

Schedules for Non-Firm Point-to-Point Transmission Service must be submitted to the Transmission Provider no later than 9:00 a.m. Atlantic Time of the Business Day prior to commencement of such service. Schedules submitted

after 9:00 a.m. Atlantic Time will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the OATT for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the OATT for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-to-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-to-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be

made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under the Tariff. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-to-Point Transmission Service under the OATT. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

14.8 Rate Treatment for Exceeding Capacity Reservation

A Transmission Customer may not exceed its Non-Firm capacity reservation at the Point of Receipt and the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 110% of the charge for the On-Peak or Off-Peak Hourly Non-Firm Point-to-Point Transmission Service based on the time of the excess, including Schedules 1 and 2 Ancillary Services. During periods when the Transmission System is constrained, the Transmission Customer shall pay 150% of the charge for the On-Peak or Off-Peak Hourly Non-Firm Point-to-Point Transmission Service based on the time of the excess, including Schedules 1 and 2 Ancillary Services.

15 SERVICE AVAILABILITY

15.1 General Conditions

The Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transmission Capability

A description of the Transmission Provider's specific methodology for assessing available transmission capability is contained in Attachment C of the OATT. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-to-Point Transmission Service cannot agree on all the terms and conditions of the Point-to-Point Service Agreement, the Transmission Provider shall file with IRAC, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-to-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate IRAC ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the OATT including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System

If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-to-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use commercially reasonable efforts to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those

facilities that the Transmission Provider has the right to have expanded or modified.

15.5 Deferral of Service

The Transmission Provider may defer providing service until completion of construction of new transmission facilities or upgrades needed to provide Firm Point-to-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are based on system average losses. The system average loss factor will be posted on the Maritime Electric website.

16 TRANSMISSION CUSTOMER RESPONSIBILITIES

16.1 Conditions Required of Transmission Customers

Point-to-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any

other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the OATT commences;

- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the OATT, whether or not the Transmission Customer takes service for the full term of its reservation; and
- (e) The Transmission Customer has executed a Point-to-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the OATT on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17 PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE

17.1 Application

A request for Firm Point-to-Point Transmission Service for periods of one year or longer must contain a written Application (Attachment A: Form For Long-Term Firm Point-to-Point Transmission Service Agreement) to: Energy Control Centre,

Maritime Electric Company, Limited, P.O. Box 1328, 180 Kent Street, Canada, C1A 7N2, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. Submission of an enabling agreement (Attachment B: Form For Short-Term Firm and Non-Firm Point-to-Point Transmission Service Agreement) must precede or accompany a Transmission Customer's first request for Short-Term Firm (or Non-Firm) Transmission Service.

17.2 Completed Application

A Completed Application shall provide all of the required information including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the OATT;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this OATT, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the approved standards of conduct;

- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; and
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement. The Transmission Provider shall treat this information consistent with the approved standards of conduct.

17.3 Deposit

A Completed Application for Firm Point-to-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission

Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-to-Point Transmission Service. Applicable interest shall be calculated on a daily basis, at an interest rate equal to the prime rate per annum as charged by the RBC Royal Bank, Queen Street Branch in Charlottetown, or any other bank designated by the Transmission Provider or its Designated Agent, on the last banking day of the month for which payment is due, calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the OATT, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the OATT, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application

Following receipt of a Completed Application for Firm Point-to-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to

Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications for its own merchant function) and the time of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service

The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-to-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

18 PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

18.1 Application

Eligible Customers seeking Non-Firm Point-to-Point Transmission Service must submit a Completed Application (Attachment B: Form For Short-Term Firm and Non-Firm Point-to-Point Transmission Service Agreement) to the Transmission Provider prior to or accompanying the first request for Non-Firm (or Short-Term Firm) Transmission Service.

18.2 Completed Application

A Completed Application shall provide all of the required information including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the OATT;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

- (vi) The electrical location of the initial source of the power to be transmitted

pursuant to the Transmission Customer's request for service; and

- (vii) The electrical location of the ultimate load.

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this OATT, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the approved standards of conduct.

18.3 Reservation of Non-Firm Point-to-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) Business Days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the Business Day before service is to commence. Requests for service received later than 12:00 p.m. (Atlantic) of the Business Day prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transmission Capability

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service:

- (i) thirty (60) minutes for hourly service,
- (ii) thirty (60) minutes for daily service,

- (iii) four (4) hours for weekly service, and
- (iv) two (2) days for monthly service.

19 ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS

19.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible

Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use commercially reasonable efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same commercially reasonable efforts in completing the System Impact Study for an all Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades.

In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use commercially reasonable efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II and Attachment K of the OATT, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the Eligible Customer's share of the costs of new facilities

or upgrades. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the OATT.

19.6 Completing New Facilities

The Transmission Provider shall use commercially reasonable efforts to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-to-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

19.7 Partial Interim Service

If the Transmission Provider determines that the Transmission System will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-to-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-to-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-to-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or

upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the OATT. In order to exercise this option, the Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the OATT. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

20 PROCEDURES IF THE TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE

20.1 Delays in Construction of New Facilities

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer.

The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-to-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-to-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-to-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the OATT, the obligation to provide the requested Firm Point-to-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest calculated on a daily basis, at an interest rate equal to the prime rate per annum as charged by the RBC Royal Bank, Queen Street Branch in Charlottetown, or any other bank designated by the Transmission Provider or its Designated Agent, on the last banking day of the month for which payment is due. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

21 PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES

21.1 Responsibility for Third-Party System Additions

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the OATT, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of new Transmission System facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 CHANGES IN SERVICE SPECIFICATIONS

22.1 Modifications on a Non-Firm Basis

The Transmission Customer taking Firm Point-to-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-to-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the OATT or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and Non-Firm Point-to-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-to-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-to-Point Transmission Service under the OATT. However, all other requirements of Part II of the OATT (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 thereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 SALE OR ASSIGNMENT OF TRANSMISSION SERVICE

23.1 Procedures for Assignment or Transfer of Service

A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this OATT. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the OATT, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service

In accordance with Section 4, Resellers may use the Transmission Provider's website to post transmission capacity available for resale.

24 METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINT(S)

24.1 Transmission Customer Obligations

Unless otherwise agreed, the Transmission Provider shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the OATT and to communicate the information as required. Such equipment shall remain the property of the Transmission Provider. At the Point of Receipt, the Transmission Customer will pay the associated costs. At the Point of Delivery, the Transmission Provider will pay the associated costs.

24.2 Transmission Provider Access to Metering Data

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor at the Point of Delivery within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

In lieu of any specific power factor requirements in the relevant Service Agreement, the penalty for poor power factor in any month shall be charged at a rate of four (4) times the monthly firm rate for transmission service applied to the following:

$$\begin{array}{l} 90\% \text{ of the maximum MVA measured in the month} \\ \text{Less } \underline{\hspace{2cm}} \text{ the maximum transmission billing demand in MW} \end{array}$$

The monthly rate for transmission service is the monthly firm Point-to-Point rate as noted in Schedule 7 and is not to include the rate for any ancillary services.

25 COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Point-to-Point Transmission Service are provided in the Schedules appended to the OATT: Firm Point-to-Point Transmission Service (Schedule 7); and Non-Firm Point-to-Point Transmission Service (Schedule 8).

The Transmission Provider shall use Part II of the OATT to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable OATT rates, pursuant to Section 8.

26 STRANDED COST RECOVERY

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this OATT. However, the Transmission Provider must separately file any specific proposed stranded cost charge with IRAC.

27 COMPENSATION FOR NEW FACILITIES AND REDISPATCH COSTS

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-to-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with the Transmission Provider's policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved more economically by redispatching the Transmission Provider's resources or others' resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with the Transmission Provider's policy.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the OATT and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve other Network Loads and any Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the OATT.

28 NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE

28.1 Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the OATT. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities

The Transmission Provider will plan, operate and cause to be constructed and maintained the Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System.

Maritime Electric as a Transmission Customer taking Network Integrated Transmission Service, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any other Network Customer under Part III of this OATT. This information must be consistent with the information used by the Transmission Provider to calculate available transmission capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to have constructed and placed into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to that used by the Transmission Provider in its Transmission System planning for Maritime Electric Native Load Customers.

28.3 Network Integration Transmission Service

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to Maritime Electric's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under Part II of the OATT.

28.5 Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable

Real Power Loss factors are based on system average losses. The system average loss factor is calculated annually and provided on the Transmission Provider's website.

28.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-to-Point Transmission Service under Part II of the OATT for any Third-Party Sale which requires use of the Transmission Provider's Transmission System.

29 INITIATING SERVICE

29.1 Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the OATT, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the OATT, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, and (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the OATT or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with IRAC.

29.2 Application Procedures

An Eligible Customer requesting service under Part III of the OATT must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be

assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below to: Energy Control Centre, Maritime Electric Company, Limited, 180 Kent Street, PO Box 1328, Charlottetown, PE, C1A 7N2. A Completed Application shall provide all of the required information including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the OATT;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource, unit size and amount of

capacity from that unit to be designated as Network Resource, VAR capability (both leading and lagging) of all generators, operating restrictions, any periods of restricted operations throughout the year, maintenance schedules, minimum loading level of unit, normal operating level of unit, any must-run unit designations required for system reliability or contract reasons, approximate variable generating cost (\$/MWH) for redispatch computations, arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource, description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;

- (vi) Description of Eligible Customer's transmission system:
- a. Load flow and stability data such as,
 - i. real and reactive parts of the load,
 - ii. lines,
 - iii. transformers,
 - iv. reactive devices and load type,
 - b. normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider,
 - c. operating restrictions needed for reliability operating guides employed by system operators,
 - d. contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources Location of Network Resources described in subsection (v) above,

- e. 10 year projection of system expansions or upgrades
Transmission System maps that include any proposed expansions
or upgrades,
 - f. thermal ratings of Eligible Customer's Control Area ties with other
Control Areas; and
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is five years. Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the approved standards of conduct.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements

reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to ensure completion of such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement

The Transmission Provider will submit a copy of the Service Agreement to IRAC.

30 NETWORK RESOURCES

30.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the OATT. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 29.

30.3 Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.

30.4 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the OATT, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

30.5 Network Customer Redispatch Obligation

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected with the Transmission Provider

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The

Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the OATT.

30.8 Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's load.

30.9 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans and operations of the Transmission Provider to serve all of its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the OATT, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 DESIGNATION OF NETWORK LOAD

31.1 Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected with the Transmission Provider

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use commercially reasonable efforts to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with the Transmission Expansion Policy (Attachment K).

