

**Commission de l'aménagement du
territoire**

Déposé le : 2 juin 2017

No CAT-166

Secrétaire : P-L Turgeon

**Attachment A
First Amendment to the TSA**

FIRST AMENDMENT TO
TRANSMISSION SERVICE AGREEMENT

by and between

NORTHERN PASS TRANSMISSION LLC,

as Owner

and

HYDRO RENEWABLE ENERGY INC.

(f/k/a H.Q. HYDRO RENEWABLE ENERGY, INC.),

as Purchaser

Dated: December 11, 2013

This FIRST AMENDMENT TO TRANSMISSION SERVICE AGREEMENT (this "First Amendment"), dated as of December 11, 2013, is made and entered into by and between Northern Pass Transmission LLC, a limited liability company organized and existing under the laws of the State of New Hampshire ("Owner"), and Hydro Renewable Energy Inc. (f/k/a H.Q. Hydro Renewable Energy, Inc.), a corporation organized and existing under the laws of the State of Delaware ("Purchaser"). Owner and Purchaser are hereinafter sometimes also referred to individually as a "Party" or collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, the Parties entered into that certain Transmission Service Agreement, dated as of October 4, 2010 (the "Transmission Service Agreement"); and

WHEREAS, the Parties wish to amend certain provisions in the Transmission Service Agreement pursuant to Section 20.2 thereof in the manner set forth in this First Amendment.

NOW, THEREFORE, in consideration of the foregoing and the respective covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

1. Definitions. All capitalized terms used in this First Amendment but not otherwise defined in this First Amendment shall have the respective meanings ascribed to such terms in the Transmission Service Agreement.

2. Amendments to Transmission Service Agreement.

(a) Name Change of Purchaser. Each reference in the Transmission Service Agreement to "H.Q. Hydro Renewable Energy, Inc." (other than in Attachments E-1 and E-2) shall be deleted and replaced with "Hydro Renewable Energy Inc. (f/k/a H.Q. Hydro Renewable Energy, Inc.)."

(b) Disolution of NSTAR.

(i) The seventh recital of the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

"WHEREAS, Owner is a single purpose, indirect, wholly-owned subsidiary of Northeast Utilities (as defined below), created to develop, construct, own and maintain a 1,200 MW +/-300 kV HVDC transmission line extending from the U.S. Border to a direct current ("DC") to alternating current ("AC") converter station to be located near the Webster substation in the City of Franklin in the State of New Hampshire (the transmission line and converter station, as more fully described in Attachment A, the "HVDC Line");"

(ii) The definition of Control in the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

""Control" (including its correlative meanings "Controlled by" and "under common Control with") means, with respect to a Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the specified Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or Applicable Law or otherwise."

(iii) Each reference in ninth recital and Sections 5.6, 7.2, 8.4 and 8.5 of the Transmission Service Agreement to "and NSTAR" or "or NSTAR" shall be deleted.

(c) Extension of Approval Deadline.

(i) The following definition shall be added to Section 1.1 of the Transmission Service Agreement in its appropriate alphabetical order:

""Approval Deadline" means February 14, 2017, or such other date to which the Parties shall mutually agree in writing."

(ii) The definition of Third Anniversary in the Transmission Service Agreement shall be deleted in its entirety.

(iii) Each reference in the Transmission Service Agreement to "Third Anniversary" shall be deleted and replaced with "Approval Deadline."

(d) Construction Phase and Letter Agreement.

(i) The definition of Construction Phase in the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

""Construction Phase" means the period commencing on February 28, 2015 or such other date to which the Parties shall mutually agree in writing, and ending on the day immediately preceding the Commercial Operation Date or upon the earlier termination of this Agreement pursuant to its terms (regardless of whether or not any such day is a Business Day)."

(ii) The definition of Letter Agreement in the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

""Letter Agreement" means that certain Letter Agreement for Recovery of Northern Pass Transmission Line Project Development Costs, of even date herewith, a copy of which is attached hereto as Attachment G and made a part hereof or any modification to such Letter Agreement (or superseding letter agreement) executed by the parties

thereto; provided that Owner shall have filed a copy of any such modification to such Letter Agreement (or superseding letter agreement) with FERC with a request for approval or acceptance not less than sixty (60) days before Owner renders an invoice to Purchaser for costs and expenses incurred by Owner that are recoverable thereunder."

(e) Settlement Amount.

(i) The definition of Settlement Amount in the Transmission Service Agreement shall be deleted in its entirety.

(ii) Section 3.3.8(b) of the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

"Upon termination of this Agreement pursuant to clause (a) above, Owner shall have the right to recover from Purchaser, and Purchaser shall pay or reimburse to Owner, Owner's Costs Plus EAFUDC."

For the avoidance of doubt, it is acknowledged that the non-indented paragraph immediately following Section 3.3.8(b) of the Transmission Service Agreement is not deleted or replaced.

(iii) Section 17.1.1(d)(ii) of the Transmission Service Agreement shall be deleted and replaced in its entirety as follows:

"as of each Redetermination Date during the period commencing on the first Redetermination Date and ending on the last day of the Construction Phase, the Determined Cap shall equal (A) the Owner's Costs Plus EAFUDC that, if applicable, would be payable upon an early termination of this Agreement as of such Redetermination Date, with the "Owner's Costs" component of the Owner's Costs Plus EAFUDC to be determined by reference to (1) all amounts described in clauses (a) and (b) of the definition of "Owner's Costs" that have been incurred by Owner with respect to the Northern Pass Transmission Line prior to such Redetermination Date (whether payable before or after such Redetermination Date, and including reasonable forecasts of such amounts to the extent the actual amounts thereof are unknown to Owner as of the date of the applicable Redetermination Certificate), subject to the exclusions to such definition, plus (2) the Estimated Wind-Down Costs set forth in the estimate thereof delivered to Purchaser under Section 5.2.3 concurrently with the delivery to the Management Committee of the most recent Construction Budget and Schedule for the upcoming fourteen (14) calendar months after such Redetermination Date; plus (B) the budgeted Construction Costs, as set forth in the most recent Construction Budget and Schedule for the upcoming fourteen (14) calendar months after such Redetermination Date; minus (C) the sum of all Capped Guaranteed

Obligations paid by Hydro-Québec to Owner under any Purchaser Guaranty prior to the date of the applicable Redetermination Certificate; provided, however, that, if Purchaser shall have submitted any matter with respect to Estimated Wind-Down Costs to the Management Committee for resolution under Section 5.2.3(b) and the Management Committee shall not have resolved such matter prior to the date of such Redetermination Certificate, then, until the Management Committee shall have agreed upon such Estimated Wind-Down Costs (or such Estimated Wind-Down Costs shall have been determined pursuant to the dispute resolution provisions in this Agreement in the event of an Impasse with respect thereto), the Estimated Wind-Down Costs shall be deemed equal to the Estimated Wind-Down Costs set forth in the estimate thereof delivered to Purchaser under Section 5.2.3 concurrently with the delivery to the Management Committee of the most recent Construction Budget and Schedule for the upcoming fourteen (14) calendar months after such Redetermination Date. If the Estimated Wind-Down Costs are subsequently adjusted by the agreement of the Management Committee (or pursuant to the dispute resolution provisions in this Agreement in the event of an Impasse with respect thereto), then Purchaser shall cause Hydro-Québec to reissue the Purchaser Guaranty in accordance with clause (i) below. For the avoidance of doubt, the budgeted Construction Costs described in the foregoing clause (B) shall be subject to the approval of the Management Committee as and to the extent provided in Section 5.2.2(b)."

(f) Miscellaneous Amendment. Each reference in Article 23 of the Transmission Service Agreement to "control" shall be deleted and replaced with "Control."

3. Address for Notices. Each of the Parties hereby designates its address set forth below as its address for notices, billings, requests, demands, waivers, consents and other communications under the Transmission Service Agreement pursuant to Section 24.4 thereof.

If to Owner:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: James A. Muntz, President
107 Selden Street
Berlin, Connecticut 06037
United States of America
Facsimile: (860)665-6717
Email: james.muntz@nu.com

With a copy to:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company

Attention: Senior Vice President and General Counsel
56 Prospect Street
Hartford, Connecticut 06103
United States of America
Facsimile: (860)728-4581
Email: gregory.butler@nu.com

For billing purposes only:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: Director – Transmission Rates
107 Selden Street
Berlin, Connecticut 06037
United States of America
Facsimile: (860)665-2805
Email: lisa.cooper@nu.com

If to Purchaser:

H.Q. Hydro Renewable Energy, Inc.
75, René-Lévesque Boulevard West, 18th Floor
Montréal (Québec) Canada
H2Z 1A4
Attention: Maxime Lanctôt, President
Facsimile: (514)289-6723
Email: lanctot.maxime@hydro.qc.ca

For billing purposes only:

H.Q. Hydro Renewable Energy, Inc.
75, René-Lévesque Boulevard West, 18th Floor
Montréal (Québec) Canada
H2Z 1A4
Attention: Hélène Létourneau, Billing Manager
Facsimile: (514)289-6867
Email: letourneau.helene@hydro.qc.ca

4. No Other Amendments; Effect. Except as set forth herein, the terms and conditions of the Transmission Service Agreement shall remain in full force and effect. On and after the date hereof, unless the context requires otherwise, every reference in the Transmission Service Agreement to the term "Agreement" shall be deemed to mean the Transmission Service Agreement as amended by this First Amendment.

5. Governing Law. This First Amendment and each of its provisions shall be governed by, and construed in accordance with, the laws of the State of New York without reference to its conflict of law rules other than Section 5-1401 of the New York General Obligations Law.

6. Entire Agreement; Permitted Successors and Assigns. This First Amendment and the Transmission Service Agreement (together with the Attachments thereto) constitute the entire agreement and understanding among the Parties with respect to all subjects covered hereby and thereby and supersede all prior discussions, agreements and understandings among the Parties with respect to such matters. This First Amendment shall be binding upon and inure to the benefit of each of the Parties and their successors, legal representatives and assigns permitted under the Transmission Service Agreement.

7. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. The Parties acknowledge and agree that any document or signature delivered by facsimile or electronic transmission shall be deemed to be an original executed document for all purposes hereof.

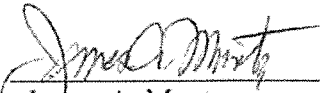
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EXECUTION COPY

IN WITNESS WHEREOF, Owner and Purchaser have executed this Agreement as of the date first set forth above.

OWNER:

NORTHERN PASS TRANSMISSION LLC

By: 
Name: James A. Muntz
Title: President – Northern Pass Transmission, LLC

PURCHASER:

**HYDRO RENEWABLE ENERGY INC. (f/k/a
H.Q. HYDRO RENEWABLE ENERGY, INC.)**

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, Owner and Purchaser have executed this Agreement as of the date first set forth above.


OWNER:

NORTHERN PASS TRANSMISSION LLC

By: _____
Name: _____
Title: _____

PURCHASER:

**HYDRO RENEWABLE ENERGY INC. (f/k/a
H.Q. HYDRO RENEWABLE ENERGY, INC.)**

By:  _____
Name: RICHARD CACCHIONE
Title: CHAIRMAN OF THE BOARD

Attachment B
Clean Version of the Amended TSA

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WHEREAS, in order to interconnect the HVDC Line with the bulk power systems in New England, Owner intends to develop, construct, own and maintain a radial 345 kV AC transmission line extending from the southern terminus of the HVDC Line to the Deerfield substation in the State of New Hampshire (together with the Franklin substation at its northern terminus and the associated equipment at its southern terminus, as more fully described in Attachment A, the "AC Line," and together with the HVDC Line, the "Northern Pass Transmission Line");

WHEREAS, ISO-NE (as defined below) may require, and Purchaser may desire, certain AC Upgrades (as defined below) to be developed, constructed, owned and maintained by certain transmission owners other than Owner (which may include Affiliates of Northeast Utilities) within their existing service territories in New England in order to interconnect the Northern Pass Transmission Line with the New England Transmission System (as defined below) in a safe and reliable manner, and Purchaser may desire the construction of certain Additional AC Upgrades (as defined below);

WHEREAS, Owner desires to sell to Purchaser Firm Transmission Service (as defined below) and Additional Transmission Service (as defined below), and Purchaser desires to acquire from Owner Firm Transmission Service and Additional Transmission Service, at the rates and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1. Definitions. As used herein, the following terms shall have the following respective meanings:

"AC" has the meaning provided in the recitals to this Agreement.

"AC Line" has the meaning provided in the recitals to this Agreement.

"AC Line Agreement" has the meaning provided in Section 8.6(c).

"AC Line Owner" has the meaning provided in Section 8.6(f).

"AC Upgrade Approvals" means, collectively, any Governmental Approvals or Third Party Consents, in each case, that are required to commence construction of the AC Upgrades.

"AC Upgrade Costs" has the meaning provided in Section 8.5(c).

"AFUDC" means Owner's allowance for funds used during construction of the Northern Pass Transmission Line, as calculated in accordance with FERC's Uniform System of Accounts.

"Agreement" has the meaning provided in the preamble to this Agreement.

"Alternate Manager" has the meaning provided in Section 13.2(a).

"Ancillary Services" means Ancillary Services, as defined in the ISO-NE Tariff.

"Annual Plan and Operating Budget" means an annual statement that sets forth in reasonable detail the projected Revenue Requirement for the applicable period, including interest expenses, Taxes and all other costs or expenses that are (a) projected to be incurred during the applicable period in connection with the Northern Pass Transmission Line and (b) recoverable under the Formula Rate in accordance with Article 8. Without limiting the generality of the foregoing, the Annual Plan and Operating Budget shall include the Maintenance Plan and the Capital Plan.

"Applicable Law" means any duly promulgated federal, national, state, provincial or local law, regulation, rule, ordinance, code, decree, judgment, directive or judicial or administrative order, permit or other duly authorized and valid action of any Governmental Authority, including any binding interpretation of any of the foregoing by any Governmental Authority, which is applicable to a Person, its property or a transaction.

"Approval Deadline" means February 14, 2017, or such other date to which the Parties shall mutually agree in writing.

"Authorized Representatives" has the meaning provided in Section 13.2(a).

"Average Availability" has the meaning provided in Section 16.4(c).

"Base ROE" means the ROE of the New England transmission owners accepted or approved by FERC for Regional Transmission Service, excluding any incentive or other adders approved by FERC.

"Bankruptcy Code" means the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.*

"Budgeted Amount" has the meaning provided in Section 17.1.1(d)(iii).

"Business Day" means any day except Saturday, Sunday or any other day on which the Federal Reserve member banks are required or authorized to close for business.

"Canadian Approvals" means, collectively, those Governmental Approvals and Third Party Consents, in each case, that are required to commence construction of the Québec Line in a manner consistent with Attachment A, other than the Operational Approvals, all as set forth in Attachment D.

Without limiting the generality of the foregoing, all information provided to Purchaser or Owner or their respective Managers under Section 2.3(a)(iii), Section 5.1.2(e)(iii), Section 5.2.1(a), Section 5.2.2(a), Section 5.2.3(a), Section 5.2.4(b), Section 6.3(a), Section 6.3(b)(iv), Section 6.4(a), Section 6.6(a), Section 9.3.2(a), Section 14.2(b), Section 17.1.1(f) and Section 18.1(a) shall be deemed to be Confidential Information, whether or not such information is marked as "confidential" or "proprietary."

"Consent" means, with respect to a Person, any approval, consent, permit, license, decree, certificate or other authorization of or from such Person.

"Construction Authorizations" means, collectively, those Governmental Approvals and Third Party Consents, in each case, that are required to commence construction of the Northern Pass Transmission Line, other than the Operational Approvals.

"Construction Budget and Schedule" has the meaning provided in Section 5.2.2(a).

"Construction Contract" means any contract entered into by Owner that provides for the engineering, procurement or construction of the Northern Pass Transmission Line.

"Construction Costs" means, collectively, all direct and indirect costs that are (a) incurred by Owner in connection with the Northern Pass Transmission Line before the Commercial Operation Date and recorded in FERC Account No. 107 – Construction Work in Progress (including costs incurred before the Effective Date that are included in such account, but excluding costs associated with the drafting and negotiation of this Agreement) and (b) recoverable under the Formula Rate in accordance with Article 8.

"Construction Loan Agreement" means an agreement by and between Owner, as borrower thereunder, and Hydro-Québec Lender, pursuant to which Hydro-Québec Lender shall finance a portion of the Project Costs with loans to Owner on a senior secured basis. Loans under the Construction Loan Agreement, together with contributions to the equity capital of Owner, shall fund all Project Costs in a manner consistent with Owner's obligations under Section 5.6 and Section 8.3(a).

"Construction Phase" means the period commencing on February 28, 2015, or such other date to which the Parties shall mutually agree in writing, and ending on the day immediately preceding the Commercial Operation Date or upon the earlier termination of this Agreement pursuant to its terms (regardless of whether or not any such day is a Business Day).

"Construction Progress Report" has the meaning provided in Section 5.2.4(b).

"Contract Capacity" means (a) 1,200 MW or (b) such lesser amount as may be established by the Commissioning of the Northern Pass Transmission Line, in each case, as measured at the Delivery Point.

"Contract Year" means each calendar year during the Term, except that (a) the first Contract Year shall commence on the Commercial Operation Date and terminate on the following December 31st and (b) the final Contract Year shall terminate at the end of the Term.

c is the reasonably expected monthly rate of return on amounts deposited into the Decommissioning Fund (expressed as a percentage).

"Decommissioning Payment Period" has the meaning provided in Section 9.3.3(a).

"Decommissioning Plan" has the meaning provided in Section 9.3.2(a).

"Delivery Point" means the southern terminus of the Northern Pass Transmission Line at the Deerfield substation in the State of New Hampshire, as illustrated in Attachment A. This definition may be subject to change in accordance with Section 8.6(g)(i).

"Design Capability" means the maximum amount of electric power that the materials, equipment and structures comprising the HVDC Transmission Project will be designed to transfer bidirectionally in a safe and reliable manner, which amount shall be sufficient to permit the north-to-south delivery of not less than 1,200 MW of electrical energy at the Delivery Point.

"Design Materials" means, collectively, any engineering or technical study, project design, report, analysis, compilation, regulatory filing or other similar data or document prepared by Owner, any Affiliate of Owner or any third-party contractor in connection with the Northern Pass Transmission Line, other than any privileged communications or proprietary intellectual property rights.

"Determined Cap" means the amount determined in accordance with Section 17.1.1 from time to time.

"Development Phase" means the period commencing on January 1, 2009 and ending on the day immediately preceding the commencement of the Construction Phase or upon the earlier termination of this Agreement pursuant to its terms (regardless of whether or not any such day is a Business Day).

"Dispute" means any dispute, controversy or claim of any kind whatsoever arising out of or relating to this Agreement, including the interpretation of the terms hereof or any Applicable Law that affects this Agreement, or the transactions contemplated hereunder, or the breach, termination or validity thereof.

"Dispute Notice" has the meaning provided in Section 18.1(a).

"Distribution Date" means the date on which funds are initially distributed by Hydro-Québec Lender under the Construction Loan Agreement.

"Effective Date" has the meaning provided in Section 3.1.

"EPC Costs" means, collectively, any costs and expenses for which Owner is liable pursuant to any Construction Contract, other than costs and expenses for which Purchaser shall have agreed in writing to reimburse to Owner in the event this Agreement is terminated under Section 3.3.3. For the avoidance of doubt, "EPC Costs" shall include any penalties, damages, fees or other amounts that Owner is required to pay as a result of the termination of

"Facilities Agreement" has the meaning provided in Section 8.5(a).

"Federal Power Act" means the United States Federal Power Act of 1935, as amended, 16 U.S.C. § 791a *et seq.*

"FERC" means the Federal Energy Regulatory Commission, or any successor regulatory agency that administers the Federal Power Act.

"FERC Amendment" has the meaning provided in Section 2.2(b)(i).

"FERC Authorization" means, collectively, any FERC order authorizing Owner to provide Firm Transmission Service and Additional Transmission Service, including the FERC Order and any authorization from FERC with respect to the Transmission Operating Agreement, Interconnection Agreements or Facilities Agreements.

"FERC Order" has the meaning provided in Section 2.2(a)(i).

"FERC's Uniform System of Accounts" means 18 C.F.R. Part 101 (2009).

"Financial Transmission Rights" means Financial Transmission Rights, as defined in the ISO-NE Tariff.

"Financing Parties" means, collectively, Hydro-Québec Lender, the Term Loan Lender and any Additional Lender.

"Firm Transmission Service" has the meaning provided in Section 7.1.1.

"Force Majeure" has the meaning provided in Section 16.1(a).

"Formula Rate" means the formula set forth in Attachment B, which formula shall be used to calculate the Transmission Service Payments in accordance with the provisions hereof.

"Good Utility Practice" means those design, construction, operation, maintenance, repair, removal and disposal practices, methods, and acts that are engaged in by a significant portion of the electric transmission industry in the United States during the relevant time period, or any other practices, methods or acts that, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish a desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be the optimum practice, method, or act to the exclusion of others, but rather to be a spectrum of acceptable practices, methods, or acts generally accepted in such electric transmission industry for the design, construction, operation, maintenance, repair, removal and disposal of electric transmission facilities in the United States. Good Utility Practice shall not be determined after the fact in light of the results achieved by the practices, methods, or acts undertaken but rather shall be determined based upon the consistency of (a) the practices, methods, or acts when undertaken with (b) the standard set forth in the first two (2) sentences of this definition at such time.

"ICC" has the meaning provided in Section 18.3.1(c).

"Immunities Act" mean the United States Foreign Sovereign Immunities Act of 1976, 28 U.S.C. § 1602 *et seq.*

"Impasse" has the meaning provided in Section 13.9.

"Income Tax" means any tax imposed on net income by any Governmental Authority.

"Indemnification Notice" has the meaning provided in Section 21.3.

"Indemnified Party" has the meaning provided in Section 21.3.

"Indemnifying Party" has the meaning provided in Section 21.3.

"Initial Allowance" means the amount, expressed in megawatt-hours, equal to (a) the Contract Capacity, multiplied by (b) 720.

"Insolvency Event" means, with respect to a Person, such Person (a) becomes "insolvent," as defined in the Bankruptcy Code, or otherwise becomes bankrupt or insolvent under any Insolvency Laws, (b) has a liquidator, administrator, receiver, custodian, trustee, conservator or similar official appointed with respect to such Person or any material portion of such Person's assets or such Person consents to such appointment, or a foreclosure action is instituted with respect to any material portion of such Person's assets, (c) files a voluntary petition or otherwise authorizes or commences a proceeding or cause of action under the Bankruptcy Code or Insolvency Laws, (d) has an involuntary petition filed against it or acquiesces in the commencement of a proceeding or cause of action as the subject debtor under the Bankruptcy Code or Insolvency Laws, which petition is not dismissed within thirty (30) days after the filing thereof or results in the issuance of an order for relief against such Person, (e) makes or consents to an assignment of its assets in whole or in part, or any general arrangement for the benefit of creditors, or a common law composition of creditors, or (f) generally is unable to pay its debts as they fall due, or admits in writing to such inability.

"Insolvency Laws" means any bankruptcy, insolvency, reorganization or similar laws of the U.S., Canada, or other Governmental Authority, as applicable, other than the Bankruptcy Code.

"Interconnection Agreements" means, collectively, (a) an agreement by and among Owner, TransÉnergie and ISO-NE that sets forth such parties' respective rights and obligations following the interconnection at the U.S. Border of the Northern Pass Transmission Line with the Québec Line and (b) an agreement by and among Owner, PSNH and ISO-NE that sets forth such parties' respective rights and obligations following the interconnection at the Delivery Point of the Northern Pass Transmission Line with certain transmission facilities owned by PSNH. The Interconnection Agreements shall address cost responsibilities and shall include provisions, both technical and otherwise, for safe and reliable interconnected operations of the HVDC Transmission Project following Commercial Operation (including use of the HVDC Transmission Project for the delivery of electric power in emergency circumstances).

