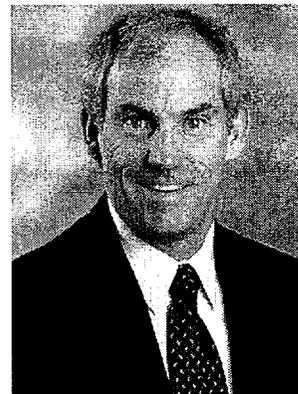


**EXHIBIT F**

**Resume of J. A. Stall**

**JOHN A. STALL**  
**Senior Vice President, Nuclear**



Art Stall is Senior Vice President, Nuclear and chief nuclear officer for Florida Power & Light Company. He reports to the chief executive officer and is responsible for all nuclear activities at Florida Power & Light Company.

Mr. Stall joined FPL in May 1996 at the St. Lucie nuclear plant where he served as Site Vice President. He reported to the Nuclear Division President and oversaw the operation of the two nuclear units at the St. Lucie site located on Hutchinson Island, approximately 50 miles north of West Palm Beach.

Mr. Stall previously served as Station Manager for Virginia Power Company at the North Anna nuclear plant. He joined Virginia Power in 1977 and held various positions of increasing responsibility, including superintendent of operations, assistant station manager for safety and licensing, and superintendent of technical services. A career nuclear professional, Mr. Stall brings his extensive experience to Florida Power & Light's Nuclear Division and plays an important role in the continued performance and efficiency improvements.

Mr. Stall earned his Bachelor of Science degree in nuclear engineering from the University of Florida in 1977, and achieved his Master of Business Administration from Virginia Commonwealth University in 1983. Mr. Stall held a senior reactor operator license while at Virginia Power Company.

**EXHIBIT G**  
**FPLE SEABROOK PROJECTED INCOME STATEMENT (for 88.23% of Plant)**

\$000s	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenue (Note 1)	\$252,795	\$295,230	\$291,259	\$289,486	\$306,569
Operating expense					
O&M	\$92,642	\$88,230	\$83,819	\$83,819	\$83,819
Refueling outage	22,058	0	19,411	19,411	0
Nuclear fuel amortization	27,123	29,772	28,343	28,343	30,427
Waste disposal / DOE D&D fee	8,220	8,969	8,564	8,564	9,154
A&G	22,058	22,058	21,175	21,175	21,175
Property taxes	16,323	16,323	16,323	16,323	16,323
Unit 2 preserve and protect	309	309	309	309	309
Depreciation	10,338	10,563	10,789	11,014	11,239
Decommissioning (Note 2)	21,549	22,741	24,020	25,389	26,857
Total	<u>\$220,617</u>	<u>\$198,965</u>	<u>\$212,751</u>	<u>\$214,346</u>	<u>\$199,302</u>
Operating income	\$32,178	\$96,265	\$78,508	\$75,140	\$107,266
Other (income) expense					
Decommissioning fund earnings	(\$10,875)	(\$12,298)	(\$13,815)	(\$15,481)	(\$17,176)
Interest expense	29,282	29,013	27,072	25,498	23,994
Total	<u>\$18,407</u>	<u>\$16,716</u>	<u>\$13,257</u>	<u>\$10,017</u>	<u>\$6,818</u>
Income before income taxes	\$13,772	\$79,549	\$65,251	\$65,123	\$100,448
Income taxes	5,581	32,237	26,443	26,391	40,707
Net income	<u>\$8,191</u>	<u>\$47,312</u>	<u>\$38,808</u>	<u>\$38,732</u>	<u>\$59,742</u>

Note 1) Revenue projections based on estimated generation and 10/2001 PIRA price projection as follows:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Generation (gwh) (88.23% of plant)	7,985	8,765	8,344	8,344	8,958
Energy price - \$/mwh	\$29.36	\$30.90	\$31.21	\$30.63	\$30.06
Capacity - \$/kw/yr	\$17.92	\$23.85	\$30.16	\$33.15	\$36.43

Note 2) Represents estimated book decommissioning expense based on SFAS 143, Accounting for Asset Retirement Obligations.

**EXHIBIT H**

**FPL Energy Seabrook LLC Projected Opening Balance Sheet (1/1/03)  
88.23 % of the Plant**

\$000s

**Current Assets**

M&S inventory \$35,800

**Fixed Assets**

Plant \$480,600

Fuel 61,900

\$542,500

**Other Assets**

Decommissioning funds \$232,715

Asset retirement cost 231,643

Capital spares 25,600

\$489,958

**Total Assets**

\$1,068,258

**Liabilities**

Asset retirement obligation \$231,643

Long term debt 418,308

\$649,950

**Owners Equity**

Equity \$418,308

**Total liabilities and equity**

\$1,068,258

**EXHIBIT I**  
**Calculation of Estimated Decommissioning Funding Closing Amount**

1. Calculation of the NRC minimum value at the end of 2001

$$\text{NRC Minimum} = \$105 \text{ million} \times (0.65L + 0.13E + 0.22B)$$

Where:

\$105 million is value for reference PWR in 1986 dollars

L = Labor escalation factor to current year<sup>12</sup>

E = Energy escalation factor to current year<sup>13</sup>

B = LLRW escalation factor to current year<sup>14</sup>

#	Item Description	Value
1	Labor escalation factor for Quarter 4, 2001	156.3
2	Base adjustment factor from NUREG-1307	1.555
3	January, 1986 escalation factor from NUREG-1307	130.5
4	L = #1 times #2 divided by #3	1.862
5	Electric power escalation factor, December 2001	140.1
6	Electric power escalation factor for Jan., 1986 from NUREG-1307	114.2
7	Fuel escalation factor for December 2001	56.9
8	Fuel escalation factor for Jan., 1986 from NUREG-1307	82
9	P = #5 divided by #6	1.227
10	F = #7 divided by #8	0.694
11	E = 0.58P + 0.42F per NUREG-1307	1.003
12	Value of B from Table 2.1 of NUREG-1307	8.052
13	0.65L + 0.13E + 0.22B	3.112
14	1986 minimum-millions of dollars	105
15	<b>December 2001 minimum-millions of dollars: #13 times #14</b>	<b>326.8</b>

2. Projected Value for the NRC Minimum at the end of 2002

<sup>12</sup> NUREG 1307 specifies that source is Bureau of Labor Statistics Data, Employment Cost Index, Series ecu13102i (Northeast Region).

<sup>13</sup> NUREG 1307 specifies that source is a weighted calculation using Bureau of Labor Statistics Data, Producer Price Index-Commodities, Series wpu0573 (light fuel oils) and wpu0543 (industrial electric power).

<sup>14</sup> NUREG 1307 provides a value for B in Table 2.1. In the October, 2000 revision (Rev. 9) of the NUREG the value is 8.052 for Barnwell, assuming the application of waste vendor services to reduce burial volumes. No value is provided for Envirocare.

Since the applicable NRC regulation, 10 C.F.R. 50.75, does not specify a methodology for projecting what the NRC Minimum Value might be in the future, recent history was used to project what the value might be at the end of 2002. The following table illustrates how this was done and the change in the projection. The minimum values are in millions.

Annual Report to NDFC	Effective Date for NRC minimum	Value as Reported to the NDFC	Number of years since 12/31/98	Annual compound growth in NRC minimum	Projection to 12/31/02 using the most recent estimate of the compound growth in the NRC minimum
03/31/99	12/31/98	\$290.70	0	NA	NA
03/31/01	12/31/00	\$324.70	2	5.69%	\$362.68 <sup>15</sup>
03/31/02	12/31/01	\$326.80	3	3.98%	\$339.80 <sup>16</sup>

### 3. Projection of the Top-Off and Fund Balance at 12/31/02 Closing

The top-off is the amount needed to assure that the Seller's decommissioning fund balance will grow with 2% real earnings to the NRC minimum value in October 2015. The projection below illustrates the calculation for the period from the end of 2002 to October 17, 2015. All values are in millions of dollars. The example uses the currently projected fund balances and the Seller's 88.23% share of the projected value of the NRC minimum on 12/31/2002. The example indicates a top-off value of \$58.7 million.

End of year (except for 2015)	A: NRC minimum value (88.23%)	B: Balance without top-off (grows at 2% per year)	C: difference = A-B	Top-off : (present value of C October 17, 2015)	Balance with top-off (grows at 2 % per year)
2002	\$299.81	\$174.00	\$125.81	\$58.72	\$232.72
2003	\$299.81	\$177.48	\$122.32	NA	\$237.37
2004	\$299.81	\$181.03	\$118.77	NA	\$242.12
2005	\$299.81	\$184.65	\$115.15	NA	\$246.96
2006	\$299.81	\$188.35	\$111.46	NA	\$251.90
2007	\$299.81	\$192.11	\$107.69	NA	\$256.94
2008	\$299.81	\$195.95	\$103.85	NA	\$262.08
2009	\$299.81	\$199.87	\$99.93	NA	\$267.32
2010	\$299.81	\$203.87	\$95.94	NA	\$272.67
2011	\$299.81	\$207.95	\$91.86	NA	\$278.12
2012	\$299.81	\$212.11	\$87.70	NA	\$283.68
2013	\$299.81	\$216.35	\$83.46	NA	\$289.36
2014	\$299.81	\$220.68	\$79.13	NA	\$295.14
Oct 17, 2015	\$299.81	\$224.16	\$75.64	NA	\$299.81

<sup>15</sup> Calculated value at the end of 2000 escalated at 5.69% per year to end of 2002.

<sup>16</sup> Calculated value at the end of 2001 escalated at 3.98% to the end of 2002.

Top-off @12/31/02 = PV (Rate, NPER, PMT, FV, type)

Where: PV = Present Value for the indicated parameters. In this case, the parameters are:

Rate = annual real rate of return, 2% per year.

NPER = number of periods. For the example above this is ~12.8 years.

PMT = amount of regular payments each period. For the example above there are no payments (top-off assumes no further payments are required).

FV = Future Value. For the example above this is the difference between the balance (without a top-off) @ 10/17/2015 and the sellers share of the NRC minimum at that same time. For the example above, FV = \$224.16 million - \$299.81 million = -\$75.64 million.

(Type refers to periodic payments at either the beginning or the end of the period. Since there are no periodic payments, this parameter does not apply to the example.)

For this example, the PV @ 12/31/02 = \$58.72 million. The last column in the example demonstrates that the top-off amount is correct since the balance with the top-off grows to the correct value of \$299.81 million @10/17/2015.

**EXHIBIT J**

**Decommissioning Funding Worksheet for Seabrook Unit 1**

<b>Projected Balance at Transaction Closing</b>				\$	\$232,715,000
Seabrook Unit 1 License Expiration Year				2026	
<u>Year</u>	<u>Beginning Balance</u>	<u>Growth %</u>	<u>Earnings</u>		<u>Ending Balance</u>
2003	\$232,715,000	2	\$4,654,300		\$237,369,300
2004	\$237,369,300	2	\$4,747,386		\$242,116,686
2005	\$242,116,686	2	\$4,842,334		\$246,959,020
2006	\$246,959,020	2	\$4,939,180		\$251,898,200
2007	\$251,898,200	2	\$5,037,964		\$256,936,164
2008	\$256,936,164	2	\$5,138,723		\$262,074,887
2009	\$262,074,887	2	\$5,241,498		\$267,316,385
2010	\$267,316,385	2	\$5,346,328		\$272,662,713
2011	\$272,662,713	2	\$5,453,254		\$278,115,967
2012	\$278,115,967	2	\$5,562,319		\$283,678,286
2013	\$283,678,286	2	\$5,673,566		\$289,351,852
2014	\$289,351,852	2	\$5,787,037		\$295,138,889
2015	\$295,138,889	2	\$5,902,778		\$301,041,667
2016	\$301,041,667	2	\$6,020,833		\$307,062,500
2017	\$307,062,500	2	\$6,141,250		\$313,203,750
2018	\$313,203,750	2	\$6,264,075		\$319,467,825
2019	\$319,467,825	2	\$6,389,357		\$325,857,182
2020	\$325,857,182	2	\$6,517,144		\$332,374,326
2021	\$332,374,326	2	\$6,647,487		\$339,021,812
2022	\$339,021,812	2	\$6,780,436		\$345,802,248
2023	\$345,802,248	2	\$6,916,045		\$352,718,293
2024	\$352,718,293	2	\$7,054,366		\$359,772,659
2025	\$359,772,659	2	\$7,195,453		\$366,968,112
2026*	\$366,968,112	2	\$6,421,942		\$373,390,054
* 10.5 months					
<b>Ending Balance for 2026</b>					\$ 373,390,054
<b>NRC Requirement for Seabrook Unit 1 (88.23%)</b>					\$ 299,810,000
<b>Credited Value of Funds in Excess of NRC Requirement</b>					\$ 73,580,054