31.3 Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the OATT and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-to-Point Transmission Service under Part II of the OATT. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

31.5 Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the OATT. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32 ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS

32.1 Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine

on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use commercially reasonable efforts to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same commercially reasonable efforts in completing the System Impact Study for all Eligible Customers. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement with IRAC, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the

Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use commercially reasonable efforts to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades pursuant to the provisions of Attachment K of this OATT, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the Eligible Customer's share of the costs of new facilities or upgrades. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement with IRAC and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33 LOAD SHEDDING AND CURTAILMENTS

33.1 Procedures

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to

contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

33.2 Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all resources available to the Transmission Provider for redispatch including Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between Maritime Electric's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Network Customers will each bear a proportionate share of the total redispatch cost based on their respective loads.

33.4 Curtailments of Scheduled Deliveries

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to

Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.5 Allocation of Curtailments

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Network Customers in proportion to their respective loads. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail other Network Customer's schedules under similar circumstances.

33.6 Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for Network Customers to shed load, the Network Customers shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability

Notwithstanding any other provisions of this OATT, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to: (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii)

expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to Maritime Electric's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 RATES AND CHARGES

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with the Transmission Provider's policy as approved by IRAC, along with the following:

34.1 Network Integration Transmission Service Rate

The Network Customer shall pay a monthly Demand Charge as specified in Attachment H.

34.2 Determination of Network Customer's Monthly Network Load

The Network Customer's monthly Network Load is its hourly load at the time of the PEI hourly peak load for the month and the Network Customer's monthly Network Load includes all electrical load regardless of source including losses and also includes its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3 of the OATT.

For greater clarity, the dispatch of Designated or Non-Designated Resources shall not be used to reduce the Network Customer's Monthly Network Load for billing purposes.

34.3 Determination of Transmission Provider's Monthly Transmission System Load

Not Applicable.

34.4 Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 33. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this OATT. However, the Transmission Provider must separately file any proposal to recover stranded costs with IRAC.

34.6 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the range established by the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

In lieu of any specific power factor requirements in the relevant service agreement, the penalty for poor power factor in any month shall be charged at a rate of four (4) times the monthly firm rate for transmission service applied to the following:

90% of the maximum kVA measured in the month

Less

maximum transmission billing demand in kW

The monthly rate for Network Integration is the monthly rate as noted in Attachment H and is not to include the rate for any ancillary services.

35 OPERATING ARRANGEMENTS

35.1 Operation Under the Network Operating Agreement

The Network Customer and facility owner shall plan, construct, operate and maintain the facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement

The terms and conditions under which the Network Customer and facility owner shall operate the facilities and the technical and operational matters associated with the implementation of Part III of the OATT shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the facility owner and the Network Customer to:

- (i) operate and maintain equipment necessary for integrating the facilities within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
- (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
- (iii) use software programs required for data links and constraint dispatching,
- (iv) exchange data on forecasted loads and resources necessary for long-

term planning, and

- (v) address any other technical and operational considerations required for implementation of Part III of the OATT, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall (i) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider or the New Brunswick System Operator, or (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the Control Area Operator or its successor requirements.

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement shall be substantially in the form as specified in Attachment G.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the Transmission Provider in which the transmission facilities used for transmission service are located. The Transmission Customer must purchase this service from the Transmission Provider. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below.

The charges for this ancillary service, payable monthly, are set forth below:

Point-to-Point:

1. Yearly Delivery: One twelfth of C\$1,337.65/MW of Reserved per year.
Capacity
2. Monthly Delivery: C\$111.47/MW of Reserved Capacity per month.
3. Weekly Delivery: C\$25.72/MW of Reserved Capacity per week.
4. On-Peak Daily Delivery: C\$5.14/MW of Reserved Capacity per day.
5. Off-Peak Daily Delivery: C\$3.66/MW of Reserved Capacity per day.
6. On-Peak Hourly Delivery: C\$0.33/MW of Reserved Capacity per hour.
7. Off-Peak Hourly Delivery: C\$0.15/MW of Reserved Capacity per hour.
- Network Integration C\$0.11/kW of Network Integration Service per month.

On-Peak days for the service are defined as Monday to Friday.

On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities (in the Control Area where the Transmission Provider's transmission facilities are located) are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider. Reactive Supply and Voltage Control from Generation Sources Service is to be provided directly by the Transmission Provider (Maritime Electric). The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service will be based on the rates set forth below.

The charges for this ancillary service, payable monthly, are set forth below:

Point-To-Point:

1. Yearly Delivery: One twelfth of C\$2,166.00/MW of Reserved Capacity per year.
 2. Monthly Delivery: C\$180.50/MW of Reserved Capacity per month.
 3. Weekly Delivery: C\$41.65/MW of Reserved Capacity per week.
 4. On-Peak Daily Delivery: C\$8.33/MW of Reserved Capacity per day.
 5. Off-Peak Daily Delivery: C\$5.93/MW of Reserved Capacity per day.
 6. On-Peak Hourly Delivery: C\$0.52/MW of Reserved Capacity per hour.
 7. Off-Peak Hourly Delivery: C\$0.25/MW of Reserved Capacity per hour.
- Network Integration C\$0.22/KW of Network Integration Service per month.

On-Peak days for this service are defined as Monday to Friday.

On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with Maritime Electric, the Transmission Provider (or the Control Area Operator (NBSO) that performs this function for the Transmission Provider). The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation subject to maximum limits established by the Control Area Operator on alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area Operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

The Regulation and Frequency Response Service is comprised of two components. These components are called Automatic Generation Control (AGC) and Load Following and are priced separately below.

Intra-hour performance will be monitored for specific market participant behaviour that introduces a disproportionate burden on the Control Area Operator with respect to AGC and load following. Sanctions may be invoked. The determination of whether or not such activity is disproportionate will take into account the extent to which the offending party is already paying the Control Area Operator for, or self-supplying to the Control Area Operator, the AGC and/or load following services. This determination will give consideration to the net effect of aggregated intra-hour behaviours of Non-Dispatchable Generators before any such sanction is invoked.

AGC: This ancillary service is the provision of generation and load response capability, including capacity, energy and maneuverability, that responds often and rapidly to automatic control signals issued by the Control Area operator.

The charges for this ancillary service, payable monthly, are set forth below:

Point-to-Point

- | | |
|----------------------|---|
| 1. Yearly Delivery: | One twelfth of C\$534.00/MW of Monthly Demand per year. |
| 2. Monthly Delivery: | C\$44.50/MW of Monthly Demand per month. |
| 3. Weekly Delivery: | C\$10.27/MW of Monthly Demand per week. |
| 4. Daily Delivery: | C\$2.05/MW of Monthly Demand per day. |
| Network Integration | C\$0.04/kW of Monthly demand per month. |

The above charges are based on the current NBSO Open Access Transmission Tariff and will change when the NBSO tariff changes.

There will be an adder applied to these prices when the Control Area Operator incurs extra costs. These extra costs will be limited to out-of-order dispatch costs associated with revised generation or load dispatch for the purpose of providing this ancillary service.

Load Following: This ancillary service is the provision of generation and load response capability, including capacity, energy and maneuverability, that is dispatched within the scheduling period by the Control Area operator at frequencies and rates that are lower and slower than AGC.

The charges for this ancillary service, payable monthly, are set forth below:

Point-to-Point

- | | |
|----------------------|---|
| 1. Yearly Delivery: | One twelfth of C\$1,234.00/MW of Monthly Demand per year. |
| 2. Monthly Delivery: | C\$102.83/MW of Monthly Demand per month. |
| 3. Weekly Delivery: | C\$23.73/MW of Monthly Demand per week. |
| 4. Daily Delivery: | C\$4.75/MW of Monthly Demand per day. |
| Network Integration | C\$0.10/kW of Monthly Demand per month. |

The above charges are based on the current NBSO Open Access Transmission Tariff and will change when the NBSO tariff changes.

There will be an adder applied to these prices when the Control Area Operator incurs extra costs. These extra costs will be limited to out-of-order dispatch costs associated with revised generation or load dispatch for the purpose of providing this ancillary service.

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the expected and the actual hourly injection or withdrawal from the Transmission System.

In the case of loads, including exports, Energy Imbalance is the difference between the scheduled withdrawal and the actual withdrawal of energy from the Transmission System. In the case of supply sources, including imports, Energy Imbalance is the difference between the scheduled injection and the actual injection to the Transmission System.

Energy Imbalance Service does not apply to inadvertent energy imbalances that occur as a result of actions directed by the Transmission Provider (Maritime Electric) to:

- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;
- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

Energy Imbalance Service will be settled between the Transmission Provider and the party responsible for the relevant transaction using the New Brunswick System Operator final hourly marginal cost.

Energy Imbalances will be monitored by the Control Area Operator for both specific occurrences of inappropriate behaviour and patterns of inappropriate behaviour. Any such behaviour will be addressed by the Control Area Operator in its market monitoring role.

An optional service will be available for Non-Dispatchable Generators, from the New Brunswick System Operator, whereby the hourly variances in deliveries to the Transmission System of all generators that are registered to receive this service will be aggregated and the resulting net imbalance will be allocated to those contributing to the

imbalance in proportion to their respective contributions. This service is available for a minimum term of one calendar month at the prior request of the generator registrant and subject to the approval of the Transmission Provider.

SCHEDULE 5

Operating Reserve – Spinning Reserve Service

Spinning Reserve Service (also referred to as Contingency Reserve – Spinning) is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output. The Transmission Customer must make arrangements to satisfy its Spinning Reserve Service obligation. To the extent the Control Area Operator (NBSO) performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

Customer Obligations

The customer obligation for reserves will be determined as a percentage of the customer load coincident with the Maritimes annual peak load as determined for the Control Area.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within seven minutes¹ of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for 60 minutes from activation.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month's charge for the amount of deficient reserves for each failure to supply.

¹ NPCC criterion for both spinning and supplemental reserve is 10 minutes and 30 minutes for 30 Minute Reserve. Note, however, that this time span includes the decision-making time taken by the Transmission Provider. This is assumed to be 3 minutes for spinning and supplemental and 6 minutes for 30 Minute Reserve. Thus the timeframes under consideration are 7 minutes and 24 minutes respectively.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (1) those under contract with the Transmission Provider, (2) those provided by Transmission Customers, (3) those contracted from third parties by Transmission Customers. Typically the activation will be done to minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Reserve services will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

The current applicable rates from the NBSO Tariff are given below:

Point-To-Point

- | | |
|----------------------|---|
| 1. Yearly Delivery: | One twelfth of C\$2,090.00/MW of Monthly Demand per year. |
| 2. Monthly Delivery: | C\$174.17/MW of Monthly Demand per month. |
| 3. Weekly Delivery: | C\$40.19/MW of Monthly Demand per week. |
| 4. Daily Delivery: | C\$8.04/MW of Monthly Demand per day. |
| Network Integration | C\$0.17/kW of the Monthly hourly peak per month. |

The above charges are based on the current NBSO Open Access Transmission Tariff and will change when the NBSO tariff changes.