"Loan Agreements" means, collectively, (a) the Construction Loan Agreement, (b) the Term Loan Agreement and (c) the loan and credit agreements entered into by Owner with respect to any Additional Financing.

"Loan Documents" means the Loan Agreements and the other instruments and documents evidencing or securing the obligations of Owner to the Financing Parties under the Loan Agreements.

"Loss Occurrence" means any material loss of, destruction of or damage to, or any condemnation of, the Northern Pass Transmission Line due to an event of Force Majeure.

"Maintenance Plan" means an annual plan for the management, operation and ordinary maintenance of the Northern Pass Transmission Line, which plan shall include a description of the scope and nature of the planned operating and maintenance programs and planned and preventive maintenance procedures for the Northern Pass Transmission Line, the scheduled maintenance and other planned outages of the Northern Pass Transmission Line, and a budget itemized on a monthly basis for the same, which budget shall include all projected O&M Costs projected to be incurred with respect to the foregoing activities.

"Management Committee" has the meaning provided in Section 13.1.

"Manager" has the meaning provided in Section 13.2(a).

"Market Products" means, collectively, all products (however entitled and whether existing now or in the future) that (a) are recognized under ISO-NE Rules, (b) derive from the acquisition of transmission service over the Northern Pass Transmission Line under this Agreement, and (c) can be sold for consideration or otherwise have economic value, including electrical energy, electrical capacity and ancillary services, including reserve products (including spinning and non-spinning reserves).

"Material Adverse Effect" means, with respect to a Party, a material adverse effect on the ability of such Party to perform any of its obligations under this Agreement.

"Membership Pledges" has the meaning provided in Section 17.2.1.

"Minimum Average Availability" means seventy-five percent (75%) of the Contract Capacity.

"Multiyear Outlook" has the meaning provided in Section 6.3(a).

"MW" means megawatt.

"MWh" means megawatt-hour.

"Necessary Administrative Functions" has the meaning provided in Section 10.3(c)(i).

"OASIS Provider" has the meaning provided in Section 10.3(a).

"OATT Payments" has the meaning provided in Section 4.3.1(b)(i).

"Operation Phase" means the period commencing on the Commercial Operation Date and ending upon the expiration of the Term or earlier termination of this Agreement pursuant to its terms (regardless of whether or not any such day is a Business Day).

"Operational Approvals" means, collectively, (a) the ISO-NE Approval and (b) the NPCC Approval.

"Other Regulatory Event" means a determination by Purchaser, including a reasonable basis for such determination, that one or more Operational Approvals (a) is reasonably unlikely to be obtained by the Approval Deadline or (b) contains or is reasonably likely to contain modifications or conditions that are reasonably unacceptable to Purchaser or its Affiliates.

"Other Transmission Rights" means collectively, any Financial Transmission Rights (or any similar concept), auction revenue rights or other financial or physical transmission rights, in each case, whether existing now or in the future, associated with the Northern Pass Transmission Line or AC Upgrades.

"Outstanding Claim" has the meaning provided in Section 17.1.1(e).

"Owner" has the meaning provided in the preamble to this Agreement.

"Owner Approvals" means, collectively, (a) the Construction Authorizations and (b) those other Governmental Approvals and Third Party Consents, in each case, that are required to develop, construct, own and operate the Northern Pass Transmission Line, other than the Operational Approvals, all as set forth in Attachment C.

"Owner Default" has the meaning provided in Section 15.2.

"Owner Delay" has the meaning provided in Section 4.3.1(a).

"Owner Guaranty" has the meaning provided in Section 17.1.2(a), as in effect from time to time.

"Owner Indemnified Party" has the meaning provided in Section 21.1.

"Owner Retained Property" means, collectively, (a) all fee simple and other interests in real property (including rights-of-way, other easements and leasehold interests in real property), (b) proprietary intellectual property and (c) other intangible property (including development rights), in each case, associated with the Northern Pass Transmission Line.

"Owner's Costs" means an amount equal to the sum of the following, without duplication, (a) all costs and expenses incurred by Owner before the applicable termination date (whether payable before, on or after such date) that would have been recoverable under this

"Planned CapEx" means, collectively, the planned capital improvements and projected upgrades, replacements and repairs to the Northern Pass Transmission Line.

"Planned CapEx Costs" means, collectively, all direct and indirect costs and expenses that are (a) incurred by Owner in connection with Planned CapEx and (b) recoverable under the Formula Rate in accordance with Article 8.

"Position Statement" means a statement of a Party's position on a particular matter or issue and a summary of facts and arguments supporting that position.

"Pre-COD Expenses" mean all costs and expenses that are (a) incurred by Owner in connection with the Northern Pass Transmission Line and the AC Upgrades before the Commercial Operation Date and not included in FERC Account No. 107 – Construction Work in Progress (including the AC Upgrade Costs associated with AC Upgrades that are placed-in-service before the Commercial Operation Date and are included in the regulatory asset described in Section 8.1.2(e), but excluding costs and expenses associated with the drafting and negotiation of this Agreement) and (b) recoverable under the Formula Rate in accordance with Article 8.

"Preliminary Monthly Decommissioning Payment" has the meaning provided in Section 9.3.3(a)(i).

"Preliminary Budget and Schedule" has the meaning provided in Section 5.2.1(a).

"Prior Claims" has the meaning provided in Section 17.1.1(e).

"Project Assets" means, collectively, all materials, equipment and structures owned by Owner, excluding the Owner Retained Property.

"Project Budget" means, collectively, (a) a budget consisting of line item estimates of all Project Costs, including reasonable contingency amounts applied to individual line item estimates or to the Project Costs as a whole, and (b) a budget of estimated AC Upgrade Costs projected to be incurred before the Commercial Operation Date in such detail as can reasonably be obtained by Owner from the AC Upgrade Owners, recognizing that one or more Project Budgets will be completed and delivered before the date on which the AC Upgrades are formally identified under this Agreement.

"Project Costs" means, collectively, (a) the Construction Costs, and (b) the Pre-COD Expenses.

"Project Debt" means Owner's debt to finance the costs and expenses incurred by Owner in connection with the Northern Pass Transmission Line under (a) the Construction Loan Agreement, (b) the Term Loan Agreement and (c) the loan and credit agreements entered into by Owner with respect to any Additional Financing, the aggregate amount of which debt shall be consistent with Owner's obligations under Section 5.6 and Section 8.3(a).

"Project Debt Obligations" means all obligations of every nature of Owner from time to time owed to any Financing Party under the Loan Documents, whether for principal, interest or payments for early termination of interest rate hedging agreements, fees, expenses,

"Rate Base Calculation" has the meaning provided in Section 16.3(c)(i).

"Real Power Losses" means energy consumed by the electrical impedance characteristics of the Northern Pass Transmission Line.

"Reconstruction Costs" means, with respect to a Loss Occurrence, collectively, all costs and expenses that are (a) incurred by Owner to reconstruct or otherwise repair the Northern Pass Transmission Line following such Loss Occurrence, net of insurance proceeds and other amounts received by Owner in connection therewith (excluding any proceeds of any liability insurance policy or any insurance proceeds or other amounts payable to any Financing Party, unless such amounts payable are permitted under the applicable Loan Documents to be applied to such Loss Occurrence), and (b) recoverable under the Formula Rate in accordance with Article 8.

"Reconstruction Plan" has the meaning provided in Section 16.3(c)(i).

"Recovery" has the meaning provided in Section 21.6.

"Redetermination Certificate" has the meaning provided in Section 17.1.1(f).

"Redetermination Date" means (a) during the Construction Phase, (i) the first day of the first calendar month following the delivery of the first Construction Budget and Schedule delivered to the Management Committee under Section 5.2.2, and (ii) each anniversary of such date thereafter until the date immediately preceding the Commercial Operation Date, and (b) during the Operation Phase, (i) the Commercial Operation Date, (ii) the first day of the third Contract Year after the Commercial Operation Date, and (iii) the first day of each third Contract Year thereafter.

"Regional Rates" means the rates for Regional Transmission Service.

"Regional Transmission Service" means Regional Transmission Service, as defined in and provided under the ISO-NE Tariff.

"Replacement Transmission Cost" means, with respect to each hour of a period of time during a Non-Excused Outage, the amount equal to (a)(i) the positive difference, if any, between (A) the price per MWh that Purchaser paid for replacement transmission service acquired by Purchaser during such hour to New England from the international border between the Province of Québec and the United States and (B) the price per MWh that Purchaser would have paid under this Agreement based upon the full Transmission Service Payment due for such period, multiplied by (ii) the amount of transmission capacity (expressed in MW) that Purchaser acquired for such hour (capped at the amount of unavailable transmission capacity during such hour resulting from a Non-Excused Outage), plus (b) any reasonable transaction costs incurred by Purchaser in connection with the foregoing purchase.

"Revenue Requirement" means the annual transmission revenue requirement of Owner, as determined in accordance with the Formula Rate.

"ROE" has the meaning provided in Section 8.4(a).

amounts described in the foregoing sentence shall not include any amounts previously charged to Purchaser and recovered by Owner under the Formula Rate.

"Third Party Claim" has the meaning provided in Section 21.3.

"Third Party Consent" means any Consent of a Person other than a Governmental Authority.

"Third Party Rehearing Request" means any request by a third party for rehearing of the FERC Order.

"Total Transfer Capability" means the Total Transfer Capability of the Northern Pass Transmission Line, as defined in, and established in accordance with, the ISO-NE Tariff and determined by ISO-NE for each hour.

"TransÉnergie" has the meaning provided in the recitals to this Agreement.

"TransÉnergie OATT" means the Hydro-Québec Open Access Transmission Tariff, as amended or accepted by the Régie de l'énergie from time to time.

"Transfer" has the meaning provided in Section 23.1(a).

"Transmission Operating Agreement" means an agreement entered into by and between Owner and ISO-NE for transmission operating services over the Northern Pass Transmission Line under which operating control (as defined in such agreement) of the Northern Pass Transmission Line is transferred from Owner to ISO-NE.

"Transmission Operator" means ISO-NE acting in its capacity pursuant to the Transmission Operating Agreement.

"Transmission Service Payment" has the meaning provided in Section 8.1.2(b).

"Unfavorable FERC Decision" has the meaning provided in Section 2.2(a)(ii).

"United States" or "U.S." means the United States of America.

"U.S. Border" means the location on or near the international border between the State of New Hampshire and the Province of Québec where the HVDC Line and the Québec Line interconnect.

"U.S. Regulatory Event" means a determination by Owner, including a reasonable basis for such determination, that (a) one or more Construction Authorizations (i) is reasonably unlikely to be obtained by the Approval Deadline despite the use of commercially reasonable efforts by Owner and its Affiliates or (ii) contains or is reasonably likely to contain modifications or conditions that are reasonably unacceptable to Owner or one or more of its Affiliates or (b) the continuation by Owner or one or more of its Affiliates of the regulatory or other processes required to obtain one or more Construction Authorizations would be reasonably likely to have a

Section 1.2.8. Time Computation. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to but excluding."

Section 1.2.9. Business Days. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken under this Agreement on or by a day that is not a Business Day, such action may be validly taken on or by the next day that is a Business Day, and in the case of payments (including refunds of payments), no interest shall accrue on the amount due; provided that such payment is made in full on the next day that is a Business Day.

Section 1.2.10. Regulatory Approvals. Any Governmental Approval shall be deemed to be received upon issuance, even if such Governmental Approval is subject to appeal or rehearing.

Section 1.2.11. Currency. All references to prices, values or monetary amounts referred to in this Agreement shall be paid in United States currency, unless expressly provided otherwise.

ARTICLE 2

REGULATORY FILINGS AND REQUIRED APPROVALS

Section 2.1. FERC Filing.

(a) As soon as practicable after the Execution Date, but in no event later than sixty (60) days thereafter, Owner shall file this Agreement with FERC pursuant to Section 205 of the Federal Power Act and 18 C.F.R. Part 35. Such filing shall include waiver requests for the Effective Date to occur sixty-one (61) days after the date of such filing, which Effective Date may be more than one hundred twenty (120) days before the Commercial Operation Date.

(b) Owner shall consult with Purchaser as to the appropriate time of such filing. The Parties shall respond promptly to any requests for additional information made by FERC in connection with such filing.

(c) Upon the filing of this Agreement pursuant to Section 2.1(a), Purchaser shall support the approval or acceptance of this Agreement by FERC without modification or condition.

Section 2.2. Modifications to FERC Order.

(a) In the event (i) FERC issues an order accepting or approving this Agreement for filing (the "FERC Order") and (ii) the FERC Order contains modifications or conditions that are unacceptable to a Party, in its sole discretion (an "Unfavorable FERC Decision"), such Party shall deliver a written notice to the other Party specifying the unacceptable modifications or conditions, which notice shall be delivered within five (5) Business Days following the issuance of the Unfavorable FERC Decision.

commercially reasonable efforts to cause their Affiliates not to undertake, any action before FERC, ISO-NE or any other Governmental Authority that is inconsistent with the terms and conditions of this Agreement, including, for the avoidance of doubt, Section 2.1(c) and Section 7.1.5.

ARTICLE 3

EFFECTIVE DATE; TERM

Section 3.1. Effective Date. This Agreement shall become effective and enforceable to the extent permitted by Applicable Law as of the Execution Date. Notwithstanding the foregoing sentence, this Agreement will become effective as a FERC rate schedule upon the effective date set forth in the FERC Order (the "Effective Date").

Section 3.2. Term. The term of this Agreement shall commence on the Execution Date and shall expire on the fortieth (40th) anniversary of the Commercial Operation Date, unless earlier terminated or extended in accordance with the terms hereof (the "Term").

Section 3.3. Termination Rights. This Agreement may be terminated in accordance with the ensuing provisions in this Article 3, subject to any required regulatory review, approvals or acceptances, as applicable. Neither Party shall oppose any termination of this Agreement made in accordance with this Article 3 before FERC or any other Governmental Authority; provided, however, that the foregoing shall not prohibit either Party from challenging or otherwise Disputing whether or not any termination of this Agreement is permitted by this Agreement.

Section 3.3.1. Mutual Agreement. This Agreement may be terminated at any time upon written agreement of the Parties.

Section 3.3.2. For Convenience During the Development Phase.

(a) Prior to the commencement of the Construction Phase, either Party shall have the right to terminate this Agreement by written notice to the other Party. This right may be exercised by either Party for any reason, including, for the avoidance of doubt, an Unfavorable FERC Decision, Third Party Rehearing Request, Impasse or other Dispute with respect to the Preliminary Budget and Schedule (or any part thereof) or failure by Owner and Affiliates of Purchaser to execute term sheets for a Construction Contract or the Construction Loan Agreement.

(b) Except as otherwise provided in Section 3.6, upon termination of this Agreement pursuant to clause (a) above, neither Party shall have any liability to the other Party under this Agreement; provided, however, that, subject to FERC approval, Purchaser shall reimburse Owner for costs and expenses incurred by Owner to the extent provided in, and in accordance with, the Letter Agreement. The Parties' rights and obligations, following termination of this Agreement pursuant to this Section 3.3.2, with respect to the property rights and interests associated with the Northern Pass Transmission Line and the Decommissioning of the Northern Pass Transmission Line are respectively set forth in Section 3.5(a) and Section 9.3.

(b) From and after the Approval Deadline, at any time prior to the receipt by Purchaser or its Affiliates of all Canadian Approvals, Owner shall have the right to terminate this Agreement upon not less than five (5) days' prior written notice to Purchaser.

(c) Upon termination of this Agreement pursuant to clause (a) or (b) above, Owner shall have the right to recover from Purchaser, and Purchaser shall pay or reimburse to Owner, Owner's Costs Plus EAFUDC; provided, however, that, if (i) this Agreement has been terminated pursuant to clause (a) above and (ii) Owner has failed to comply with the provisions of Section 5.1.2(a)(ii), then, except as otherwise provided in Section 3.6, neither Party shall have any liability to the other Party under this Agreement. The Parties' rights and obligations, following termination of this Agreement pursuant to this Section 3.3.5, with respect to the property rights and interests associated with the Northern Pass Transmission Line and the Decommissioning of the Northern Pass Transmission Line are respectively set forth in Section 3.5(a) and Section 9.3.

Section 3.3.6. Material Cost Escalation.

(a) In the event the aggregate amount budgeted for Project Costs, as set forth in a proposed Construction Budget and Schedule delivered to the Management Committee under Section 5.2.2 or Section 16.3(b)(i), exceeds, by more than fifteen percent (15%), the aggregate amount budgeted for Project Costs in the most recently approved Construction Budget and Schedule, or, for the initial Construction Budget and Schedule delivered to the Management Committee under Section 5.2.2, the aggregate amount budgeted for Project Costs in the Preliminary Budget and Schedule, Purchaser shall have the right to terminate this Agreement by written notice to Owner delivered no later than sixty (60) days after the receipt by Purchaser's Manager of such proposed Construction Budget and Schedule.

(b) In the event the aggregate amount budgeted for Project Costs, as set forth in a proposed Construction Budget and Schedule delivered to the Management Committee under Section 5.2.2 or Section 16.3(b)(i), exceeds, by more than thirty percent (30%), the aggregate amount budgeted for Project Costs in the Preliminary Budget and Schedule, Purchaser shall have the right to terminate this Agreement by written notice to Owner delivered no later than sixty (60) days after the receipt by Purchaser's Manager of such proposed Construction Budget and Schedule.

(c) Purchaser's failure to exercise either of its termination rights pursuant to this Section 3.3.6, (or Purchaser's failure to exercise either of such rights in a timely manner) shall be without prejudice to Purchaser's right to terminate this Agreement (i) pursuant to clause (a) above in the event any proposed Construction Budget and Schedule subsequently delivered to the Management Committee under Section 5.2.2 or Section 16.3(b)(i) exceeds the most recently approved Construction Budget and Schedule by more than fifteen percent (15%) or (ii) pursuant to clause (b) above in the event any proposed Construction Budget and Schedule subsequently delivered to the Management Committee under Section 5.2.2 or Section 16.3(b)(i) exceeds both (A) the Preliminary Budget and Schedule by more than thirty percent (30%) and (B) the most recently approved Construction Budget and Schedule by any amount.

with, the Transmission Operating Agreement and (ii) will assume such operational control as of the Commercial Operation Date;

(f) The Québec Line has been constructed in accordance with, and is capable of operating at, the Design Capability;

(g) Receipt by Purchaser of copies of certificates evidencing all outstanding insurance required or otherwise obtained under Section 5.3(a); and

(h) Receipt by Purchaser of an opinion of legal counsel, reasonably satisfactory to Purchaser, that all Governmental Approvals and Third Party Consents required to own and operate the Northern Pass Transmission Line have been obtained.

Section 4.3. Delay in Commercial Operation.

Section 4.3.1. Owner Delay.

(a) If, as a result of an Owner Default, any conditions set forth in Section 4.2 shall not have been satisfied or duly waived within one hundred eighty (180) days following the later to occur of (i) the Target Date and (ii) the date upon which TransÉnergie has certified to Owner in good faith that the Québec Line is ready for Commissioning (such delay, an "Owner Delay," and such one hundred eightieth (180th) day, "Owner's Initial Deadline"), then, for purposes of cost recovery under Section 8.1.2, AFUDC shall not be accrued on the Construction Costs and Carrying Charges shall not be accrued on the Pre-COD Expenses, in each case, from and after Owner's Initial Deadline.

(b) If an Owner Delay continues beyond the second (2nd) anniversary of Owner's Initial Deadline ("Owner's Final Deadline"), then the following provisions shall also apply:

(i) Purchaser shall have the right to recover from Owner, and Owner shall pay or reimburse to Purchaser, for each month (or part thereof) following Owner's Final Deadline during which the Owner Delay is continuing, an amount equal to all penalties, damages, fees or other charges in respect of the Québec Line that are owed and paid by HQP to TransÉnergie, if any, under the TransÉnergie OATT with respect to such month (or part thereof); provided, however, that Owner's maximum liability to Purchaser under this clause (b)(i) shall not exceed, in the aggregate, an amount equivalent to the sum of the transmission service payments in respect of the Québec Line that would have been owed by HQP to TransÉnergie under the TransÉnergie OATT (the "OATT Payments") (exclusive of any penalties, damages, fees or other charges) if the Québec Line was operating at its full expected capacity following its commercial operation for the period commencing on Owner's Final Deadline and ending six (6) months thereafter or upon the earlier termination of this Agreement pursuant to its terms. Any such penalties, damages, fees or other charges, when taken as a whole, shall not exceed the amounts that would have been owed by a Person other than an Affiliate of TransÉnergie in a comparable arm's-length transaction or arrangement under the TransÉnergie OATT. Purchaser shall use commercially reasonable efforts to cause HQP to mitigate the amount of any such penalties, damages, fees or other charges. At Owner's reasonable request,

this Agreement under Section 3.3.8, and, from and after Purchaser's Deadline, Purchaser shall have the right to terminate this Agreement under Section 3.3.10.

ARTICLE 5

GENERAL RIGHTS AND RESPONSIBILITIES OF THE PARTIES

Section 5.1. Responsibilities of the Parties.

Section 5.1.1. Development Phase. The Parties acknowledge and agree that Owner, either directly or through its Affiliates, has commenced the development of the technical design and scope of the Northern Pass Transmission Line consistent with the scope of activities defined in, and the monthly reports and budgets provided under, the Letter Agreement.

Section 5.1.2. Construction Phase.

(a) During the Construction Phase, Owner shall (i) exercise Good Utility Practice to complete, or cause the completion of, all tasks required to construct the Northern Pass Transmission Line and achieve Commercial Operation by the Target Date, in each case, in accordance with the Design Capability and in a manner consistent with Attachment A, (ii) use commercially reasonable efforts (A) to obtain all of the Construction Authorizations by the Approval Deadline, (B) to obtain, jointly with TransÉnergie, the NPCC Approval by the Approval Deadline, (C) to obtain, in consultation with Purchaser or Purchaser's Affiliates, the ISO-NE Approval by the Approval Deadline and (D) to cause Owner's Affiliates that are AC Upgrade Owners to obtain any AC Upgrade Approvals for which such Affiliates are responsible by the Approval Deadline, and (iii) use commercially reasonable efforts to obtain all Owner Approvals (other than the Construction Authorizations) by the Target Date. Provided that Owner has complied with its obligations under Section 2.1, Section 2.3, Section 5.1.2(a)(ii) and Section 5.1.2(a)(iii), Owner shall not be in breach of, or be liable to Purchaser under, this Agreement, and no Owner Default shall occur, as a consequence of Owner's failure to obtain an Owner Approval or an Operational Approval or any AC Upgrade Owner's failure to obtain an AC Upgrade Approval.

(b) The Parties intend that Owner and Hydro-Québec Contractor will use commercially reasonable efforts to enter into, within a commercially reasonable timeframe, a Construction Contract on terms and conditions that are customary for the engineering, procurement and construction of projects of a similar nature to the Northern Pass Transmission Line, but also giving due consideration to the particular context and structure of the transactions contemplated hereby and thereby. The Parties also intend that Owner and Hydro-Québec Lender will use commercially reasonable efforts to enter into, within a commercially reasonable timeframe, the Construction Loan Agreement on terms and conditions that are customary for fully secured project financings of a similar nature to the Northern Pass Transmission Line, but also giving due consideration to the particular context and structure of the transactions contemplated hereby and thereby.

(c) At Purchaser's reasonable request made in writing, Owner shall, and shall use commercially reasonable efforts to cause its Affiliates to, support and

increase the costs recoverable from Purchaser under this Agreement unless approved by the Management Committee.

(v) Any Impasse under this Section 5.1.2(e) shall be resolved pursuant to the arbitration provisions set forth in Section 18.3, but any such resolution shall be consistent with the terms of this Section 5.1.2(e).

Section 5.2. Budgets and Reports.

Section 5.2.1. Preliminary Budget and Schedule.