**EXHIBIT K**

**Interconnection Agreement**

Document #: 1235165 v.12

**INTERCONNECTION AND OPERATING AGREEMENT**

**BY AND BETWEEN**

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

**AND**

**FPL ENERGY SEABROOK, LLC**

**April 13, 2002**

## TABLE OF CONTENTS

	Page
1. PREAMBLE.....	1
2. DEFINITIONS.....	1
3. TERM AND TERMINATION.....	8
3.1 Effective Date.....	8
3.2 Term.....	8
3.3 Survival.....	8
4. INTERCONNECTION SERVICE.....	9
4.1 Scope of Service.....	9
4.2 Limitations on Scope of Service.....	9
4.3 Transmission Service and Other Market Products.....	9
4.4 Interruption in Interconnection Service.....	9
4.5 Buyer Obligations.....	10
5. MAINTENANCE.....	10
5.1 Maintenance Obligations.....	10
5.2 Maintenance Scheduling.....	10
5.3 Maintenance of 345 kV Substation and Associated Equipment.....	10
5.4 Spare Parts.....	11
5.5 Maintenance Safety.....	11
6. ACCESS RIGHTS.....	11
6.1 PSNH Access Rights.....	11
6.2 Scope of Access Rights.....	12
6.3 Additional Access Rights.....	12
7. NRC MAINTENANCE RULE AND NRC REQUIREMENTS & COMMITMENTS.....	13
7.1 PSNH and NAESCO Representations and Warranties.....	13
7.2 PSNH's Obligation to Cooperate in Achieving Buyer's Compliance.....	13
7.3 PSNH Facilities, Equipment and Services Governed by NRC Maintenance Rule and NRC Requirements & Commitments at Time of Closing.....	14
7.4 Amendments or Modifications to PSNH's Obligations.....	14
7.5 Analysis.....	14
7.6 Testing.....	15
7.7 Performance Improvement Plan.....	15
7.8 Records.....	15
8. NEW CONSTRUCTION OR MODIFICATION.....	15
8.1 Construction or Modification to the Facility, Transmission System or PSNH Interconnection Facilities.....	15
8.2 Modification to the 345 kV Substation.....	16
8.3 Modification to the Interconnected 345 kV Substation Transmission Line Protection and Control Systems.....	16
8.4 Modification to 345 kV Substation Communications Equipment.....	16
8.5 Other Modifications.....	16

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
9. INSPECTIONS.....	17
9.1 General.....	17
9.2 Defects, Deficiencies and Lack of Scheduled Testing or Maintenance.....	17
10. METERING.....	17
10.1 General.....	17
10.2 Compensation for Energy Losses.....	18
10.3 Metering Inaccuracies; Testing; Modifications; and Notice of Failure or Stoppage.....	18
11. EMERGENCIES, PRE-EMERGENCIES AND RELATED CONDITIONS.....	18
12. SAFETY.....	19
13. OPERATIONS.....	19
13.1 Buyer’s Operating Obligations.....	19
14. BILLING AND PAYMENTS.....	20
14.1 Cost Responsibilities.....	20
14.2 Invoices.....	20
14.3 Payment.....	20
14.4 Disputes.....	20
14.5 Waiver.....	21
14.6 Interest.....	21
15. BREACH, CURE AND DEFAULT.....	21
15.1 Breach.....	21
15.2 Cure and Default.....	22
15.3 Remedies for Default.....	23
16. DISPUTE NEGOTIATION, DISPUTE RESOLUTION AND ARBITRATION.....	23
16.2 Dispute Resolution.....	24
16.3 FERC Jurisdiction Over Certain Disputes.....	24
17. COMMUNICATIONS; INFORMATION REPORTING AND ACCESS; AUDIT RIGHTS.....	25
17.1 ISO-NE and ESCC-Required Communications.....	25
17.2 Information Reporting and Access.....	25
17.3 Audit Rights.....	26
18. CONFIDENTIALITY.....	26
18.1 General.....	26
18.2 Post-Closing Treatment of Previously Non-Confidential Information.....	27
18.3 Survival.....	27
18.4 Disclosure to Governmental Authorities to Undertake Transactions Contemplated by this Agreement.....	27
18.5 Disclosures Without Prior Consent.....	28
19. INDEMNIFICATION.....	28
19.1 General.....	28
19.2 Indemnification Procedures.....	28

**TABLE OF CONTENTS**  
**(continued)**

	<b>Page</b>
20. INSURANCE.....	29
21. FORCE MAJEURE. ....	29
21.1 Effect of Force Majeure.....	29
21.2 Obligations of Party Claiming Force Majeure. ....	30
22. NO THIRD PARTY BENEFICIARIES.....	30
23. NO JOINT VENTURE.....	30
24. ENTIRE AGREEMENT.....	30
25. SUCCESSION AND ASSIGNMENT.....	30
25.1 Assignment with Prior Consent.....	30
25.2 Assignment without Prior Consent.....	30
25.3 Miscellaneous.....	31
26. COUNTERPARTS.....	31
27. HEADINGS.....	31
28. NOTICES.....	31
28.1 Notice Requirements.....	31
28.2 Coordination Contact.....	32
28.3 Default Time Period for Issuing Written Notice.....	32
29. GOVERNING LAW.....	33
30. CHANGE IN LAW.....	33
31. CONSENT TO JURISDICTION AND VENUE.....	33
32. AMENDMENTS.....	33
33. WAIVER.....	33
34. REGULATORY FILINGS WITH FERC.....	33
35. TRANSFER OF PSNH TRANSMISSION ASSETS.....	34
36. NEW SUBSTATION.....	34
37. SEVERABILITY.....	34
38. EXPENSES.....	35
39. CONSTRUCTION.....	35
40. INCORPORATION OF SCHEDULES.....	35
41. SPECIFIC PERFORMANCE.....	35
42. GOOD FAITH COVENANT.....	35
43. SUBCONTRACTORS.....	35
44. LIMITATION OF LIABILITY.....	35
45. REPRESENTATIONS AND WARRANTIES.....	36
45.1 Good Standing.....	36
45.2 Authority.....	36
45.3 No Conflict.....	36
45.4 Consent and Approval.....	36
46. ENVIRONMENTAL COMPLIANCE AND PROCEDURES.....	36
47. TAXES.....	37

## **INDEX OF SCHEDULES**

- Schedule A** - Points of Interconnection
- Schedule B** - Existing 345 kV Substation
- Schedule C** - PSNH's Switching and Tagging Procedures, Work Standards and Technical Information Bulletins
- Schedule D** - NRC Maintenance Rule and NRC Requirements & Commitments
- Schedule E** - Insurance Coverage
- Schedule F** - Certificate As To Compliance With NRC Maintenance Rule And NRC Requirements & Commitments
- Schedule G** - Notice of Interconnection Agreement.

1. **PREAMBLE.**

This Interconnection and Operating Agreement (the "*Agreement*"), dated as of April 13, 2002, but effective as of the Closing Date (as hereinafter defined), is between Public Service Company of New Hampshire, a New Hampshire corporation, ("*PSNH*") and FPL Energy Seabrook, LLC, a Delaware limited liability company ("*Buyer*"), (PSNH and Buyer are each referred to herein as a "*Party*" or, collectively, the "*Parties*").

**WITNESSETH:**

WHEREAS, a Purchase and Sale Agreement dated April 13, 2002 (the "*Purchase and Sale Agreement*") has been entered into for the sale of Seabrook Unit 1 and the assets associated with Seabrook Unit 2, as described in the Purchase and Sale Agreement (collectively, the "*Facility*") to the Buyer;

WHEREAS, an Asset Demarcation Agreement has been entered into between the Buyer and Sellers of the Facility evidencing their agreement as to the demarcation between certain of such transferred and retained assets after the Closing (as hereinafter defined) under the Purchase and Sale Agreement (the "*Asset Demarcation Agreement*");

WHEREAS, the Buyer needs Interconnection Service (as hereinafter defined) from PSNH for the Facility utilizing the PSNH Interconnection Facilities (as hereinafter defined) owned by PSNH;

WHEREAS, PSNH needs access to certain assets being acquired by the Buyer, including the 345 kV Substation (as hereinafter defined); and

WHEREAS, the purpose of this Agreement is to establish the relationship between the Parties regarding PSNH's provision of Interconnection Service to the Buyer and to delineate the continuing rights and obligations of each Party regarding, among other things, (a) the provision of Interconnection Service, (b) the maintenance and operation of the PSNH Interconnection Facilities, the 345 kV Substation, and associated facilities and equipment, and (c) the use of the other Party's property, assets and facilities.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the legal sufficiency of which is hereby acknowledged by the Parties, PSNH and Buyer agree as follows:

2. **DEFINITIONS.** Whenever used in this Agreement as capitalized terms, the following terms shall have the meaning specified in this Section 2. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Purchase and Sale Agreement.

**“Acceptable Credit Support”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Access Rights”** shall have the meaning set forth in Section 6.1 of this Agreement.

**“Affiliate”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Asset Demarcation Agreement”** shall mean the Asset Demarcation Agreement between the Buyer and the sellers of the Facility, as more fully described in the Purchase and Sale Agreement.

**“Breach”** shall have the meaning set forth in Section 15.1 of this Agreement.

**“Breaching Party”** shall have the meaning set forth in Section 15.1 of this Agreement.

**“Business Day”** shall mean any day other than a Saturday, Sunday or day on which banks are legally closed for business in the State of New Hampshire.

**“Closing”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Closing Date”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Commercially Reasonable Efforts”** means efforts which are reasonably within the contemplation of the Parties at the Closing Date and which do not require the performing Party to expend any funds other than expenditures which are customary and reasonable in nature and amount in transactions of the kind and nature contemplated by this Agreement in order for the performing Party to satisfy its obligations hereunder or otherwise assist in the consummation of the transactions contemplated by this Agreement.

**“Cure”** shall have the meaning set forth in Section 15.2 of this Agreement.

**“Default”** shall have the meaning set forth in Section 15.2 of this Agreement.

**“DFR”** shall have the meaning set forth in Section 5.3 of this Agreement.

**“Disclosing Party”** shall have the meaning set forth in the definition of “Proprietary Information”.

**“Dispute Representative”** shall have the meaning set forth in Section 16.2 of this Agreement.

**“Easement Agreement”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Emergency”** shall mean a condition or situation which is imminently likely to (i) endanger public health, life or property; or (ii) adversely affect or impair the Facility, the 345 kV Substation, the Transmission System, PSNH Interconnection Facilities, or the electrical systems of others to which the Transmission System or Buyer’s electrical systems are directly or indirectly connected.

**“Effective Date”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Environmental Laws”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“ESCC”** shall mean PSNH’s Electrical System Control Center or any successor organization which operates as a satellite to or for ISO-NE.

**“ESCC/Seabrook Switching and Tagging Jurisdiction Agreement”** shall mean the ESCC/Seabrook Station Switching and Tagging Jurisdiction Agreement, dated as of March 12, 2001, as it may be amended from time to time.

**“Facility”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Facility Critical Transmission Facilities”** shall mean the Seabrook to Newington 345 kV transmission line, the Seabrook to Scobie Pond 345 kV transmission line, the Seabrook to Tewksbury 345 kV transmission line, the Seabrook 345 kV buses No. 1 and No. 2, and facilities supplying the GSU, RAT and UAT.