There will be an adder applied to these prices when the Transmission Provider incurs extra costs. The extra costs will be limited out-of-order dispatch costs associated with revised generation or load dispatch for the purchase of providing this ancillary service. Out-of-order dispatch costs will be calculated as the difference between the cost of serving load and the cost of service load plus auxiliaries. These costs will be charged to the Transmission Customers that take this service on a pro rata share basis as a function of the quantity of the service purchased from the Transmission Provider at the time that the out-of-dispatch occurs.

SCHEDULE 6

Operating Reserve -- Supplemental Reserve Service

Supplemental Reserve Service (also referred to as Contingency Reserve-Supplemental) is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by load fully removeable from the system within ten minutes of the contingency event. The Transmission Provider may offer this service. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area Operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

Operating Reserve – Supplemental (10 minute)

This ancillary service is the portion of Operating Reserve – Supplemental that is available within 10 minutes.

The charges for this ancillary service, payable monthly, are set forth below:

Point-to-Point

- | | |
|----------------------|---|
| 1. Yearly Delivery: | One twelfth of C\$5,450.00/MW of Monthly Demand per year. |
| 2. Monthly Delivery: | C\$454.17/MW of Monthly Demand per month. |
| 3. Weekly Delivery | C\$104.81/MW of Monthly Demand per week. |
| 4. Daily Delivery: | C\$20.96/MW of Monthly Demand per day. |
| Network Integration | C\$0.45/kW of Monthly Demand per month. |

There will be an adder applied to these prices when the Transmission Provider incurs extra costs. These extra costs will be limited to out-of-order dispatch costs associated with revised generation or load dispatch for the purpose of providing this ancillary service. Out-of-order dispatch costs will be calculated as the difference between the

cost of serving load and the cost of serving load plus ancillaries. These costs will be charged to Transmission Customers that take this service on a pro rata share basis as a function of the quantity of the service purchased from the Transmission Provider at the time that the out-of-order dispatch occurs.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within seven minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for sixty minutes from activation.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (1) those under contract with the Transmission Provider, (2) those provided by Transmission Customers, (3) those contracted from third parties by Transmission Customers. Typically the activation will be done to minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Operating Reserve – Supplemental (30 minute)

This ancillary service is the portion of the Operating Reserve – Supplemental that is available within 24 minutes.

The charges for this Ancillary Service, payable monthly, are set forth below:

Point-to-Point

- | | |
|----------------------|---|
| 1. Yearly Delivery: | One twelfth of C\$3,480.00/MW of Monthly Demand per year. |
| 2. Monthly Delivery: | C\$290.00/MW of Monthly Demand per month. |
| 3. Weekly Delivery | C\$66.92/MW of Monthly Demand per week. |
| 4. Daily Delivery: | C\$13.38/MW of Monthly Demand per day. |
| Network Integration | C\$0.29/kW of Monthly Demand per month. |

There will be an adder applied to these prices when the Transmission Provider incurs extra costs. These extra costs will be limited to out-of-order dispatch costs associated with revised generation or load dispatch for the purpose of providing this ancillary service.

Out-of-order dispatch costs will be calculated as the difference between the cost of serving load and the cost of serving load plus ancillaries. These costs will be charged to Transmission Customers that take this service on a pro rata share basis as a function of the quantity of the service purchased from the Transmission Provider at the time that the out-of-order dispatch occurs.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within seven minutes² of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for 60 minutes from activation.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (1) those under contract with the Transmission Provider, (2) those provided by Transmission Customers, (3) those contracted from third parties by Transmission Customers. Typically, the activation will be done to minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

² NPCC criterion for both spinning and supplemental reserve is 10 minutes and 30 minutes for 30 Minute Reserve. Note, however, that this time span includes the decision-making time taken by the Transmission Provider. This is assumed to be 3 minutes for spinning and supplemental and 6 minutes for 30 Minute Reserve. Thus the timeframes under consideration are 7 minutes and 24 minutes respectively.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

1. Yearly Delivery: One twelfth of the demand charge of C\$31,529.35/MW of Reserved Capacity per year.
2. Monthly Delivery: C\$2,627.45/MW of Reserved Capacity per month.
3. Weekly Delivery C\$606.33/MW of Reserved Capacity per week.
4. On-Peak Daily Delivery: C\$121.27/MW of Reserved Capacity per day.
5. Off-Peak Daily Delivery: C\$86.38/kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

6. Discounts: For any discount agreed upon for service on a path, from point(s) of receipt(s) to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System. Information regarding any firm transmission discounts must be posted on the Maritime Electric website. Any Transmission Provider initiated discount must be offered electronically to Eligible Customers and posted on the Maritime Electric website. Any Transmission Customer initiated discount must be requested electronically to the Transmission Provider who will offer the discount to all Eligible Customers and post it on the Maritime electric website. Once details of a negotiated discount have been finalized (price, Point of Receipt, Point of Delivery, length of service) they must

be posted immediately on the Maritime Electric website. Discounts may be limited to particular time periods. Discounts must apply for the same time period and must be offered to all Transmission Customers. The Transmission Provider may discount only if necessary to increase usage of the transmission services. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.

7. On-Peak days for this service are defined as Monday to Friday.
8. Reservations for off-Island electricity exports from Non-Dispatchable Generators will be discounted to off-Peak rates during periods when transmission path(s) for export are unconstrained.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Non-Firm Point-To-Point Transmission Service at the sum of the applicable charges set forth below:

1. Monthly delivery: C\$2,627.45/MW of Reserved Capacity per month.
2. Weekly delivery: C\$606.33/MW of Reserved Capacity per week.
3. On-Peak Daily delivery: C\$121.27/MW of Reserved Capacity per week.
4. Off-Peak Daily delivery: C\$86.38/MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5. On-Peak Hourly delivery: C\$7.58/MW of Reserved Capacity per hour.
6. Off-Peak Hourly delivery: C\$3.60/MWh of Reserved Capacity per hour.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

7. Discounts: For any discount agreed upon for service on a path, from point(s) of receipt(s) to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible

- Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System. Information regarding any non-firm transmission discounts must be posted on the Maritime Electric website. Any Transmission Provider initiated discount must be offered electronically to all Eligible Customers and posted on the Maritime Electric website. Any Transmission Customer initiated discount must be requested electronically to the Transmission provider who will offer the discount electronically to all Eligible Customers and post it on the Maritime electric website. Once details of a negotiated discount have been finalized (price, Point of Receipt, Point of Delivery, length of service) they must be posted immediately on the Maritime Electric website. Discounts may be limited to particular time periods. Discounts must apply for the same time period and must be offered to all Transmission Customers. The Transmission Provider may discount only if necessary to increase usage of the transmission services. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.
8. On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.
 9. Reserved Capacity charges for off-Island electricity exports from Non-Dispatchable Generators will be discounted to off-Peak rates during periods when transmission path(s) for export are unconstrained.
 10. Reserved Capacity charges for transmission access, by Non-Dispatchable Generators for off-Island electricity exports, in excess of actual electricity exports for the hour, will be discounted to 10% of the applicable Reserved Capacity charge rate for the hour during periods when the transmission path(s) for export is not constrained.

SCHEDULE 9

Non-Capital Support Charge Rate

The Non-Capital Support Charge Rate is an OM&A related carrying charge and shall include, without limitation, all indirect OM&A expenses. This rate is calculated as the indirect OM&A component of the Transmission Provider’s revenue requirement divided by the total plant (fixed assets) upon which the revenue requirement is based. This rate is applied to assets for which the Transmission Customer has been assigned an obligation to make support payments to the Transmission Provider. A Direct Assignment Facility for the interconnection of a generator that is paid for by the Transmission Customer but maintained by the Transmission Provider is one such example. The rate is as follows:

Non-Capital Support Charge Rate = 1.92%

The capital charges that are subject to support for a particular Transmission Customer are to be identified in the respective interconnection agreement.

Calculation of the support rate:

OM&A (Indirect)	C\$0.972	million/year
Fixed Assets (Gross Book Value)	C\$44.0	million
Direct Assignment Facilities	C\$6.6	million
OM&A ÷ Fixed Assets	1.92	%

This rate will be updated by Maritime Electric subject to the approval of IRAC and will be used to calculate the support payments for capital charges that are subject to support payments. One-twelfth of the Capital Support Rate Charges will be paid monthly by the Transmission Customer.

In addition to the Non-Capital Support Rate Charge the Transmission Customer will be billed monthly on a time and materials basis for all OM&A direct costs (labour, materials and transportation) associated with the Direct Assignment Facilities.

SCHEDULE 10
Residual Uplift

The Residual Uplift provides a periodic settlement of various Transmission Provider expenses and revenues that are not reflected in other schedules in this OATT. The net value of these expenses and revenues can be either positive or negative in any given settlement period.

Residual Uplift shall be calculated for each settlement period in accordance with the Transmission Provider's rules and procedures as provided on the Maritime Electric website. Residual Uplift includes revenues and expenses associated with such things as penalties for deficiencies, unrecovered replacement capacity costs and/or unrecovered costs associate with the purchase and sale of emergency energy.

The Transmission Customer shall pay (or be paid) the Residual Uplift to the (by the) Transmission Provider in accordance with the Transmission Provider's rules.

ATTACHMENT A

Form for Long-Term Firm Point-To-Point Transmission Service Agreement

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Maritime Electric Company, Limited (Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under Section 17.2 of the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of \$_____, in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on _____ or other such date as mutually agreed upon by the Parties.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Long-Term Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Company Name: Maritime Electric Company, Limited
Billing Contact: Controller
Address: PO Box 1328, 180 Kent Street
Charlottetown PE C1A 7N2
Telephone: 902-629-3641
Fax: 902-629-3630
Email: Controller@MaritimeElectric.com

Administrative: Maritime Electric Company, Limited
Contact: Manager, Production and Energy Supply
Address: PO Box 1328, 180 Kent Street
Charlottetown PE C1A 7N2
Telephone: 902-629-3610
Fax: 902-629-3630
Email: ManagerEnergySupply@MaritimeElectric.com

Transmission Customer:

Company Name: _____
Billing Contact: _____
Address: _____

Telephone: _____
Fax: _____
Email: _____
TSIN Code _____
TSIN DUNS: _____

Administrative:

Contact: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____

Name:

Title: Vice President, Corporate Planning and Energy Supply

Date: _____

Transmission Customer:

By: _____

Name: _____

Title: _____

Date: _____

Specifications for Long-Term Firm Point-To-Point

Transmission Service

1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____
Delivering Party: _____
Capacity Reservation at Point(s) of Receipt: _____

4.0 Point(s) of Delivery: _____
Receiving Party: _____
Capacity Reservation at Point(s) of Delivery: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT B

Form for Short-Term Firm and Non-Firm Point-To-Point Service Agreement

Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Maritime Electric Company, Limited (Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for the Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Company Name: Maritime Electric Company, Limited
Billing Contact: Controller
Address: PO Box 1328, 180 Kent Street
Charlottetown PE C1A 7N2
Telephone: 902-629-3641
Fax: 902-629-3630
Email: Controller@MaritimeElectric.com