(a) Within forty-five (45) days after the Execution Date, Owner shall prepare and submit to the Management Committee for review and approval a Project Budget and Project Schedule (together, as established herein, the "Preliminary Budget and Schedule"), together with a Cost-of-Service Estimate. At the request of Purchaser's Manager, Owner shall provide the Management Committee with copies of the data, invoices, price sheets and other information utilized in the preparation of the proposed Preliminary Budget and Schedule, and shall make the personnel responsible for preparing such Preliminary Budget and Schedule available during normal business hours and upon reasonable advance notice to discuss such Preliminary Budget and Schedule with the Management Committee. At the request of Purchaser's Manager, Owner shall provide the Management Committee with access to, and copies of, all reasonably requested documentation concerning the Cost-of-Service Estimate.

(b) The Management Committee shall promptly review the proposed Preliminary Budget and Schedule, and may approve such Preliminary Budget and Schedule in whole or in part. If an Impasse occurs with respect to the proposed Preliminary Budget and Schedule (or any part thereof), then the Impasse shall not be resolved under the dispute resolution provisions herein, and instead, subject to Purchaser's termination rights under Section 3.3.2, the proposed Preliminary Budget and Schedule, with any changes agreed upon by the Management Committee, shall be deemed to be (i) in effect upon the commencement of the Construction Phase and (ii) approved by the Management Committee as of such date for purposes of Section 8.1.4(c)(i).

Section 5.2.2. Construction Budget and Schedule.

(a) On a quarterly basis beginning in the fourth (4th) full calendar month during the Construction Phase, but no later than the end of the fourth (4th) calendar month after the receipt by Purchaser's Manager of the most recent quarterly Construction Budget and Schedule delivered to the Management Committee under this clause (a), or as required under Section 16.3(b)(i), Owner shall prepare and submit to the Management Committee for review and approval an update of the Preliminary Budget and Schedule (such updated budget and schedule as established herein, the "Construction Budget and Schedule"). At the request of Purchaser's Manager, Owner shall provide the Management Committee with copies of the data, invoices, price sheets and other information utilized in the preparation of the Construction Budget and Schedule, and shall make the personnel responsible for preparing the Construction Budget and Schedule available during normal business hours and upon reasonable

status of the milestones set forth in the Construction Budget and Schedule, including any changes in the expected timelines and the status of all Owner Approvals (collectively, the "Construction Progress Report"). At the request of Purchaser's Manager, Owner shall, or shall cause each Contractor to, provide the Management Committee with access to, and copies of, all reasonably requested documentation concerning such Construction Progress Report.

(c) Owner shall, or shall cause the principal Contractor to, notify the Management Committee promptly, but in no event later than ten (10) days, after Owner, or such Contractor, becomes aware that (i) the Commercial Operation of the Northern Pass Transmission Line is not reasonably likely to occur by the Target Date or (ii) the aggregate costs and expenses required to develop, finance, design, site, construct and Commission the Northern Pass Transmission Line and the AC Upgrades are reasonably likely to exceed either of the minimum thresholds needed for Purchaser to terminate this Agreement under Section 3.3.6.

Section 5.3. Insurance and Events of Loss.

(a) Owner shall obtain and maintain insurance of the type, in such amounts and on such terms as required by the Management Committee from time to time. Owner shall have the right, in its sole discretion, to obtain additional insurance (in amount or type) consistent with Good Utility Practice and shall acquire such insurance as may be required by any Financing Party. All premiums and other costs of property, liability or other insurance obtained by Owner in connection with the Northern Pass Transmission Line, or the ownership, development, engineering, construction or operation thereof, shall be recoverable under the Formula Rate in accordance with Article 8. Owner shall provide Purchaser with copies of certificates of all outstanding insurance obtained hereunder promptly after the receipt thereof by Owner.

(b) The Parties' rights and obligations, following a Loss Occurrence or other loss of, destruction of or damage to, or any condemnation of, the Northern Pass Transmission Line due to an event of Force Majeure, are set forth in Article 16.

Section 5.4. Compliance with Laws. At all times during the Term, the Parties shall comply with all Applicable Laws (including ISO-NE Rules to the extent applicable) and relevant Governmental Approvals and Third Party Consents.

Section 5.5. Third Party Contracts. At all times during the Term, Owner shall (a) discharge its obligations under and (b) administer all third-party contracts entered into in connection with the Northern Pass Transmission Line or the AC Upgrades, in each case, in a commercially reasonable manner; provided, however, that Owner shall not be in breach of its obligations under the foregoing clause (a) if, due to a breach by Hydro-Québec Lender of its funding obligation under the Construction Loan Agreement, Owner fails to discharge any payment obligation under any such third-party contract. Provided that Owner has complied with its obligations under the foregoing sentence, Owner shall not be in breach of, or be liable to Purchaser under, this Agreement, and no Owner Default shall occur, as a consequence of any act or omission by any Contractor or AC Upgrade Owner, and all increased costs, expenses, fines

terms and conditions thereof. The Management Committee shall promptly provide comments, if any, to Owner on such terms and conditions. Owner shall make a good faith effort to take into account any comments made by the Management Committee that are consistent with FERC rules and policies.

(b) As of the Commercial Operation Date, Owner shall transfer operational control over the Northern Pass Transmission Line, as defined in the Transmission Operating Agreement, to Transmission Operator in accordance with the Transmission Operating Agreement. Owner shall provide, and shall direct its Affiliates to provide, such information as Transmission Operator may require to discharge its obligations under the Transmission Operating Agreement, and Owner shall comply with the instructions of Transmission Operator to the extent provided in the Transmission Operating Agreement and the ISO-NE Tariff. The Parties acknowledge and agree that Owner shall not be in breach of, or be liable to Purchaser under, this Agreement, and no Owner Default shall occur, as a consequence of Owner's compliance with such instructions of Transmission Operator; provided that Owner did not initiate or support instructions that would otherwise breach Owner's obligations under this Agreement.

Section 6.2. Good Utility Practice; Regulatory and Reliability Requirements. From and after the Commercial Operation Date, Owner shall (a) provide Firm Transmission Service and Additional Transmission Service, (b) operate and maintain the Northern Pass Transmission Line in accordance with Good Utility Practice and in compliance with all applicable regulatory requirements, including applicable NERC and NPCC reliability standards, and (c) comply with all applicable operating instructions and manufacturers' warranties. The costs associated with the discharge by Owner of its obligations under the foregoing clauses (a), (b) and (c) shall be recoverable under the Formula Rate in accordance with Article 8.

Section 6.3. Annual Plan and Operating Budget and Multiyear Outlook.

(a) No later than one hundred twenty (120) days before the start of each Contract Year or, in the case of the first Contract Year during which Owner is obligated to provide Firm Transmission Service hereunder, no later than one hundred twenty (120) days before the date Owner reasonably expects the Commercial Operation Date to occur, Owner shall deliver to the Management Committee the Annual Plan and Operating Budget for the following Contract Year, along with a non-binding Capital Plan for the following five (5) Contract Years (a "Multiyear Outlook"). Upon request by the Management Committee, Owner shall provide the Management Committee with copies of the data, invoices, price sheets and other information utilized in the preparation of any Annual Plan and Operating Budget and shall make the personnel responsible for its preparation available during normal business hours and upon reasonable advance notice to discuss the proposed Annual Plan and Operating Budget with the Management Committee. Owner shall also provide the Management Committee with access to, and copies of, all reasonably requested documentation concerning the Multiyear Outlook.

(b) The Management Committee shall attempt to agree upon the Annual Plan and Operating Budget within sixty (60) days following its receipt thereof, and

purpose of redetermining the Determined Cap during the Operation Phase, as contemplated by Section 17.1.1(d), and the Management Committee may approve the proposed Multiyear Outlook in whole or in part. If an Impasse occurs with respect to the proposed Multiyear Outlook, then the Impasse shall be resolved in accordance with Section 18.1(b) solely for the purpose of redetermining the Determined Cap during the Operation Phase, as contemplated by Section 17.1.1(d). The Capital Plan for any Contract Year shall not be deemed to be imprudent solely on the basis that such Capital Plan varied from any Multiyear Outlook that included such Contract Year. Purchaser shall not waive any right to challenge the prudence of any Capital Plan for any Contract Year solely on the basis that the Management Committee approved any Multiyear Outlook that included such Contract Year.

Section 6.4. Estimated Wind-Down Costs.

(a) Beginning on the date on which the first Annual Plan and Operating Budget is delivered to the Management Committee under Section 6.3 and thereafter concurrently with the delivery of every third (3rd) Annual Plan and Operating Budget subsequently delivered to the Management Committee under Section 6.3, Owner shall prepare and submit to Purchaser an estimate of the Estimated Wind-Down Costs as of the upcoming Redetermination Date. Owner shall provide Purchaser with access to, and copies of, all reasonably requested documentation concerning the Estimated Wind-Down Costs.

(b) If Purchaser believes that the Estimated Wind-Down Costs are incorrect or inconsistent with the standard set forth in the definition thereof, then Purchaser shall have the right to submit the matter to the Management Committee for resolution solely for the purpose of redetermining the Determined Cap during the Operation Phase, as contemplated by Section 17.1.1(d). If an Impasse occurs with respect to such matter, then the matter shall be resolved in accordance with Section 18.1(b) solely for the purpose of redetermining the Determined Cap during the Operation Phase, as contemplated by Section 17.1.1(d).

Section 6.5. Scheduled Maintenance. Unless approved by the Management Committee, or unless the Transmission Operator or TransÉnergie requires otherwise, Owner shall not perform or otherwise undertake, and shall cause third parties not to perform or otherwise undertake, any scheduled maintenance or capital project with respect to the Northern Pass Transmission Line that requires any interruption or reduction of scheduling rights over the Northern Pass Transmission Line during the months of January, February, March, June, July, August, September and December.

Section 6.6. Extraordinary Capital Expenditures.

(a) In the event Owner determines that any Extraordinary CapEx is required, Owner shall promptly notify the Management Committee and deliver to it information relating to the cost and expected scope and nature of the Extraordinary CapEx, including any expected outages and overhauls of the Northern Pass Transmission Line associated therewith (the "Extraordinary CapEx Plan"). At the request of Purchaser's Manager, Owner shall provide the Management Committee with access to, and copies of, all reasonably requested documentation concerning such Extraordinary CapEx Plan.

Northern Pass Transmission Line, as described in this Agreement, and (b) ISO-NE permits the scheduling of transmission service using such incidental transmission capacity during any hour (or such other permissible scheduling period adopted by ISO-NE), then Owner shall make available to Purchaser, from and after the Commercial Operation Date, non-firm transmission service in an amount equal to such incidental transmission capacity ("Additional Transmission Service"). Additional Transmission Service shall be subject to curtailment or interruption by ISO-NE in accordance with the ISO-NE Tariff or upon determination by the Management Committee that the provision of the Additional Transmission Service would degrade the provision of Firm Transmission Service. For the avoidance of doubt, the unavailability of, or any curtailment or interruption in, all or any portion of Additional Transmission Service shall not constitute an Excused Outage under Section 7.3 or Non-Excused Outage under Section 7.4, and any such unavailability, curtailment or interruption shall not affect the calculation of the size of any Excused Outage under Section 7.3 or Non-Excused Outage under Section 7.4.

Section 7.1.3. Limitation on Transmission Service. Owner shall have no obligation to provide transmission service under this Agreement other than Firm Transmission Service and Additional Transmission Service. Purchaser shall have no right to redirect service to alternate points of delivery or receipt on any portion of the transmission system operated by ISO-NE other than the Northern Pass Transmission Line.

Section 7.1.4. Scheduling. All Firm Transmission Service and Additional Transmission Service shall be scheduled in accordance with the rules relating to the scheduling of electrical energy or capacity transactions over the Northern Pass Transmission Line, as established under the Transmission Operating Agreement (the "Scheduling Rules").

Section 7.1.5. Owner's Cooperation.

(a) Without limiting the generality of Owner's express obligations under Section 7.1.1 and Section 7.1.2, but subject to the limitations provided in Section 11.2(c), to the extent permitted by the FERC Authorization and ISO-NE Rules and consistent with Good Utility Practice, at Purchaser's reasonable request, Owner shall cooperate with Purchaser and ISO-NE in order to permit Purchaser to realize the full reliability and economic benefits intended under this Agreement.

(b) Owner shall provide Purchaser with notice of any FERC regulatory proceedings to which Owner is a party promptly after Owner becomes aware of any such proceeding. Owner shall not take any position in such proceeding that is inconsistent with its obligations under this Agreement.

Section 7.2. Damages Under Third Party Contracts.

(a) Subject to the rights of any Financing Party, if and to the extent Owner receives or is entitled to receive damages, whether liquidated or otherwise, or other amounts payable in connection with a third party's breach of its obligations under, or termination (for whatever reason) of, any Construction Contract (including any Construction Contract with Hydro-Québec Contractor) or other contract (including any contract with the OASIS Administrator) entered into in connection with the Northern Pass Transmission Line or

(ii) mitigate or remedy any Excused Outage in a commercially reasonable timeframe consistent with Good Utility Practice.

Section 7.4. Non-Excused Outages or Reductions.

Section 7.4.1. Reduction in Transmission Service Payments. Unless otherwise excused under Section 7.3 or Article 16, if and to the extent an outage of the Northern Pass Transmission Line or reduction in the Total Transfer Capability below the Contract Capacity (whether as a result of a physical condition, legal impediment or otherwise) is due to Owner's failure to (a) exercise Good Utility Practice or (b) otherwise discharge its obligations hereunder (a "Non-Excused Outage"), the Transmission Service Payment for such period shall be reduced by an amount that bears the same ratio to the Transmission Service Payment as the amount of unavailable transmission capacity resulting from such Non-Excused Outage bears to the Contract Capacity and Owner shall have no right to recover such amounts. Any Dispute over whether or not or to what extent a Non-Excused Outage has occurred shall be resolved in accordance with Article 18. For the avoidance of doubt, pending resolution of any such Dispute, Purchaser's right, pursuant to this Section 7.4.1, to any reduction in the Transmission Service Payments shall be suspended.

Section 7.4.2. Québec Damages. In addition to the reduction in Transmission Service Payments contemplated by Section 7.4.1, Purchaser shall have the right to recover from Owner, and Owner shall pay or reimburse to Purchaser, for each month (or part thereof) of any Non-Excused Outage, an amount equal to the OATT Payment with respect to such month (or part thereof) or, to the extent Purchaser acquires replacement transmission service during such month (or part thereof), the Replacement Transmission Cost for the replaced transmission capacity, if less expensive than such OATT Payment (the "Québec Damages"); provided, however, that Owner's liability to Purchaser for any Québec Damages shall not commence unless and until such time as the aggregate amount of unavailable transmission capacity resulting from Non-Excused Outages (which amount shall be converted to, and expressed in, megawatt-hours) exceeds the Initial Allowance in any Contract Year; provided, further, however, that, with respect to any Non-Excused Outage, Owner's maximum liability to Purchaser for any Québec Damages that are related to such Non-Excused Outage (regardless of the duration of such Non-Excused Outage) shall not exceed, in the aggregate, an amount equivalent to the sum of the OATT Payments for the period commencing on the later to occur of (i) the first date of such Non-Excused Outage and (ii) the date on which the aggregate amount of unavailable transmission capacity that is attributable to Non-Excused Outages (expressed in megawatt-hours) exceeds the Initial Allowance in any Contract Year and ending six (6) months thereafter or upon the earlier termination of this Agreement pursuant to its terms. Any such Québec Damages, when taken as a whole, shall not exceed the amounts that would have been owed by a Person other than an Affiliate of TransÉnergie in a comparable arm's-length transaction or arrangement under the TransÉnergie OATT. Purchaser shall use commercially reasonable efforts to cause HQP to mitigate the amount of any Québec Damages. At Owner's reasonable request, Purchaser shall make available to Owner any information reasonably necessary to support the amounts owed to Purchaser by Owner pursuant to this Section 7.4.2.

Section 7.4.3. Liquidated Damages. The Parties acknowledge and agree that the modification of Purchaser's payment obligations pursuant to Section 7.4.1 and the

monthly basis in accordance with Article 14 (the "Transmission Service Payment"). Owner shall not invoice Purchaser for, and Purchaser shall have no obligation to pay, any charges that are not recoverable under the Formula Rate, except (i) as contemplated by Section 8.1.1, (ii) for amounts owed to Owner by Purchaser under Section 3.3, Section 3.4, Section 9.3.3(c), Section 9.3.4 or Section 9.3.5(d), (iii) for damages that may be recovered by Owner under this Agreement as a result of a Purchaser Default, (iv) for any costs or expenses (including reasonable attorneys' fees) reasonably incurred by Owner to recover any amounts owed to Owner by Purchaser under this Agreement or to secure the release of Purchaser's Lien and the Purchaser's Security Documents or other security or performance assurance provided by or on behalf of Owner after the later to occur of the end of the Term or the date on which any accrued but unpaid payment obligation of Owner to Purchaser hereunder shall have been fully, finally and indefeasibly satisfied, (v) for fees and expenses reasonably incurred by Owner in enforcing Purchaser's participation obligation pursuant to Section 18.3.5, or (vi) for payment of any indemnification obligations of Purchaser to Owner pursuant to Section 21.1.

(c) Transmission Service Payments calculated under the Formula Rate shall be based upon a projected cost-of-service calculation. The Formula Rate shall be reconciled with actual costs on an annual basis in accordance with Section 14.2.

(d) If and when the Construction Phase occurs, the Letter Agreement shall terminate immediately without further action of the Parties, and commencing on the Commercial Operation Date, (i) all Construction Costs incurred during the Development Phase shall be included in the Formula Rate, together with AFUDC, as accrued thereon in accordance with clause (e)(ii) below, but subject to Section 4.3.1, and (ii) all Pre-COD Expenses shall be included in the Formula Rate, together with Carrying Charges, as accrued thereon in accordance with clause (e)(iii) below, but subject to Section 4.3.1.

(e) For purposes of calculating the Transmission Service Payment under the Formula Rate, (i) depreciation shall not be included before the Commercial Operation Date; (ii) AFUDC shall be accrued on all capital costs that were incurred during the Development Phase and Construction Phase and that are recoverable under the Formula Rate, such that recovery of a return on such capital costs, together with AFUDC accrued thereon, shall commence on the Commercial Operation Date (except as otherwise contemplated in Section 3.3 with respect to the recovery of costs and AFUDC following termination of this Agreement); and (iii) commencing on the date on which the Development Phase begins, Owner shall establish a regulatory asset that will include all Pre-COD Expenses, together with carrying charges on the regulatory asset at Owner's weighted cost of capital (as calculated under the Formula Rate) ("Carrying Charges") from the date on which the regulatory asset is established until the regulatory asset is fully amortized, and shall amortize such regulatory asset over a three (3)-year period commencing on the Commercial Operation Date.

(f) Owner shall seek FERC approval or acceptance to permit Owner to include in the regulatory asset described in clause (e)(iii) above all AC Upgrade Costs associated with the AC Upgrades placed-in-service before the Commercial Operation Date.

Section 6.4, or agreed to in writing by Purchaser or (ii) any cost or expense established pursuant to the arbitration provisions set forth in Section 18.3, other than any cost or expense so established as a result of an Impasse under Section 5.2.3, Section 6.3(c) or Section 6.4. Purchaser further acknowledges and agrees that its right to challenge any costs under this Section 8.1.4 shall be subject to Section 14.3(b).

(d) Subject to Section 5.5 and Section 6.3(b)(iii), in no event shall any (i) penalties assessed by FERC, NERC or any other Governmental Authority for any violation of Applicable Law by Owner, its Affiliates or any of its or their third-party contractors or (ii) payments made to settle allegations of such violations be recoverable under the Formula Rate, unless the Management Committee shall have approved, or Purchaser shall have agreed in writing to reimburse Owner for, such amounts.

(e) This Section 8.1.4 shall not be construed in any way to limit any other rights Purchaser may have to file for relief with FERC pursuant to Section 18.2.

Section 8.1.5. Challenges to Application of Formula Rate. If, as a result of the audit of Owner's application of the Formula Rate or for any other reason, Purchaser believes that Owner has miscalculated or incorrectly included charges under the Formula Rate, Purchaser shall then have the right to submit the matter to the Management Committee for resolution under Section 18.1(a). If an Impasse occurs with respect to such matter, Purchaser shall then have the right to file a complaint with FERC seeking an order requiring Owner to comply with the Formula Rate, as its filed tariff.

Section 8.2. Service Life. For purposes of calculating the Transmission Service Payments under the Formula Rate, (a) the depreciable life of any depreciable asset comprising part of the Northern Pass Transmission Line as of the Commercial Operation Date shall be equal to forty (40) years, and (b) the depreciable life of a capital addition that is placed-in-service after the Commercial Operation Date shall be equal to the lesser of (i) its economic life and (ii) the remaining Term as of the placed-in-service date.

Section 8.3. Capital Structure.

(a) From and after the Development Phase, Owner shall use commercially reasonable efforts to maintain a Capital Structure equal to 50-50.

(b) Notwithstanding clause (a) above, at all times during the Term, the Capital Structure for purposes of calculating Transmission Service Payments under the Formula Rate shall be equal to 50-50.

Section 8.4. Return on Equity.

(a) The return on equity ("ROE") used in the Formula Rate to accrue AFUDC prior to the Commercial Operation Date and to calculate the weighted cost of capital for the Carrying Charges on the regulatory asset established pursuant to Section 8.1.2(e)(iii) shall be twelve and fifty-six one-hundredth percent (12.56%).

which AC Upgrades are incurred by Owner and recovered from Purchaser in accordance with this Agreement.

(e) In the event ISO-NE determines that all or any portion of the AC Upgrade Costs are eligible to be included in Regional Rates, Purchaser shall have the right, exercisable in its sole discretion, to continue to bear responsibility under this Agreement for all or any portion of the AC Upgrade Costs, in which case Purchaser shall continue to be entitled, in accordance with the ISO-NE Tariff, to all or any portion of the Other Transmission Rights that are associated with, or issued in connection with, Purchaser's continued responsibility for such AC Upgrade Costs.

Section 8.6. Transfer and Cost Recovery of AC Line.

(a) The AC Line shall be initially owned by Owner. AFUDC or Carrying Charges, as applicable, shall be accrued on the costs and expenses that are incurred by Owner in connection with the AC Line in accordance with Section 8.1.2(e)(ii) or Section 8.1.2(e)(iii), and, commencing on the Commercial Operation Date, such costs and expenses, together with AFUDC or Carrying Charges, as applicable, accrued thereon, shall be recoverable under the Formula Rate (i) in the same manner as the costs and expenses that are incurred by Owner in connection with the HVDC Line and (ii) otherwise in accordance with Article 8, except, in each case, as otherwise provided in clause (e) below.

(b) In the event all or any portion of the AC Line, for all or any part of the Term, meets the criteria for Pool Transmission Facilities ("PTF") (as those criteria and term are defined in the ISO-NE Tariff), Owner shall have the right, in its sole discretion, to transfer ownership of any such PTF portion of the AC Line to its Affiliate, PSNH, in accordance with this Section 8.6.

(c) In connection with any such transfer of ownership, Owner shall enter into an agreement with PSNH ("AC Line Agreement") pursuant to which Owner shall, subject to clause (e) below, (i) pay all costs and expenses (including unrecovered return on capital investment) that (A) have been or will be incurred in connection with such transferred portion of the AC Line, (B) have not been previously recovered under this Agreement, and (C) are not and will not be included in Regional Rates. To the extent not included in Regional Rates, such costs and expenses shall include those necessary for Purchaser's eligibility, in accordance with the ISO-NE Tariff, for the Other Transmission Rights that are associated with, or issued in connection with, the AC Line. Pursuant to the AC Line Agreement, Owner shall acquire sufficient rights with respect to such PTF portion of the AC Line to permit Owner to discharge its obligations under this clause (c) and Purchaser to exercise its rights under clause (f) below.