**“Federal Power Act”** shall mean the Federal Power Act, 16 U.S.C. §§791a et seq. (2001), as amended from time to time.

**“FERC”** shall mean the Federal Energy Regulatory Commission, or its regulatory successor, as applicable.

**“Force Majeure”** shall mean acts of God, epidemics, landslides, hurricanes, floods, lightning, earthquakes, storms, perils of the sea, hurricane or storm warnings (to the extent that such warnings cause an evacuation of facilities and restrict service under this Agreement), requirements of any court or Governmental Authority, including ISO-NE and lawfully established civilian authorities, on the performance of a Party’s obligations under this Agreement, acts of war, attacks, explosions, acts of civil or industrial disorder or sabotage, accidents to any transmission facilities, or actions outside of a Party’s control taken by any Third Party that have a negative impact on the operation of any transmission facilities, salinization or freezing of facilities or other equipment, necessities for making repairs or alterations to machinery or equipment, or any event similar to those enumerated above, to the extent that any such event: (a) restricts or prevents performance under this Agreement; (b) is not reasonably

within the control of the Party affected by such event; and (c) by the exercise of reasonable diligence, such Party is unable to prevent or overcome; provided, however, that Force Majeure shall not include (x) any event or circumstance which merely increases a Party's cost of performance under this Agreement or causes an economic hardship to a Party, including, without limitation, any order by a Governmental Authority rescinding or otherwise impacting a Party's performance under this Agreement or otherwise requiring a refund or other change in whole or in part of the price or conditions of providing services hereunder; (y) failure of performance that is due to a Party's own gross negligence or intentional wrongdoing .

**"GSU"** shall mean generator step-up transformer.

**"Good Utility Practice"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Hazardous Substance"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Governmental Authority"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Indemnifying Party"** shall have the meaning set forth in Section 19.1 of this Agreement.

**"Initial Closing"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Interconnection Service"** shall mean the interconnection of the Facility and 345 kV Substation with the Transmission System. Interconnection Service shall not mean transmission service or any market products, which are available and/or required under the NEPOOL Tariff or other applicable PSNH tariff, in each case as amended from time to time.

**"Interim Period"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"ISO-NE"** shall mean ISO New England Inc., or its successor.

**"Knowledge"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Law or Laws"** shall have the meaning set forth in the Purchase and Sale Agreement.

**"Maintain"** shall mean construct, reconstruct, install, inspect, repair, replace, operate, patrol, maintain, use, modernize, expand or upgrade, or to undertake other similar activities.

**"Material Adverse Effect"** shall have the meaning set forth in the Purchase and Sale Agreement.

“**NEIL**” shall mean Nuclear Electric Insurance Limited or its successor.

“**NEPOOL**” shall mean the New England Power Pool, established by the NEPOOL Agreement, or its successor.

“**NEPOOL Agreement**” shall mean the New England Power Pool Agreement, dated September 1, 1971, as it may be amended from time to time as approved by FERC.

“**NEPOOL System Rules**” shall mean the NEPOOL market rules, the NEPOOL information policy, the administrative procedures, the reliability standards, the NEPOOL manuals and any other system rules, any procedure or criteria required for the operation of the NEPOOL system and administration of the NEPOOL market, the NEPOOL Agreement and the NEPOOL Tariff.

“**NEPOOL Tariff**” shall mean the Restated NEPOOL Open Access Transmission Tariff as filed with the FERC on July 22, 1998 and as it may be amended from time to time.

“**NERC**” shall mean North American Electric Reliability Council, or its successor.

“**New Substation**” shall have the meaning set forth in Section 36 of this Agreement.

“**Non-Breaching Party**” shall have the meaning set forth in Section 15.1(c) of this Agreement.

“**Non-Defaulting Party**” shall have the meaning set forth in Section 15.3(a) of this Agreement.

“**NPCC**” shall mean the Northeast Power Coordinating Council, a regional reliability governing body, or its successor.

“**NRC**” shall mean the United States Nuclear Regulatory Commission, as established by Section 201 of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. § 5841, or any successor commission, agency or officer.

“**NRC Licenses**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**NRC Maintenance Rule**” shall mean the NRC rules and regulations set forth in 10 C.F.R. § 50.65, as amended from time to time.

“**NRC Requirements & Commitments**” shall mean all the requirements, obligations, duties and commitments required to be followed and honored by Buyer pursuant to (a) the Atomic Energy Act of 1954, (b) the regulations of the NRC, (c) NRC Licenses and (d) all other laws, regulations, licenses and commitments to which Buyer is or may become subject from time

to time as an NRC licensee for the Facility, as each may be amended from time to time.

“**NSO**” shall mean the National Electric Safety Code (NESC), ANSI Standard C2.

“**OASIS**” shall have the meaning set forth in Section 17.2(c) of this Agreement.

“**Panel**” shall have the meaning set forth in Section 16.2 of this Agreement.

“**Party**” shall have the meaning set forth in Section 1 of this Agreement.

“**Participants**” shall mean those Persons who are parties to the Joint Ownership Agreement as defined in the Purchase and Sale Agreement.

“**Parties**” shall have the meaning set forth in Section 1 of this Agreement.

“**Permits**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**Person**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**Points of Interconnection**” are reflected in Schedule A to this Agreement and are currently identified as the points at which outgoing 345 kV transmission lines #394, #363 and #369 attach to disconnect switches 94J1, 63J1 and 69J1, respectively.

“**Proprietary Information**” shall mean all information about a Party or its properties or operations furnished by such Party (the “*Disclosing Party*”) or its Representatives to the other Party (the “*Receiving Party*”) or its Representatives, and marked or designated in writing by the Disclosing Party as “CONFIDENTIAL,” regardless of the manner or medium in which it is furnished. Proprietary Information does not include information that (a) is or becomes generally available to the public, other than as a result of a disclosure by the Receiving Party or its Representatives in violation of this Agreement; (b) was available to the Receiving Party on a nonconfidential basis prior to its disclosure by the Disclosing Party or its Representatives; (c) becomes available to the Receiving Party on a nonconfidential basis from a Person, other than the Disclosing Party or its Representatives, each of whom, to the Receiving Party’s Knowledge, is not otherwise bound by a confidentiality agreement with the Disclosing Party or its Representatives, or is not otherwise under any obligation to the Disclosing Party or any of its Representatives not to transmit the information to the Receiving Party or its Representatives; (d) the Disclosing Party discloses to others on a non-confidential basis; or (e) was independently developed by the Receiving Party without violation of this Agreement.

“**PSNH Interconnection Facilities**” shall mean those portions of 345 kV transmission lines #394, 363 and 369 which are directly connected to the 345 kV Substation at disconnect switches 94J1, 63J1 and 69J1, respectively.

**“PSNH’s Switching and Tagging Procedures”** shall mean the switching and tagging procedures of PSNH as set forth in Schedule C hereto, as they may be amended from time to time.

**“PTF” or “Pool Transmission Facilities”** shall mean the transmission system facilities of PSNH and other transmission owners in New England, as defined by the NEPOOL Agreement.

**“Qualified Personnel”** shall have the same meaning as “qualified employee” in 29 C.F.R. § 1910.269(x) (2001), as it may be amended from time to time.

**“RAT”** shall mean reserve auxiliary transformer.

**“Receiving Party”** shall have the meaning set forth in the definition of “Proprietary Information”.

**“Related Agreements”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Release”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Remediation”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Representative”** shall have the meaning set forth in the Purchase and Sale Agreement.

**“Revenue Meters”** shall mean all kwh, kvah and kvarh meters, pulse isolation relays, pulse conversion relays, associated totalizing and remote access pulse recording equipment or any functional replacement required to measure the transfer of energy between the Parties.

**“Right-of-Way Access”** shall mean the use of all gates, roadways, paths or other means of access to, or required to gain entry to, the transmission system rights-of-way located on a Party’s property, as provided for in this Agreement.

**“RTU”** shall mean remote terminal unit.

**“SCADA Equipment”** shall mean supervisory control and data acquisition equipment.

**“Secondary Systems”** shall mean control, communication or power circuits that operate below 600 volts, AC or DC, including but not limited to any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers whose signals or energy may be used by the Buyer, ISO-NE, PSNH or their respective Affiliates.

“**Sellers**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**SER**” shall have the meaning set forth in Section 5.3 of this Agreement.

“**Site**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**Third Party**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**Transition Period**” shall have the meaning set forth in the NEPOOL Agreement and NEPOOL Tariff.

“**Transmission Support Agreement**” shall have the meaning set forth in the Purchase and Sale Agreement.

“**Transmission System**” shall mean the facilities, including PTF and non-PTF, owned, controlled or operated by PSNH, for purposes of providing point-to-point transmission service, network integration service, retail station service and Interconnection Service, including services under the NEPOOL Tariff. The Transmission System does not include the 345 kV Substation purchased by the Buyer.

“**UAT**” shall mean unit auxiliary transformer.

“**VAR**” shall mean volt-ampere reactive.

“**345 kV Substation**” shall mean the existing 345 kV SF<sub>6</sub> substation and associated equipment located at the Site, including but not limited to the breakers, disconnect switches, buses, gas insulated bus ducts to the termination yard, wave traps, coupling capacitors and surge arrestors, but excluding the PSNH Interconnection Facilities, as reflected in Schedule B hereto.

### 3. **TERM AND TERMINATION.**

3.1 **Effective Date.** This Agreement shall become effective upon the Closing Date.

3.2 **Term.** This Agreement shall continue in full force and effect until the earliest of (a) the date as of which the Parties agree to mutually terminate this Agreement; (b) the date on which a Non-Defaulting Party provides notice of termination for Default of this Agreement in accordance with Section 15.3(a) of this Agreement; or (c) the date on which the Facility is permanently shut down. Notwithstanding the foregoing, no termination shall become effective until the Parties have complied with all Laws applicable to such termination.

3.3 **Survival.** This Agreement shall continue in effect after termination to the extent necessary to provide for final billings and payments, including (a) billings and

payments pursuant to Section 14 of this Agreement; (b) to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and (c) to permit each Party to have access to the land, facilities and equipment of the other Party pursuant to Section 6 of this Agreement to disconnect, remove or salvage its own facilities and equipment.

4. **INTERCONNECTION SERVICE.**

4.1 **Scope of Service.** PSNH shall provide the Buyer with Interconnection Service to the Transmission System from the Points of Interconnection for the Facility. Notwithstanding the right of Buyer to obtain retail generating station service from the supplier of its choice, Buyer shall continue to receive delivery of retail generating station service for the Facility from PSNH under PSNH's Electricity Delivery Service Tariff No. 2, effective May 1, 2001, as it may be amended from time to time.

4.2 **Limitations on Scope of Service.** Interconnection Service shall not include the interconnection to the Transmission System or the PTF of (a) any other generating unit owned or controlled by the Buyer, wherever located, and (b) any generation not owned by Buyer located at the Site.

4.3 **Transmission Service and Other Market Products.** With respect to transmission service and market products associated with the delivery of capacity and/or energy produced by the Facility, it shall be the responsibility of the Buyer to make arrangements for same under the terms of the NEPOOL Tariff or other applicable tariffs.

4.4 **Interruption in Interconnection Service.** PSNH shall Maintain the PSNH Interconnection Facilities in accordance with this Agreement, applicable Laws, Good Utility Practice, NEPOOL System Rules and the requirements of ISO-NE, ESCC and NPCC so as to provide the Facility with continuous access to the Transmission System, and thereby to the regional network within NEPOOL. Such access shall be subject to automatic and instantaneous interruption upon the activation of protective relaying devices designed to protect any of the Facility, the 345 kV Substation, the PSNH Interconnection Facilities or the Transmission System, and may be subject to extended outages due to any equipment failure, including but not limited to protective relaying devices. To the extent reasonably practicable, PSNH shall give Buyer notice of its intention to interrupt service under this Section 4.4 and an opportunity for Buyer to remove the condition before interrupting service. In the event of such interruption, PSNH shall immediately confer with Buyer regarding the conditions causing such interruption and the Parties shall take such actions as necessary to restore service. In the event such interruption is due to the failure of a Party to perform its obligations under this Agreement, the Party responsible for the interruption shall compensate the other Party for all costs reasonably incurred by the other Party directly attributable to the interruption; provided, however, that such costs shall be limited as provided in Article 44 and

shall therefore not include any revenue loss associated with such interruption.

4.5 **Buyer Obligations.** Buyer shall operate the 345 kV Substation, including but not limited to the interconnected 345 kV Substation transmission line protection and control systems and the 345 kV Substation communications equipment, in accordance with this Agreement, applicable Laws, Good Utility Practice, NEPOOL System Rules and the requirements of ISO-NE, ESCC and NPCC.