Administrative: Maritime Electric Company, Limited
Contact: Manager, Production and Energy Supply
Address: PO Box 1328, 180 Kent Street
Charlottetown PE C1A 7N2
Telephone: 902-629-3610
Fax: 902-629-3630
Email: ManagerEnergySupply@MaritimeElectric.com

Transmission Customer:

Company Name: _____
Billing Contact: _____
Address: _____

Telephone: _____
Fax: _____
Email: _____
TSIN Code: _____
TSIN DUNS: _____

Administrative:

Contact: _____

Address: _____

Telephone: _____

Fax: _____

Email: _____

7.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____

Name:

Title: Vice President, Corporate Planning and Energy Supply

Date: _____

Transmission Customer:

By: _____

Name: _____

Title: _____

Date: _____

Specifications For Short-Term Firm Point-To-Point

Transmission Service

1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

3.0 Point(s) of Receipt: _____
Delivering Party: _____
Capacity Reservation at Point(s) of Receipt: _____

4.0 Point(s) of Delivery: _____
Receiving Party: _____
Capacity Reservation at Point(s) of Delivery: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

6.0 Designation of party(ies) subject to reciprocal service obligation:

7.0 Name(s) of any Intervening Systems providing transmission service:

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

8.2 System Impact and/or Facilities Study Charge(s): _____

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT C

Methodology to Assess Available Transfer Capabilities for Maritime Electric Interfaces with Neighboring Utilities

Objective

The purpose of this document is to describe the methodology used to determine the Total Transfer Capability (TTC) and the Available Transfer Capability (ATC) of the interfaces between the Transmission Provider's (Maritime Electric) Transmission System and the transmission systems of its neighboring utilities.

Determination of TTC

The Total Transfer Capability (TTC) of an interface is a best engineering estimate of the total amount of electric power, measured in MW, that can be transferred over an interface in a reliable manner for a given time frame.

The TTC of an interface is determined by performing power flow and stability studies under seasonal system conditions. Normal operation (all elements in service) and first contingency (N-1) scenarios are studied using summer and winter base case models to determine the summer and winter TTC of each interface. For the Non-Simultaneous TTC values, these studies are done on a single interface at a time, with power flows on all other interfaces equal to 0 MW. For Simultaneous TTC values, these studies are done taking into account all acceptable power flows which may occur simultaneously on the other interfaces. Simultaneous TTC values will be used in the calculation of Available Transfer Capability for Maritime Electric website posting purposes when conditions warrant. The TTC value (simultaneous and non-simultaneous) for a given interface is defined as the lowest of the transfer limits defined by:

Thermal Limit: This limit is reached when the most restrictive element in the transfer path is loaded to its seasonal thermal limit. For normal operation, no element will be loaded above its Normal seasonal thermal rating. For first contingency operation, no element will be loaded above its Emergency seasonal thermal rating.

Voltage Limit: This limit is reached when, due to interface transfers, System Voltage levels fall outside of a certain acceptable range. For normal operation Voltages at all transmission levels will be kept in the range of 0.95 to 1.05 per unit. For first contingency operation, Voltages at all transmission levels will be kept in the range of 0.90 to 1.07 per unit.

Stability Limit: This limit is reached when, due to interface transfers, system instability may result during either normal conditions or single contingency scenarios.

Inclusion of Special Protection System (SPS) Actions in TTC Calculations

The Transmission Provider may employ Special Protection Systems (SPSs), designed in accordance with Northeast Power Coordinating Council (NPCC) guidelines, to enhance the transfer limits on its interfaces with its neighboring utilities. Whenever applicable, the SPSs are identified and their action is taken into consideration as a part of the TTC calculations.

Determination of Transmission Reliability Margin (TRM)

The Transmission Reliability Margin (TRM) is the portion of transfer capability which is reserved to cover for uncertainties in system conditions. A portion, or all, of the transfer capability reserved for TRM may be offered for non-firm transmission reservations/service. However, it cannot be offered for firm transmission reservations/ service. TRM for Transmission Provider interfaces are determined to cover for uncertainties within the Transmission Provider's Transmission System and neighboring systems to maintain adequate Operating Margin to meet reliability requirements, including Reserve Pickup Margin (such as reserve sharing). At a minimum, TRM values will be such that following a single contingency, interface power flows up to the Firm ATC will not result in any transmission element being loaded above its seasonal normal thermal rating. Whenever applicable, associated SPSs are identified and their actions are taken into consideration as a part of the TRM calculations on a particular interface.

Determination of Capacity Benefit Margin (CBM)

CBM is the amount of Transmission Transfer Capability reserved by Load Serving

Entities to ensure access to generation from interconnected systems to meet generation (capacity and energy) reliability requirements. CBM is an importing quantity only.

Reservation of CBM by a load serving entity allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements.

The CBM is a more locally applied margin as opposed to TRM, which can be a network margin.

A load serving entity must maintain policies and procedures to maintain generation reliability requirements.

Regional reviews of generation adequacy will continue to permit capacity imports from the interconnected systems.

Generation reliability requirements will be reviewed on a regular basis at least annually consistent with NPCC criteria.

Determination of ATC

The Available Transfer Capability (ATC) of an interface is a measure, in MW, of the transfer capability remaining on an interface for further commercial activity over and above previously committed uses. Mathematically, ATC is defined as the Total Transfer Capability (TTC) less the Transmission Reliability Margin (TRM), less the Capacity Benefit Margin (CBM) less the sum of any existing transmission commitments.

Recallability is defined as the right of a transmission provider to interrupt all or part of a transmission service for any reason, including economic, that is consistent with the OATT or other contract provisions. Therefore, ATC is calculated for two categories:

1. Firm ATC - which is not recallable (non-recallable)
2. Non-Firm - which is recallable

Procedure for Calculating the Firm ATC Values

The firm ATC value for a given interface, in a specific direction, is evaluated as follows (*the equations are the same for both the Operational and the Planning Horizons*):

1. Determine the TTC value for this interface (taking into consideration any firm simultaneous transactions on other interfaces that impact the limit of this interface).
2. Determine the TRM and CBM values for this interface.
3. List all firm transmission reservations on the given interface, and calculate the total firm transmission reservation.
4. Firm ATC = TTC – TRM – CBM – Total Firm Transmission Reservations (all terms of the ATC equation are directional).

Procedure for Calculating the Non-Firm ATC

The Non-Firm ATC value for a given interface, in a given direction, is evaluated using different equations in the planning and operating horizons, as follows:

Planning Horizon: Beyond the operating horizon and takes into consideration the transmission reservations.

1. Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission reservations on other interfaces that impact the simultaneous TTC value for this interface).
2. Determine the TRM and CBM values and the portion β of the TRM, that will not be available for any transactions, because of reliability concerns, where $0 \leq \beta \leq 1$.
3. List all Firm Transmission Reservations, on the given interface, and calculate the total Firm Reservations.
4. List all Non-firm Transmission Reservations, on the given interface, and calculate the total Non-firm Reservations.
5. Non-firm ATC = TTC – β (TRM) – Non-firm Transmission Reservations – Firm Transmission Reservations (all terms of the ATC equation are directional).

Operating Horizon: Takes into consideration the transmission schedules.

1. Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission schedules on other interfaces which impact the simultaneous limit of this interface).
2. Determine the TRM and CBM values and the portion (α) of the TRM, that will not be available for any transactions, because of reliability concerns, where $0 \leq \alpha \leq 1$.
3. List all Firm Scheduled Services, on the given interface, and calculate the net schedule.
4. List all Non-firm Scheduled Services, on the given interface, and calculate the net schedule.
5. Non-firm ATC = TTC – (TRM) – Non-firm Transmission Schedules – Firm Transmission Schedules (all terms of the ATC equation are directional with the exception of the "net" schedule).

Updating Periods for the TTC, TRM, CBM and ATC

Updating of the TTC, TRM, CBM and ATC values will be done according to the following guidelines:

Updating the TTC Values

The posted seasonal (summer and winter) TTC values for each individual interface, will be considered constant and valid for the entire season. TTC values will be reviewed and updated as necessary, to account for any changes in system conditions that may affect the TTC.

Updating the TRM and CBM Values

The TRM and CBM values will be reviewed, and updated as necessary, to account for any changes in system conditions that may require new margins.

Updating the ATC Values

The Firm and Non-Firm ATC values for the operating and planning horizons are automatically calculated and available on the OASIS based on the most up to date:

- Firm Scheduled Transmission Service.
- Non-Firm Scheduled Transmission Service.
- Firm Transmission Reservations.
- Non-Firm Transmission Reservations.
- TRM and CBM values.
- The magnitudes of α & β factors that may influence the amount of TRM that is available for non-firm transactions.
- Individual and Simultaneous TTC values.

ATTACHMENT D

Methodology for Completing a System Impact Study

Scope

A System Impact Study may be performed by the Transmission Provider to determine whether the Transmission Service requested by an Eligible Customer can be accommodated using the existing Transmission System. The study will identify any system constraints or impairments that would likely occur on the Transmission System and any redispatch options, within Prince Edward Island, which may be available to accommodate the requested service. The study may examine potential constraints in the Maritime Control Area. The System Impact Study would be performed at the Eligible Customer's expense. A System Impact Study does not evaluate options associated with facilities expansion or network upgrades.

Assessment of the Need

The Transmission Provider will make an assessment whether a System Impact Study is required to determine if the requested service can be accommodated. In making this assessment, the Transmission Provider will rely on operating experience and available technical information. The Eligible Customer will be advised of the result of this assessment as follows:

- A System Impact Study is not required because the available information is sufficient to make a decision whether to approve or reject the requested service;
or
- A System Impact Study is required before making a decision on the requested service.

Guidelines and Principles

In order to perform a System Impact Study the Transmission Provider will develop system models for the known transmission system, including appropriate representation of load and generation for the time frame during which the Transmission Service is requested. These models will include existing agreements and other pending Transmission Service Requests. These models may include the representation of

neighboring systems as required.

The study may include load flow, short circuit, stability, loss evaluation, economic and other analyses as appropriate and will be conducted according to the following:

1. The Transmission Provider criteria and guidelines for operation and planning.
2. NPCC criteria and guidelines for design and operation of interconnected power systems.
3. NERC planning and operating standards.
4. Good Utility Practice.