(d) Purchaser shall have the right to participate in the negotiation of the AC Line Agreement, and the Parties shall attempt to reach agreement on the rates, terms and conditions thereof, consistent with the parameters set forth in this Section 8.6. In the event the Parties fail to reach agreement with PSNH on the rates, terms and conditions of the AC Line Agreement within sixty (60) days following the commencement of such negotiations, Owner shall unilaterally file the AC Line Agreement with FERC in unexecuted

(g) From and after the transfer to PSNH of those portions of the AC Line designated as PTF by ISO-NE, the following provisions shall apply for all purposes under this Agreement for the remainder of the Term:

(i) If the entirety of the AC Line has been designated PTF and transferred to PSNH, then the Delivery Point shall be the southern terminus of the HVDC Line at the DC/AC converter station located near the Webster substation in the City of Franklin in the State of New Hampshire, and if less than the entirety of the AC Line has been designated as PTF, then the Management Committee shall determine the appropriate Delivery Point;

(ii) References to the Northern Pass Transmission Line shall exclude all portions of the AC Line that have been designated as PTF;

(iii) References to the AC Upgrades, other than references thereto in Section 8.5, shall include the portions of the AC Line that have been designated as PTF;

(iv) Transmission service over the portions of the AC Line designated as PTF shall be provided in accordance with Section II of the ISO-NE Tariff and not pursuant to the terms and conditions of this Agreement; and

(v) Owner shall continue to maintain the Northern Pass Transmission Line to the same standard, in accordance with Section 6.2 and Section 6.3, as existed before the Delivery Point was changed.

ARTICLE 9

RIGHTS UPON EXPIRATION OF TERM

Section 9.1. Rollover Rights.

(a) Unless this Agreement is terminated early under Section 3.3, Section 15.3 or Section 15.4, Purchaser shall have rollover rights at the end of the initial Term in accordance with Order No. 890 *et seq.* and the FERC pro forma open access transmission service tariff, as such rights are defined as of the Effective Date.

(b) If Purchaser chooses to exercise rollover rights in accordance with clause (a) above, Owner shall then prepare and deliver to Purchaser, no later than six months after such exercise, an engineering assessment, which shall include an assessment of (i) the ability of the Northern Pass Transmission Line to operate for the proposed extended Term, (ii) any upgrades or refurbishment required to support the operation of the Northern Pass Transmission Line for the proposed extended Term, and (iii) forecasted capital expenditures over the proposed extended Term. All costs and expenses incurred by Owner in connection with such engineering assessment shall be recoverable under the Formula Rate in accordance with Article 8. If such engineering assessment indicates that the Northern Pass Transmission Line is incapable of providing Firm Transmission Service for the full duration of the extended Term requested by Purchaser or if the costs required to support the operation of

the event of an Impasse with respect thereto), Owner shall calculate the Levelized Monthly Decommissioning Payment. The "Levelized Monthly Decommissioning Payment" shall be equal to (i) the estimated Net Decommissioning Costs, as set forth in such Decommissioning Plan (which estimated Net Decommissioning Costs shall be expressed in dollars for the year(s) during which they are expected to be incurred and then discounted to the present value at the beginning of the first calendar day after the end of the Decommissioning Payment Period (regardless of whether or not such day is a Business Day) using a discount factor equal to the reasonably expected monthly rate of return applied in computing the Levelized Monthly Decommissioning Payment), multiplied by (ii) the Decommissioning Payment Formula. An example of this calculation is set forth in Attachment H. Thereafter, the Levelized Monthly Decommissioning Payment shall not be subject to change (unless such change shall have been agreed by the Parties or approved by the Management Committee).

(c) Owner shall have the right to make a unilateral filing under Section 205 of the Federal Power Act to establish a separate rate for the recovery of Net Decommissioning Costs consistent with this Section 9.3, rather than to recover such Net Decommissioning Costs under the Formula Rate, and Purchaser shall have the right to challenge such filing, unless Purchaser shall have agreed in writing on such filing.

Section 9.3.2. Decommissioning Plan.

(a) No later than six (6) months before the commencement of the Decommissioning Payment Period, or if this Agreement is earlier terminated under Section 3.3 (excluding Section 3.3.7 and Section 3.3.12) or Section 15.3, no later than sixty (60) days after such termination, Owner shall deliver to the Management Committee a statement that sets forth in reasonable detail (i) Owner's estimation of (A) the Decommissioning Costs and Salvage Proceeds and, unless this Agreement is terminated early under Section 3.3 or Section 15.3, the Levelized Monthly Decommissioning Payment derived therefrom, and (B) any activities associated with either thereof and (ii) the scope and frequency of informational progress reports with respect to the Decommissioning of the Northern Pass Transmission Line, including the process for the recovery by Owner of its actual Net Decommissioning Costs following the exhaustion of the Decommissioning Fund prior to the completion of Decommissioning (collectively, the "Decommissioning Plan"). At the request of Purchaser's Manager, Owner shall provide the Management Committee with access to, and copies of, all reasonably requested documentation concerning such Decommissioning Plan.

(b) The Management Committee shall attempt to agree upon the Decommissioning Plan within sixty (60) days following its receipt thereof, and the Management Committee may approve the proposed Decommissioning Plan in whole or in part. If an Impasse occurs with respect to the proposed Decommissioning Plan (or any part thereof), then the matter shall be resolved pursuant to the arbitration provisions set forth in Section 18.3.

(c) Owner shall use commercially reasonable efforts not to exceed the estimated amounts set forth in the Decommissioning Plan approved by the Management Committee (or determined pursuant to the dispute resolution provisions herein in the event of an Impasse with respect thereto); provided, however, that all Net Decommissioning Costs actually incurred by Owner, whether or not set forth in such Decommissioning Plan, shall

after a written demand therefor from Owner, Purchaser shall deposit into the Decommissioning Fund such deficiency in immediately available funds in accordance with the terms and conditions established by the Management Committee, as contemplated by clause (b) below. Notwithstanding anything herein to the contrary, the withdrawal of any overpayment or the deposit of any deficiency, in each case, contemplated by this clause (a)(iii) shall not be subject to the provisions of Section 14.5.

(b) All Levelized Monthly Decommissioning Payments and Preliminary Monthly Decommissioning Payments, as applicable, included in the Formula Rate pursuant to clause (a) above and the Decommissioning Estimate described in clause (c) below, that are, in each case, paid by Purchaser shall be deposited into an external fund created on terms and conditions established by the Management Committee to protect the interests of each Party and to ensure that such fund is used for the purposes contemplated by this Agreement (the "Decommissioning Fund"), until applied to the Net Decommissioning Costs in accordance with Section 9.3.5(c) or refunded to Purchaser under Section 9.3.5(e).

(c) If this Agreement is terminated prior to the expiration of the Term under Section 3.3 (excluding Section 3.3.7 and Section 3.3.12) or Section 15.3, then Purchaser shall deposit into the Decommissioning Fund, an amount equal to (i) the estimated Net Decommissioning Costs, as set forth in the Decommissioning Plan approved by the Management Committee (or determined pursuant to the dispute resolution provisions herein in the event of an Impasse with respect thereto) (which estimated Net Decommissioning Costs, solely for the purpose of calculating the Decommissioning Estimate, shall be expressed in dollars as of the date on which this Agreement is terminated as if the Decommissioning were to commence as of such date), less (ii) the balance, if any, in the Decommissioning Fund as of the date such payment is due (the "Decommissioning Estimate"). Purchaser shall make such payment within thirty (30) days following the later to occur of (A) the receipt by Purchaser of the Decommissioning Plan approved by the Management Committee (or determined pursuant to the dispute resolution provisions herein in the event of an Impasse with respect thereto) and (B) the date on which the estimated Net Decommissioning Costs have been redetermined, as provided in the immediately ensuing sentence (the "Decommissioning Payment Date"). If this Agreement is terminated prior to the expiration of the Term pursuant to Section 3.3 (excluding Section 3.3.7 and Section 3.3.12) or Section 15.3, but after the Decommissioning Plan has been approved by the Management Committee (or determined pursuant to the dispute resolution provisions herein in the event of an Impasse with respect thereto), then the Parties shall agree upon modifications to the estimated Net Decommissioning Costs, as set forth in such Decommissioning Plan, consistent with the first sentence of this clause (c). Any Dispute with respect to such redetermination shall be resolved pursuant to the arbitration provisions set forth in Section 18.3.

(d) If this Agreement is terminated prior to the expiration of the Term pursuant to Section 3.3.7 or Section 15.4, then Purchaser shall have no liability for any Decommissioning Costs, and Owner shall refund to Purchaser all amounts remaining in the Decommissioning Fund no later than sixty (60) days after such termination.

(e) If Hydro-Québec pays to Owner the Decommissioning Liquidated Damages, as provided in the Purchaser Guaranty, then such payment shall satisfy, in full, the obligations of Purchaser to pay Decommissioning Costs and Purchaser shall cease to

Purchaser's Decommissioning Balance against any accrued but unpaid payment obligation of the other Party to such Party hereunder.

Section 9.3.5. Decommissioning Process. The following provisions shall apply to the Decommissioning of the Northern Pass Transmission Line unless a Subsequent Use has occurred:

(a) Owner shall complete the Decommissioning of the Northern Pass Transmission Line in accordance with the Decommissioning Plan, unless otherwise required by Applicable Law.

(b) In connection with the Decommissioning of the Northern Pass Transmission Line, Owner shall (i) use commercially reasonable efforts to sell the Project Assets (other than the Project Assets acquired by Purchaser pursuant to Section 3.5(a)(iii)) at their fair market value to one or more third parties (which may include Affiliates of Owner) and (ii) credit the proceeds of such sale, net of reasonable fees (including attorneys' fees) and other expenses (including storage costs) incurred by Owner in connection with such sale (the "Salvage Proceeds") against the Decommissioning Costs, and to the extent the Salvage Proceeds exceed the Decommissioning Costs, against other amounts owed to Owner by Purchaser under this Agreement. For the avoidance of doubt, no Project Asset acquired by Purchaser pursuant to Section 3.5(a)(iii) shall generate any Salvage Proceeds.

(c) Owner shall draw upon the Decommissioning Fund on a monthly basis for its actual Net Decommissioning Costs. The Decommissioning Fund shall be administered in all other respects consistent with the terms and conditions established by the Management Committee for the Decommissioning Fund.

(d) In the event Owner's draws upon the Decommissioning Fund for its actual Net Decommissioning Costs shall have exhausted the Decommissioning Fund prior to the completion of Decommissioning, Owner shall thereafter invoice Purchaser on a monthly basis (unless another interval shall have been agreed by the Parties or approved by the Management Committee) for Owner's actual Net Decommissioning Costs thereafter incurred until the Decommissioning has been completed. Owner shall submit such invoices to Purchaser (in reasonable detail to evidence the basis for individual billings and charges), and Purchaser shall pay the amounts set forth in such invoices, in each case, in a manner consistent with Section 14.1 (unless another manner shall have been agreed by the Parties or approved by the Management Committee). Purchaser's payment of any amounts set forth in such invoices (i) shall not be deemed to be an acceptance or approval by Purchaser of the correctness or prudence of the costs reflected therein (provided that nothing herein shall alter the otherwise applicable burden of proof set forth in Section 8.1.4 for prudence challenges or time limit set forth in Section 14.3(b), as modified by Section 9.3.6, within which Purchaser has the right to challenge an invoice) and (ii) shall be without prejudice to any right or remedy that Purchaser may have under this Agreement, including under Section 9.3.6, to contest any such amount. Purchaser may deduct and setoff payment of such amounts against any accrued but unpaid payment obligations of Owner to Purchaser hereunder.

ARTICLE 10

RESALE OF TRANSMISSION SERVICE

Section 10.1. Resale Rights of Purchaser. If and to the extent Purchaser determines from time to time, and in its sole discretion, that the transmission capacity available over the Northern Pass Transmission Line exceeds Purchaser's needs, Purchaser shall then offer to resell such unused capacity to third parties in accordance with Applicable Law as may then be in effect (including the terms and conditions of FERC Order No. 890 *et seq.*, if applicable).

Section 10.2. Capacity Releases for Daily and Hourly Use. From and after the Commercial Operation Date, if and to the extent the Total Transfer Capability of the Northern Pass Transmission Line exceeds the amount of electrical energy that Purchaser has scheduled for delivery over the Northern Pass Transmission Line by the applicable scheduling deadline (as in effect at such time) established pursuant to the Scheduling Rules, then the transmission capacity that is available for resale to third parties for the following day, and the price at which any such resales are offered, shall be posted on the OASIS site established pursuant to Section 10.3.

Section 10.3. OASIS.

(a) The Parties shall jointly contract with an independent, non-affiliated third party (the "OASIS Provider") for use of an OASIS site. The OASIS Provider shall post the transmission capacity available for resale over the Northern Pass Transmission Line and schedule related transmission service over the Northern Pass Transmission Line on such OASIS site in accordance with written instructions that Purchaser or the OASIS Administrator, as applicable, may provide to the OASIS Provider from time to time. In connection with any such posting, the Parties shall comply with FERC Order No. 890 *et seq.* at all times and shall direct the OASIS Provider to comply with same.

(b) To the extent resales are made available by Purchaser pursuant to Section 10.1, the OASIS Provider shall post on the OASIS site information regarding such resales, (i) in accordance with written instructions provided by Purchaser from time to time and (ii) at a price established by Purchaser from time to time, and in its sole discretion, as permitted under Applicable Law.

(c) The Parties shall jointly contract with an independent, non-affiliated third party (the "OASIS Administrator"), which entity may be the same as or different from the OASIS Provider, to carry out the capacity release functions for daily and hourly resales set forth in Section 10.2 in a commercially reasonable manner and in compliance with applicable FERC rules and regulations.

(i) In addition to assigning the responsibility for such capacity release functions, such contract shall also contain the following provisions, at a minimum, unless waived by the Management Committee, (A) to the extent neither Party voluntarily assumes the responsibility to perform Necessary Administrative Functions, the OASIS Administrator shall be required to perform such functions, (B) the OASIS Administrator shall be required to use commercially reasonable efforts to collect amounts due but not paid by

costs paid or payable by Purchaser under the Formula Rate or revenue credits for the services of the OASIS Administrator.

Section 10.4. Proceeds from Capacity Releases and Transmission Resales. Except as otherwise provided in Section 15.3(b), the proceeds received by Owner of any capacity releases and transmission resales made pursuant to this Article 10 shall be credited, net of reasonable fees (including attorneys' fees) and other expenses incurred in connection with performance of the functions described in Section 10.2 and Section 10.3, against any Transmission Service Payment or other amounts owed to Owner by Purchaser for the calendar month subsequent to the calendar month in which such proceeds were received. Owner shall have no liability for, or obligation to credit to Purchaser under the Formula Rate, amounts due but not paid by any third party in connection with any capacity releases and transmission resales made pursuant to this Article 10.

Section 10.5. Owner's Rights and Obligations. Except as expressly provided in this Agreement, Owner shall have no right or obligation to offer any transmission service over the Northern Pass Transmission Line for sale or resale to any Person other than Purchaser.

ARTICLE 11

REAL POWER LOSSES, CONGESTION AND CAPACITY RIGHTS

Section 11.1. Real Power Losses. Purchaser shall be responsible for all Real Power Losses associated with Firm Transmission Service and Additional Transmission Service between the U.S. Border and the Delivery Point; provided, however, that, if and to the extent any Real Power Losses associated with Firm Transmission Service and Additional Transmission Service between the U.S. Border and the Delivery Point are due to Owner's failure to exercise Good Utility Practice or otherwise discharge its obligations under this Agreement, such incremental Real Power Losses shall be treated as Non-Excused Outages for which Owner shall be liable in accordance with Section 7.4, and the rights and remedies contemplated by Section 7.4, including the rights provided in Section 3.3.12, shall collectively be the sole and exclusive remedy of Purchaser with respect to any such incremental Real Power Losses as provided in Section 7.4.4. The assignment of losses associated with the transmission of electric power over the AC Upgrades shall be determined in accordance with the ISO-NE Rules.

Section 11.2. Other Rights.

(a) Purchaser shall be entitled to the following, without duplication and without additional cost to Purchaser or compensation to Owner, (i) all Other Transmission Rights associated with the Northern Pass Transmission Line or, to the extent the costs of which are incurred by Owner and recovered from Purchaser under this Agreement, the AC Upgrades, in each case, that are issued in accordance with the ISO-NE Tariff or otherwise granted under the ISO-NE Rules, or otherwise created or awarded by ISO-NE, and (ii) all other Market Products that are issued in accordance with the ISO-NE Tariff or granted under the ISO-NE Rules, or otherwise created or awarded by ISO-NE, that derive from the acquisition of transmission service over the Northern Pass Transmission Line. As Owner's sole obligation

pursuant to the terms and conditions of this Agreement, and (c) handle any other matters delegated to the Management Committee by the express written agreement of the Parties. The ensuing provisions of this Article 13 shall apply to the Management Committee.

Section 13.2. Appointment and Authority of Managers.

(a) Owner and Purchaser shall each be entitled to appoint one member to serve on the Management Committee as a voting member (each a "Manager"). In addition, Owner and Purchaser shall each designate, within ten (10) days after the Execution Date, an alternate to its Manager (each, an "Alternate Manager") with the authority to serve in place of, and with the authority of, such Manager solely if such Manager is absent from, or unavailable to attend, a Management Committee meeting. Owner and Purchaser may also each appoint such other non-voting members of the Management Committee as such Party deems advisable to perform the tasks assigned to the Management Committee, and may remove or replace such non-voting members, in each case, in its sole discretion. Each Party shall promptly give written notice to the other Party of any change in the business address or business telephone of its Manager or Alternate Manager (collectively, its "Authorized Representatives").

(b) Each Authorized Representative shall be an agent of the Party that designated such Authorized Representative, and subject to Section 13.1 and the next two sentences, each Authorized Representative shall have the right and authority to bind the Party such Authorized Representative represents. In respect of the Authorized Representatives, (i) each Authorized Representative shall have power to act (or refrain from acting) solely in accordance with the wishes of the Party that designated such Authorized Representative, (ii) the acts of an Authorized Representative with respect to any matter shall be deemed to be the acts of the Party that designated such Authorized Representative, and (iii) no Authorized Representative shall owe (or be deemed to owe) any duty (fiduciary or otherwise) to any Party other than the Party that designated such Authorized Representative. Notwithstanding the foregoing, no Authorized Representative, in such capacity, shall have the authority to (A) amend, waive, revise, modify or terminate this Agreement or any portion thereof, (B) serve any notice alleging breach of this Agreement, or (C) enter into, settle or otherwise dismiss any FERC or arbitration proceeding under Section 18.2 or Section 18.3.

(c) The compensation and expenses of Owner's Authorized Representatives, including an allocated share of overhead, shall be recoverable under the Formula Rate in accordance with Article 8.

Section 13.3. Term of Managers; Resignation, Removal and Vacancies: Each Authorized Representative shall serve until the earlier to occur of such Authorized Representative's resignation or removal. An Authorized Representative may resign as such at any time by delivering written notice to that effect to Owner and Purchaser, and the effective date of such resignation shall be the date upon which such notice is delivered, unless another date therefor is specified therein. An Authorized Representative may be removed or replaced at any time and for any reason and without the approval of the other Party by the Party that appointed such Authorized Representative. In the event a vacancy on the Management Committee occurs as a result of the death, disability, resignation, removal or otherwise of a

Representative of Owner and an Authorized Representative of Purchaser or with the electronic approval of an Authorized Representative of Owner and an Authorized Representative of Purchaser. Any action taken by the written consent shall have the same force and effect as if taken at a meeting. If applicable, such written consent shall be in such detail as required for purposes of Section 6.7.

Section 13.8. Telephonic Meetings. Managers may participate in any meeting of the Management Committee by means of conference telephone or similar communication equipment by which both Managers participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 13.9. Impasse between the Managers. Except in the case of any Annual Plan and Operating Budget, an "Impasse" shall be deemed to have occurred if, for any reason, the Authorized Representatives are unable to reach agreement on a matter submitted to the Management Committee for approval or any Dispute referred to the Management Committee for resolution within thirty (30) days after such submission or referral, or such earlier or longer period as the Management Committee may establish. In the case of any Annual Plan and Operating Budget, an "Impasse" shall be deemed to have occurred if, for any reason, the Authorized Representatives are unable to reach agreement on an Annual Plan and Operating Budget submitted to the Management Committee within sixty (60) days after such submission, or such earlier or longer period as the Management Committee may establish.

ARTICLE 14

BILLING AND PAYMENTS

Section 14.1. Invoices.

(a) No later than sixty (60) days before the date Owner reasonably expects the Commercial Operation Date to occur, Owner shall deliver to Purchaser an estimated Revenue Requirement for the first Contract Year, pursuant to which the Transmission Service Payments shall be calculated under the Formula Rate, such estimated Revenue Requirement to be effective as of the Commercial Operation Date.

(b) The monthly Transmission Service Payments shall be calculated as follows:

(i) The monthly Transmission Service Payments for the first Contract Year shall be calculated by dividing (A) the estimated Revenue Requirement described in clause (a) above, by (B) the number of calendar months in such Contract Year.

(ii) The monthly Transmission Service Payments for any Contract Year thereafter, other than the final Contract Year, shall be calculated by dividing (A) the estimated Revenue Requirement for such Contract Year by (B) twelve (12).

(iii) The monthly Transmission Service Payments for the final Contract Year shall be calculated by dividing (A) the estimated Revenue Requirement for such final Contract Year by (B) number of calendar months in such Contract Year.

required to submit the first Invoice to be delivered after the receipt by Purchaser of the statement described in clause (a) above. If and to the extent the total amount of the estimated Transmission Service Payments initially paid by Purchaser for any calendar year is less than the costs actually incurred during such calendar year under the Formula Rate, then Purchaser shall pay a surcharge to Owner in the amount of such deficiency, together with interest thereon calculated pursuant to Section 14.5(b), which surcharge shall be payable in a single lump sum due on the same date on which Purchaser is required to pay the amounts set forth in the first Invoice to be delivered after the receipt by Purchaser of the statement described in clause (a) above. Solely for purposes of performing the calculations set forth in this clause (c), for any calendar year, the actual amounts associated with the Levelized Monthly Decommissioning Payments or Preliminary Monthly Decommissioning Payments, as applicable, during such calendar year shall be deemed to be equal to the estimated amounts associated with the Levelized Monthly Decommissioning Payments or Preliminary Monthly Decommissioning Payments, as applicable, that are included in the estimated Transmission Service Payments for such calendar year.

Section 14.3. Procedures for Billing Disputes.

(a) In the event of any Impasse or other Dispute with respect to the amount owed to Owner by Purchaser under this Agreement, Purchaser shall have no right to withhold payment of the Disputed amount pending resolution of the Dispute; provided, however, that, in the event such Dispute is resolved in favor of Purchaser, Owner shall complete the following tasks consistent with the resolution of such Dispute: (i) retroactively adjust all payments previously made by Purchaser; (ii) promptly refund all overpayments previously made by Purchaser, together with interest thereon in accordance with Section 14.2(c), in immediately available funds or by wire transfer, in each case, in accordance with wiring instructions provided to Owner by Purchaser in writing; and (iii) thereafter conform all future Invoices to reflect the resolution of such Dispute. Purchaser's payment of any Disputed amounts (A) shall not be deemed to be an acceptance or approval by Purchaser of the correctness or prudence of the costs reflected therein (provided that nothing herein shall alter the otherwise applicable burden of proof set forth in Section 8.1.4 for prudence challenges or time limit set forth in clause (b) below within which Purchaser has the right to challenge an Invoice) and (B) shall be without prejudice to any right or remedy that Purchaser may have under this Agreement, including under Section 8.1.4, to contest any such amount.

(b) Purchaser shall not have the right to challenge any Invoice or to bring any action of any kind challenging the propriety of any Invoice after the second (2nd) anniversary of the date payment of the Invoice was due; provided, however, that, in the case of an Invoice based upon cost estimates, such two (2)-year period shall be based upon the date such Invoice is reconciled to actual costs in a statement provided to Purchaser unless the challenge equally applied to such cost estimates, in which case such two (2)-year period shall be based upon the date on which such cost estimates was provided to Purchaser. If an Invoice is not rendered within two (2) years after the end of the calendar month during which such Invoice should have been rendered hereunder, then the right to payment of such Invoice is waived.