## 5. **MAINTENANCE.**

5.1 **Maintenance Obligations.** Except as expressly provided otherwise in this Agreement, each Party shall Maintain at its own expense its own property, facilities, equipment and systems and access to said facilities in accordance with this Agreement, applicable Laws, Good Utility Practice, NEPOOL System Rules and the requirements of ISO-NE, ESCC and NPCC, regarding without limitation maintenance outage coordination, voltage schedules, generator power factor, control reporting of output and line flow data and major equipment status and metering accuracy.

5.2 **Maintenance Scheduling.** PSNH shall consult regularly with the Buyer regarding the timing of scheduled maintenance of the Transmission System and PSNH Interconnection Facilities, which might reasonably be expected to affect the Facility. Absent an Emergency or contrary direction from ISO-NE, the Parties shall jointly agree on the scheduling of any testing, shutdown or withdrawal of the Transmission System or PSNH Interconnection Facilities to coincide with scheduled outages for the Facility. If the Buyer desires PSNH to perform maintenance during a time period other than a scheduled outage of the Facility, PSNH shall, subject to ISO-NE approval, use Commercially Reasonable Efforts to meet the Buyer's request as long as such request is not reasonably expected to cause an increase in costs allocable to, or to be borne by, PSNH or its other customers. In the event PSNH is unable to schedule the outage of its transmission facilities to coincide with the Buyer's schedule due to an Emergency or contrary direction from ISO-NE, PSNH shall use Commercially Reasonable Efforts to notify the Buyer in advance of, and provide reasons for, (a) the outage, (b) the time scheduled for the outage to take place and (c) the expected duration of the outage. PSNH shall use Commercially Reasonable Efforts to restore its transmission facilities to service as soon as possible; provided, however, (y) that Buyer shall compensate PSNH for any costs incurred by PSNH in connection with efforts in excess of Commercially Reasonable Efforts taken by PSNH upon Buyer's request; and (z) that PSNH's obligation to restore service under this Section 5.2 shall be subject to and consistent with applicable Law, Good Utility Practice, NEPOOL System Rules, the requirements of ISO-NE, ESCC and NPCC, and Sections 7.2(b) and 11 of this Agreement.

5.3 **Maintenance of 345 kV Substation and Associated Equipment.** The Buyer shall Maintain all Right-of-Way Access in or about the Facility and the 345 kV Substation.

The 345 kV circuit breakers, line disconnect switches and protective relaying and associated communications equipment in the 345 kV Substation provide fault clearing and isolation for the Transmission System as well as for the facilities of the Buyer; and the Buyer shall provide this transmission line protection and isolation service consistent with Good Utility Practice and at no cost to PSNH. The Buyer shall own the telemetering, SCADA Equipment, protective relaying and control equipment (including the digital fault recorder (“*DFR*”), sequence of events recorder (“*SER*”), other similar equipment and associated software) for the 345 kV Substation. The *DFR* and *SER* provide fault monitoring and recording for the Transmission System as well as for the facilities of the Buyer. Access to the *DFR* and *SER* (or their equivalent) shall be made available to PSNH via telephone to permit interrogation for faults and electric transient events. The Buyer shall own the RTU at the Site, and, subject to Section 6.1 of this Agreement, shall make available the full functionality of the RTU at no cost to PSNH. PSNH shall, at the Buyer’s expense, Maintain, test and coordinate the settings of the equipment (excluding circuit breakers) used in monitoring, control and protection of the 345 kV Substation, in accordance with a contract to be arranged between the Buyer and PSNH. Such maintenance and coordination shall be consistent with all NPCC bulk power systems protection criteria and applicable NEPOOL System Rules and ISO-NE requirements.

5.4 **Spare Parts.** Where a Party decides in its sole discretion to do so, that Party shall provide the other Party, if requested, with spare parts available in inventory at its fair market value in the event of emergencies or equipment failures relative to the 345 kV Substation.

5.5 **Maintenance Safety.** In performing the maintenance services or functions described in this Section 5, both PSNH and Buyer shall comply with PSNH’s Switching and Tagging Procedures, work standards and technical information bulletins, which are contained in Schedule C hereto, and shall coordinate with ESCC or ISO-NE, as appropriate, for the safe operation, isolation and reconnection of the PSNH Interconnection Facilities. The Parties shall abide by their respective switching and tagging rules for obtaining clearances for work or for switching operations on equipment. Strict adherence to established switching, tagging and grounding procedures is required at all times for the safety of personnel. Such work shall be performed in accordance with all applicable laws, rules, and regulations and in compliance with Occupational Safety and Health Administration (OSHA), the applicable edition of ANSI C2, *National Electrical Safety Code* (NESC) and Good Utility Practice. With regard to any joint use facilities, the Parties will follow mutually agreeable switching and tagging rules in order to obtain clearances for work on equipment requiring switching of both Parties’ facilities.

## 6. **ACCESS RIGHTS.**

6.1 **PSNH Access Rights.** The Parties hereby grant each other access rights, including Right-of-Way Access, to such of their respective facilities (including but not limited

to the 345 kV Substation, RTU, any terminal structures for transmission lines and any disconnect switches), properties and equipment as may be necessary to enable each Party to (i) Maintain its facilities, properties and equipment in a manner consistent with Good Utility Practice and (ii) perform all of its obligations under this Agreement or any agreements related to, contemplated by or identified in this Agreement (collectively, the “*Access Rights*”). Such access shall be provided in accordance with and subject to applicable NRC Requirements & Commitments, and shall not unreasonably interfere with the ongoing business operations, rights and obligations of the Party providing access. Notwithstanding the foregoing, each Party, its Affiliates, and their employees, contractors, subcontractors and agents may gain access to the other Party’s facilities for purposes associated with the ongoing business of the Party seeking access only upon prior notice and consent of the other Party and in compliance with applicable NRC Requirements & Commitments, and NEIL/NSO requirements provided such consent shall not be unreasonably withheld. PSNH shall record the notice of agreement set forth in Schedule G hereto, which provides notice of the Access Rights granted hereunder, in the appropriate registry of deeds. Notwithstanding anything set forth in this Article 6, PSNH must notify the plant supervisor at the Facility prior to entry into any portion of the Station Exclusion Area as defined in the NRC license for the Facility.

6.2 **Scope of Access Rights.** Subject to NRC Requirements & Commitments, the Access Rights granted in this Section 6 are intended to be permanent and shall not be revoked, nor shall either Party take any action that would impede, restrict, diminish or terminate the rights of access or use granted by the Access Rights, except that either Party may suspend or revoke the Access Rights of any individual if such individual is unqualified or unfit to perform the services for which such individual seeks access to the other Party’s facilities, properties and equipment or if such individual engages in acts of negligence or misconduct while on the other Party’s site. Notwithstanding the foregoing, subject to NRC Requirements & Commitments (a) should either Party or its successor decide to permanently abandon the use of any Access Rights or portion thereof, such Party shall give the other Party written notice of its abandonment, shall remove its properties from the area to be abandoned, and shall cause a release of such Access Rights or any portion thereof to be recorded in the appropriate registry of deeds; (b) the Parties may mutually agree to relocate or expand any or all of the Access Rights locations, provided, however, that the Party requesting the relocation or expansion shall pay all reasonable costs and expenses associated therewith, and the Parties shall execute or obtain, in a form reasonably satisfactory to both Parties, all instruments necessary to establish the new Access Rights location(s); and (c) the Parties may mutually agree in writing to modify or terminate any of the Access Rights.

6.3 **Additional Access Rights.** Subject to NRC Requirements & Commitments, the Buyer shall grant to PSNH and PSNH shall grant to the Buyer such additional access rights as each may grant under applicable Law or regulation as are reasonably necessary for ownership, possession, maintenance, operation or repair of the respective Party’s equipment and facilities as long as such conveyances, easements or licenses (a) do not have a Material

Adverse Effect upon the other Party's operations and (b) are consistent with the purpose of this Agreement, the Purchase and Sale Agreement and the Related Agreements.

7. **NRC MAINTENANCE RULE AND NRC REQUIREMENTS & COMMITMENTS.**

7.1 **PSNH and NAESCO Representations and Warranties.** PSNH hereby represents and warrants that the operation by PSNH or its Affiliates of those facilities, equipment and functions of the PSNH Interconnection Facilities, if any, covered by the NRC Maintenance Rule and NRC Requirements & Commitments as in effect as of the Effective Date complies with such NRC Maintenance Rule and NRC Requirements & Commitments. PSNH agrees that it will continue to maintain such compliance (in the form and in the manner which existed on the Effective Date) with respect to the PSNH Interconnection Facilities at its own cost and expense during the term of this Agreement. PSNH shall cause North Atlantic Energy Service Corporation ("*NAESCO*") to execute and deliver (on behalf of the Sellers of the Facility) to the Buyer a certificate that the operation by NAESCO or its Affiliates of those facilities, equipment and functions of the 345 kV Substation, if any, covered by the NRC Maintenance Rule and NRC Requirements & Commitments as in effect as of the Effective Date complies with such NRC Maintenance Rule and NRC Requirements & Commitments. A copy of that certificate is contained in Schedule F to this Agreement.

7.2 **PSNH's Obligation to Cooperate in Achieving Buyer's Compliance.**

(a) Subject to Sections 7.3 and 7.4 of this Agreement, PSNH agrees to cooperate with Buyer to permit Buyer to comply with the requirements of the NRC Maintenance Rule and NRC Requirements & Commitments. PSNH agrees that Buyer has the authority, control and obligation (i) to identify all facilities, equipment and functions covered under the NRC Maintenance Rule and NRC Requirements & Commitments, regardless of ownership, and provide such information to PSNH; (ii) to determine whether such functions, equipment and facilities are within the scope of the NRC Maintenance Rule, regardless of ownership; (iii) to establish or approve availability and reliability performance criteria and improvement goals for all such facilities, equipment and functions, regardless of ownership, to permit Buyer to comply with the NRC Maintenance Rule and NRC Requirements & Commitments; and (iv) to establish or approve all improvements, maintenance, inspections, monitoring, operational procedures or any other activity directly affecting those facilities, equipment and functions subject to and governed by the NRC Maintenance Rule and NRC Requirements & Commitments, regardless of ownership.

(b) Subject to Sections 7.3 and 7.4 of this Agreement, if any of PSNH's services to the Facility are relied upon by the Buyer to meet the NRC Maintenance Rule and NRC Requirements & Commitments and if there is an interruption in such services, PSNH shall use Commercially Reasonable Efforts to restore such services to the Facility as soon as possible,

and PSNH's obligation to restore such services shall be subject to (i) applicable Laws, NEPOOL System Rules, the requirements of ISO-NE, ESCC and NPCC, (ii) existing agreements between PSNH and third parties, and (iii) Sections 1.1 and 11 of this Agreement.

(c) PSNH shall provide prompt notice to Buyer of any failure of any PSNH facility, equipment, or function within the scope of the NRC Maintenance Rule and NRC Requirements and Commitments.

**7.3 PSNH Facilities, Equipment and Services Governed by NRC Maintenance Rule and NRC Requirements & Commitments at Time of Closing.** Schedule D to this Agreement sets forth, among other things, (a) the facilities and equipment owned or controlled by PSNH and the services provided by PSNH under this Agreement that, as of the Effective Date, the Parties agree are necessary to fulfill those functions covered by the NRC Maintenance Rule and NRC Requirements & Commitments and (b) the schedule, as of the Effective Date, for the maintenance, inspection and testing of these items. In the event the Parties agree that facilities, equipment or services not identified in Schedule D should have been included in Schedule D, the Parties may, by their agreement, add such facilities, equipment or service to Schedule D. In order to comply with the NRC Maintenance Rule, the Buyer may, at its sole discretion, (a) add such omitted facility(ies), equipment or service(s) to Schedule D and (b) change the schedule for maintenance, inspection and testing of the items in Schedule D (as it may be amended pursuant to this Section 7.3); provided, however that (y) all maintenance, inspection and testing costs associated with such new facility(ies), equipment or service(s) and all costs associated with any changes to the schedule for maintenance, inspection and testing of such items shall be borne exclusively by the Buyer; and (z) no such new facility(ies), equipment or service(s) or changes to the schedule for maintenance, inspection and testing of such items shall adversely affect the Transmission System or PSNH Interconnection Facilities.