Action Following the Completion

Based on the outcome of the System Impact Study, the Transmission Provider will notify the Eligible Customer of one of the following findings:

1. The requested service can be accommodated without additional operating measures or new facilities.
2. There are system constraints or impairments that may be avoided by system redispatch within Prince Edward Island. The Eligible Customer is responsible for any additional cost incurred as a result of implementing such redispatch options.
3. The requested service can be accommodated by changing the operating procedures and/or securing Transmission Service outside of Prince Edward Island. The Eligible Customer shall be responsible for contacting the Control Area to determine the general availability of such operating procedures or services.
4. The requested service cannot be accommodated unless new facilities are added and/or upgrades are made to the Transmission System. The Transmission Provider shall tender a Facilities Study Agreement to the Eligible Customer within thirty (30) days of the completion of the System Impact Study. The scope of the Facilities Study will include an estimate of the cost of the new facilities and/or upgrades to the Transmission System, and an estimate of the time required to

- complete such construction and initiate the requested service. The Eligible Customer has to execute the Facilities Study Agreement within fifteen (15) days, otherwise the request for service shall be deemed withdrawn.
5. The requested service cannot be accommodated because of equipment limitations or it can cause unacceptable system performance or reliability risks. The Eligible Customer can decide whether to modify or cancel the request.

ATTACHMENT E
Index of Point-To-Point Transmission Service Customers

Company Name	Date of Service
City of Summerside	April 1, 2002

ATTACHMENT F

Service Agreement for Network Integration Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Maritime Electric Company, Limited (the Transmission Provider), and _____ (the Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the OATT.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 29.2 of the OATT.
- 4.0 Service under this Service Agreement shall commence on the later of (1) the requested service commencement date or (2) the date on which construction of all Interconnection Equipment, any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) the date on which a Network Operating Agreement is executed and all requirements of said Agreement have been completed or (4) the date IRAC approves providing the service, if applicable.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of Part III of the OATT and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Vice President, Corporate Planning and Energy Supply
180 Kent Street
PO Box 1328
Charlottetown, PE C1A 7N2
Fax: (902) 629-3665
Email: VicePresidentEnergySupply@MaritimeElectric.com

Transmission Customer:

7.0 Term of Transaction:

Start Date:

Termination Date:

8.0 General description of power and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

9.0 A detailed description of power and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

10.0 Detailed description of each Network Resource, including any operating restrictions:

11.0 Detailed description of the Transmission Customer's anticipated use of the Transmission Provider's interfaces:

12.0 Description of any transmission system owned or controlled by the Transmission Customer:

13.0 Name (s) of any other transmission path transmission providers:

14.0 The Network Integration Service Customer’s obligation for the following services will be provided as follows:

		Source
1.	Scheduling, System Control and Dispatch	Transmission Provider
2.	Reactive Supply and Voltage Control	Transmission Provider
3.	Regulation and Frequency Response	
a.	Automatic Generator Control	_____
b.	Load Following	_____
4.	Energy Imbalance	_____
5.	Spinning Reserve	_____
6.	Supplemental Reserve	
6a.	Contingency Reserve - Supplemental	_____
6b.	30 Minute Reserve	_____
7.	Real Power Losses	_____

- * The Transmission Customer will propose the source of services 3a, 3b, 4, 5, 6a, 6b, and 7. The Transmission Provider will confirm the acceptability of each source of supply proposed by the Transmission Customer.

15.0 Description of required Direct Assignment Facilities:

16.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in the OATT, the customer will be subject to the following charges:

16.1 System Impact and/or Facilities Study Charges:

16.2 Direct Assignment Facilities Charges:

16.3 Redispatch Charges:

16.4 Network Upgrade Charges:

16.5 Other:

17.0 The OATT is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

Vice President, Corporate Planning and Energy Supply
180 Kent Street
PO Box 1328
Charlottetown PE C1A 7N2
Fax: (902) 629-3665
Email: VicePresidentEnergySupply@MaritimeElectric.com

By: _____
Name Date

Transmission Customer:

By: _____
Name Date

ATTACHMENT G
Network Operating Agreement

Applicability

This Operating Agreement applies to Network (and Point-to-Point) Loads that are physically connected to the Transmission Provider's Transmission System.

Network Customers that are not physically connected to the Transmission Provider's Transmission System will be governed by the interconnection agreement between the Transmission Provider and the owner of the transmission system facilities to which the Network Customer is physically connected.

NETWORK OPERATING AGREEMENT

Between

Maritime Electric Company, Limited

and

(Insert Facility Owner Name)

(Date)

TABLE OF CONTENTS

ARTICLE

PREAMBLE

1.	DEFINITIONS	123
2.	CHARACTERISTICS OF SUPPLY	124
2.1	Characteristics of Supply	124
2.2	Metering	125
3.	GENERAL OBLIGATIONS OF THE CUSTOMER	125
3.1	Customer's Equipment	125
3.2	Electrical Harmonics	126
3.3	Load Balance	126
3.4	Right-of-Way	126
3.5	Right of Access	127
3.6	Preparation for the Receipt of Transmission Service	127
3.7	Customer's Responsibility for Transmission provider's Facilities on its Premises	128
3.8	Insulation Contamination	128
4.	GENERAL RIGHTS AND OBLIGATIONS OF TRANSMISSION PROVIDER	128
4.1	Interruption of Supply	128
4.2	Special or Consequential Damages	129
4.3	Removal of Equipment at Termination	129
5.	ENVIRONMENTAL CONTAMINATION	130
5.1	Environmental Contamination	130

6.	FORCE MAJEURE	130
6.1	Force Majeure	130
7.	INDEMNITY	131
7.1	Indemnity Obligation	131
7.2	Control of Indemnification	132
7.3	Recovery of Enforcement Costs	132
8.	TERM OF AGREEMENT	133
8.1	Term of Agreement	133
8.2	Good Faith Negotiations Upon Occurrence of Certain Events	134
9.	FORMER AGREEMENTS	134
9.1	Former Agreements	134
10.	SUCCESSORS OF PARTIES	134
10.1	Successors and Assigns	134
11.	MODE OF DELIVERY	135
11.1	Mode of Delivery	135
12.	AMENDMENT	136
12.1	Amendment	136
13.	SEVERANCE AND GOVERNING LAW	136
13.1	Severance	136
13.2	Governing Law	137
14.	DISPUTES	137
14.1	Dispute Resolution	137
14.2	Arbitration	137
14.3	Referral of Dispute to IRAC	138

15.	REPRESENTATIONS OF MARITIME ELECTRIC	139
15.1	Organization	139
15.2	Authority Relative to this Agreement	139
15.3	Regulatory Approval	139
15.4	Compliance with Law and Agreements	139
16.	REPRESENTATIONS OF CUSTOMER	140
16.1	Organization	140
16.2	Authority Relative to this Agreement	140
16.3	Regulatory Approval	141
16.4	Compliance with Law and Agreements	141
17.	REPRESENTATIONS OF BOTH PARTIES.....	142

NETWORK OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____.

BETWEEN: Maritime Electric Company, Limited (MECL), a duly incorporated Company having its Head Office in the City of Charlottetown, Prince Edward Island, hereinafter called "the Transmission Provider",

- and -

_____ a duly incorporated Company having its Head Office in the City of _____ hereinafter called "the Customer",

Both of which may hereinafter be referred to as "the Parties hereto".

WHEREAS the Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Prince Edward Island (the "Customer's premises"), and requires a connection to the transmission system in Prince Edward Island;

AND WHEREAS the Transmission Provider has agreed to provide connection service and the Customer has agreed to take connection service from the Transmission Provider for aforesaid Customer premises pursuant to the terms and conditions of this Agreement.

NOW THEREFORE this Agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties hereto mutually covenant and agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires, the following definitions shall apply:

Transmission Provider Facilities

The Transmission Provider Facilities are the transmission system of the Transmission Provider and the necessary _____ kV extension thereof constructed to the Delivery Point, together with the Metering Equipment, all of which are provided, owned and maintained by the Transmission Provider.

Customer Facilities

The Customer Facilities are the facilities beyond the Delivery Point which are provided, owned and maintained by the Customer and, in addition, shall be deemed to also include any Rental Facilities.

Without limiting the generality of the foregoing, these facilities include

Delivery Point

The Delivery Point is the place at which the Customer Facilities and the Transmission Provider Facilities are connected together, specifically _____ as shown on the Transmission Provider's Substation Diagram No. _____ dated _____ attached hereto and marked Appendix A.

Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with

good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Metering Equipment

The Metering Equipment is the meters and associated equipment approved by Industry Canada or such other authority as may from time to time be charged with such responsibility, required for measuring power and energy supplied to the Customer under this Agreement.

Metering Point

The Metering Point is the point at which all power and energy supplied to the Customer is measured. The Metering Point is at or near the Delivery Point.

Rental Facilities

The Rental Facilities are those facilities provided, owned and maintained by the Transmission Provider for which the Customer pays a Rental Charge.

Without limiting the generality of the foregoing, these facilities include

2. CHARACTERISTICS OF CONNECTION SERVICE

- 2.1 Subject to Article 3.1 hereof the transmission connection service supplied to the Customer at the Delivery Point shall be three phase alternating current at the nominal frequency of 60 hertz and at a nominal voltage of _____ volts between phases.

2.2 Metering

In this section where reference is made to Industry Canada it shall also be deemed to include any other authority as may from time to time be charged with the responsibility for metering.

The Transmission Provider shall, at its cost, provide, install and maintain the Metering Equipment. If requested by the Transmission Provider, the Customer shall provide at the Customer's expense adequate space and facilities on the Customer's premises satisfactory to the Transmission Provider for the installation and maintenance of the Metering Equipment.

If, at any time, the Metering Equipment is found to be inaccurate by more than the limits specified by Industry Canada or other authorized standard setting body, the Metering Equipment or any faulty components thereof shall be promptly replaced, repaired or readjusted by the Transmission Provider at the Transmission Provider's expense.

The Transmission Provider may modify or replace the Metering Equipment from time to time.

3. GENERAL OBLIGATIONS OF THE CUSTOMER

3.1 Customer's Equipment

The Customer shall be responsible for installing and maintaining protective equipment to protect the Customer Facilities from variations in frequency and voltage or from temporary delivery of other than three phase power.

The Customer agrees that all motors, transformers and other equipment utilized in its installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce detrimental effects on the Transmission Provider Facilities which will adversely affect the adequacy of service to the Customer and other customers.

3.2 Electrical Harmonics

Electrical harmonics shall be considered as components of current or voltage whose frequency is some multiple of the 60 hertz fundamental frequency. The Customer shall assume the responsibility of direct loss by reason of damages to the Transmission Provider Facilities caused by electrical harmonics produced in the Customer Facilities provided that such liability shall be restricted to the repair or, if necessary, the replacement or modification of such Transmission Provider Facilities which have been damaged or made necessary by reason of electrical harmonics produced in the Customer Facilities. The Customer agrees to take all reasonable steps to limit the effects of any electrical harmonics which may be produced in the Customer Facilities to a level tolerable to the Transmission Provider. The Transmission Provider shall cooperate with the Customer in the investigation of any harmonic problems and the analysis of corrective measures. The Transmission Provider reserves the right to discontinue the supply of power and energy where in its opinion the reliability of the Transmission Provider Facilities is threatened by the presence of electrical harmonics.