ARTICLE 15

EVENTS OF DEFAULT AND REMEDIES

Section 15.1. Purchaser Defaults. Except to the extent excused as a result of an event of Force Majeure in accordance with Article 16, the occurrence of one or more of the following events shall constitute a default by Purchaser under this Agreement (a "Purchaser Default"):

(a) Purchaser's failure to pay any amount due to Owner under this Agreement by the due date, which failure is not cured within thirty (30) days after the receipt by Purchaser of a demand from Owner that such amount is due and owing and has not been timely paid.

(b) Purchaser's failure to comply in any material respect with the provisions of Article 17.

(c) Purchaser's failure to perform or comply with any of its obligations under this Agreement, other than those described in clauses (a) and (b) above, or under the Letter Agreement, in each case, in any material respect, and, if such failure is susceptible to cure, such failure continues for thirty (30) days after the receipt by Purchaser of written notice thereof from Owner, unless such cure shall reasonably require a longer period, in which case Purchaser shall be provided such additional period as necessary to complete such cure so long as Purchaser has promptly commenced such cure and thereafter diligently pursues and completes such cure.

(d) Any representation or warranty made by Purchaser in this Agreement is false or misleading at the time made and such inaccuracy has a material adverse effect on the ability of Owner to perform its obligations under this Agreement, individually or in the aggregate, or on the business, operations or financial condition of Owner.

(e) Any Insolvency Event occurs with respect to Purchaser.

Section 15.2. Owner Defaults. Except to the extent excused as a result of an event of Force Majeure in accordance with Article 16, the occurrence of one or more of the following events shall constitute a default by Owner under this Agreement (an "Owner Default"):

(a) Owner's failure to pay any amount due to Purchaser under this Agreement by the due date, which failure is not cured within thirty (30) days after the receipt by Owner of a demand from Purchaser that such amount is due and owing and has not been timely paid.

(b) An Owner Delay occurs and the Operation Phase has not commenced by the fifth (5th) anniversary of Owner's Initial Deadline (which fifth (5th) anniversary shall not be subject to extension for any event of Force Majeure).

(c) Owner's failure to comply with the provisions of Section 5.1.2(a)(ii).

Expert Arbitrator is no longer available to serve on the Panel or ceases to satisfy the criteria for an Expert Arbitrator, then the Parties shall promptly agree upon a suitable replacement.

(b) Once the period for resolution of a Dispute submitted to the Management Committee, as set forth in Section 18.1, has terminated without a resolution of such Dispute, or earlier if both Parties agree, and in the event the Dispute is technical in nature (a "Technical Dispute"), the Technical Dispute may be submitted by either Party (with concurrent notice of such submission to the other Party (a "Technical Dispute Notice")) for arbitration by an Expert Arbitrator (an "Expert Arbitration"). Any Party involved in the Technical Dispute may object to reference of the Technical Dispute to an Expert Arbitrator on the grounds that such Technical Dispute is not appropriate for resolution by Expert Arbitration by giving notice of such objection to the other Party within ten (10) Business Days after the receipt by such Party of the Technical Dispute Notice, whereupon an Expert Arbitrator selected in accordance with clause (c) below shall determine whether or not such Dispute is a Technical Dispute appropriate for resolution by Expert Arbitration. In the event the Expert Arbitration determines that the Dispute is a Technical Dispute appropriate for resolution by Expert Arbitration, such Dispute shall be resolved in accordance with this Section 18.3.1. Absent such determination, the Technical Dispute shall be finally resolved in accordance with Section 18.3.2.

(c) The Parties shall promptly confer as to which of the Expert Arbitrators on the Panel have the appropriate expertise to hear the Technical Dispute. Promptly thereafter, the Party referring the Technical Dispute to Expert Arbitration shall contact the first Expert Arbitrator on the Panel who the Parties mutually agree has such expertise. If such Expert Arbitrator has any financial interest in the outcome of any Dispute or is unavailable to serve in a timely fashion, then the other Expert Arbitrators on the Panel who the Parties mutually agree have such expertise shall be contacted in order until an Expert Arbitrator without any financial interest in the outcome of the Technical Dispute is available to hear the Technical Dispute in a timely fashion. If, for any reason, all of the Expert Arbitrators on the Panel without any financial interest in the outcome of any Dispute are unavailable to hear the Technical Dispute, or the Parties fail to agree that any of the available Expert Arbitrators on the Panel have the appropriate expertise to hear the Technical Dispute, then Parties shall have ten (10) days to agree upon a suitable Expert Arbitrator. If the Parties fail to agree, within such ten (10)-day period, upon an Expert Arbitrator to hear the Technical Dispute, then, on the request of either Party, the International Chamber of Commerce ("ICC") Center for Expertise shall appoint an Expert Arbitrator to hear the Technical Dispute.

(d) The arbitration of the Technical Dispute shall be conducted in New York, New York (or such other place to which the Parties mutually agree in writing), in accordance with ICC Rules for Expertise. The language of the arbitration of the Technical Dispute and of all documentation in the arbitration shall be English. The Expert Arbitrator may request information and documents from the Parties that he or she determines to be reasonably necessary to resolve the Technical Dispute. The Expert Arbitrator shall review evidence and other submissions by the Parties and, unless the Parties mutually agree otherwise, shall hold a one (1)-day hearing. The Parties and the Expert Arbitrator shall use commercially reasonable efforts to have the Expert Arbitrator render a final award as soon as possible, and if practicable, within ninety (90) days after his or her appointment. Such time period may be extended by the

information received during the Expert Arbitration or arbitration, as applicable, in the strictest of confidence and shall not disclose to any non-party the existence, contents or results of the Expert Arbitration or arbitration, as applicable, or any other information about such Expert Arbitration or arbitration, as applicable. No Party shall disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Party in such proceedings or about the existence, contents or results of the proceeding, except as (x) may be required by Applicable Law or a Governmental Authority, (y) may be necessary in an action in aid of such proceedings or for enforcement of an arbitral award, and (z) reasonably required for enforcement or interpretation of this Agreement by FERC to the extent any Dispute is brought to FERC as provided in Section 18.2. Before making any disclosure permitted by the foregoing clauses (x) and (y), the Party intending to make such disclosure shall give the other Party reasonable written notice in advance of the intended disclosure and afford the other Party a reasonable opportunity to protect its interests. The following information shall not be subject to the restrictions provided for in this Section 18.3.4:

(a) Information that is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from a source available to the public without breach of this Agreement;

(b) Information that is obtained from a Person other than by or as a result of unauthorized disclosure; or

(c) Information that, prior to the time of disclosure, had been independently developed or obtained by the disclosing Party or its Affiliates independent of information obtained as a result of unauthorized disclosure.

Section 18.3.5. Arbitration Proceedings. Each Party shall proceed to conclude the Expert Arbitration or arbitration, as applicable, proceeding as quickly as reasonably possible. If a Party refuses to participate in any such proceeding, then the other Party may petition any court of law having proper jurisdiction for an order to compel Expert Arbitration or arbitration, as applicable. All costs and expenses incurred by the petitioning Party in enforcing such participation obligation shall be paid for by the refusing Party.

Section 18.3.6. Exclusive Remedies. Except for any Dispute to be resolved pursuant to Section 18.2, Expert Arbitration or arbitration, as applicable, under this Section 18.3 shall be the exclusive remedy for all Disputes arising under this Agreement that are not resolved by the Management Committee.

Section 18.4. Equitable Remedies. Notwithstanding anything herein to the contrary, prior to the appointment of an Expert Arbitrator under Section 18.3.1 or the arbitrator or arbitrators under Section 18.3.2, either Party may seek temporary injunctive relief in a court of law with jurisdiction over the Parties to maintain the status quo or prevent irreparable harm. Without prejudice to such provisional remedies as may be available under the jurisdiction of a court, the arbitrator(s) shall have full authority to grant provisional remedies or order the Parties to request that a court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any Party to respect the orders of the arbitrator(s) to that effect.

Federal Power Act shall be permitted to the extent that it is inconsistent with the terms and conditions of this Agreement.

Section 20.2. Other Modifications. The Parties specifically intend and acknowledge and agree that, except as otherwise expressly provided in this Agreement, (a) this Agreement shall not be subject to amendment or other modification, absent the written agreement of both Parties and (b) neither Party shall be permitted to make a filing with FERC under any provision of the Federal Power Act or the regulations promulgated thereunder that seeks to amend or otherwise modify, or requests FERC to amend or otherwise modify, any provision of this Agreement at any time during the Term, except to implement an amendment or other modification to this Agreement that has been reduced to writing and signed by both Parties. In addition, to the extent any third party, or FERC acting *sua sponte* seeks to amend or otherwise modify, or requests FERC to amend or otherwise modify, any provision of this Agreement, the standard of review for any proposed amendment or other modification shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), and as further defined in *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 128 S.Ct. 2733 (2008) and *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 130 S.Ct. 693 (2010).

ARTICLE 21

INDEMNIFICATION

Section 21.1. Purchaser Indemnity. Purchaser shall indemnify, defend and hold harmless Owner and Owner's Affiliates and their respective officers, directors, shareholders, managers, members, partners, agents, employees, representatives, and permitted successors and assigns (each, an "Owner Indemnified Party"), from and against any and all claims, demands, suits, proceedings, judgments, losses, liabilities, damages, in each case, resulting from any third-party claims, together with any costs and expenses (including reasonable attorneys' fees) incurred by any such Owner Indemnified Party, and arising out of (a) the performance by the OASIS Provider or the OASIS Administrator of capacity release functions and transmission resales pursuant to this Agreement or (b) the gross negligence, willful misconduct or criminal misconduct of Purchaser. Purchaser shall have no obligations under the immediately preceding sentence to the extent any claims, demands, suits, proceedings, judgments, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) incurred by any such Owner Indemnified Party are caused by or arise from the gross negligence, willful misconduct or criminal misconduct of, or breach or default of contract by, an Owner Indemnified Party.

Section 21.2. Owner Indemnity. Owner shall indemnify, defend and hold harmless Purchaser and Purchaser's Affiliates and their respective officers, directors, shareholders, managers, members, partners, agents, employees, representatives, and permitted successors and assigns (each, a "Purchaser Indemnified Party"), from and against any and all claims, demands, suits, proceedings, judgments, losses, liabilities, damages, in each case, resulting from any third-party claims, together with any costs and expenses (including reasonable attorneys' fees) incurred by any such Purchaser Indemnified Party, and arising out of the gross negligence, willful misconduct or criminal misconduct of Owner, other than Excluded Claims.

Section 21.4. Defenses. If the Indemnifying Party shall fail to notify the Indemnified Party of its desire to assume the defense of any Third Party Claim within the prescribed period of time, or shall notify the Indemnified Party that it will not assume the defense of any such Third Party Claim, then the Indemnified Party may assume the defense of any such Third Party Claim, in which case it may do so acting in good faith and otherwise in such manner as it may deem appropriate, and the Indemnifying Party shall be bound by any determination made in such Third Party Claim.

Section 21.5. Cooperation. The Indemnified Party and the Indemnifying Party shall each cooperate fully (and shall each cause its Affiliates to cooperate fully) with the other in the defense of any Third Party Claim pursuant to this Article 21. Without limiting the generality of the foregoing, each such Person shall furnish the other such Person (at the expense of the Indemnifying Party) with such documentary or other evidence as is then in its or any of its Affiliates' possession, as may reasonably be requested by the other Person for the purpose of defending against any such Third Party Claim.

Section 21.6. Recovery. The amount of any indemnity hereunder shall be reduced by any insurance proceeds (including any proceeds of any liability insurance policy or any insurance proceeds or other amounts payable to any Financing Party, unless such amounts payable are permitted under the applicable Loan Documents to be applied to the Third Party Claim) actually recovered by the Indemnified Party in connection with the Third Party Claim. If at any time subsequent to the receipt by an Indemnified Party of an indemnity payment hereunder, such Indemnified Party (or any Affiliate thereof) receives any recovery, settlement or other similar payment with respect to the Third Party Claim for which it received such indemnity payment (a "Recovery"), such Indemnified Party shall then promptly pay to the Indemnifying Party the amount of such Recovery, less any expenses incurred by such Indemnified Party (or its Affiliates) in connection with such Recovery, but in no event shall any such payment exceed the amount of such indemnity payment.

Section 21.7. Subrogation. To the extent the Indemnifying Party makes or is required to make any indemnity payment to the Indemnified Party, the Indemnifying Party shall be entitled to exercise, and shall be subrogated to, any rights and remedies (including rights of indemnity, rights of contribution and other rights of recovery) that the Indemnified Party or any of its Affiliates may have against any other Person with respect thereto, whether directly or indirectly related. The Indemnified Party shall permit the Indemnifying Party to use the name of the Indemnified Party and the names of the Indemnified Party's Affiliates in any transaction or in any proceeding or other matter involving any of such rights or remedies; and the Indemnified Party shall take such actions as the Indemnifying Party may reasonably request for the purpose of enabling the Indemnifying Party to perfect or exercise its right of subrogation hereunder.

ARTICLE 22

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 22.1. Mutual Representations and Warranties. Each Party hereby represents and warrants to the other Party that all of the statements in this Section 22.1 are true and correct as of the Execution Date (unless another date is expressly indicated) and will be true

generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law);

(d) No legal proceeding is pending or, to its knowledge, threatened against Purchaser or any of its Affiliates that could have a Material Adverse Effect on Purchaser;

(e) No event with respect to Purchaser has occurred or is continuing that would constitute a Purchaser Default, and no Purchaser Default will occur as a result of Purchaser entering into or performing its obligations under this Agreement;

(f) The execution, delivery and performance of this Agreement by Purchaser does not and will not (i) violate any provisions of its certificate of incorporation or bylaws, or any Applicable Law; or (ii) violate, or result in any breach of, or constitute any default under, any agreement or instrument to which it is a party or by which it or any of its properties may be bound or affected;

(g) No actions, Consents, notifications, waivers, orders and filings are necessary with respect to the execution, delivery and performance of this Agreement by Purchaser; and

(h) To the best of Purchaser's knowledge, the Canadian Approvals and the Operational Approvals constitute all of the actions, Consents, notifications, waivers, orders and filings that are necessary to commence construction of the Québec Line in a manner consistent with Attachment A.

(i) Purchaser is in compliance with all Applicable Laws, except such noncompliance as could not reasonably be expected to have a Material Adverse Effect on Purchaser. Purchaser has not received any written notice that it is under investigation with respect to a violation of any Applicable Law that could reasonably be expected to have a Material Adverse Effect on Purchaser.

Section 22.3. Additional Representations and Warranties of Owner. Owner hereby represents and warrants to Purchaser that all of the statements in this Section 22.3 are true and correct as of the Execution Date (unless another date is expressly indicated) and, except for the statement in Section 22.3(g), will be true and correct as of the Effective Date and as of the Commercial Operation Date, but not as of any other date:

(a) Owner is duly organized, validly existing, and in good standing under the laws in the State of New Hampshire and is qualified in each other jurisdiction where the failure to so qualify would have a Material Adverse Effect on Owner, and Owner has all requisite power and authority to conduct its business, own its properties, and to execute, deliver, and perform its obligations under this Agreement;

(b) Owner has all requisite limited liability company power and authority necessary to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder, and to consummate the transactions contemplated hereby, and this Agreement has been duly executed and delivered by Owner;

(a) Any (i) direct or indirect change of Control of either Party (whether voluntary or by operation of law), (ii) sale, transfer or other disposition of all or substantially all of the assets of either Party or (iii) except as provided in Section 23.3, assignment, transfer or other disposition of, whether to one or more assignees or transferees, all or any portion of either Party's rights, interests or obligations under this Agreement (each of the foregoing, a "Transfer"), shall require the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned when viewed in light of all reasonable considerations, including the security or other financial assurances to be provided by on or behalf of any proposed successor or assign (including the net worth and creditworthiness of the issuer) and the availability and terms of any consent required from any Financing Party in connection with such Transfer. Any Transfer in contravention of this Article 23 shall be null and void.

(b) If Owner consents to a Transfer by Purchaser pursuant to this Section 23.1, then, upon such Transfer, including (i) the assumption, in writing by the Transferee, of Purchaser's obligations under this Agreement with respect to the Transferred portion of this Agreement, which assumption is not subject to conditions that have not been satisfied or waived, and (ii) delivery to Owner of any replacement security or other financial assurances to be provided by or on behalf of such Transferee, then, provided that a Purchaser Default shall not have occurred and be continuing, (x) the obligations of Purchaser (and of Hydro-Québec under the Purchaser Guaranty) shall terminate to the extent of the Transferred portion of this Agreement (it being understood that the Stated Cap shall be reduced in proportion to the Transferred portion of this Agreement), and Purchaser and Hydro-Québec shall be fully, finally, and unconditionally released from all liability associated therewith to the extent of the Transferred portion of this Agreement, and (y) at the request of Purchaser, Owner shall execute and deliver, to Purchaser or Hydro-Québec, a full, final, and unconditional release of the Purchaser Guaranty, in such form as Purchaser may reasonably request, with respect to the Transferred portion of this Agreement.

(c) If Purchaser consents to a Transfer by Owner pursuant to this Section 23.1, then, upon such Transfer, including (i) the assumption, in writing by the Transferee, of Owner's obligations under this Agreement with respect to the Transferred portion of this Agreement, which assumption is not subject to conditions that have not been satisfied or waived, and (ii) delivery to Purchaser of any replacement security or other financial assurances to be provided by or on behalf of such Transferee, then, provided that an Owner Default shall not have occurred and be continuing, (x) the obligations of Owner (and of Northeast Utilities and NSTAR under the Owner Guaranties and the Membership Pledges) shall terminate to the extent of the Transferred portion of this Agreement (it being understood that the aggregate liability of Northeast Utilities and NSTAR under the Owner Guaranties shall be reduced in proportion to the Transferred portion of this Agreement), and Owner, Northeast Utilities and NSTAR shall be fully, finally, and unconditionally released from all liability associated therewith to the extent of the Transferred portion of this Agreement, and (y) at the request of Owner, Purchaser shall execute and deliver, to Owner, Northeast Utilities or NSTAR, a full, final, and unconditional release of the Owner Guaranties and the Membership Pledges, in such form as Owner may reasonably request, with respect to the Transferred portion of this Agreement. For the avoidance of doubt, neither the Purchaser Mortgage nor the Security

Section 24.3. Severability. Except as otherwise provided in Section 2.2, (a) in the event any part of this Agreement is held to be illegal, invalid or unenforceable to any extent, the legality, validity and enforceability of the remainder of this Agreement shall not be affected thereby, and shall remain in full force and effect and shall be enforced to the greatest extent permitted by Applicable Law and (b) with respect to any provision found to be illegal, invalid or unenforceable by an arbitrator having jurisdiction, the Parties shall endeavor to replace such invalid, illegal or unenforceable provision with the valid, legal and enforceable provision that achieves, as nearly as practicable, the commercial intent of this Agreement (as it may be amended from time to time).

Section 24.4. Notices. All notices, billings, requests, demands, waivers, consents and other communications under this Agreement shall be in writing and shall be effective (a) upon personal delivery thereof, including by overnight mail or courier service, with a record of receipt, (b) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon the fourth (4th) day after mailing, (c) in the case of notice by facsimile for any communications other than billings, upon transmission; provided that such facsimile transmission is promptly confirmed by either of the methods set forth in the foregoing clause (a) or (b), in each case, addressed to each Party and copy party hereto at its address set forth below or at such other address as a Party may from time to time designate by written notice to the other Party pursuant to this Section 24.4, (d) in the case of notice by facsimile for billings only (but not any other communication, including any subsequent demand notice for any unpaid amounts), upon receipt of confirmation of successful transmission, but without any further requirement for evidence of receipt or confirmation by either of the methods set forth in the foregoing clause (a) or (b), or (e) in the case of notice by electronic mail for billings only (but not any other communication, including any subsequent demand notice for any unpaid amounts), upon transmission, without any requirement for evidence of receipt or confirmation by either of the methods set forth in the foregoing clause (a) or (b); provided that the Party delivering such notice did not receive any notice of unsuccessful or delayed transmission. A notice given in connection with this Section 24.4 but received on a day other than a Business Day, or after business hours in the situs of receipt, shall be deemed to be received on the next Business Day.

If to Owner:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: James A. Muntz, President
107 Selden Street
Berlin, Connecticut 06037
United States of America
Facsimile: (860)665-6717
Email: james.muntz@nu.com

With a copy to:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: Senior Vice President and General Counsel

condition of this Agreement, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect. Except as otherwise provided herein, the remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law or in equity.

Section 24.6. Confidential Information. Each Party hereby agrees that it shall not disclose, or cause to be disclosed, to third parties any Confidential Information with respect to the other Party or any material or information identified as Critical Energy Infrastructure Information (other than to a disclosing Party's Affiliates and its and their respective counsel, directors, officers, employees, lenders, advisors or consultants, in each case, who have a need to know such information and have agreed to keep such information confidential). Each Party shall be responsible for ensuring that any Person to whom it discloses any Confidential Information shall comply with the restrictions in this Section 24.6. The restrictions in this Section 24.6 shall not apply (w) to the extent disclosure is required by Applicable Law or the requirements of a Governmental Authority, (x) to the extent reasonably deemed by the disclosing Party to be required or desirable in connection with regulatory proceedings (including proceedings relating to FERC or any other national, federal, provincial, state or regulatory agency), (y) to the extent reasonably deemed by the disclosing Party to be required to be disclosed in connection with a Dispute between the Parties, or the defense of any litigation or dispute, or (z) as approved for release or disclosure by the other Party. In the event disclosure is made pursuant to this Section 24.6, the disclosing Party shall use reasonable efforts to minimize the scope of any disclosure and advise recipients of the confidentiality restrictions provided herein. Notwithstanding the foregoing, this Section 24.6 shall not apply to the following information:

(a) Information that is a matter of public knowledge at the time of its disclosure or is thereafter published in or otherwise ascertainable from a source available to the public without breach of this Section 24.6;

(b) Information that is obtained from a Person other than by or as a result of unauthorized disclosure; or

(c) Information that, prior to the time of disclosure, had been independently developed or obtained by the disclosing Party or its Affiliates independent of information obtained as a result of unauthorized disclosure.

Section 24.7. No Third-Party Rights. Except for any Financing Parties contemplated by Section 23.3 and any Owner Indemnified Party or Purchaser Indemnified Party contemplated by Article 21, the Parties do not intend for this Agreement to confer a third-party beneficiary status or rights of action upon any Person whatsoever other than the Parties and their permitted successors and assigns, and nothing contained herein, either express or implied, shall be construed to confer upon any Person, other than the Parties and their permitted successors and assigns, any rights of action or remedies under this Agreement or in any manner, or any duty, standard of care, or liability with respect thereto. This Agreement does not create third-party rights.

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HVDC Transmission Project

I. Technical Design of the Northern Pass Transmission Line

1. HVDC Line:

- Transmission Line Voltage Level: +/-300 kV
- Approximate Length: 140 miles
- Transmission Line Construction: Overhead line
- Connections/Terminuses: The northern terminus of the HVDC Line will interconnect with the Québec Line at the U.S. Border. The southern terminus of the HVDC Line will be at the DC/AC converter station to be located near the Webster substation in the City of Franklin in the State of New Hampshire.

2. AC Line:

- Transmission Line Voltage Level: 345 kV
- Approximate Length: 43 miles
- Transmission Line Construction: Overhead line
- Connections/Terminuses: The northern terminus of the AC Line will be at the Franklin substation at the DC/AC converter station to be located near the Webster substation in the City of Franklin in the State of New Hampshire. The southern terminus of the AC Line will be at the Deerfield substation in the State of New Hampshire.