**7.4 Amendments or Modifications to PSNH's Obligations.** Following the execution of this Agreement, any additional, fully loaded costs or expenses incurred by PSNH as a result of the Buyer's request to PSNH for additional or different action with respect to any facilities, equipment or functions described in (a) Sections 7.1, 7.2 or 7.3 of this Agreement or any other provision of this Agreement or (b) arising from Buyer's compliance with any amendment or modification to or any change in interpretation of the NRC Maintenance Rule or NRC Requirements & Commitments, shall be borne exclusively by Buyer.

**7.5 Analysis.** As required by the NRC Maintenance Rule, the Buyer, at its sole discretion and with PSNH's cooperation, will conduct risk assessments as required when maintenance is performed on equipment within the scope of the NRC Maintenance Rule, and shall perform an analysis of a failure of any facility, equipment or function subject to the NRC Maintenance Rule. PSNH shall cooperate with Buyer and promptly provide Buyer with all

information under PSNH's control necessary for Buyer to: (1) perform the monitoring of structures, systems and components subject to applicable NRC Requirements and Commitments; (2) determine whether the failure was a functional failure; (3) determine whether the failure, if a functional failure, was maintenance preventable; (4) conduct root cause analyses of those failures as Buyer deems appropriate; and (5) implement corrective actions determined to be necessary in Buyer's sole discretion.

7.6 **Testing.** As necessary in accordance with Good Utility Practice, or at Buyer's request, PSNH will arrange for independent testing of any failed PSNH facilities under its ownership or control that are subject to the NRC Maintenance Rule. Buyer will bear the expense of all such independent testing unless Good Utility Practice would otherwise obligate PSNH to bear such expense.

7.7 **Performance Improvement Plan.** Buyer shall analyze data supplied by PSNH concerning a failure of a PSNH facility, equipment or function subject to the NRC Maintenance Rule and shall notify PSNH if a performance improvement plan is required in accordance with the NRC Maintenance Rule. Buyer and PSNH will cooperate to develop and implement any such performance improvement plan.

7.8 **Records.** For the term of this Agreement, PSNH shall maintain complete and accurate records concerning all preventative and corrective maintenance activities performed by PSNH on all facilities, equipment and functions subject to the NRC Maintenance Rule.

## 8. **NEW CONSTRUCTION OR MODIFICATION.**

8.1 **Construction or Modification to the Facility, Transmission System or PSNH Interconnection Facilities.** Except as otherwise provided in this Agreement, PSNH, at its sole cost and expense, shall be permitted to construct or modify its Transmission System and PSNH Interconnection Facilities pursuant to this Agreement, applicable Law, Good Utility Practice, NEPOOL System Rules and the requirements of ISO-NE, ESCC and NPCC, and the Buyer, at its sole cost and expense, shall be permitted to construct or modify the Facility in accordance with this Agreement, applicable Law, Good Utility Practice, NEPOOL System Rules and the requirements of ISO-NE, ESCC and NPCC. If such new construction or modification might reasonably be expected to adversely impact the other Party, such construction or modification shall not be made without providing prior written notice and detailed documentation of the work to the other Party, thereby providing the other Party with sufficient information prior to the commencement of such work to enable the other Party to evaluate the impact of the proposed work. The Party desiring to perform said work shall provide drawings, plans and specifications to the other Party at least ninety (90) days prior to the anticipated commencement of any such work or such shorter period upon which the Parties may agree, which agreement shall not be unreasonably conditioned or delayed. Nothing herein shall be construed to absolve either Party from obtaining any required permits,

licenses or approvals, including approval under Section 18.4 of the NEPOOL Agreement or the New Hampshire Site Evaluation Committee or any similar successor agency, prior to commencing any proposed construction or modification. If proposed construction relates to a new generating unit, the Buyer shall be required to apply to ISO-NE and PSNH to interconnect the new generating unit in accordance with NEPOOL System Rules and the requirements of ISO-NE and ESCC.

8.2 **Modification to the 345 kV Substation.** No functional changes or modifications may be made to the protection or control equipment in the 345 kV Substation without the review and approval of Buyer. The Party desiring to perform any such changes or modifications shall provide drawings, plans and specifications to the other Party at least ninety (90) days prior to the anticipated commencement of any such work or such shorter period upon which the Parties may agree, which agreement shall not be unreasonably conditioned or delayed. All costs associated with any such changes or modifications shall be borne by the Party that proposes such changes or modifications. The activities described in this Section 8.2 may be performed by third parties acceptable to Buyer.

8.3 **Modification to the Interconnected 345 kV Substation Transmission Line Protection and Control Systems.** No functional changes or modifications may be made to the protection or control systems of the interconnected 345 kV transmission lines without the review and approval of Buyer. PSNH shall provide preliminary drawings to the Buyer at least ninety (90) days prior to the anticipated commencement of any such work or such shorter period upon which the Parties may agree, which agreement shall not be unreasonably conditioned or delayed. All costs associated with any such changes or modifications shall be borne by the Party that proposes such changes or modifications. The activities described in this Section 8.3 may be performed by third parties acceptable to Buyer.

8.4 **Modification to 345 kV Substation Communications Equipment.** No functional changes or modifications may be made to the communications equipment that supports critical systems, including but not limited to relaying equipment and SCADA Equipment, without the review and approval of Buyer. The Party desiring to perform any such changes or modifications shall provide drawings, plans and specifications to the other Party at least ninety (90) days prior to the anticipated commencement of any such work or such shorter period upon which the Parties may agree, which agreement shall not be unreasonably conditioned or delayed. All costs associated with any such changes or modifications shall be borne by the Party that proposes such changes or modifications. The activities described in this Section 8.4 may be performed by third parties acceptable to Buyer.

8.5 **Other Modifications.** Notwithstanding the provisions of Sections 8.1, 8.2 and 8.3, in the event a Party makes a modification or functional change to its own facilities that is not required by applicable Laws or Governmental Authority, and thereby makes it necessary for the other Party to make a modification or functional change to its own facilities that is

required in accordance with Good Utility Practice, the Party making the modification or functional change not required by Law or Governmental Authority shall bear the cost of the modification or functional change to other Party's facilities required in accordance with Good Utility Practice.

9. **INSPECTIONS.**

9.1 **General.** Each Party shall perform routine inspections of its equipment, systems or facilities in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Transmission System with the Facility. Each Party shall be permitted, at its own expense, to inspect or observe maintenance activities, equipment tests, installation, construction or modifications to the other Party's equipment, systems or facilities, which might reasonably be expected to affect the observing Party's operations. Joint use transmission and telecommunication structural facilities essential to the Facility, 345 kV Substation or the Transmission System such as foundations, fences, towers and antennas, shall be routinely inspected by the Buyer and Maintained by the Buyer in accordance with Good Utility Practice, and all costs thereof shall be shared equally by the Buyer and PSNH.

9.2 **Defects, Deficiencies and Lack of Scheduled Testing or Maintenance.** If a Party becomes aware of any condition with respect to the other Party's facilities or equipment that might reasonably affect the observing Party's facilities or equipment, the observing Party shall provide prompt verbal notice of such condition to the other Party followed by written notice thereof within two (2) Business Days of such verbal notice, and the notified Party shall make corrections, if any, necessitated by Good Utility Practice. The Party recognizing the problem may take such actions as may be reasonable and necessary to prevent, avoid or mitigate any hazard that poses an imminent threat of personal injury or property loss; and the Party owning the equipment or facilities shall remain fully liable for its failure to inspect, maintain or repair its facilities or equipment, and the observing Party shall have no liability whatsoever for failure to give timely notice or take corrective action under this Section 9.2. The Buyer shall immediately notify ESCC of any observed fires, break-ins or threats to the 345 kV Substation via emergency communication numbers provided by PSNH.

10. **METERING.**

10.1 **General.** The Buyer shall own all Revenue Meters, maintain and repair all Revenue Meters, conduct meter accuracy and tolerance tests, maintain communications in connection with all Revenue Meters, and prepare all calibration reports required for equipment that measures energy transfers between the Buyer and the Transmission System of PSNH. PSNH shall have the opportunity to review and comment on any reports prepared by the Buyer under this Section 10 prior to the issuance of such reports, and PSNH shall be provided with read-access to all metering devices. The Buyer shall maintain all Revenue Meters in accordance with applicable ISO-NE requirements and NEPOOL System Rules, as

such procedures may be amended or revised from time to time.

10.2 **Compensation for Energy Losses.** The Parties agree that if the metering equipment and the Points of Interconnection are not at the same location electrically, the metering equipment shall be compensated to record delivery of electricity in a manner that accounts for energy losses occurring between the metering point and the Points of Interconnection both when the Facility is delivering energy to the Transmission System and when, if ever, station service or start-up power is being delivered to the Buyer.

10.3 **Metering Inaccuracies; Testing; Modifications; and Notice of Failure or Stoppage.** If at any time, any metering equipment is found to be inaccurate by a margin of greater than that allowed under the applicable ISO-NE requirements and NEPOOL System Rules, the Buyer shall cause such metering equipment to be made accurate or replaced at the Buyer's expense. Meter readings for the period of inaccuracy shall be adjusted so far as the same can be reasonably ascertained; provided, however, no adjustment shall be made prior to the point of time halfway between the time of the last successful test and the time the inaccuracy is corrected, except by agreement of the Parties. Each Party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other Party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Facility. If either Party believes that there has been a meter failure or stoppage, it shall promptly notify the other. In addition, the Buyer shall notify PSNH of any changes to the metering configuration, programming or hardware, and the Buyer shall not make any such changes without the prior consent of PSNH, which shall not be unreasonably withheld.

## 11. **EMERGENCIES.**

11.1 To the extent that PSNH has Knowledge, PSNH shall provide Buyer with verbal notification that is prompt under the circumstances of an Emergency affecting the Transmission System or PSNH Interconnection Facilities that may reasonably be expected to affect Buyer's operation of the Facility or the 345 kV Substation. To the extent Buyer has Knowledge, Buyer shall provide PSNH with verbal notification that is prompt under the circumstances of an Emergency affecting the Facility or the 345 kV Substation which might reasonably be expected to affect PSNH's operation of the Transmission System or PSNH Interconnection Facilities. To the extent the Party recognizing the Emergency is aware of the facts of the Emergency, such notification shall describe the Emergency, its anticipated duration, and the corrective action taken or to be taken. Verbal notification shall be followed as soon as practicable with written notice.

11.2 In the event of an Emergency, the Party recognizing the Emergency shall take such action as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, and loss. PSNH may, consistent with Good Utility Practice, request that ISO-NE take whatever

action or inaction it deems necessary during an Emergency to (i) preserve public safety; (ii) preserve the integrity of the Transmission System and/or PSNH Interconnection Facilities; (iii) limit or prevent damage; or (iv) expedite restoration of service.

12. **SAFETY.** Each Party shall be solely responsible for the safety and supervision of its own employees, agents, representatives and contractors. The Parties shall observe all applicable safety standards, procedures and practices of (a) the Occupational Safety and Health Act of 1970, as amended from time to time, (b) the National Electric Safety Code, (c) PSNH's Switching and Tagging Procedures, which are listed in Schedule C hereto, and (d) the ESCC/Seabrook Switching and Tagging Jurisdiction Agreement when entering or working in the 345 kV Substation. Each Party shall comply with PSNH's Switching and Tagging Procedures, the ESCC/Seabrook Switching and Tagging Jurisdiction Agreement, and any applicable procedures promulgated by ESCC at all transmission equipment interconnections and for all related control or power circuits. The Buyer shall be responsible for all switching, tagging and grounding in the 345 kV Substation. The Parties shall promptly report any injuries to the appropriate federal and/or state agencies and to ESCC.

13. **OPERATIONS.**

13.1 **Buyer's Operating Obligations.**

(a) The Buyer shall become a NEPOOL member. Operation of all devices interconnecting to the Transmission System by either Party shall be under the control of ISO-NE or ESCC.

(b) Unless otherwise agreed to by the Parties, the Buyer shall operate its existing interconnected Facility with automatic voltage regulators. The voltage regulators will control voltage at the Points of Interconnection consistent with the range of applicable voltages established by ISO-NE and ESCC. If the Buyer fails to operate the Facility in accordance with schedules established by ISO-NE and ESCC, PSNH may provide written notice to the Buyer of PSNH's intent to remedy that situation. If the Buyer does not promptly commence appropriate action after receiving such notice, PSNH may then take necessary action at the Buyer's expense to remedy the Buyer's default, including the installation of capacitor banks or other reactive compensation equipment necessary to ensure proper voltage or reactive supply at the generating station.