3.3 Load Balance

The Customer agrees to take and use the three phase current supplied through the Transmission Provider's transmission system in such manner that in no case shall the difference between any two phases be greater than 5%. The Customer, upon written instructions from the Transmission Provider, shall so adjust its load as to comply with this requirement.

3.4 Right-of-Way

The Customer agrees to provide and arrange for the necessary right-of-way on the Customer's premises for the appropriate Transmission Provider Facilities and Rental Facilities free of cost to the Transmission Provider during the continuance of this Agreement, renewal or renewals thereof, and for six (6) months thereafter, so that the Transmission Provider, its subcontractors, their respective employees and agents may enter upon the same and build, install and erect, construct, operate, repair and remove any or all of the appropriate Transmission Provider Facilities or Rental Facilities, all of which shall not unduly interfere with the

Customer's operations and which in the opinion of the Transmission Provider are necessary for the delivery of transmission service under this Agreement. Any changes which the Customer may request the Transmission Provider to make in the location of the Transmission Provider Facilities or Rental Facilities shall be made at the expense of the Customer.

3.5 Right of Access

One or more representatives of the Transmission Provider appointed for this purpose may, at any reasonable time during the continuance of this Agreement, have access to the Customer's premises for the purposes of but not limited to meter reading, inspection, operation, testing, adjustment, repair, alteration, reconstruction, and removal of the Transmission Provider Facilities, or for the purpose of inspecting the Customer Facilities and taking records therefrom as required for compliance with this Agreement.

3.6 Preparation for the Receipt of Transmission Connection Service

The Customer agrees to prepare for the receipt and use of transmission connection services hereunder and to supply, erect and maintain at its own risk, cost and charge, all transformers, switchgear, protective equipment, as well as poles, wires, hardware, cables, fittings, insulators and materials used in distribution on the Customer's premises beyond the Delivery Point.

In addition to the foregoing the Customer agrees to provide, own and maintain beyond the Delivery Point any equipment which the Transmission Provider deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of the Transmission Provider Facilities in accordance with Good Utility Practice. All the said equipment of the Customer shall be subject to the approval of the Transmission Provider and shall be installed, maintained and operated in a manner satisfactory to the Transmission Provider.

3.7 Customer's Responsibility for the Transmission Provider Facilities on its Premises

All Transmission Provider Facilities and Rental Facilities furnished and installed on the Customer's premises shall remain the property of the Transmission Provider and should such Transmission Provider Facilities or Rental Facilities be destroyed or damaged from any cause due to the Customer, or from any peril originating on the Customer's premises, the Customer shall reimburse the Transmission Provider for the full cost of repair or replacement.

3.8 Insulation Contamination

Contaminants shall be considered as foreign matter or substance deposited on insulation components which reduce the value and effectiveness of the insulation and may consist of dust, particles or chemicals either dry or in solution.

The Customer shall be responsible for the correction of contamination problems occurring on the Customer Facilities. If contaminants caused by activities on the Customer's premises accumulate on the Transmission Provider Facilities which, in the opinion of the Transmission Provider affect the insulating characteristics, the Customer shall bear the cost of removal of contamination or replacement of insulation components as deemed necessary by the Transmission Provider. Interruptions of service occasioned to correct contamination problems shall be, where possible, arranged at a time mutually agreeable to the Customer and the Transmission Provider. Notwithstanding the above the Transmission Provider reserves the right to discontinue the supply of power and energy at its discretion where the reliability of its system is threatened by the presence of contaminants on insulation components.

4. GENERAL RIGHTS AND OBLIGATIONS OF TRANSMISSION PROVIDER

4.1 Interruption of Supply

The Transmission Provider shall provide a regular and uninterrupted delivery of transmission connection services under the terms of this Agreement but shall have no liability to the Customer for loss or damage from any failure of delivery in

respect of any abnormality, delay, interruption or other partial or complete failure in the said delivery when such loss or damages are caused by something that is beyond the ability of the Transmission Provider to control by reasonable and practicable effort, said effort to be measured by Good Utility Practice as defined herein.

The Transmission Provider shall have the right to suspend the delivery of transmission connection services for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to the Transmission Provider Facilities or Rental Facilities but all such interruptions shall be of a minimum duration consistent with the exigencies of the case, and when possible, arranged for a time least objectionable to the Customer, and such interruptions shall not release the Customer from its obligation to pay all charges pursuant to this Agreement during the period of any such suspensions and to resume the use of transmission connection services when the service is restored. When such repairs, changes, renewals, improvements or replacements are of a non-emergency routine nature that can be scheduled in advance by the Transmission Provider, the Transmission Provider or its designate shall advise the Customer in writing at least two (2) weeks in advance of such work. The Customer shall be responsible for any additional costs incurred by the Transmission Provider resulting from performing, at the Customer's request, such repairs, changes, renewals, improvements or replacements outside of normal working hours.

4.2 Special or Consequential Damages

Notwithstanding any other provision in this contract, the Transmission Provider shall not be liable to the Customer for special or consequential damages, or damages for loss of use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

4.3 Removal of Equipment at Termination

The Transmission Provider shall, at the termination of this Agreement, or within six (6) months thereafter, remove from the Customer's premises the appropriate

Transmission Provider Facilities and Rental Facilities which may have been installed by the Transmission Provider for the supply of transmission connection service under this Agreement, but after the expiration of said six (6) months period all such Transmission Provider Facilities and Rental Facilities shall be at the risk of the Transmission Provider.

5. ENVIRONMENTAL CONTAMINATION

5.1 Environmental Contamination

The Customer shall comply with all environmental laws and regulations with respect to Customer Facilities.

The Customer shall indemnify and save harmless the Transmission Provider from all loss, expense, damage or injury to persons or property inclusive of the Transmission Provider's property arising as a result of environmental damage, contamination and/or injury due to or caused by the Customer.

The Transmission Provider shall comply with all environmental laws and regulations with respect to the Transmission Provider Facilities.

The Transmission Provider shall indemnify and save harmless the Customer from all loss, expense, damage or injury to persons or property inclusive of Customer property arising as a result of environmental damage, contamination and/or injury due to or caused by the Transmission Provider.

Both parties agree to immediately notify the other of any environmental incident that occurs relative to the terms of this Agreement.

6. FORCE MAJEURE

6.1 Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or

accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement.

If a Party relies on the occurrence of an event or condition described above, as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the event or condition will: (i) provide prompt written notice of such Force Majeure event to the other Party giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) exercise all reasonable efforts to continue to perform its obligations under this Agreement; (iii) expeditiously take commercially reasonable action to correct or cure the event or condition excusing performance; provided that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute; (iv) exercise all reasonable efforts to mitigate or limit damages to the other Party; and (v) provide prompt notice to the other Party of the cessation of the event or condition giving rise to its excuse from performance. All performance obligations hereunder, other than any payment obligation, or any and all obligations which were incurred prior to the Force Majeure event, will be extended by a period equal to the term of the resultant delay.

7. INDEMNITY

7.1 Indemnification Obligation

Subject to the limitations on and exclusions of liability set forth herein, each Party agrees to indemnify, hold harmless, and defend the other Party, its Affiliates, and their respective officers, directors, employees, agents, contractors,

subcontractors, invitees and successors (collectively the Indemnitees), from and against any and all claims, liabilities, costs, damages, and expenses which may be imposed on or asserted at any time against an Indemnitee by any third party (including, without limitation, reasonable attorney and expert fees, and disbursements incurred by any Indemnitee in any action or proceeding) for or arising from damage to property, injury to or death of any person, including the other Party's employees or any third parties (collectively, the Loss), to the extent caused wholly or in part by any act or omission, negligent or otherwise, by the indemnifying Party and/or its officers, directors, employees, agents, and subcontractors arising out of or connected with the indemnifying Party's performance or breach of this Agreement, or the exercise by the indemnifying Party of its rights hereunder; provided, however, that no indemnification by a Party is required under this Section to the extent such Loss is caused by or results from the negligence or willful misconduct of the other Party or its Indemnitee(s). In the event that such Loss is the result of the negligence of both Parties, each Party shall be liable to the other to the extent or degree of its respective negligence, as determined by mutual agreement of both Parties, or in the absence thereof, as determined by the adjudication of comparative negligence.

7.2 Control of Indemnification

If any third party shall notify any Indemnitee of a claim with respect to any matter which may give rise to a claim for indemnification against the other Party (the Indemnifying Party) under this Section, then the Indemnitee shall notify the Indemnifying Party thereof promptly (and in any event within ten (10) Business Days after receiving any written notice from a third party). The Indemnifying Party's liability hereunder to the Indemnitee shall be reduced to the extent the Indemnifying Party is materially adversely prejudiced by the Indemnitee's failure to provide timely notice hereunder. In the event any Indemnifying Party notifies the Indemnitee within ten (10) Business Days after the Indemnitee has given notice of the matter that the Indemnifying Party is assuming the defense thereof, (i) the Indemnifying Party will defend the Indemnitee against the matter with counsel of its choice reasonably satisfactory to the Indemnitee, (ii) the

Indemnitee may retain separate co-counsel at its sole cost and expense (except that the Indemnifying Party will be responsible for the fees and expenses of the separate counsel to the extent the Indemnitee reasonably concludes that the counsel the Indemnifying Party has selected has a conflict of interest), (iii) the Indemnitee will not consent to the entry of any judgment or enter into any settlement with respect to the matter without the written consent of the Indemnifying Party (which shall not be unreasonably withheld, and (iv) the Indemnifying Party will not consent to the entry of any judgment with respect to the matter, or enter into any settlement which does not include a provision whereby the plaintiff or claimant in the matter releases the Indemnitee from all liability with respect thereto, without the written consent of the Indemnitee (which shall not be unreasonably withheld). In the event the Indemnifying Party does not notify the Indemnitee within ten (10) Business Days after the Indemnitee has given notice of the matter that the Indemnifying Party is assuming the defense thereof, however, the Indemnitee may defend against the matter in any manner it may deem appropriate.

7.3 Recovery of Enforcement Costs

Notwithstanding any other provision of this Agreement, the indemnifying Party will pay all damages, settlements, expenses and costs, including Costs of investigation, court costs and reasonable attorneys' fees and costs the other Party incurs in enforcing this Section 10.0. Each Party agrees its indemnification obligation, as detailed under this Section 10.0, will survive expiration or termination of the Agreement.

8. TERM OF AGREEMENT AND GOOD FAITH NEGOTIATION

8.1 Term of Agreement

The Initial Term of this Agreement shall commence on the day and year first above written and continue in force for a period of five (5) years. This Agreement shall terminate on the expiration of the Initial Term provided one of the Parties hereto has given at least twelve (12) months written notice to the other Party. Should neither of the Parties hereto give notice to terminate this Agreement at

the expiration of the Initial Term, this Agreement shall continue in full force and effect provided however that it may be terminated at any time after the expiration of the Initial Term by either Party having first given at least twelve (12) months written notice of termination to the other Party.