3. DC/AC Converter Station:

- The DC/AC converter station to be located near the Webster substation in the City of Franklin in the State of New Hampshire will be designed and constructed in accordance with the Design Capability in order to support bidirectional DC power flows over the Northern Pass Transmission Line to and from the 345 kV AC transmission system operated by ISO-NE.

Formula Rate Sheet

I. Methodology

This formula sets forth the method that Owner shall use to determine its Revenue Requirement for the Northern Pass Transmission Line and AC Upgrades under the Transmission Service Agreement, dated as of October 4, 2010, and is subject to all of the terms and conditions of such Agreement.

The Revenue Requirement under the Agreement shall be derived through an annual Formula Rate calculation effective for the first Contract Year and each subsequent Contract Year based upon the estimated costs of the Northern Pass Transmission Line and the AC Upgrades. An annual true-up shall be performed by recalculation of the estimated costs for the first Contract Year and each subsequent Contract Year based upon actual cost information as reported in Owner's FERC Form 1 for that year or as set forth in Owner's books and records.

II. Definitions

Capitalized terms not otherwise defined elsewhere in the Agreement and as used in this Attachment B have the following definitions:

- *Administrative and General Expense* will equal Owner's expenses, as recorded in FERC Account Nos. 920 – 935, excluding FERC Account Nos. 924, 928 and 930.1.
- *Amortization of Investment Tax Credits* will equal Owner's credits, as recorded in FERC Account No. 411.4.
- *Amortization of Regulatory Asset – Pre-COD Expenses* will equal the total amortization expense related to those costs incurred by Owner before the Commercial Operation Date that are not included in FERC Account No. 107 – Construction Work in Progress (including the costs associated with AC Upgrades that are placed in service before the Commercial Operation Date), plus the Carrying Charges on these amounts from the date such costs are incurred until the Commercial Operation Date, as recorded in the appropriate FERC Account.
- *Asset Retirement Obligation (Decommissioning)* will equal the asset retirement cost for transmission plant recorded in FERC Account No. 359.1 and the asset retirement obligation recorded in FERC Account No. 230.
- *Depreciation Expense for Transmission Plant, General Plant, and Intangible Plant* will equal Owner's transmission plant, general plant, and intangible plant depreciation expense as recorded in FERC Account No. 403. The annual depreciation expense for an asset comprising part of the Northern Pass Transmission Line as of the Commercial Operation Date will be computed using the depreciable life of the asset, as defined in Section 8.2 of the Agreement. Depreciation will begin

revenue received by Owner from third parties for their use of Owner's real or personal property associated with the Northern Pass Transmission Line that is recorded in FERC Account No. 454, and revenue received by Owner from third parties for resales of Firm Transmission Service and non-firm Additional Transmission Service over the Northern Pass Transmission Line that is recorded in FERC Account No. 456.1.

- *Operation and Maintenance Expense* will equal Owner's expenses, as recorded in FERC Account Nos. 560, 561.5 – 561.8, 562 – 564, 566, and 568 – 576.5.
- *Payroll Taxes* will equal those payroll expenses, as recorded in Owner's FERC Account Nos. 408.1 and 409.1.
- *Plant Held for Future Use* will equal Owner's balance in FERC Account No. 105.
- *Plant Materials and Supplies* will equal the Owner's balance, as recorded in FERC Account No. 154.
- *Prepayments* will equal Owner's prepayment balance, as recorded in FERC Account No. 165.
- *Regulatory Asset – Asset Retirement Obligation (Decommissioning)* will equal the total amounts recorded in a subaccount within FERC Account No. 182 for the Net Decommissioning Costs.
- *Regulatory Asset – Pre-COD Expenses* will equal the total costs incurred by Owner before the Commercial Operation Date that are not included in FERC Account No. 107 – Construction Work in Progress (including the costs associated with AC Upgrades that are placed in service before the Commercial Operation Date), plus the Carrying Charges on these amounts (calculated using Owner's weighted cost of capital, based upon the Weighted Cost of Equity (as determined under Section III.A.2. below) and the Owner's Weighted Cost of Long-term Debt (as determined under Section III.B. below)) from the date such costs are incurred until the Commercial Operation Date. Such costs will be included in a subaccount within FERC Account No. 182. This account will be amortized over a three (3)-year period beginning on the Commercial Operation Date.
- *Right-of-Way (Rental) Expense* will equal Owner's expense, as recorded in FERC Account No. 567.
- *Scheduling, System Control and Dispatch Service Expense* will equal Owner's expense, as recorded in FERC Account Nos. 561.1 – 561.4.
- *Total Accumulated Deferred Income Taxes* will equal the net of Owner's deferred tax balances, as recorded in FERC Account Nos. 281 – 283 and Owner's deferred tax balances, as recorded in FERC Account No. 190, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FAS 109. Such

- (P) Transmission Support Expense
- (Q) Miscellaneous Revenues (such as Rents Received from Electric Property)

A. *Return on Equity* will equal the product of the Transmission Investment Base ("Rate Base") (as determined under Section III.A.1. below) and the Weighted Cost of Equity (as determined under Section III.A.2. below).

1. Transmission Investment Base

The Rate Base will consist of items (i) through (x) below. The average balance (beginning and end of year) will be used to calculate each of these items.

- (i) Transmission Plant, plus
- (ii) General Plant, plus
- (iii) Intangible Plant, plus
- (iv) Plant Held for Future Use, less
- (v) Depreciation Reserve, less
- (vi) Accumulated Deferred Income Taxes, plus
- (vii) Regulatory Asset – Pre-COD Expenses, plus
- (viii) Prepayments, plus
- (ix) Plant Materials and Supplies, plus
- (x) Cash Working Capital

Definitions of Rate Base Items:

- (i) *Transmission Plant* will equal the balance of Owner's investment in Transmission Plant.
- (ii) *General Plant* will equal Owner's balance of investment in General Plant.
- (iii) *Intangible Plant* will equal Owner's balance of investment in Intangible Plant.
- (iv) *Plant Held for Future Use* will equal the balance of Owner's Plant Held for Future Use.
- (v) *Depreciation Reserve* will equal Owner's Depreciation Reserve for Transmission Plant, General Plant and Intangible Plant.

D. *State Income Taxes associated with Return on Equity* will equal the product of:

$$(a) \quad \frac{(A + ((B + C) / D) + \text{Federal Income Tax Rate above}) \times ST}{1 - ST}$$

where A is the Return on Equity (as determined in Section III.A. above), B is Amortization of Investment Tax Credits (as determined in Section III.F. below), C is the equity component of AFUDC included in the Depreciation Expense (as determined in Section III.E. below), D is Rate Base (as determined in Section III.A.1. above) and ST is the statutory State(s) Income Tax Rate(s) levied by the State Government(s) for Income Taxes, and

(b) Rate Base (as determined in Section III.A.1. above).

E. *Depreciation Expense* will equal Owner's Depreciation Expense for Transmission Plant, General Plant, and Intangible Plant.

F. *Amortization of Investment Tax Credits* will equal Owner's electric Amortization of Investment Tax Credits.

G. *Municipal Tax Expense* will equal Owner's electric Total Municipal Tax expense.

H. *Payroll Tax Expense* will equal Owner's electric Payroll Tax expense.

I. *Operation and Maintenance Expense* will equal Owner's Operation and Maintenance Expenses.

J. *Transmission Administrative and General Expenses* will equal the sum of Owner's (a) Administrative and General Expense, (b) Insurance Cost, (c) Expenses included in FERC Account No. 928 related to FERC Assessments, (d) any other Federal and State transmission-related expenses or assessments in FERC Account No. 928 and (e) specific transmission-related expenses included in FERC Account No. 930.1.

K. *Taxes and Fees Charge* will include any fee or assessment imposed by any Governmental Authority on service provided by Owner under the Agreement other than Income Taxes, Total Municipal Taxes, and Payroll Taxes.

L. *Right-of-Way (Rental) Expense* will equal the expense paid by Owner for right-of-way access.

M. *Scheduling, System Control and Dispatch Service Expense* will equal the expenses for scheduling, system control and dispatch services incurred by Owner, as recorded in Owner's FERC Form 1, Account Nos. 561.1 – 561.4.

N. *Amortization of Regulatory Asset – Pre-COD Expenses* will equal Owner's amortization expense associated with those costs recorded to the Regulatory Asset – Pre-COD Expenses account.

ATTACHMENT CList of Owner Approvals

Set forth below are, to the best of Owner's knowledge, the Owner Approvals. The Owner Approvals do not include the AC Upgrade Approvals. Additional Governmental Approvals may be required as a result of (1) Applicable Laws that may come into effect after the Execution Date or (2) new and unexpected developments in the regulatory processes to be undertaken by Owner and its Affiliates in connection with the Northern Pass Transmission Line.

I. Construction Authorizations

1. U.S. Federal

Agency	Statute/Description
FERC	<ul style="list-style-type: none"> Federal Power Act, Section 204 approval of Owner's ability to incur short term debt
FERC	<ul style="list-style-type: none"> Federal Power Act, Section 205 approval of Transmission Service Agreement
FERC	<ul style="list-style-type: none"> Federal Power Act, Section 205 approval of Facilities Agreement(s)
FERC	<ul style="list-style-type: none"> Federal Power Act, Section 205 approval of Interconnection Agreements
U.S. Department of Energy ("DOE")	<ul style="list-style-type: none"> Presidential Permit Lead federal agency for development of an Environmental Impact Statement ("EIS") pursuant to the requirements of the National Environmental Policy Act ("NEPA") DOE is responsible for developing the EIS that will be used by all U.S. federal agencies to fulfill the requirements of NEPA (the "<u>NEPA/EIS development process</u>") as those agencies process the U.S. federal permit applications for the Northern Pass Transmission Line
U.S. Forest Service ("USFS")	<ul style="list-style-type: none"> Special Use Permit(s) for the Northern Pass Transmission Line to cross White Mountain National Forest (encompasses authorization to cross Appalachian Trail under the National Park Service's delegation of authority to USFS) Modification to PSNH's existing Special Use Permits (WMNF) Cooperating agency to NEPA/EIS development process
U.S. Army Corps of Engineers, New England District	<ul style="list-style-type: none"> Permit issued under the Clean Water Act, codified at 33 U.S.C. § 1344 (§ 404 of the Clean Water Act) (Section 404 Permit) Permit for applicable river crossings issued under Rivers and Harbors Act, 33 U.S.C. 403 § 10 Cooperating agency to NEPA/EIS development process
U.S. Federal Aviation Administration	<ul style="list-style-type: none"> Approval of structures taller than 200 feet and for construction of facilities near airports
U.S. Environmental	<ul style="list-style-type: none"> Clean Water Act, 33 U.S.C. § 1251 et seq., Construction General

II. All Other Owner Approvals

1. U.S. Federal

Agency	Statute/Description
FERC	Federal Power Act, Section 205 Approval of Transmission Operating Agreement
FERC	Federal Power Act, Section 205 Approval of ISO-NE Open Access Transmission Tariff changes (as applicable)
FERC	Federal Power Act, Section 205 approval of Scheduling and Dispatch Services Agreement between Owner and PSNH for PSNH's Electric System Control Center

2. Regional (ISO-NE)

Agency	Statute/Description
ISO-NE	Acceptance of AC Upgrades for interconnection and energization to the New England Transmission System
ISO-NE	Acceptance of Northern Pass Transmission Line for interconnection and energization to the New England Transmission System

ATTACHMENT D

List of Canadian Approvals

Set forth below are, to the best of Purchaser's knowledge, the Canadian Approvals. Additional Governmental Approvals may be required as a result of (1) Applicable Laws that may come into effect after the Execution Date or (2) new and unexpected developments in the regulatory processes to be undertaken by Purchaser and its Affiliates in connection with the Québec Line.

- Permit or certificate, as the case may be, from the National Energy Board to construct or operate an international power line pursuant to the National Energy Board Act (R.S.C., 1985, c. N-7)
- Authorization of the Régie de l'énergie (Québec Energy Board) to acquire or construct immovables or assets for transmission purposes pursuant to An Act respecting the Régie de l'énergie (R.S.Q., chapter R-6.01)
- Certificate of authorization issued by the Government of Québec for the realization of the construction or relocation of an electric power transmission line of 315 kV or more over a distance of more than 2 km and the construction or relocation of a control and transformer station of 315 kV or more pursuant to the Environment Quality Act (R.S.Q., chapter Q-2)
- Authorization of the "Commission de protection du territoire agricole du Québec" to use a lot for any purpose other than agriculture pursuant to An Act respecting the preservation of agricultural land and agricultural activities (R.S.Q., chapter P-41.1)
- Assessment of conformity consistent with the objectives of the land use and development plan of each regional county municipality or municipality where an intervention is planned by Hydro-Québec pursuant to An Act respecting land use planning and development (R.S.Q., chapter A-19.1) (the "Land Use Planning Act") and the Order in council 554-81
- Certificate pursuant to the Regulation respecting the application of the Environment Quality Act (c. Q-2, r. 1.001) issued by the clerk or the secretary-treasurer of each local municipality affected by the project or, in the case of an unorganized territory, of each regional county municipality affected by the project attesting that the project does not contravene any municipal bylaw
- Expropriation Order in council, if required, to acquire by expropriation any immovable, servitude or construction required for the transmission of power pursuant to Hydro-Québec Act (R.S.Q., chapter H-5) and the Expropriation Act (R.S.Q., chapter E-24)
- Authorization from the International Boundary Commission to cross the Canada-U.S. border pursuant to Article 5 of the International Boundary Commission Act

EXECUTION COPY

ATTACHMENT E-1

Form of Purchaser Guaranty

Please see the attached.

circumstances whatsoever (with or without knowledge of the Beneficiary or the Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge or defense of the Guarantor under this Guaranty, in bankruptcy or in any other instance, including all defenses of a guarantor or surety generally, other than full, final and indefeasible payment of the Guaranteed Obligations by the Guarantor and/or NPT.

Section 7. Representations and Warranties.

The Guarantor represents and warrants that:

- a) It is a public utility holding company duly organized as a voluntary association, validly existing and in good standing under the laws of the jurisdiction of its formation and has full voluntary association power to execute, deliver and perform this Guaranty;
- b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary voluntary association action and do not contravene any provision of any Applicable Law applicable to or binding on the Guarantor or any of its properties or the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets and that the individual or individuals executing this Guaranty for and on behalf of the Guarantor have been duly authorized to do so;
- c) This Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other similar laws and to general principles of equity; and
- d) There is no pending or, to the best of the Guarantor's knowledge, threatened action or proceeding affecting the Guarantor before any Governmental Authority that might reasonably be expected to materially and adversely affect the ability of the Guarantor to perform its obligations under this Guaranty.

Section 8. Setoff and Counterclaims; Bankruptcy. Notwithstanding anything in this Guaranty to the contrary, the Guarantor shall be entitled to assert all rights and defenses that NPT may be entitled to under the Agreement, including any setoff or counterclaims that NPT is or may be entitled to under the Agreement, except that the Guarantor shall not be entitled to any rights or defenses arising out of the matters described in clauses (i) through (viii) of Section 6(b) of this Guaranty. Notwithstanding anything in Section 9 of this Guaranty to the contrary, the obligations of the Guarantor under this Guaranty automatically shall be reinstated if and to the extent that, for any reason, any payment by or on behalf of NPT in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantor hereby agrees not to seek an injunction or otherwise seek to stay its liability under this Guaranty in any voluntary or involuntary bankruptcy proceeding of NPT and, in the event such injunction or stay issues at the instance of a third party, to take such steps as may be necessary or appropriate to seek to terminate or dissolve any such injunction or stay.

Section 9. Termination.

(a) **Continuing Guaranty.** The Guarantor acknowledges that the Beneficiary has entered into the Agreement in reliance on this Guaranty being a continuing and irrevocable agreement and the Guarantor agrees that this Guaranty may not be revoked in whole or in part, except that this Guaranty and the Guarantor's liability hereunder may be terminated as provided in this Section 9.

H2Z 1A4
Facsimile: (514)289-5484

or such address as the Guarantor or the Beneficiary may give notice to the other party, from time to time.

Section 12. Successors; No Third-Party Beneficiaries. This Guaranty shall be binding upon the Guarantor, its successors and permitted assigns. This Guaranty shall inure to the benefit of the Beneficiary and its successors and permitted assigns. This Guaranty is not intended to create any third-party beneficiaries.

Section 13. Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York (without regard to principles of conflict of laws that would direct for application of the laws of another jurisdiction).

Section 14. Submission to Jurisdiction. Each of the Guarantor and the Beneficiary hereto consents to submit itself to the exclusive jurisdiction of any state or federal court of competent jurisdiction located in the State of New York, United States of America, with respect to any dispute that arises under this Guaranty or in connection with the transactions contemplated hereby, and irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of or relating to this Guaranty or the transactions contemplated hereby in (a) the courts of the State of New York in New York County, or (b) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 15. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT.

Section 16. Entire Agreement. This Guaranty constitutes the entire agreement of the Guarantor and the Beneficiary pertaining to the subject matter hereof and supersedes all prior written or oral agreements and understandings between the Guarantor and the Beneficiary with respect to the subject matter hereof.

Section 17. Amendments. No amendments or modifications of or to any provision of this Guaranty shall be binding until in writing and executed by the Guarantor and the Beneficiary.

Section 18. Severability. If any one or more of the provisions of this Guaranty should be determined to be illegal or unenforceable, all other provisions shall remain effective.

Section 19. Interpretation. The word "including" when used in this Guaranty shall be deemed to be followed by "without limitation" or "but not limited to," whether or not it is in fact followed by such words or words of like import.

Section 20. Trustee Liability. No shareholder or trustee of the Guarantor shall be held to any liability whatever for the payment of any sum of money or for damages or otherwise under this Guaranty. This Guaranty shall not be enforceable against any such trustee in their or his or her

IN WITNESS WHEREOF, the Guarantor hereto has executed this Guaranty, as of the date first set forth above.

NSTAR

By: _____
Name: _____
Title: _____
Date: _____

Accepted:

H.Q. HYDRO RENEWABLE ENERGY, INC.

By: _____
Name: _____
Title: _____
Date: _____

Section 8 of this Guaranty, this Guaranty shall terminate when and as provided in Section 9 of this Guaranty.

(b) **Guaranty of Payment and Not Collection.** This Guaranty is a guaranty of payment and not merely of collection.

(c) **Information.** At the Guarantor's request, the Beneficiary shall provide the Guarantor with any useful information respecting the content and the terms and conditions of the Guaranteed Obligations and a statement of account with details of billings and payments; provided, that such a request by the Guarantor shall not delay or prevent the Guarantor from paying under this Guaranty.

Section 2. Nature of Guaranty. The Guarantor's obligations hereunder shall be subject to all the contractual protections, limitations, waivers, exclusions and rights that NPT has under the Agreement, and the Guarantor shall be entitled to the benefits of any modification of, amendment to, waiver of or consent to departure from, the Agreement to the extent, if any, NPT would have been entitled to such benefits. Nonetheless, this Guaranty shall not be deemed discharged, impaired or affected by the existence, validity, enforceability, perfection, or extent of any collateral for any obligations under the Agreement of NPT.

Section 3. Consents, Waivers and Renewals. The Guarantor agrees that the Beneficiary may at any time and from time to time, either before or after maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of any of NPT's obligations under the Agreement, or accept, exchange or surrender any collateral therefor, or renew the Agreement, and may also make any agreement with NPT or with any other party to, or Person liable for any of the obligations contemplated in, the Agreement, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Beneficiary and NPT or any such other party or Person, without in any way impairing or affecting this Guaranty. The obligations of the Guarantor hereunder are independent of the obligations of NPT, and the Guarantor agrees that the Beneficiary may resort to the Guarantor for payment of the Guaranteed Obligations, whether or not the Beneficiary shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Guaranteed Obligations, and whether or not NPT is joined in an action or proceeding against the Guarantor or a separate action or actions are brought against NPT.

Section 4. Subrogation. In any case, including NPT's insolvency, the Guarantor will not exercise any rights that it may acquire by way of subrogation, and hereby waives, to the fullest extent permitted by Applicable Law, any right to enforce any remedy that the Beneficiary now has or may hereafter have against NPT in respect of the Guaranteed Obligations. Notwithstanding the foregoing, upon full, final and indefeasible payment of all Guaranteed Obligations, the Guarantor shall be subrogated to the rights of the Beneficiary against NPT and the Beneficiary agrees to take, at the Guarantor's expense, such steps as the Guarantor may reasonably request to implement such subrogation; provided, that, if a bankruptcy court in a bankruptcy proceeding of NPT issues a stay or injunction prohibiting or preventing the Guarantor from amending this Guaranty, as contemplated by Section 17.1.2 of the Agreement, based in whole or in part on the effects on the estate of NPT of any increase in the aggregate liability of the Guarantor under Section 1(a) of this Guaranty after the entry of an order of relief with respect to NPT from the amount of the aggregate liability of the Guarantor under Section

circumstances whatsoever (with or without knowledge of the Beneficiary or the Guarantor) that constitutes, or might be construed to constitute, an equitable or legal discharge or defense of the Guarantor under this Guaranty, in bankruptcy or in any other instance, including all defenses of a guarantor or surety generally, other than full, final and indefeasible payment of the Guaranteed Obligations by the Guarantor and/or NPT.

Section 7. Representations and Warranties.

The Guarantor represents and warrants that:

- a) It is a public utility holding company duly organized as a voluntary trust, validly existing and in good standing under the laws of the jurisdiction of its formation and has full voluntary trust power to execute, deliver and perform this Guaranty;
- b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary voluntary trust action and do not contravene any provision of any Applicable Law applicable to or binding on the Guarantor or any of its properties or the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets and that the individual or individuals executing this Guaranty for and on behalf of the Guarantor have been duly authorized to do so;
- c) This Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other similar laws and to general principles of equity; and
- d) There is no pending or, to the best of the Guarantor's knowledge, threatened action or proceeding affecting the Guarantor before any Governmental Authority that might reasonably be expected to materially and adversely affect the ability of the Guarantor to perform its obligations under this Guaranty.

Section 8. Setoff and Counterclaims; Bankruptcy. Notwithstanding anything in this Guaranty to the contrary, the Guarantor shall be entitled to assert all rights and defenses that NPT may be entitled to under the Agreement, including any setoff or counterclaims that NPT is or may be entitled to under the Agreement, except that the Guarantor shall not be entitled to any rights or defenses arising out of the matters described in clauses (i) through (viii) of Section 6(b) of this Guaranty. Notwithstanding anything in Section 9 of this Guaranty to the contrary, the obligations of the Guarantor under this Guaranty automatically shall be reinstated if and to the extent that, for any reason, any payment by or on behalf of NPT in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise. The Guarantor hereby agrees not to seek an injunction or otherwise seek to stay its liability under this Guaranty in any voluntary or involuntary bankruptcy proceeding of NPT and, in the event such injunction or stay issues at the instance of a third party, to take such steps as may be necessary or appropriate to seek to terminate or dissolve any such injunction or stay.

Section 9. Termination.

(a) **Continuing Guaranty.** The Guarantor acknowledges that the Beneficiary has entered into the Agreement in reliance on this Guaranty being a continuing and irrevocable agreement and the Guarantor agrees that this Guaranty may not be revoked in whole or in part, except that this Guaranty and the Guarantor's liability hereunder may be terminated as provided in this Section 9.

United States of America
Facsimile: (860)728-4581

If to the Beneficiary:

H.Q. HYDRO RENEWABLE ENERGY, INC.

Attention: Christian G. Brosseau, President
75, René-Lévesque Boulevard West, 18th Floor
Montréal (Québec) Canada
H2Z 1A4
Facsimile: (514)289-5484

or such address as the Guarantor or the Beneficiary may give notice to the other party, from time to time.

Section 12. Successors; No Third-Party Beneficiaries. This Guaranty shall be binding upon the Guarantor, its successors and permitted assigns. This Guaranty shall inure to the benefit of the Beneficiary and its successors and permitted assigns. This Guaranty is not intended to create any third-party beneficiaries.