(c) To the extent required by ISO-NE, the Buyer shall notify ISO-NE as promptly as possible if the generating unit reaches a VAR limit, if there is any deviation from the assigned voltage schedule or if the automatic voltage regulator is removed from or restored to service. In addition to voltage regulation, the Buyer shall adhere to ISO-NE's service restoration plan and black start criteria, as amended from time to time. ISO-NE may from time to time request, order or direct the Buyer to adjust generator controls that impact the Transmission

System, such as excitation, droop and automatic generation control settings. The Buyer agrees to comply with such requests, orders and directions.

14. **BILLING AND PAYMENTS.**

14.1 **Cost Responsibilities.**

(a) **Transmission Charges.** This Agreement allows for the delivery of the Buyer's generated power to the Transmission System. The Buyer shall pay (i) all transmission charges authorized under the NEPOOL Tariff, and/or PSNH's local tariff if Buyer utilizes PSNH's local tariff, (ii) all amounts owed by the Buyer pursuant to the terms of the Transmission Support Agreement, and (iii) such other charges determined by FERC to be applicable to the transmission service provided to Buyer by PSNH.

(b) **Generating Station Service.** Buyer shall pay all charges associated with the delivery of retail generating station service for the Facility from PSNH under PSNH's Electricity Delivery Service Tariff – NHPUC No.2, effective May 1, 2001, as it may be amended from time to time.

14.2 **Invoices.** Each Party shall submit to the other Party, on a monthly basis, invoices of any amounts due under this Agreement for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided.

14.3 **Payment.** The Party receiving the invoice shall pay the invoice within thirty (30) days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer or automatic clearinghouse transfer to a bank named and account designated by the invoicing Party. In the event a Party shall be delinquent in the payment of any sum due the other Party under this Agreement, in addition to and without waiving any other remedies hereunder, the Party to whom the obligation is owed shall be entitled to set off any sums due from the delinquent Party under this Agreement, or any other obligations of the delinquent Party, in full or partial satisfaction of such sum due from the delinquent Party.

14.4 **Disputes.** In the event of a billing dispute between the Parties, PSNH shall continue to provide Interconnection Service under this Agreement as long as the Buyer (a) continues to make all payments not in dispute and (b) pays to PSNH or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Buyer fails to meet these two requirements for continuation of service, then PSNH shall provide notice to the Buyer of a Breach pursuant to Section 15.1(a) of this Agreement. Within thirty (30) days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accordance with Section 14.6

of this Agreement.

14.5 **Waiver.** Payment of an invoice shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement, nor shall such payment constitute a waiver of any claims arising hereunder.

14.6 **Interest.** Interest on any unpaid amounts shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) (2001), as amended from time to time. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment.

15. **BREACH, CURE AND DEFAULT.**

15.1 **Breach.**

(a) **Breach Defined.** Any of the following shall constitute a breach (a "*Breach*") under this Agreement and the Party responsible for such Breach shall be the ("*Breaching Party*"):

(i) The failure to pay any amount required by this Agreement when due;

(ii) The failure to comply with any material term or condition of this Agreement, including but not limited to any material breach of a representation, warranty or covenant;

(iii) A Party shall commence any voluntary case under federal bankruptcy laws or other proceeding under any similar law of any jurisdiction for the relief of debtors or shall petition or apply for the appointment of a trustee or other custodian, liquidator, or receiver for such Party or for any substantial part of the Facility or Transmission System, as the case may be;

(iv) A decree or order for relief shall be entered in respect of a Party in an involuntary case under federal bankruptcy laws or in any other proceeding under any similar law of any jurisdiction for the relief of debtors or a decree or order shall be entered appointing a trustee or other custodian, liquidator or receiver for either Party or for any substantial part of the Facility or Transmission System, as the case may be;

(v) A Party shall cease its operations without having an assignee, successor or transferee in place;

(vi) A Party shall (a) terminate its existence as a corporate entity by acquisition or sale without assigning this Agreement consistent with Section 25 of this

Agreement, (b) have all or substantially all of its assets transferred to another person or business entity without complying with Section 25 of this Agreement, or (c) assign or attempt to assign any of its rights or obligations under this Agreement in a manner inconsistent with Section 25 of this Agreement;

(vii) Failure of a Party to provide Access Rights, or a Party's attempt to revoke or terminate Access Rights, that are provided under this Agreement; or

(viii) Failure of a Party to provide the other Party information or data that the other Party requires to satisfy its obligations under this Agreement.

(b) Continued Operation. In the event of a Breach by either Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and metering equipment, telemetering equipment, SCADA Equipment, transformers, secondary systems, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for PSNH to operate and maintain the Transmission System and PSNH Interconnection Facilities and for the Buyer to operate and maintain the Facility and 345 kV Substation in accordance with Good Utility Practice.

(c) Notice of Breach. The Party not in Breach of this Agreement (the "*Non-Breaching Party*") shall give written notice of the Breach to the Breaching Party and to any other person that the Breaching Party identifies in writing to the other Party in advance. Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach.

(d) Reports of Non-Compliance. Each Party shall notify the other Party when it becomes aware of its inability to comply with any provision of this Agreement. When the content and timing of such notice of non-compliance is not explicitly identified elsewhere in this Agreement, including for example a notice of non-compliance resulting from an event of Force Majeure under Section 21.2 of this Agreement, such notice shall describe the Party's inability to comply with a provision(s) of this Agreement and shall be issued to the other Party within two (2) Business Days of the date on which a Party first becomes aware of its inability to comply with any provision of this Agreement. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including but not limited to the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Section shall not entitle the receiving Party to allege a cause of action for anticipatory breach of this Agreement.

15.2 Cure and Default. If a Breaching Party does not timely cure ("*Cure*") its Breach in accordance with the requirements of this Section 15.2, the Breaching Party shall be

in default (“*Default*”) of this Agreement.

(a) Cure of Breach Other than Bankruptcy. If the Breach is not due to a bankruptcy or other event described in Sections 15.1(a)(iii) or 15.1(a)(iv) of this Agreement, the Breaching Party shall have thirty (30) days from the day it receives notice of the Breach to Cure such Breach. Where the Breach is such that it cannot be cured through Commercially Reasonable Efforts within that period of time, the Defaulting Party may Cure the Breach by commencing in good faith all steps as are reasonable and appropriate to Cure the Breach within such thirty (30) day period and thereafter diligently pursuing such action to completion within a reasonable time.

(b) Cure of Breach Due to Bankruptcy. If the Breach is due to a bankruptcy or other event described in Sections 15.1(a)(iii) or 15.1(a)(iv) of this Agreement, within ten (10) days of its receipt of a notice of Breach, the Breaching Party may cure such Breach by providing financial assurance of payment reasonably acceptable to the Non-Breaching Party of any amounts due and expected to become due within the next six (6) months to the Non-Breaching Party, including any damages that the Non-Breaching Party incurs because of the Breach; provided that the adequacy of such financial assurance shall be subject to the sole discretion of the Non-Breaching Party.

### 15.3 Remedies for Default.

(a) Remedies. Upon the occurrence of a Default, the Party not in Default (the “Non-Defaulting Party”) shall: (i) be entitled to seek all available legal and equitable remedies, including without limitation damages and/or specific performance of the defaulting Party’s obligations hereunder; provided, however, that unless and until the Non-Defaulting Party shall have exhausted all available administrative remedies and a court of competent jurisdiction shall have issued a final, non-appealable decision determining that no other remedy will adequately remedy the harm suffered by the Non-Defaulting Party, and all applicable regulatory approvals for termination have been obtained, termination of this Agreement shall not be a remedy available to either Party, and provided further that termination shall not be effected unless such Default remains outstanding for ten (10) days after the later of receipt of all regulatory approvals for termination or a court order granting termination; and (ii) with respect to a bankruptcy-related Default by Buyer under Sections 15.1(a)(iii) or 15.1(a)(iv) of this Agreement, PSNH may elect to operate and/or purchase from Buyer such Buyer power systems, components of protection and metering circuits, SCADA Equipment, Secondary Systems or related components, communication equipment and building facilities, software, documentation and structural components associated with the foregoing, as are necessary for PSNH or its Affiliates to operate and/or maintain its transmission and distribution business.

## 16. DISPUTE NEGOTIATION, DISPUTE RESOLUTION AND ARBITRATION.

16.1 **Dispute Negotiation.** Prior to instituting any litigation or other dispute resolution as provided in this Section 16, the Parties shall first attempt in good faith to resolve any dispute or claim by each referring such matter, within ten (10) days of written notice of any such dispute or claim, to one of their respective executive officers for resolution. The executive officers of the relevant Parties shall attempt to resolve the dispute or claim within thirty (30) days.

16.2 **Dispute Resolution.** Subject to Section 16.1 of this Agreement, any dispute arising out of this Agreement, or the consummation of the transactions contemplated hereby or thereby involving a monetary claim of less than \$250,000, or at the election of the Parties, except as otherwise provided herein or therein, shall be submitted to binding dispute resolution in the following manner. Within ten (10) days following receipt of a written request by one Party to the other, the Parties will each select one representative with the particular knowledge and expertise relevant to the technical, financial or other matter in dispute (the "*Dispute Representative*") to serve on a dispute resolution panel (the "*Panel*"). Each Party will notify the other in writing of its Dispute Representative within such ten (10) day period. Within ten (10) days following the selection of the Dispute Representatives, the Dispute Representatives shall mutually agree upon the selection of a third member of the Panel who shall also possess the particular knowledge and expertise relevant to the subject matter of the dispute. If the Dispute Representatives cannot agree on the selection of a third member of the Panel within ten (10) days after their selection, they will obtain a list of qualified individuals from a mutually agreeable professional association or society and each in turn shall have the option of removing one name at a time from such list until an acceptable individual is selected as the third member of the Panel or until only one name remains (in which case the individual whose name remains shall be the third member of the Panel). Within fifteen (15) days after the selection of the third member of the Panel, the Parties will agree upon a process which is appropriate for the resolution of the dispute, including the presentation of live testimony or documentary evidence, as they deem appropriate, and shall further agree upon such other procedures, such as the presentation of summation papers or closing argument, as they deem appropriate. The Panel will render a binding decision no later than thirty (30) days following the selection of the third member of such Panel, unless the Parties agree upon an extension of such thirty (30)-day period. The decision of the Panel shall be final and binding on all Parties. All dispute resolution proceedings shall be held in Manchester, New Hampshire. All documents, information and other evidence produced for or in connection with such proceeding shall be held in confidence by the Parties. Each Party shall bear the compensation and expenses of its chosen Dispute Representative, and the expenses of the third member of the Panel shall be borne equally by the Buyer, on the one hand, and PSNH, on the other hand. Each Party shall bear the compensation and expenses of its legal counsel, witnesses and employees.

16.3 **FERC Jurisdiction Over Certain Disputes.** Nothing in this Agreement shall preclude any Party from filing a petition or complaint with FERC with respect to any claim

over which FERC has jurisdiction. In such case, the other Party may request FERC to reject or to waive jurisdiction. If FERC rejects or waives jurisdiction with respect to all or a portion of the claim, the portion of the claim not so accepted by FERC shall be resolved through dispute resolution as provided in this Agreement. To the extent that FERC asserts or accepts jurisdiction over the claim, the decision, findings of fact or order of FERC shall be final and binding, subject to judicial review under the Federal Power Act, and any dispute resolution proceedings that may have commenced prior to the assertion or acceptance of jurisdiction by FERC shall be stayed, pending the outcome of the FERC proceedings. A dispute resolution panel shall have no authority to modify, and shall be conclusively bound by, any decision, finding of fact or order of FERC. However, to the extent that a decision, finding of fact or order of FERC does not provide a final or complete remedy to the Party seeking relief, such Party may proceed to dispute resolution as provided in this Agreement to secure such remedy, subject to the FERC decision, finding or order.

17. **COMMUNICATIONS; INFORMATION REPORTING AND ACCESS; AUDIT RIGHTS.**

17.1 **ISO-NE and ESCC-Required Communications.** The Buyer shall establish and maintain appropriate channels of communication as required by ISO-NE and ESCC. These channels are used for operation of the Facility and 345 kV Substation and include, but are not limited to, channels used for relaying, supervisory control, telemetering and voice automatic ring-down circuits.