8.2 Good Faith Negotiations Upon Occurrence of Certain Events

If the Province, IRAC or Maritime Electric implements a change in any law, regulation, rule or practice; which change affects or is reasonably expected to affect the provision of Network Integration Transmission Service to Customer pursuant to this Agreement, the Parties agree to negotiate in good faith to determine the amendments, if any, to this Agreement reasonably necessary to conform the terms of Network Integration Transmission Service to such change, and where practicable will provide Customer with thirty (30) days advance notice; provided that if the Parties are unable to each agreement as to what, if any, amendments are necessary, Customer will have the right to oppose such filing and participate fully in any proceeding established by IRAC to address such amendment.

9. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written, of the parties and there are not warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10. SUCCESSORS OF PARTIES

10.1 Successors and Assigns

This Agreement shall extend to and be binding upon and enure to the benefit of

the Parties hereto and their respective successors and permitted assigns. Neither Party shall assign its rights and obligations hereunder without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed; however, either Party may, without the consent of the other Party (and without relieving itself from its obligations hereunder),

- (a) assign this Agreement or the accounts, revenues or proceeds hereof as security for its corporate debt or financing the Project,
- (b) assign this Agreement to an affiliate (“affiliate” having the meaning given in the Canada Business Corporations Act), or
- (c) assign this Agreement to any person or entity succeeding to all or substantially all of the assets of the assigning Party;

provided, however, that in each such case, any such assignee or the purchaser of this agreement from an assignee referred to in (a) shall agree in writing to be bound by the terms and conditions hereof prior to exercising any of its rights as assignee and further provided that in the case of an assignment by the Customer, the assignee is owner of the Project.

11. MODE OF DELIVERY

11.1 Mode of Delivery

Except as provided by this Agreement or otherwise agreed from time to time, any notice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given if delivered personally to a senior official of the Party for whom it is intended or faxed or e-mailed or sent by registered mail, addressed as follows:

- a) In the case of the Company, to:

Attention:

b) In the case of the Transmission Provider, to:

Vice President, Corporate Planning and Energy Supply
180 Kent Street
PO Box 1328
Charlottetown PE C1A 7N2
Fax: (902) 629-3665
E-mail: VicePresidentEnergySupply@MaritimeElectric.com

or delivered to such other person or faxed or e-mailed or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Section.

Any notice or other communication so mailed shall be deemed to have been received on the fifth business day following the day of mailing or if faxed or e-mailed shall be deemed to have been received on the same business day as the date of the fax or e-mail or if delivered personally shall be deemed to have been received on the date of delivery.

12. ADMENDMENT

12.1 Amendment

If at any time during the continuance of this Agreement the parties shall deem it necessary or expedient to make any alteration or addition to this Agreement it shall be done by way of a written agreement which shall be supplemental and form part of this Agreement.

13. SEVERANCE AND GOVERNING LAW

13.1 Severance

It is intended that all provisions of this Agreement shall be fully binding and effective between the parties, but in the event that any particular provision or provisions or a part of one is found void, voidable or unenforceable for any

reason whatsoever, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

13.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Prince Edward Island and/or any applicable Federal laws.

14. DISPUTES

14.1 Dispute Resolution

Neither MECL nor the Customer shall commence any proceedings against the other party with respect to the interpretation or enforcement of this Agreement unless and until it has first referred the matter in issue for determination to two senior executives, one from each party. If these senior executives, despite their best efforts, are unable to determine the matter within thirty (30) days of its referral to them, then the parties may refer the matter in issue to binding arbitration.

14.2 Arbitration

Any matter in issue between the Parties as to their rights under this Agreement may, by mutual agreement of the parties hereto, be submitted to arbitration. Any dispute to be decided by arbitration shall be decided by a panel of three arbitrators, each party to choose one arbitrator within ten (10) days of the referral of the dispute to arbitration and the two so chosen shall, within a further ten (10) days, select a third arbitrator to be chairman in accordance with the *Arbitration Act of Prince Edward Island* or any re-enactment of the same. The arbitrators shall be knowledgeable in the electric industry and shall not have any current or past business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrators shall provide each of the parties an opportunity to be heard and shall generally conduct the arbitration in accordance with the provisions of the *Arbitration Act of Prince Edward Island*. Unless otherwise agreed by the parties, the arbitrators shall render a decision within ninety (90)

days of appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrators shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrators shall be conclusive, final and binding upon the parties. The decision of the arbitrators may be appealed solely on the grounds that the conduct of the arbitrators, or the decision itself, violated the provisions of the *Arbitration Act of Prince Edward Island*. The *Arbitration Act of Prince Edward Island* shall govern the procedures to apply in the enforcement of any award made. If it is necessary to enforce such award, all costs of enforcement shall be payable and paid by the party against whom such award is enforced. Each Party shall be otherwise responsible for its own costs incurred during the arbitration process.

14.3 Referral of Dispute to IRAC

Notwithstanding anything contained in this Section 14, either party may:

- (a) instead of proceeding through the Arbitration procedures outlined in Section 14.2 above, elect to refer a dispute directly to IRAC by filing a complaint with IRAC in the manner set out below and the decision of IRAC with respect to the matter shall be final and binding and the matter in dispute cannot thereafter proceed to the dispute resolution process;
- (b) if either party is dissatisfied with the results of an arbitration decision rendered pursuant to Section 14.2, refer a complaint to IRAC for determination and the decision of IRAC with respect to the matter shall be final and binding.

No complaint may be referred to IRAC pursuant to Section 14.3 (A) or (B) until the Dispute Resolution procedures set out in Section 14.1 have been concluded.

Complaints filed with IRAC must be in writing and must include reasons and evidence in support of the party's position. A copy of the complaint, together with the supporting reasons and evidence, must be filed with the other party. IRAC

may require a complainant to provide such security for the costs incurred or to be incurred by IRAC, as it considers reasonable, and such security may be forfeited to IRAC if the complaint is not substantiated.

15. REPRESENTATIONS OF MECL

MECL represents and warrants to Customer as follows:

15.1 Organization

MECL is a corporation having its head office in Charlottetown, Prince Edward Island validly existing and in good standing under the laws of the Province of Prince Edward Island and MECL has the requisite power and authority to carry on its business as now being conducted;

15.2 Authority Relative to this Agreement

MECL has the requisite power and authority to execute and deliver this Agreement and to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly and validly authorized by Board of Directors of MECL, and no other corporate proceedings on the part of MECL are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. The Agreement has been duly and validly executed and delivered by MECL and constitutes a legal, valid and binding Agreement of MECL enforceable against it in accordance with its terms;

15.3 Regulatory Approval

MECL has obtained or will obtain all approvals of, and has given or will give all notices to, any public authority that are required for MECL to execute, deliver and perform its obligations under this Agreement;

15.4 Compliance With Law and Agreements

MECL represents and warrants that: (i) it is not in violation of any applicable law, statute, order, rule, or regulation promulgated or judgment entered by any

federal, provincial or local governmental authority, which individually or in the aggregate would adversely affect MECL's entering into or performance of its obligations under this Agreement; and (ii) its entering into and performance of its obligations under this Agreement will not give rise to any default under any agreement to which it is a party; and

MECL represents and warrants that it will comply with all applicable laws, rules, regulations, codes, and standards of all applicable federal, provincial, and local governmental agencies having jurisdiction over MECL or the transactions under this Agreement and with which failure to comply could reasonably be expected to have a material adverse effect on Customer.

16. REPRESENTATIONS OF CUSTOMER

Customer represents and warrants to MECL as follows:

16.1 Organization

Customer is a (INSERT TYPE OF COMPANY) organized, validly existing and in good standing under the laws of the Province of Prince Edward Island, Canada, and Customer has the requisite power and authority to carry on its business as now being conducted;

16.2 Authority Relative to this Agreement

Customer has the requisite power and authority to execute and deliver this Agreement and to carry out the actions required of it by this Agreement. The execution and delivery of this Agreement and the actions it contemplates have been duly authorized by proceedings on the part of Customer are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Customer and constitutes a legal, valid and binding Agreement of Customer enforceable against it in accordance with its terms;

16.3 Regulatory Approval

Customer has obtained all approvals of, and given all notices to, any public authority that are required for Customer to execute, deliver and perform its obligations under this Agreement;

16.4 Compliance with Law and Agreements

Customer represents and warrants that: (i) it is not in violation of any applicable law, statute, order, rule, or regulation promulgated or judgment entered by any federal, provincial, state, or local governmental authority, which, individually or in the aggregate, would adversely affect Customer's entering into or performance of its obligations under this Agreement; and (ii) its entering into and performance of its obligations under this Agreement will not give rise to any default under any agreement to which it is a party; and

Customer represents and warrants that it will comply with all applicable laws, rules, regulations, codes, and standards of all federal, state, provincial, and local governmental agencies having jurisdiction over Customer or the transactions under this Agreement and with which failure to comply could reasonably be expected to have a material adverse effect on MECL.

17. REPRESENTATIONS OF BOTH PARTIES

The representations in Sections 14.5 and 15.5 will continue in full force and effect for the term of this Agreement.

IN WITNESS WHEREOF the Parties hereto have caused their corporate seals to be hereto affixed and these presents to be executed by their duly authorized officers respectively.

TRANSMISSION PROVIDER

CUSTOMER

Appendix A
Substation Diagram

ATTACHMENT H

Network Integration Transmission Service and Network Load Determination

1. The rate charged for Network Integration Transmission Service will be C\$2,627.45 per MW per month.

This rate shall be applied to the Network Integration Transmission Service provided for Network Load.

2. The Network Customer's monthly Network Load is its hourly load at the time of the PEI hourly peak load for the month and the Network Customer's monthly Network Load includes all electrical consumption regardless of source including losses and also includes its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3 of the OATT.

ATTACHMENT I

Index of Network Integration Transmission Service Customers

Company Name	Date of Agreement
Maritime Electric Company, Limited	TBD

ATTACHMENT J

(To Be Filed Separately with IRAC)

GENERATION INTERCONNECTION AGREEMENT

**BY AND BETWEEN
MARITIME ELECTRIC COMPANY, LIMITED
AND
(INSERT COMPANY NAME)**

ATTACHMENT K

Transmission Expansion Policy

System Benefits

The Transmission Provider maintains the authority and responsibility to cause new transmission to be constructed if necessary for transmission system adequacy and/or efficient operation of the transmission system.

Requests for Generation Interconnection

Formal requests for a new interconnection of generation to the Transmission Provider's system must come in the form of Point-to-Point or Network Integration Transmission Service under the terms and conditions of the tariff. Such a generator must execute a Generation Interconnection Agreement substantially in the form as specified in Attachment J.