Section 13. Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York (without regard to principles of conflict of laws that would direct for application of the laws of another jurisdiction).

Section 14. Submission to Jurisdiction. Each of the Guarantor and the Beneficiary hereto consents to submit itself to the exclusive jurisdiction of any state or federal court of competent jurisdiction located in the State of New York, United States of America, with respect to any dispute that arises under this Guaranty or in connection with the transactions contemplated hereby, and irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of or relating to this Guaranty or the transactions contemplated hereby in (a) the courts of the State of New York in New York County, or (b) the United States District Court for the Southern District of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 15. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR THE AGREEMENT.

Section 16. Entire Agreement. This Guaranty constitutes the entire agreement of the Guarantor and the Beneficiary pertaining to the subject matter hereof and supersedes all prior written or oral agreements and understandings between the Guarantor and the Beneficiary with respect to the subject matter hereof.

Section 17. Amendments. No amendments or modifications of or to any provision of this Guaranty shall be binding until in writing and executed by the Guarantor and the Beneficiary.

IN WITNESS WHEREOF, the Guarantor hereto has executed this Guaranty, as of the date first set forth above.

NORTHEAST UTILITIES

By: _____
Name: _____
Title: _____
Date: _____

Accepted:

H.Q. HYDRO RENEWABLE ENERGY, INC.

By: _____
Name: _____
Title: _____
Date: _____

reorganization or winding up of any Owner Party whether voluntary or involuntary and whether or not involving insolvency or bankruptcy; or (d) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of any Owner Party.

“Recovery” has the meaning set forth in Paragraph 13.

“Senior Lien” means any Lien that presently exists or that may exist or arise at any time hereafter securing the Project Debt Obligations, including any Lien under the Loan Documents.

“Standstill Period” has the meaning set forth in Paragraph 4(a)(i).

“TSA Obligations” means the obligations of Owner under the Agreement secured by the Purchaser Security Documents.

2. Subordination of Junior Lien.

2.1 Any and all Senior Liens shall be prior and superior in all respects to any and all Junior Liens. Any and all Junior Liens shall be junior and subordinate in all respects to any and all Senior Liens. For the avoidance of doubt and as set forth in Section 17.2.2 of the Agreement, any and all Junior Liens shall be superior in priority to all indebtedness (other than the Project Debt Obligations) of Owner secured by the Collateral.

2.2 The provisions of Paragraph 2.1 shall apply irrespective of:

(a) the date, time, order, manner or method of grant, attachment or perfection of the Liens created by any Loan Document or any Purchaser’s Security Document;

(b) the date, time, order, manner or method of filing or recording of financing statements or other documents filed or recorded to perfect Liens on any Collateral;

(c) the rules for determining perfection or priority under the Uniform Commercial Code or any other law governing the relative priorities of secured creditors; or

(d) any defect or deficiency in, or failure to attach or perfect, the Senior Liens or the Junior Liens.

2.3 Nothing in the Subordination Agreement shall (a) restrict or interfere with the exercise of Purchaser’s rights and remedies under the Agreement, whether as set forth thereunder, at law or in equity, except with respect to Purchaser’s rights and remedies in respect of Junior Liens, (b) prevent Owner from making, or prevent Purchaser from receiving, payments under the Agreement at any time, so long as such receipt is not the direct or indirect result of the exercise by Purchaser of rights or remedies in respect of the Junior Liens, or enforcement thereof, in contravention of the Subordination Agreement, or (c) otherwise affect or limit the obligations of Owner under the Agreement, the Purchaser’s Security Documents or the Loan Documents. The Subordination Agreement shall be solely for the benefit of Purchaser and the Financing Parties and not of any other Person (including any Owner Party).

Liens attach to the proceeds thereof, subject to the relative priorities described in Paragraph 2.

(b) Notwithstanding the foregoing, Purchaser may:

(i) file a claim or statement of interest with respect to the TSA Obligations; provided, that a Proceeding has been commenced by or against Owner;

(ii) take any action (not adverse to the priority status of the Senior Liens, or the rights of any Financing Party to exercise remedies in respect thereof as provided in the Subordination Agreement) in order to create, perfect, preserve or protect the Junior Liens;

(iii) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance or avoidance of the claims of Purchaser or of the Junior Liens, including any claims secured by the Collateral, if any, in each case in accordance with the terms of the Subordination Agreement; and

(iv) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions that are, in each case, in accordance with the terms of the Subordination Agreement, with respect to the TSA Obligations and the Collateral; provided, that Purchaser shall not (A) vote against any plan of reorganization supported by the Financing Parties unless Purchaser's negative vote as a general unsecured creditor in a class of claims that includes other general unsecured creditors (assuming that its full claim were voted as a general unsecured claim) would be sufficient to result in such class voting to not accept such plan of reorganization, or (B) vote in favor of, or otherwise support, a plan of reorganization not supported by the Financing Parties unless Purchaser's affirmative vote as a general unsecured creditor in a class of claims that includes other general unsecured creditors (assuming that its full claim were voted as a general unsecured claim) would be sufficient to result in such class voting to accept such plan of reorganization.

(c) Subject to Paragraphs 4(a) and (b) and Paragraph 10.4(b):

(i) Purchaser agrees that it will not take any action that would hinder any exercise of remedies under the Loan Documents or Senior Liens or that is otherwise prohibited hereunder, including any sale, lease, exchange, transfer or other disposition of the Collateral, whether by foreclosure or otherwise;

(ii) Purchaser hereby waives any and all rights it may have as a junior lien creditor or otherwise to notice of any action by the Financing Parties seeking to enforce or collect the Project Debt Obligations or the Senior Liens granted in any of the Collateral undertaken in accordance with the Subordination Agreement, regardless of whether or not any action or failure to act by or on behalf of the Financing Parties is adverse to the interests of Purchaser;

designee or a transferee, as applicable, shall be liable for all obligations arising under such new agreement.

6. Actions Respecting Collateral.

6.1 Until the Discharge of Project Debt Obligations has occurred, the Financing Parties shall, except as otherwise expressly provided herein, have the exclusive right to enforce rights, exercise remedies (including setoff and credit bid) and make determinations regarding the release, disposition or restrictions of Collateral and may exercise their rights and remedies under the Loan Documents and the Senior Liens in any manner in their sole discretion in compliance with Applicable Law, and without consultation with or the consent of Purchaser, whether in a Proceeding or otherwise. The Financing Parties' rights and remedies under the Subordination Agreement shall not be prejudiced by any action omitted or undertaken by it with respect to the Project Debt or any security therefor, consistent with the Loan Documents and the Subordination Agreement, and Purchaser hereby irrevocably and unconditionally waives all of the following:

- (a) notice of acceptance by the Financing Parties of the Subordination Agreement;
- (b) notice of the existence or creation or non-payment of any Project Debt Obligations; and
- (c) all diligence in collection or protection of or realization upon the Project Debt Obligations or any security therefor.

6.2 The Financing Parties may, without affecting the priority of Liens contemplated hereby, do all or any of the following, all in the sole discretion of the Financing Parties and without regard for the effect thereof on Purchaser: (a) release any security for the Project Debt Obligations (including that provided by the Loan Documents or by any guaranty or letter of credit) or retain or obtain a security interest in other property to secure any or all of the Project Debt Obligations; (b) release, obtain or retain the primary or secondary obligation of any guarantor or endorser or any other Person with respect to any or all of the Project Debt Obligations; (c) to the extent Owner is not prohibited from doing so under the Agreement, refinance, extend, renew, defease, amend, modify, supplement, restructure, replace, refund or repay, or issue other indebtedness, in exchange or replacement for, the Project Debt, in whole or in part; and (d) obtain satisfaction of the Project Debt Obligations from the Collateral without proceeding to enforce any guaranty, letter of credit, or other collateral or security for any of the Project Debt Obligations or any other right or remedy.

6.3 In connection with (a) an enforcement of any Senior Lien or of the rights or remedies with respect to the Project Debt Obligations or (b) a disposition of assets, which enforcement or disposition (x) is expressly permitted by the Agreement and (y) does not, by the terms of the Agreement, require as a consequence of such enforcement or disposition that the Agreement be assumed by the purchaser of such assets, the Junior Lien shall be released on any such assets constituting Collateral at the time and to the extent the Senior Lien on such Collateral is released by the Financing Parties. Purchaser hereby appoints the Financing Parties as attorney-in-fact for the purposes of releasing such Collateral.

(b) the Senior Liens do not attach to, or are not perfected or enforceable with respect to, any Collateral for any reason, and Purchaser shall receive any distribution or recovery with respect to, or allocable to, the value of such Collateral or any proceeds, thereof, then Purchaser agrees that any such Collateral, distribution, recovery or proceeds shall (for so long as the Discharge of Project Debt Obligations has not occurred) be segregated and held in trust and forthwith paid over to the Financing Parties in the same form as received without recourse, representation or warranty (other than a representation of Purchaser that it has not otherwise sold, assigned, transferred or pledged any right, title or interest in and to such distribution or recovery), but with any necessary endorsements or as a court of competent jurisdiction may otherwise direct until such time as the Discharge of Project Debt Obligations has occurred. The Financing Parties are hereby authorized to make any such endorsements as agent for Purchaser. This authorization is coupled with an interest and is irrevocable.

8. Covenants.

8.1 So long as the Discharge of Project Debt Obligations has not occurred, Purchaser hereby agrees that it will not modify or amend any of the Purchaser's Security Documents, without the Financing Parties' prior express written consent (other than to conform the Purchaser's Security Documents to modifications or amendments to the Financing Parties' security documents to the extent consistent with Section 17.2.1 of the Agreement). The Financing Parties shall notify Purchaser of any such modifications or amendments.

8.2 So long as the Discharge of Project Debt Obligations has not occurred, Purchaser shall not, without the prior written consent of the Financing Parties, sell, assign, or otherwise transfer, in whole or in part, any rights in the Purchaser's Security Documents to any other Person unless (1) such action is made in connection with an assignment of the Agreement to such Person that is permitted in accordance with the terms of the Agreement, (2) such action is made expressly subject to the Subordination Agreement and (3) the transferee expressly acknowledges to the Financing Parties, by a writing in form and substance reasonably satisfactory to the Financing Parties, the subordination provided for in the Subordination Agreement and agrees to be bound by all of the terms thereof.

8.3 The Financing Parties agree to hold that part of the Collateral that is in their possession or control (or in the possession or control of their agents or bailees) to the extent that possession or control thereof is taken to perfect a Lien thereon under the Uniform Commercial Code as bailee for Purchaser (such bailment being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2) and 9-313(c) of the Uniform Commercial Code) and any assignee of Purchaser, solely for the purpose of perfecting the security interest granted under the Purchaser's Security Documents. The Financing Parties shall have no obligation whatsoever to Purchaser to ensure that the Collateral is genuine or owned by any of the Owner Parties or to preserve rights or benefits of any Person except as expressly set forth in this Paragraph 8.3. The duties and responsibilities of the Financing Parties to Purchaser under this Paragraph 8.3 shall be limited solely to holding the Collateral as bailee in accordance with this Paragraph 8.3 and delivering the Collateral upon a Discharge of Project Debt Obligations as provided in the Subordination Agreement. The Financing Parties acting pursuant to this Paragraph 8.3 shall not have a fiduciary relationship in respect of Purchaser.

Collateral free and clear of the Junior Liens or other claims under Section 363 of the Bankruptcy Code if (i) the requisite Financing Parties have consented to such sale or disposition of such assets, (ii) such motion does not impair the rights of Purchaser under Section 363(k) of the Bankruptcy Code, and (iii) the Junior Liens attach to the proceeds of such sale or disposition subject to the relative priorities described in Paragraph 2.

10.3 If any Financing Party is required in any Proceeding or otherwise to turn over or otherwise pay to the estate of Owner or any other Owner Party any amount paid in respect of Project Debt Obligations, then such Financing Party shall be entitled to a reinstatement of Project Debt Obligations with respect to all such recovered amounts.

10.4 The following provisions shall apply with respect to requests for adequate protection:

(a) Purchaser agrees that it shall not contest (or support any other Person in contesting):

(i) any request by the Financing Parties for adequate protection; or

(ii) any objection by the Financing Parties to any motion, relief, action or proceeding based upon the Financing Parties claiming a lack of adequate protection.

(b) Notwithstanding the foregoing provisions in this Paragraph 10.4, in any Proceeding:

(i) if the Financing Parties (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any use of cash collateral or any DIP Financing, then Purchaser may seek or request adequate protection in the form of a Lien on such additional collateral, which Lien will be subordinated to the Liens on such cash collateral and to the Senior Liens or the Liens securing the DIP Financing (and all obligations relating thereto) on the same basis as the other Junior Liens are so subordinated to the Senior Liens under such Subordination Agreement; and

(ii) in the event Purchaser seeks or requests adequate protection in respect of the TSA Obligations and such adequate protection is granted in the form of additional collateral, then Purchaser agrees that the Financing Parties shall also be granted a Lien on such additional collateral as security for the Project Debt Obligations and for any cash collateral use or DIP Financing provided by the Financing Parties and that any Lien on such additional collateral securing the TSA Obligations shall be subordinated to the Senior Lien on such additional collateral and the Lien on such additional collateral securing any such DIP Financing provided by the Financing Parties (and all obligations relating thereto) and to any other Liens granted to the Financing Parties as adequate protection on the same basis as the other Junior Liens are so subordinated to such Senior Liens under the Subordination Agreement.

Except as otherwise expressly set forth in Paragraph 10.2, this Paragraph 10.4 or in connection with the exercise of remedies with respect to the Collateral, nothing herein shall limit the rights of Purchaser from seeking adequate protection with respect to its rights in the Collateral in any

EXECUTION COPY

ATTACHMENT G

Letter Agreement

Please see the attached.

Project Development Costs reimbursable under this letter agreement shall not exceed twelve million dollars (\$12,000,000) (the "NTX Amount"). The Parties may by mutual written agreement increase the NTX Amount, however, neither NPT nor its affiliates shall have any obligation to incur Project Development Costs in accordance with a particular schedule or timeframe, or in excess of the NTX Amount.

For purposes of this letter agreement, a "PDC Payment Event" means the termination of the TSA by NPT or HQRE prior to the commencement of the Construction Phase or the rejection by FERC of the TSA.

3. **Reimbursement of Project Development Costs.** Subject to the terms and conditions of this letter agreement, HQP shall reimburse NPT, in accordance with this Section 3, for the Project Development Costs set forth in Appendix A attached hereto that NPT has incurred and will incur pursuant to this letter agreement. HQP approves the Project Development Costs incurred by NPT through August 31, 2010 (as shown in Section II of Appendix A).

3.1. **Monthly Allocations.** Section III of Appendix A contains monthly cash flow allocations for the period of September 1, 2010 through March 31, 2011. NPT shall not, in any month, incur Project Development Costs that, when combined with Project Development Costs previously incurred, exceed the total cumulative cash flow allocations through such month, unless and until NPT provides HQP a written explanation of the reason(s) for incurring such excess Project Development Costs and obtains HQP's consent to incur such excess Project Development Costs.

3.2. **Monthly Reports.** For each month following the Execution Date, NPT shall, within a reasonable time after the last day of each such month, provide HQP with a report reasonably detailing the Project Development Costs incurred during such month prior to the occurrence of a PDC Payment Event, if any. If HQP objects to any costs identified in such a report, HQP shall, within fourteen (14) calendar days, provide NPT with written notice of, and the basis for, such objection. NPT may, in its sole discretion, suspend the activities associated with the Project Development Costs that are the subject of an HQP objection (and the incurrence of such costs and expenses) until such objection is resolved by mutual agreement of the Parties.

3.3. **PDC Payment Event Invoices.** Following the occurrence of a PDC Payment Event, NPT shall submit to HQP a preliminary invoice(s) of all Project Development Costs incurred during the Reimbursement Period, but not to exceed the NTX Amount.

3.4. **Billing and Payment.** Within thirty (30) days after the FERC Effective Date, NPT shall render a final invoice(s) of Project Development Costs incurred during the Reimbursement Period (which invoiced amounts shall be consistent with Appendix A, the monthly reports, the NTX Amount and the conditions, if any, in the FERC order accepting or approving this letter agreement) to HQP at the

10. **Governing Law; Disputes.** This letter agreement and the rights and duties of the Parties shall be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without regard to its principles of conflicts of law. THE PARTIES HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK FOR ENFORCEMENT OF THIS LETTER AGREEMENT AND ANY OTHER LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THE LETTER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED UNDER THE LETTER AGREEMENT. EACH PARTY HEREBY IRREVOCABLY WAIVES AND RELEASES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, (a) ANY OBJECTION TO THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND (b) ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.
11. **Amendments; Entire Agreement.** No provision in this letter agreement may be amended or waived except by a written instrument signed by the Parties. This letter agreement, and the TSA, constitute the entire understanding and agreement between the Parties with respect to the subject matter herein and supersede all prior representations and agreements, express or implied, oral or written with respect to the subject matter herein. References herein to this letter agreement shall include a reference to all attachments, including the Appendices.
12. **Confidentiality.** HQP shall not share with or otherwise disclose to Hydro-Québec TransÉnergie or any other Hydro-Québec division, subsidiary or affiliate with responsibility for construction of electric transmission and/or distribution facilities, the vendor specific rates or information contained in any invoices or other documentation provided to HQP or HQRE by NPT or NPT's members or affiliates pursuant to this letter agreement. Such information provided by NPT, if any, shall be held by HQP and HQRE as confidential and subject to the terms and conditions of that certain Confidentiality Agreement, dated as of February 29, 2008, by and between Northeast Utilities Service Company and H.Q. Energy Services (U.S.) Inc., the terms of which, to the extent not otherwise inconsistent with this letter agreement, are hereby incorporated herein and made a part hereof.
13. **Counterparts.** This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument. The Parties acknowledge and agree that any document or signature delivered by facsimile or electronic transmission shall be deemed to be an original executed document for all purposes hereof.

If HQP agrees to the foregoing terms of this letter agreement, please indicate HQP's agreement by having the appropriate respective duly authorized officer of HQP and HQRE countersign both originals of this letter agreement and returning one executed original to me.

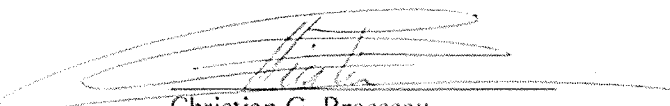
Thank you for your care and attention to this matter,

Sincerely,

NORTHERN PASS TRANSMISSION LLC

James A. Muntz
President

**AGREED AND ACCEPTED BY
HYDRO-QUÉBEC PRODUCTION**

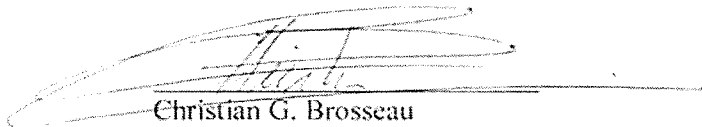


Christian G. Brosseau
Its Vice-President – Wholesale Markets, duly authorized

* * * * *

The undersigned H.Q. Hydro Renewable Energy, Inc. acknowledges having read this letter agreement and agrees to be bound by the terms thereof, including Section 12.

H.Q. HYDRO RENEWABLE ENERGY, INC.



Christian G. Brosseau
President, duly authorized

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Corporate Communications & Community Outreach	308.3	40.3	20.0	25.0	25.0	10.0	10.0	10.0	140.3	448.6
Miscellaneous	223	43.9	51.2	56.9	62.2	67.1	71.9	76.8	430.0	653.0
NPT Labor	1734.1	214.2	215.5	224.6	224.1	223.0	222.7	223.1	1547.2	3281.3
TSA Negotiation Costs	1511.1	215.0	50.0	0	0	0	0	0	265.0	1776.1
Cumulative Cash Flow Total	7603.6	1585.9	1562.3	1150.0	1093.8	988.6	968.1	1011.4	8360.1	15,963.7

* Based on the monthly allocations, Project Development Costs will total \$11,901,800.00 by November 30, 2010.

** Based on the monthly allocations, Project Development Costs will total \$12,995,600.00 by December 31, 2010. NPT therefore anticipates that NPT will have incurred \$12,000,000.00 in Project Development Costs, and reached the NTX Amount, by approximately early December 2010. At an appropriate time before the NTX Amount is reached, the Parties will consult on whether to increase the NTX Amount or curtail project development activities.

Time Value of Money Charge

NPT will accrue, on a cumulative basis, a charge, equal to the time value of money, on all Project Development Costs. Such charge shall accrue against all Project Development Costs at an annual rate of 6.4% as of the Execution Date, and shall be adjusted monthly thereafter.

Example of Calculation of Levelized Monthly Decommissioning Payment

This example is intended to illustrate the methodology for the calculation of the Levelized Monthly Decommissioning Payment. This example and the numbers used in this example are purely illustrative and are in no way intended to supersede Section 9.3 of the Agreement or the Formula Rate.

Formula

Levelized Monthly Decommissioning Payment equals:

Estimated Net Decommissioning Cost, multiplied by Decommissioning Payment Formula

"Decommissioning Payment Formula" means the following formula:

$$\frac{c}{[(1 + c)^{60} - 1]}$$

Where:

c is the reasonably expected monthly rate of return on amounts deposited into the Decommissioning Fund (expressed as a percentage).

Assumptions

Estimated Net Decommissioning Cost, expressed in dollars for the year(s) during which they are expected to be incurred and then discounted to their present value at the beginning of the first calendar day after the end of the Decommissioning Payment Period, is \$1,000,000.

Reasonably expected monthly rate of return on amounts deposited into the Decommissioning Fund (c) is 0.40 percent.

Solving this equation, step by step

Levelized Monthly Decommission Payment equals:

1. $\$1,000,000 * (0.0040 / (((1 + 0.0040)^{60}) - 1))$
2. $\$1,000,000 * (0.0040 / (((1.0040)^{60}) - 1))$
3. $\$1,000,000 * (0.0040 / ((1.27064072) - 1))$
4. $\$1,000,000 * (0.0040 / (0.27064072))$
5. $\$1,000,000 * (0.01477974)$

Example of Calculation of Refund of Amounts Subject to Late Payment Interest

This example is intended to illustrate the methodology for the calculation of a subsequent refund of a late payment. This example and the numbers used in this example are purely illustrative and are in no way intended to supersede Section 14.5(c) of the Agreement or the first sentence of Section 14.5 of the Agreement

Assumptions

Interest Rate = 12 percent per annum (compounded monthly)

June 2011 Billing

Invoice Amount	\$1,000
Date of Invoice	June 1, 2011
Due Date	June 15, 2011
Payment Date	July 1, 2011

The total amount due on the date of payment is \$1,005, which amount is computed by adding \$1,000 (the original amount invoiced) and \$5 (the ½ month late interest fee).

Subsequent Refund

If later, on July 1, 2012, the aforesaid payment is required to be refunded, the refund will equal the \$1,000 payment made on July 1, 2011 (the original amount invoiced), plus the interest accrued on that \$1,000 payment from the due date of June 15, 2011 to the date of refund on July 1, 2012. To ensure that the refund does not double recover interest, the following language has been included in Section 14.5(c) of the Agreement: "If all or a portion of the amount [*here, the \$1,000 payment due on June 15, 2011*] to which such interest relates [*here, the \$5 late interest fee*] is later refunded pursuant to this Agreement [*here, on July 1, 2012*], then, in calculating that refund, such interest [*here, \$5*] shall not be included in the refund.

TRANSMISSION SERVICE AGREEMENT

by and between

NORTHERN PASS TRANSMISSION LLC,

as Owner

and

HYDRO RENEWABLE ENERGY INC.