17.2 **Information Reporting and Access.**

(a) **General.** Each Party shall make available to the other Party information necessary to (i) verify the costs incurred by the other Party for which the requesting Party is responsible under this Agreement and (ii) carry out obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Section 17 and to enforce their rights under this Agreement.

(b) **Buyer's Obligations.** In order to maintain Interconnection Service, the Buyer shall promptly provide PSNH with all information, documents or data requested by PSNH that might reasonably be expected to affect the Transmission System or PSNH Interconnection Facilities. In response to data requests from PSNH, the Buyer shall supply accurate, complete and reliable information necessary for operations, maintenance, regulatory requirements and analysis of the Transmission System and PSNH Interconnection Facilities. If requested by PSNH, such information shall include metered values for megawatts, megavars, voltage, current, automatic frequency control, frequency, breaker status indication, relay indications or any other information reasonably required by PSNH for reliable operation of the Transmission System and PSNH Interconnection Facilities pursuant to Good Utility Practice. This same information shall be provided by the Buyer to ISO-NE to facilitate its operation of the NEPOOL transmission

system. Information pertaining to generation and transmission operating parameters shall be gathered by the Buyer for electronic transmittal by the Buyer to ESCC.

(c) **PSNH's Obligations.** In addition to the information reporting requirements set forth in Schedule D to this Agreement, PSNH shall provide information to the Buyer (1) concerning the status and condition of the Transmission System in accordance with the requirements of FERC Orders 888 and 889 or similar subsequent orders, including any requirements pertaining to the provision of information affecting the availability of transmission services over an Open Access Same-Time Information System ("*OASIS*") maintained by PSNH or ISO-NE.

17.3 **Audit Rights.** Subject to the requirements of confidentiality under Section 18 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance and/or satisfaction of obligations arising under this Agreement. Such audit rights shall include, but not be limited to, audits of the other Party's costs, calculation of invoiced amounts, PSNH's efforts to allocate responsibility for the generation of reactive support, and each Party's actions in an Emergency. Any audit authorized by this Section 17.3 shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to obligations under this Agreement. Any request for audit shall be presented to the other Party not later than twenty-four (24) months after the event as to which the audit is sought. Each Party shall preserve all records held by it for the duration of the audit period.

## 18. **CONFIDENTIALITY.**

18.1 **General.** Each Receiving Party and each Representative thereof will treat and hold as confidential all Proprietary Information, refrain from using any such Proprietary Information except in connection with this Agreement, the Related Agreements and transactions contemplated hereby and thereby, and, if this Agreement is terminated prior to Closing, deliver promptly to the Disclosing Party or destroy, at the request and option of the Disclosing Party, all tangible embodiments and all copies, summaries or abstracts of any Proprietary Information received from such Disclosing Party which are in his or its possession. All Proprietary Information relating to the Facility and 345 kV Substation as may be delivered to the Buyer prior to the Closing shall become the Buyer's Proprietary Information and the Buyer shall be deemed to be the Disclosing Party with respect thereto upon consummation of the Closing, and PSNH shall not thereafter disclose any such Proprietary Information except to the extent allowed herein; provided, however, that, subject to Section 18.2 herein, any such information which was not treated as confidential or proprietary by the Sellers or PSNH prior to Closing shall not become confidential or Proprietary Information of the Buyer after the Closing. In the event that the Receiving Party

or any Representative thereof is requested or required (including, without limitation, (a) pursuant to any rule or regulation of any stock exchange or other self-regulatory organization upon which any of the Receiving Party's securities are listed, or (b) by request for information or documents in any legal proceeding, including, without limitation, regulatory approval processes, interrogatory, subpoena, civil investigative demand, or similar process or pursuant to any freedom of information or open meeting law applicable to PSNH) to disclose any Proprietary Information, the Receiving Party will notify the Disclosing Party promptly of the request or requirement so that the Disclosing Party may seek an appropriate protective order or waive compliance with the provisions of this Section 18. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party is, on the advice of counsel, compelled to disclose any Proprietary Information to any tribunal or else stand liable for contempt or to disclose any Proprietary Information to any Person in compliance with any freedom of information or open meeting law, the Receiving Party may disclose the Proprietary Information to the tribunal or such Person; provided, however, that the Receiving Party shall use Commercially Reasonable Efforts to obtain, at the request of the Disclosing Party and at the Disclosing Party's cost, a voluntary agreement or other assurance that confidential treatment will be accorded to such portion of the Proprietary Information required to be disclosed as the Disclosing Party shall designate.

18.2 **Post-Closing Treatment of Previously Non-Confidential Information.** On or after the Closing Date, the Buyer will notify PSNH of any information related to the Facility and 345 kV Substation that was not confidential prior to the Closing Date that the Buyer wishes to treat as Proprietary Information after the Closing, and PSNH will treat such information as Proprietary Information after receiving such notice.

18.3 **Survival.** The obligations of the Parties contained in this Section 18 shall remain in full force and effect for the later of (i) the term of this Agreement, or (ii) three (3) years from the date hereof.

18.4 **Disclosure to Governmental Authorities to Undertake Transactions Contemplated by this Agreement.** Notwithstanding the requirements set forth in Section 18.1 of this Agreement, upon the Disclosing Party's prior written approval, which will not be unreasonably withheld, the Receiving Party may provide Proprietary Information to the New Hampshire Nuclear Decommissioning Fund Committee, the New Hampshire Public Utilities Commission, the FERC, the NRC, the Securities and Exchange Commission, the United States Department of Justice, the United States Federal Trade Commission or any other Governmental Authority with jurisdiction, as necessary, to obtain any consents, waivers or approvals as may be required for the Parties to undertake the transactions contemplated in this Agreement. The Receiving Party will seek confidential treatment for such Proprietary Information provided to any such Governmental Authority and the Receiving Party will notify the Disclosing Party as far in advance as is practicable of its intention to release to any such Governmental Authority any such Proprietary Information, so as to permit such Disclosing

Party a reasonable opportunity to obtain a protective order.

18.5 **Disclosures Without Prior Consent.** Notwithstanding anything set forth in Sections 18.1, 18.2, 18.3 or 18.4 of this Agreement, nothing in this Agreement shall be interpreted as precluding any Party from reporting or disclosing any information without the prior consent of the other Party to (a) the NRC or FERC concerning any perceived safety issue within the NRC's or FERC's regulatory jurisdiction or (b) its Affiliates, attorneys, financial advisors and accountants who are assisting such Party in connection with the transactions contemplated by this Agreement, provided that such Affiliates, attorneys, financial advisors and accountants acknowledge the provisions of this Section 18 and agree to be bound hereby.

## 19. **INDEMNIFICATION.**

19.1 **General.** To the extent a Party assumes responsibilities and liabilities pursuant to this Agreement, each Party (the "*Indemnifying Party*") shall indemnify, hold harmless and defend the other Party, its parent and Affiliates and their respective officers, directors, trustees, employees, contractors, subcontractors and agents, from and against any claims or liability for damage to property, injury to or death of any person or any other liability, including all expenses and reasonable attorneys' fees incurred by such indemnified Party, to the extent caused by the negligence or willful or wanton acts or omissions of the Indemnifying Party, its parent and Affiliates and their respective officers, directors, trustees, employees, contractors, subcontractors or agents, arising out of or connected with the operation of the Indemnifying Party's or its Affiliates' facilities, equipment or properties, as the case may be, or arising out of or connected with the Indemnifying Party's performance or Breach under this Agreement; provided, however, the Indemnifying Party shall not have any liability for damages or losses arising out of negligence or willful misconduct by the other Party, its parent and Affiliates and their respective officers, directors, trustees, employees, contractors, subcontractors or agents.

19.2 **Indemnification Procedures.** If either Party intends to seek indemnification under this Section 19 from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within fifteen (15) days of the commencement of, or Knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount (estimated if necessary) of the claim that has been or may be sustained by such Party. To the extent that the other Party is actually and materially prejudiced as a result of failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the indemnification provisions of this Agreement. Neither Party may settle or compromise any claim for which it is seeking or intends to seek indemnification under this Section 19 without the prior consent of the other Party; provided, however, such consent shall not be unreasonably withheld. The indemnification obligations of each Party shall continue in full force and effect regardless of

whether this Agreement has expired or been terminated or canceled and shall not be limited in any way by any limitation on insurance, on the amount or types of damages, or by any compensation or benefits payable by the Parties under workers' compensation acts, disability benefit acts or other employee acts.

20. **INSURANCE.** The Parties agree to maintain, at their own cost and expense, fire, liability, workers' compensation and other forms of insurance relating to their property and facilities in the manner and amounts set forth in Schedule E hereto. Schedule E may be amended from time to time by agreement of the Parties. The Parties agree to furnish each other with certificates of insurance evidencing the insurance coverage set forth in Schedule E. The Parties shall be required to maintain insurance coverage for three (3) years on all policies written on a "claims made" basis. Every contract of insurance providing the coverages required in Schedule E shall contain the following or equivalent clause: "No reduction in the amount of insurance required in Schedule E, cancellation or expiration of the policy shall be effective until sixty (60) days from the date written notice thereof is actually received by the insured." Upon receipt of any notice of reduction, cancellation or expiration, each Party shall immediately provide verbal notice thereof to the other Party followed by written notice thereof within two (2) Business Days. Each Party and its Affiliates shall be named as additional insureds on the general liability insurance policies set forth in Schedule E as it regards liability under this Agreement. Each Party shall have the right to inspect the original policies of insurance applicable to this Agreement at the other Party's place of business during regular business hours. Each Party shall have the right to self-insure all, or a portion, of the required insurances indicated in Schedule E, to the same amount or extent that it does so in its other insurance programs.

PSNH shall allow NEIL/NSO loss control representatives access to facilities owned by PSNH as required by NEIL for periodic evaluations (Boiler & Machinery and Property) required under the terms of the insurance policy.

Failure of either Party to comply with the insurance requirements of this Section 20, or the complete or partial failure of an insurance carrier to fully protect and indemnify the other Party or its affiliates or the inadequacy of the insurance, shall not in any way lessen or affect the obligations or liabilities of each Party to the other. The Parties on behalf of themselves, their parents and Affiliates, each shall cause their insurers to waive any right of subrogation under their respective insurance policies for any liability each has agreed to assume under this Agreement. Evidence of this requirement shall be noted on all certificates of insurance.

21. **FORCE MAJEURE.**

21.1 **Effect of Force Majeure.** Neither Party shall be liable in damages or otherwise or responsible to the other for failure to carry out any of its obligations under this Agreement if and only to the extent that it is unable to so perform or is prevented from performing by an event of Force Majeure.

21.2 **Obligations of Party Claiming Force Majeure.** If a Party relies or attempts to rely on the occurrence of an event of Force Majeure as a basis for being excused from performance of its obligations under this Agreement, then the Party relying on the event or condition shall: (a) provide prompt written notice of such Force Majeure event to the other Party giving an estimation of its expected duration and the probable impact on the performance of its obligations hereunder; (b) exercise all Commercially Reasonable Efforts to continue to perform its obligations under this Agreement; and (c) provide prompt notice to the other Party of the cessation of the event or condition giving rise to its excuse from performance.

22. **NO THIRD PARTY BENEFICIARIES.** This Agreement shall not confer any rights or remedies upon any Third Party.

23. **NO JOINT VENTURE.** Nothing in this Agreement creates or is intended to create an association, trust, partnership, joint venture or other entity or similar legal relationship among the Parties, or impose a trust, partnership or fiduciary duty, obligation or liability on or with respect to the Parties. Except as expressly provided herein, no Party is or shall act as or be the agent or representative of the other Party.

24. **ENTIRE AGREEMENT.** This Agreement and any other documents incorporated by reference herein, including the Schedules to this Agreement but excluding the Transmission Support Agreement, constitute the entire agreement between the Parties and supersede any prior understandings, agreements or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof. This Agreement shall not amend, limit or otherwise affect any terms in the Transmission Support Agreement. All conflicts or inconsistencies between the terms of this Agreement and the terms of any of the Related Agreements, if any, shall be resolved in favor of this Agreement, except that all conflicts or inconsistencies between the terms of this Agreement and the Purchase and Sale Agreement, if any, shall be resolved in favor of the Purchase and Sale Agreement.