Transmission Network Expansion Policy for Point-to-Point Service

This policy pertains to situations where a request (or requests) for Point-to-Point Transmission Service requires transmission Network Upgrades. This policy in no way diminishes the requirement for the costs of Direct Assignment Facilities to be born by the Transmission Customer.

The principles for cost sharing in this situation are as follows:

- If the additional transmission tariff revenues associated with the increased use of the Transmission System is more than or equal to the increase in the Transmission System revenue requirement there will be no costs incurred by the Transmission Customer.
- If the additional transmission tariff revenues associated with the increased use of the Transmission System are less than the increase in the Transmission System revenue requirement, the Transmission Customer will make a contribution to capital of an amount that will allow the Transmission Provider to continue to collect the full revenue requirement.
- To the extent that the Transmission Provider identifies system benefits, the requirement of the Transmission Customer to make a contribution to capital is

- diminished by the net present value of the system benefits.
- If multiple service requests will benefit from a system upgrade, the cost sharing among the Transmission Customers will be based on a load flow study. The study will identify the relative usage of the upgraded facilities by the transactions on a 12-month coincident peak (12CP) basis and the Transmission Provider will allocate the costs in proportion to the relative usage.
 - To the extent that an upgrade to meet a request for service leads to an advancement in the schedule of network upgrades for general system benefits to which the Transmission Provider has made a commitment in its transmission expansion plan, the Transmission Customer will pay only the costs of the advancement.

Treatment of Costs for Facilities for New Load

For new loads, the Transmission Customer pays only the tariff rate unless the carrying charges of the new facilities are higher than the payments that will be made by the new load as part of the tariff. The Transmission Customer will pay the tariff rates and a contribution to capital equal to the incremental carrying charges if the new interconnection costs exceed the average rolled-in costs of facilities.

ATTACHMENT L

Standards of Conduct

Introduction

The Transmission Provider owns, operates, and controls facilities used for the transmission of electric energy in intra-provincial, inter-provincial and international commerce. Since the Transmission Provider is not at this time subject to FERC orders and regulations, the Transmission Provider has developed and will follow the principles defined in these Standards of Conduct.

A copy of these Standards of Conduct will be filed with IRAC and posted on the Maritime Electric website.

I. Definitions

Terms, capitalized and in italics, used in these Standards of Conduct are defined as follows:

Affiliate means any business entity associated with the Transmission Provider through ownership or contractually such that the contracted Affiliate and the Transmission Provider share in proceeds from Merchant transactions, such Affiliates could include a power marketer, a power generator and/or an energy services company.

Eligible Customer means any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electric energy for sale for resale and connected to the Transmission System; electric energy sold or produced by such entity may be electric energy produced in the United Canada, States or Mexico.

Merchant or Merchant Function means those Affiliates engaged in the Wholesale Merchant Function. This includes but is not limited to the scheduling and pricing of energy for merchant sales and the scheduling needed to deliver such merchant obligations.

- *Wholesale Merchant Function* means the sale for resale of electric energy across interconnections between Prince Edward Island, other Canadian Provinces and the State of Maine and within the Province to the City of Summerside.

Maritime Electric means Maritime Electric Company, Limited.

Regulator means the Island Regulatory and Appeals Commission (IRAC).

Tariff means the Maritime Electric Open Access Transmission Tariff for point-to-point transmission services including any amendments thereto, as posted on the Transmission Provider's website.

Transmission Customer means any Eligible Customer (or its designated agent) that can or does execute a transmission service agreement or can or does receive transmission service.

Transmission Operations and Reliability Functions means the operation of the power system to reliably accept energy from generators within Prince Edward Island and from Merchant providers at their respective receipt points and to reliably deliver such energy for consumption by eligible native load customers and for scheduled external Merchant obligations at their respective delivery points. In conducting this function the objective will be to (1) optimize dispatchable energy supplies in order to balance all resources (generation and interchange) continuously to meet the total of all internal load of the Transmission Provider and all scheduled merchant exports and (2) on a non-discriminatory basis maximize transmission revenues for hourly transmission use by processing requests of all Merchant providers.

Transmission Provider means Maritime Electric (or its successor) that owns, controls or operates facilities used for the transmission of electric energy and provides transmission service.

II. Obligations of the Transmission Provider's Employees Engaged in Transmission System Operations and Reliability Functions

1. Emergency Situations

Notwithstanding any rule to the contrary in these Standards of Conduct, in emergency circumstances affecting system reliability, Transmission Provider employees engaged in Transmission System Operations and Reliability Functions may take whatever steps are necessary to keep the Transmission Provider's transmission system in operation.

2. Tariff Administration

(a) Transmission Provider Employees engaged in Transmission System Operations and Reliability Functions must strictly enforce all Tariff provisions relating to the sale or purchase of open access transmission service.

(b) Transmission Provider Employees engaged in Transmission System Operations and Reliability Functions must apply all Tariff provisions relating to the sale or purchase of open access transmission service in a fair and impartial manner that treats all customers (including the Transmission Provider and any of its Affiliates) in a non-discriminatory manner.

(c) The Transmission Provider may not, through its tariffs or otherwise, give preference to sales for resale or for sales by the Merchant Function or by any Affiliate, over the interests of any other wholesale or large industrial customer in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, and ancillary services).

3. Reporting and Recordkeeping

The Transmission Provider will be responsible for submitting the following reports and notices:

- (a) Reports on each emergency that resulted in any deviation from these Standards of Conduct. Such reports shall be reported on the Maritime Electric website and available to the Regulator within a reasonable amount of time following such a deviation.

- (b) In the event a Transmission Provider employee engaged in Transmission System Operations and Reliability Functions discloses information not posted on the Maritime Electric website in a manner contrary to the requirements of these Standards of Conduct, the Transmission Provider will immediately post such information following the discovery of such improper disclosure.

- (c) The Transmission Provider's Transmission System Operations and Reliability Function will be responsible for maintaining a log, available for Regulator audit, detailing the circumstances and manner in which it exercised its discretion under any terms of the Tariff. A separate log utilizing a different format will be kept to document instances where the Transmission Provider agreed to transmission requests and schedules on less notice than is provided for in the Tariff. The Transmission Provider shall post the information contained in both logs on the Maritime Electric website.

III. Security

1. Physical Security of System Operations Control Room

The Transmission Provider's Energy Control Centre (ECC) and transmission operations control room, where Transmission System Operations and Reliability Functions take place, is located at 50 Cumberland Street in Charlottetown, PEI. To ensure the security of the ECC and the transmission operations control only individuals with the proper security access clearance will be granted access to the ECC and to the transmission operations control room.

IV. Implementation

1. Filing

These Standards of Conduct and any future modifications hereto will be filed with the Regulator.

2. Dissemination

Prior to their implementation, these Standards of Conduct will be disseminated to all of the Transmission Provider's existing and new employees working at the Energy Control Centre, employees with direct responsibility for the transmission function (including both transmission system operation and transmission reliability and assessment) and employees with direct responsibility for the Merchant Function. Those persons receiving these Standards of Conduct will certify that they have read them and will abide by them by signing the attached Acknowledgment Statement and returning it to the Supervisor, Energy Control Centre. The Transmission Provider will have training on these Standards of Conduct with its personnel who perform Transmission System Operations and Reliability Functions and Merchant Functions. Additional training with personnel in other departments will be held on an as required basis.

3. Amendments

Any amendments to these Standards of Conduct will be disseminated with an explanation as to the intent of the amendment. All amendments will be posted on the Maritime Electric website. Depending on the nature of the amendment, it may be necessary to have the Standards of Conduct reviewed through training and re-signed by the employees noted under Section IV.2.

V. Enforcement

1. Complaint Procedures

Any person who believes these Standards of Conduct have been violated may submit a complaint in the form of the attached Complaint Procedures for Violations of the Standards of Conduct. Such complaint shall be submitted to Maritime Electric Company, Limited c/o Supervisor, Energy Control Centre, PO

Box 1328 180 Kent Street, Charlottetown, PEI C1A 7N2. A written report specifying the Transmission Provider's evaluation of the complaint and any resulting corrective and disciplinary actions taken will be prepared within thirty days. The complaining party shall be provided with a copy of the written report. The Supervisor, Energy Control Centre will designate a person in System Operations to keep and maintain a log of each complaint and written report. Such log of complaints shall be available to the *Regulator* for inspection. If during the course of the investigation it is determined that there was an improper disclosure of information, such information will be posted on the Maritime Electric website.

2. Appeal Process

If in the view of the complainant, the complaint has not been properly evaluated as set out in V.1., it may then be forwarded in writing to the Vice President, Corporate Planning and Energy Supply. The Vice President, or delegate, will appoint an independent arbitrator, acceptable to the complainant and the Transmission Provider, to review and rule on the complaint. If the independent arbitrator determines that there has been improper disclosure of information, such information will be posted immediately on the Maritime Electric website.

In the event that the Vice President of the Transmission Provider and the Complainant cannot agree upon a single arbitrator within 10 days of the complaint being forwarded to the President, each will choose one arbitrator who shall sit on a three-member panel. The two arbitrators shall select the third member within 20 days and the arbitration panel shall render a decision within 90 days. Such decision shall be binding subject to the appeal provisions of the Prince Edward Island Arbitration Act.

3. Referral of Dispute to IRAC

Notwithstanding anything contained in this Section V, a Transmission Customer may:

- a. elect to refer a dispute directly to IRAC by filing a complaint with IRAC in the manner set out below and the decision of IRAC with respect to the matter shall be final and binding and the matter in dispute cannot thereafter proceed to the appeal process;
- b. if the Transmission Customer is dissatisfied with the results of an arbitration decision rendered pursuant to Section V. 2., a complaint may be referred to IRAC for determination and the decision of IRAC with respect to the matter shall be final and binding.

Complaints filed with IRAC must be in writing and must include reasons and evidence in support of the Transmission Customer's position. A copy of the complaint, together with the supporting reasons and evidence, must be filed with the Transmission Provider.

IRAC may require a complainant to provide such security for the costs incurred or to be incurred by IRAC, as it considers reasonable, and such security may be forfeited to IRAC if the complaint is not substantiated.

4. Sanctions

Failure of an employee to fully comply with these Standards of Conduct may result in disciplinary action by the Transmission Provider.

ACKNOWLEDGMENT STATEMENT

I acknowledge that I have read the Standards of Conduct and I agree to comply fully with them and any amendments thereto.

(Name)

(Signature)

(Date)

**COMPLAINT PROCEDURES FOR VIOLATION
OF THE STANDARDS OF CONDUCT**

Date: _____

Time: _____

Personnel Responsible: _____

Title: _____

Phone Number: _____

Address: _____

Description of Violation:

Corrective or Disciplinary Action Taken:

Signature: _____

ATTACHMENT M
Special Conditions

None