(f/k/a H.Q. HYDRO RENEWABLE ENERGY, INC.),

as Purchaser

Dated: October 4, 2010

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(the transmission line and converter station, as more fully described in Attachment A, the "HVDC Line");

WHEREAS, in order to interconnect the HVDC Line with the bulk power systems in New England, Owner intends to develop, construct, own and maintain a radial 345 kV AC transmission line extending from the southern terminus of the HVDC Line to the Deerfield substation in the State of New Hampshire (together with the Franklin substation at its northern terminus and the associated equipment at its southern terminus, as more fully described in Attachment A, the "AC Line," and together with the HVDC Line, the "Northern Pass Transmission Line");

WHEREAS, ISO-NE (as defined below) may require, and Purchaser may desire, certain AC Upgrades (as defined below) to be developed, constructed, owned and maintained by certain transmission owners other than Owner (which may include Affiliates of Northeast Utilities or NSTAR) within their existing service territories in New England in order to interconnect the Northern Pass Transmission Line with the New England Transmission System (as defined below) in a safe and reliable manner, and Purchaser may desire the construction of certain Additional AC Upgrades (as defined below);

WHEREAS, Owner desires to sell to Purchaser Firm Transmission Service (as defined below) and Additional Transmission Service (as defined below), and Purchaser desires to acquire from Owner Firm Transmission Service and Additional Transmission Service, at the rates and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF INTERPRETATION

Section 1.1. Definitions. As used herein, the following terms shall have the following respective meanings:

"AC" has the meaning provided in the recitals to this Agreement.

"AC Line" has the meaning provided in the recitals to this Agreement.

"AC Line Agreement" has the meaning provided in Section 8.6(c).

"AC Line Owner" has the meaning provided in Section 8.6(f).

"Budgeted Amount" has the meaning provided in Section 17.1.1(d)(iii).

"Business Day" means any day except Saturday, Sunday or any other day on which the Federal Reserve member banks are required or authorized to close for business.

"Canadian Approvals" means, collectively, those Governmental Approvals and Third Party Consents, in each case, that are required to commence construction of the Québec Line in a manner consistent with Attachment A, other than the Operational Approvals, all as set forth in Attachment D.

"Canadian Regulatory Event" means a determination by Purchaser, including a reasonable basis for such determination, that (a) one or more Canadian Approvals (i) is reasonably unlikely to be obtained by the ~~Third Anniversary Approval Deadline~~ despite the use of commercially reasonable efforts by Purchaser and its Affiliates or (ii) contains or is reasonably likely to contain modifications or conditions that are reasonably unacceptable to Purchaser or its Affiliates or (b) the continuation by Purchaser or one or more of its Affiliates of the regulatory or other processes required to obtain one or more Canadian Approvals would be reasonably likely to have a material adverse effect on the business, operations or financial condition of Purchaser or one or more of its Affiliates.

"Capital Plan" means an annual plan for the capital expenditures to maintain the Northern Pass Transmission Line in accordance with Good Utility Practice in order to provide Firm Transmission Service, which plan shall include a description of the scope and nature of the Planned CapEx, the planned outages and overhauls of the Northern Pass Transmission Line associated therewith, and a budget itemized on a monthly basis for the same, which budget shall include all Planned CapEx Costs projected to be incurred with respect to the foregoing activities.

"Capital Structure" means the ratio of (a) the total amount of Owner's debt divided by Owner's total capitalization to (b) the total amount of Owner's equity capital divided by Owner's total capitalization, as such amounts are determined from time to time in accordance with FERC's Uniform System of Accounts.

"Capped Guaranteed Obligations" has the meaning provided in Section 17.1.1(a)(i).

"Carrying Charges" has the meaning provided in Section 8.1.2(e)(iii).

"COD Notice" has the meaning provided in Section 4.1(c).

"Commercial Operation" means the availability of the Northern Pass Transmission Line for the provision of Firm Transmission Service in accordance with this Agreement.

"Commercial Operation Date" has the meaning provided in Section 4.1(c).

"ISO-NE Definitions Manual" means the ISO New England Manual for Definitions and Abbreviations, Manual M-35, as in effect from time to time.

"ISO-NE Rules" means the ISO-NE Tariff and all ISO-NE manuals, rules, procedures, agreements or other documents relating to the reliable operation of the electric system in New England and the purchase and sale of electrical energy, electrical capacity and ancillary services, as such govern market participants with respect thereto in the operating jurisdiction of ISO-NE, as in effect from time to time, including the ISO-NE Definitions Manual; provided that such documents are publicly accessible.

"ISO-NE Tariff" means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as in effect from time to time, on file with FERC, or its successor tariff.

"kV" means kilovolt.

"Letter Agreement" means that certain Letter Agreement for Recovery of Northern Pass Transmission Line Project Development Costs, of even date herewith, a copy of which is attached hereto as Attachment G and made a part hereof; or any modification to such Letter Agreement (or superseding letter agreement) executed by the parties thereto; provided that Owner shall have filed a copy of any such modification to such Letter Agreement (or superseding letter agreement) with FERC with a request for approval or acceptance not less than sixty (60) days before Owner renders an invoice to Purchaser for costs and expenses incurred by Owner that are recoverable thereunder.

"Levelized Monthly Decommissioning Payment" has the meaning provided in Section 9.3.1(b).

"LIBOR" means the British Bankers' Association Interest Settlement Rate per annum for deposits in U.S. Dollars (for a term comparable to the interest period selected by Owner in accordance with the Loan Documents for the applicable Additional Financing described in clause (a)(i)(B) of the definition thereof), appearing on the display designated as Page 3750 on the Dow Jones Markets Service (or such other page on that service or such other service designated by the British Bankers' Association for the display of such Association's Interest Settlement Rates for U.S. Dollar deposits) as of 11:00 a.m. (London, England time) or if such Page 3750 is unavailable for any reason, the rate that appears on the Reuters Screen ISDA Page as of such date and such time.

"Loan Agreements" means, collectively, (a) the Construction Loan Agreement, (b) the Term Loan Agreement and (c) the loan and credit agreements entered into by Owner with respect to any Additional Financing.

"Loan Documents" means the Loan Agreements and the other instruments and documents evidencing or securing the obligations of Owner to the Financing Parties under the Loan Agreements.

Payment due for such period, multiplied by (ii) the amount of transmission capacity (expressed in MW) that Purchaser acquired for such hour (capped at the amount of unavailable transmission capacity during such hour resulting from a Non-Excused Outage), plus (b) any reasonable transaction costs incurred by Purchaser in connection with the foregoing purchase.

"Revenue Requirement" means the annual transmission revenue requirement of Owner, as determined in accordance with the Formula Rate.

"ROE" has the meaning provided in Section 8.4(a).

"Rules" has the meaning provided in Section 18.3.2(a).

"Salvage Proceeds" has the meaning provided in Section 9.3.5(b)(ii).

"Satisfying Amount" has the meaning provided in Section 17.1.1(e).

"Scheduling Rules" has the meaning provided in Section 7.1.4.

"Security Agreement" has the meaning provided in Section 17.2.1.

~~"Settlement Amount" means an amount equal to the sum of the following: (a) Owner's Costs Plus EAFUDC, plus (b) an amount equal to the greater of (i)(A) the sum of all Project Costs incurred before the applicable termination date (whether payable before or after such termination date) that would have been recoverable under this Agreement absent the termination thereof, multiplied by (B) one-tenth (0.10) and (ii) Twenty Million Dollars (\$20,000,000).~~

"Stated Cap" means the amount set forth in Section 1(a)(i) of the Purchaser Guaranty, as in effect from time to time.

"Subordination Agreement" has the meaning provided in Section 17.2.2.

"Subsequent Use" has the meaning provided in Section 9.2.

"Target Date" means the date that coincides with the guaranteed substantial completion date as established under the principal Construction Contract, which date is preliminarily expected to be in 2015.

"Taxes" means, collectively, all categories of taxes identified as recoverable under the Formula Rate.

"Technical Dispute" has the meaning provided in Section 18.3.1(b).

"Technical Dispute Notice" has the meaning provided in Section 18.3.1(b).

"Term" has the meaning provided in Section 3.2.

Transmission Line under which operating control (as defined in such agreement) of the Northern Pass Transmission Line is transferred from Owner to ISO-NE.

"Transmission Operator" means ISO-NE acting in its capacity pursuant to the Transmission Operating Agreement.

"Transmission Service Payment" has the meaning provided in Section 8.1.2(b).

"Unfavorable FERC Decision" has the meaning provided in Section 2.2(a)(ii).

"United States" or "U.S." means the United States of America.

"U.S. Border" means the location on or near the international border between the State of New Hampshire and the Province of Québec where the HVDC Line and the Québec Line interconnect.

"U.S. Regulatory Event" means a determination by Owner, including a reasonable basis for such determination, that (a) one or more Construction Authorizations (i) is reasonably unlikely to be obtained by the ~~Third Anniversary Approval Deadline~~ despite the use of commercially reasonable efforts by Owner and its Affiliates or (ii) contains or is reasonably likely to contain modifications or conditions that are reasonably unacceptable to Owner or one or more of its Affiliates or (b) the continuation by Owner or one or more of its Affiliates of the regulatory or other processes required to obtain one or more Construction Authorizations would be reasonably likely to have a material adverse effect on the business, operations or financial condition of Owner or one or more of its Affiliates.

Section 1.2. Interpretation. In this Agreement, unless the context otherwise requires, the following rules shall apply to the usage of terms:

Section 1.2.1. Singular; Plural; Gender; Corollary Meaning. The singular shall include the plural and vice versa, and any pronoun shall include the corresponding masculine, feminine and neuter forms. If a term is defined as one part of speech (such as a noun), then it shall have a corresponding meaning when used as another part of speech (such as a verb).

Section 1.2.2. Coordinating Conjunctions. The word "or" shall have the inclusive meaning represented by the phrase "and/or."

Section 1.2.3. Self Reference. The words "hereof," "herein," "hereto" and "hereunder" and words of similar import when used in this Agreement shall, unless otherwise expressly specified, refer to this Agreement as a whole and not to any particular provision of this Agreement.

Section 1.2.4. Inclusive References. The words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by "without

or reimburse to Owner, Owner's Costs Plus EAFUDC. The Parties' rights and obligations, following termination of this Agreement pursuant to this Section 3.3.6, with respect to the property rights and interests associated with the Northern Pass Transmission Line and the Decommissioning of the Northern Pass Transmission Line are respectively set forth in Section 3.5(a) and Section 9.3.

Section 3.3.7. Termination of Agreements with Purchaser's Affiliates.

(a) In the event (i) any Construction Contract with Hydro-Québec Contractor is terminated as a result of any default by Owner of its obligations thereunder (provided that such default was not due to a breach by Hydro-Québec Lender of its funding obligation under the Construction Loan Agreement) or (ii) the Construction Loan Agreement is terminated as a result of any default by Owner of its obligations thereunder (provided that such default was not due to a breach by Hydro-Québec Contractor of any of its obligations under a Construction Contract), Purchaser shall have the right to terminate this Agreement by written notice to Owner as of a date that is not less than ninety (90) days after the date of such notice.

(b) Except as otherwise provided in Section 3.6, upon termination of this Agreement pursuant to clause (a) above, neither Party shall have any liability to the other Party under this Agreement. The Parties' rights and obligations, following termination of this Agreement pursuant to this Section 3.3.7, with respect to the property rights and interests associated with the Northern Pass Transmission Line and the Decommissioning of the Northern Pass Transmission Line are respectively set forth in Section 3.5(a) and Section 9.3.

Section 3.3.8. For Convenience During Construction Phase.

(a) In addition to the termination rights set forth in Section 3.3.4 and Section 3.3.6, during the Construction Phase, Purchaser shall have the right to terminate this Agreement for any other reason by not less than five (5) days' prior written notice to Owner.

~~(b) Upon termination of this Agreement pursuant to clause (a) above, Owner shall have the right to recover from Purchaser, and Purchaser shall pay or reimburse to Owner, the Settlement Amount; provided, however, that if (x) this Agreement has been terminated pursuant to clause (a) above following an Impasse or other Dispute with respect to the most recent Construction Budget and Schedule delivered to the Management Committee under Section 5.2.2 or Section 16.3(b)(i) as of the date of termination and (y) the line item estimates or contingency amounts set forth in such Construction Budget and Schedule are lower than the cost estimates provided by the applicable Contractor, then Purchaser shall have the right to Dispute such item estimates or contingency amounts pursuant to the arbitration provisions set forth in Section 18.3. If Purchaser Disputes any such estimate or contingency amount, as described above, then the following provisions shall apply:~~

Agreement (provided this Agreement has not been terminated), and Purchaser shall commence payments of the Transmission Service Payments in accordance with Article 14 as if the Northern Pass Transmission Line had achieved Commercial Operation.

(c) For the avoidance of doubt, during such period of delay at any time before Purchaser's Deadline, Purchaser shall continue to have the right to terminate this Agreement under Section 3.3.8, and, from and after Purchaser's Deadline, Purchaser shall have the right to terminate this Agreement under Section 3.3.10.

ARTICLE 5

GENERAL RIGHTS AND RESPONSIBILITIES OF THE PARTIES

Section 5.1. Responsibilities of the Parties.

Section 5.1.1. Development Phase. The Parties acknowledge and agree that Owner, either directly or through its Affiliates, has commenced the development of the technical design and scope of the Northern Pass Transmission Line consistent with the scope of activities defined in, and the monthly reports and budgets provided under, the Letter Agreement.

Section 5.1.2. Construction Phase.

(a) During the Construction Phase, Owner shall (i) exercise Good Utility Practice to complete, or cause the completion of, all tasks required to construct the Northern Pass Transmission Line and achieve Commercial Operation by the Target Date, in each case, in accordance with the Design Capability and in a manner consistent with Attachment A, (ii) use commercially reasonable efforts (A) to obtain all of the Construction Authorizations by the ~~Third Anniversary Approval Deadline~~, (B) to obtain, jointly with TransÉnergie, the NPCC Approval by the ~~Third Anniversary Approval Deadline~~, (C) to obtain, in consultation with Purchaser or Purchaser's Affiliates, the ISO-NE Approval by the ~~Third Anniversary Approval Deadline~~ and (D) to cause Owner's Affiliates that are AC Upgrade Owners to obtain any AC Upgrade Approvals for which such Affiliates are responsible by the ~~Third Anniversary Approval Deadline~~, and (iii) use commercially reasonable efforts to obtain all Owner Approvals (other than the Construction Authorizations) by the Target Date. Provided that Owner has complied with its obligations under Section 2.1, Section 2.3, Section 5.1.2(a)(ii) and Section 5.1.2(a)(iii), Owner shall not be in breach of, or be liable to Purchaser under, this Agreement, and no Owner Default shall occur, as a consequence of Owner's failure to obtain an Owner Approval or an Operational Approval or any AC Upgrade Owner's failure to obtain an AC Upgrade Approval.

(b) The Parties intend that Owner and Hydro-Québec Contractor will use commercially reasonable efforts to enter into, within a commercially reasonable timeframe, a Construction Contract on terms and conditions that are customary for the engineering, procurement and construction of projects of a similar nature to the Northern Pass Transmission Line, but also giving due consideration to the particular context

with an Affiliate of Northeast Utilities or NSTAR) entered into by Owner in connection with the Northern Pass Transmission Line or the AC Upgrades.

Section 7.3. Excused Outages or Reductions.

(a) Notwithstanding anything herein to the contrary, Owner shall not be in breach of, or be liable to Purchaser for any losses or damages under, this Agreement, and no Owner Default shall occur, as a consequence of an Excused Outage. "Excused Outages" means any outages of the Northern Pass Transmission Line or reductions in the Total Transfer Capability below the Contract Capacity (whether as a result of a physical condition, legal impediment or otherwise), if and to the extent due to any reason other than Owner's failure to (i) exercise Good Utility Practice or (ii) otherwise discharge its obligations under this Agreement.

(b) For the avoidance of doubt, Excused Outages shall include outages of the Northern Pass Transmission Line or reductions in the Total Transfer Capability below the Contract Capacity due to the following events, but only to the extent they satisfy the definition set forth in last sentence of clause (a) above:

- (i) Events of Force Majeure;
- (ii) Scheduled maintenance, if and to the extent required to discharge Owner's obligations under Section 6.2 or Section 5.4 and consistent with Owner's obligations under Section 6.5;
- (iii) Outages or reductions in the use or availability of transmission lines other than the Northern Pass Transmission Line;
- (iv) Decisions of TransÉnergie or conditions in the electric system located in the Province of Québec, including the unavailability of the Québec Line, in whole or in part; and
- (v) Decisions of ISO-NE, including a decision to reduce or suspend the scheduling rights over the Northern Pass Transmission Line as a result of any grid reliability issue or to preserve facilities and equipment from physical damage.

(c) Purchaser shall be obligated, during any Excused Outage, to pay the Transmission Service Payment in accordance with Article 8 and Article 14 to the same extent as if such Excused Outage had not occurred, except as provided in Section 16.4 for any Extended Outage. Owner shall use commercially reasonable efforts to (i) seek to avoid and (ii) mitigate or remedy any Excused Outage in a commercially reasonable timeframe consistent with Good Utility Practice.

Section 7.4. Non-Excused Outages or Reductions.

Section 7.4.1. Reduction in Transmission Service Payments. Unless otherwise excused under Section 7.3 or Article 16, if and to the extent an outage of the

accordance with Article 8. Notwithstanding the foregoing sentence, the AC Upgrade Costs under any Facilities Agreement entered into with an Affiliate of Northeast Utilities or NSTAR shall not exceed the costs and expenses that would have been incurred by Owner if the AC Upgrade Costs were directly incurred by Owner and recovered pursuant to the Formula Rate in accordance with this Agreement.

(d) Owner shall coordinate with the AC Upgrade Owners and ISO-NE as necessary to obtain for Purchaser the Other Transmission Rights under the ISO-NE Tariff that are associated with, or issued in connection with, the AC Upgrades, the costs of which AC Upgrades are incurred by Owner and recovered from Purchaser in accordance with this Agreement.

(e) In the event ISO-NE determines that all or any portion of the AC Upgrade Costs are eligible to be included in Regional Rates, Purchaser shall have the right, exercisable in its sole discretion, to continue to bear responsibility under this Agreement for all or any portion of the AC Upgrade Costs, in which case Purchaser shall continue to be entitled, in accordance with the ISO-NE Tariff, to all or any portion of the Other Transmission Rights that are associated with, or issued in connection with, Purchaser's continued responsibility for such AC Upgrade Costs.

Section 8.6. Transfer and Cost Recovery of AC Line.

(a) The AC Line shall be initially owned by Owner. AFUDC or Carrying Charges, as applicable, shall be accrued on the costs and expenses that are incurred by Owner in connection with the AC Line in accordance with Section 8.1.2(e)(ii) or Section 8.1.2(e)(iii), and, commencing on the Commercial Operation Date, such costs and expenses, together with AFUDC or Carrying Charges, as applicable, accrued thereon, shall be recoverable under the Formula Rate (i) in the same manner as the costs and expenses that are incurred by Owner in connection with the HVDC Line and (ii) otherwise in accordance with Article 8, except, in each case, as otherwise provided in clause (e) below.

(b) In the event all or any portion of the AC Line, for all or any part of the Term, meets the criteria for Pool Transmission Facilities ("PTF") (as those criteria and term are defined in the ISO-NE Tariff), Owner shall have the right, in its sole discretion, to transfer ownership of any such PTF portion of the AC Line to its Affiliate, PSNH, in accordance with this Section 8.6.

(c) In connection with any such transfer of ownership, Owner shall enter into an agreement with PSNH ("AC Line Agreement") pursuant to which Owner shall, subject to clause (e) below, (i) pay all costs and expenses (including unrecovered return on capital investment) that (A) have been or will be incurred in connection with such transferred portion of the AC Line, (B) have not been previously recovered under this Agreement, and (C) are not and will not be included in Regional Rates. To the extent not included in Regional Rates, such costs and expenses shall include those necessary for Purchaser's eligibility, in accordance with the ISO-NE Tariff, for the Other Transmission

ASSOCIATED WITH THE NORTHERN PASS TRANSMISSION LINE AND ARE MADE IN LIEU OF ALL OTHER REPRESENTATIONS, WARRANTIES AND GUARANTEES, EXPRESS OR IMPLIED, ASSOCIATED WITH THE NORTHERN PASS TRANSMISSION LINE, INCLUDING REPRESENTATIONS OR WARRANTIES AS TO MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. THE FOREGOING SENTENCE SHALL NOT BE CONSTRUED IN ANY WAY TO LIMIT OWNER'S EXPRESS OBLIGATIONS UNDER THIS AGREEMENT.

ARTICLE 23

TRANSFER OF INTERESTS

Section 23.1. No Transfer of Interests.

(a) Any (i) direct or indirect change of ~~control~~ Control of either Party (whether voluntary or by operation of law), (ii) sale, transfer or other disposition of all or substantially all of the assets of either Party or (iii) except as provided in Section 23.3, assignment, transfer or other disposition of, whether to one or more assignees or transferees, all or any portion of either Party's rights, interests or obligations under this Agreement (each of the foregoing, a "Transfer"), shall require the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned when viewed in light of all reasonable considerations, including the security or other financial assurances to be provided by on or behalf of any proposed successor or assign (including the net worth and creditworthiness of the issuer) and the availability and terms of any consent required from any Financing Party in connection with such Transfer. Any Transfer in contravention of this Article 23 shall be null and void.

(b) If Owner consents to a Transfer by Purchaser pursuant to this Section 23.1, then, upon such Transfer, including (i) the assumption, in writing by the Transferee, of Purchaser's obligations under this Agreement with respect to the Transferred portion of this Agreement, which assumption is not subject to conditions that have not been satisfied or waived, and (ii) delivery to Owner of any replacement security or other financial assurances to be provided by or on behalf of such Transferee, then, provided that a Purchaser Default shall not have occurred and be continuing, (x) the obligations of Purchaser (and of Hydro-Québec under the Purchaser Guaranty) shall terminate to the extent of the Transferred portion of this Agreement (it being understood that the Stated Cap shall be reduced in proportion to the Transferred portion of this Agreement), and Purchaser and Hydro-Québec shall be fully, finally, and unconditionally released from all liability associated therewith to the extent of the Transferred portion of this Agreement, and (y) at the request of Purchaser, Owner shall execute and deliver, to Purchaser or Hydro-Québec, a full, final, and unconditional release of the Purchaser Guaranty, in such form as Purchaser may reasonably request, with respect to the Transferred portion of this Agreement.

(c) If Purchaser consents to a Transfer by Owner pursuant to this Section 23.1, then, upon such Transfer, including (i) the assumption, in writing by the Transferee, of Owner's obligations under this Agreement with respect to the Transferred

any notice of unsuccessful or delayed transmission. A notice given in connection with this Section 24.4 but received on a day other than a Business Day, or after business hours in the situs of receipt, shall be deemed to be received on the next Business Day.

If to Owner:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: James A. Muntz, President
107 Selden Street
Berlin, Connecticut 06037
United States of America
Facsimile: (860)665-6717
Email: ~~muntzj~~james.muntz@nu.com

With a copy to:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: Senior Vice President and General Counsel
56 Prospect Street
Hartford, Connecticut 06103
United States of America
Facsimile: (860)728-4581
Email: ~~butlerb~~gregory.butler@nu.com

For billing purposes only:

Northern Pass Transmission LLC
c/o Northeast Utilities Service Company
Attention: ~~Manager~~Director – Transmission Rates
107 Selden Street
Berlin, Connecticut 06037
United States of America
Facsimile: (860)665-26092805
Email: ~~cooperl~~lisa.cooper@nu.com

If to Purchaser:

~~H.Q.~~ Hydro Renewable Energy, Inc.
75, René-Lévesque Boulevard West, 18th Floor
Montréal (Québec) Canada
H2Z 1A4
Attention: ~~Christian G. Brosseau~~Maxime Lanctôt, President
Facsimile: (514)289-54846723

IN WITNESS WHEREOF, Owner and Purchaser have executed this Agreement as of the Execution Date.

OWNER:

NORTHERN PASS TRANSMISSION LLC

By: _____
Name: _____
Title: _____

PURCHASER:

HYDRO RENEWABLE ENERGY INC. (f/k/a
H.Q. HYDRO RENEWABLE ENERGY, INC.)

By: _____
Name: _____
Title: _____