25. **SUCCESSION AND ASSIGNMENT.**

25.1 **Assignment with Prior Consent.** This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any Party, including by operation of law, without the prior written consent of the other Party, such consent not to be unreasonably withheld or delayed. Any assignment in contravention of the foregoing sentence shall be null and void and without legal effect on the rights and obligations of the Parties hereunder.

25.2 **Assignment without Prior Consent.** Notwithstanding the provisions of Section 25.1 of this Agreement but subject to all applicable Laws, (a) the Buyer or its

permitted assignee may assign, transfer, pledge or otherwise dispose of (absolutely or as security) its rights and interests hereunder to a trustee, lending institution or other party for the purposes of leasing, financing or refinancing the Facility or 345 kV Substation; and (b) any Party or its permitted assignee may assign, transfer, pledge or otherwise dispose of (absolutely or as security), without the prior consent of the non-assigning Party, its rights and interests hereunder to an Affiliate, including but not limited to a transmission business unit that shall own or control all or substantially all of the transmission assets now owned or controlled by PSNH or any of its Affiliates, or to an entity that acquires all or substantially all of Buyer's assets, so long as such Affiliate or entity (x) provides Acceptable Credit Support to the non-assigning Party, (y) assumes in writing all rights and obligations of the assigning Party under the Agreement, and (z) demonstrates that it possesses the technical and operational competence to comply with the requirements of this Agreement on the effective date of such assignment; provided, however, in each case described in subsections (a) and (b) of this Section 25.2 that no such assignment shall relieve or discharge the assigning Party from any of its obligations hereunder without the consent of the other Party, which consent shall not be unreasonably withheld.

25.3 **Miscellaneous**. Subject to Sections 25.1 and 25.2 of this Agreement, each Party agrees, at the assigning Party's expense, to execute and deliver such documents as may be reasonably necessary to accomplish any such assignment, transfer, pledge or other disposition of rights and interests hereunder so long as the nonassigning Party's rights under this Agreement are not thereby materially altered, amended, diminished or otherwise impaired.

26. **COUNTERPARTS**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

27. **HEADINGS**. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

28. **NOTICES**.

28.1 **Notice Requirements**. Unless otherwise indicated, all notices, requests, demands, consents, authorizations, claims and other communications hereunder must be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (a) one (1) Business Day following the date sent when sent by overnight delivery and (b) five (5) Business Days following the date mailed when mailed by registered or certified mail return receipt requested and postage prepaid at the following address:

If to PSNH:

Northeast Utilities Service Company  
107 Selden Street  
Berlin, Connecticut 06037  
Attention: Vice President - Transmission

Copy to:

Public Service Company of New Hampshire  
780 North Commercial Street  
Manchester, New Hampshire 03101  
Attention: Law Department

If to the Buyer:

FPL Energy Seabrook, LLC  
c/o FPL Energy, LLC  
700 Universe Boulevard  
Juno Beach, Florida 33408  
Attention: Vice President and General Counsel

Any Party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

28.2 **Coordination Contact.** Each Party shall notify the other Party in writing within ten (10) days after the Closing Date of the identity of the person that it designates as the point of contact with respect to the implementation of this Agreement.

28.3 **Default Time Period for Issuing Written Notice.** If a Party is required to provide written notice to the other Party hereunder and the time period for providing such written notice is not otherwise specified in this Agreement, the Party required to provide written notice shall issue notice to the other Party within ten (10) calendar days of the occurrence or non-occurrence, as the case may be, of the event, action or inaction giving rise

to the obligation to provide written notice hereunder.

29. **GOVERNING LAW.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire without giving effect to any choice or conflict of law provision or rule (whether of New Hampshire or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than New Hampshire

30. **CHANGE IN LAW.** If and to the extent that, during the Interim Period, any Law that governs any aspect of this Agreement shall change, so as to make any aspect of this transaction unlawful, then the Parties agree to make such modifications to this Agreement as may be reasonably necessary for this Agreement to accommodate any such legal or regulatory changes, without materially changing the overall benefits or consideration expected hereunder by either Party.

31. **CONSENT TO JURISDICTION AND VENUE.** Subject to and without limiting the dispute resolution procedure set forth in Section 16 of this Agreement, PSNH and Buyer consent to the exclusive jurisdiction and venue of the U.S. District Court for the District of New Hampshire for adjudication of any suit, claim, action or other proceeding at law or in equity relating to this Agreement, or to any transaction contemplated hereby. PSNH and Buyer accept, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts and waive any objection as to venue, and any defense of forum non conveniens. TO THE EXTENT PERMITTED BY LAW, PSNH AND BUYER EXPRESSLY WAIVE ALL RIGHT TO A TRIAL BY JURY ON ACCOUNT OF ANY ISSUE, CLAIM OR DEFENSE CONCERNING THIS AGREEMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY.

32. **AMENDMENTS.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Buyer and PSNH.

33. **WAIVER.** No waiver by any Party of any obligation, Breach, Default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent obligation, Breach, Default, misrepresentation or breach of warranty or covenant hereunder or affect, in any way, any rights arising by virtue of any prior or subsequent such occurrence.

34. **REGULATORY FILINGS WITH FERC.** PSNH shall file this Agreement with the FERC as part of the FERC application to be made in accordance with the Purchase and Sale Agreement, and shall file any valid amendment to this Agreement with the FERC within (15) days of the execution of each such amendment. Buyer shall not protest this Agreement or any valid amendment thereto, shall reasonably cooperate with PSNH with respect to such filing and shall provide any information, including the rendering of testimony reasonably requested by PSNH, to the extent reasonably needed to comply with applicable Laws. Nothing in this Agreement limits the rights of either Party to unilaterally make application to FERC under the

Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder for a change in any rates, terms and conditions, charges, classification of service, or rule or regulation under or related to this Agreement.

35. **TRANSFER OF PSNH TRANSMISSION ASSETS.** If PSNH transfers, or is directed to transfer by a Governmental Authority, all or any portion of the Transmission System or PSNH Interconnection Facilities to a third party, including a regional transmission organization approved by the FERC, the Parties agree to cooperate in good faith (a) to execute any amendments to this Agreement that shall be necessary to appropriately re-allocate the rights and obligations of the Parties under this Agreement to the Buyer, PSNH and such third party and (b) to execute any new agreements that shall be necessary to address the subject matter contemplated by this Section 35.

36. **NEW SUBSTATION.** As described more fully in the Purchase and Sale Agreement, pursuant to an Easement Agreement that shall be executed by Buyer at the Initial Closing, PSNH shall receive the right to use certain real property currently owned by NAEC individually and certain real property currently owned by all of the Participants in connection with the future construction of a new substation by PSNH (the "*New Substation*"). A New Substation shall not be constructed without the prior consent of Buyer, such consent not to be unreasonably withheld if such New Substation is consistent with the requirements of the NRC, ISO-NE and Good Utility Practice. Upon such consent, the Parties agree that (a) the New Substation shall upon completion be the functional replacement of the existing 345 kV Substation and require a modification to the Points of Interconnection and PSNH Interconnection Facilities; (b) the Parties shall cooperate in good faith to negotiate appropriate amendments to this Agreement, including but not limited to the reallocation of responsibility(ies) and obligation(s) imposed on the Parties by this Agreement, and to execute any new agreement(s) to reflect the rights and interests of the Parties relating to and arising out of the decision by PSNH to construct the New Substation and to carry out the purposes set forth in this Agreement; (c) the Party proposing construction of or modification to the New Substation shall be responsible for all costs associated with such proposed construction or modification; (d) to the extent costs associated with the modification of remote terminal equipment are not recoverable by PSNH or New England Power Company under the Transmission Support Agreement, such costs shall be recovered by PSNH, New England Power Company and others as PTF under the NEPOOL Tariff; and (e) the Buyer shall cooperate in good faith to assist PSNH in obtaining all permits, approvals and licenses necessary for the construction and operation of the New Substation.

37. **SEVERABILITY.** Any term or provision of this Agreement that is held invalid or unenforceable in any situation shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation; provided, however, that the remaining terms and provisions of this Agreement may be enforced only to the extent that such enforcement in the absence of any invalid terms and provisions would not result in (a) deprivation of a Party of a material aspect of

its original bargain upon execution of this Agreement, (b) unjust enrichment of a Party or (c) any other manifestly unfair or inequitable result.

38. **EXPENSES**. Except as otherwise expressly provided herein, PSNH and Buyer will each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

39. **CONSTRUCTION**. Ambiguities or uncertainties in the wording of this Agreement will not be construed for or against any Party, but shall be construed in the manner that most accurately reflects the Parties' intent as of the date they executed this Agreement, which is identified in the introductory paragraph of Section 1 to this Agreement. The Parties acknowledge that they have been represented by counsel in connection with the review and execution of this Agreement, and, accordingly, there shall be no presumption that this Agreement or any provision hereof be construed against the Party that drafted this Agreement or any portion hereof.

40. **INCORPORATION OF SCHEDULES**. The Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

41. **SPECIFIC PERFORMANCE**. Each of the Parties acknowledges and agrees that the other Parties would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, each Party agrees that the other Party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having jurisdiction over the Parties and the matter in addition to any other remedy to which it may be entitled, at law or in equity.

42. **GOOD FAITH COVENANT**. The Parties agree that their actions and dealings with each other shall be subject to an express covenant of good faith and fair dealing.

43. **SUBCONTRACTORS**. Subcontracting shall be permitted, provided that all subcontractors shall be required to comply with this Agreement. The hiring Party shall still be fully responsible for the obligations of subcontractors under this Agreement and the creation of a subcontractual relationship shall not relieve the hiring Party of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

44. **LIMITATION OF LIABILITY**. Neither Party shall be liable to the other for incidental, punitive, special, indirect, exemplary or consequential damage connected with, or

resulting from, the performance or non-performance of this Agreement, including, without limitation, any damages which are based on causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability.

45. **REPRESENTATIONS AND WARRANTIES.** Each Party hereby represents, warrants and covenants as follows, with these representations, warranties and covenants effective as to the Party during the full time this Agreement is effective.

45.1 **Good Standing.** Such Party is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of organization or formation, and is in good standing under the laws of the respective State(s) in which it is incorporated and operates as stated in the preamble of this Agreement.

45.2 **Authority.** Such Party has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

45.3 **No Conflict.** The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of either Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon either Party or any of its assets.

45.4 **Consent and Approval.** Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by applicable Laws.

46. **ENVIRONMENTAL COMPLIANCE AND PROCEDURES.** Each Party shall comply in all respects with all Environmental Laws and shall obtain and maintain all Permits required under all applicable Environmental Laws with respect to the properties that it owns. Each Party shall notify the other Party, first orally and then in writing, of the Release of Hazardous Substances, any asbestos or lead abatement activities, or any type of Remediation activities, each of which may reasonably be expected to affect the other Party. Notification shall be made as soon as possible but (i) not later than twenty-four (24) hours after the Party becomes aware of the occurrence, or (ii) in the event of planned asbestos or lead abatement activities or Remediation activities, at least seven (7) days prior to commencement of such activities. Each Party shall promptly furnish to the other Party copies of any reports or documents filed with or

received from any governmental agencies addressing such events. Except as required by Law or by any federal or state agency, neither Party shall knowingly take such actions that could reasonably be expected to have a Material Adverse Effect upon the operations or properties of the other Party without prior written notification and agreement between the Parties.

47. **TAXES.** Each Party agrees to pay any and all local, state, federal sales, use, excise or any other taxes which are now, or in the future may be, assessed and legally owed by such Party pertaining to goods provided and/or the services performed under this Agreement. Each Party shall be responsible for any income taxes that apply to the moneys it receives hereunder.

[Signature Pages Follow]



FPL ENERGY SEABROOK, LLC

By: *J.A. Stall*

Name: J.A. Stall

Title: Vice President

COMMONWEALTH OF MASSACHUSETTS )  
 )  
COUNTY OF SUFFOLK )

ss.

On this the 11th day of April, 2002, personally appeared J.A. Stall, Senior Vice President, Nuclear and Chief Nuclear Officer of FPL Energy Seabrook, LLC, as agent for FPL Energy Seabrook, LLC, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed as such officer and the free act and deed of said corporation, before me.

*Sean J. Aut*  
Notary Public

My Commission Expires: *January 30, 2009*



*11*

### **Points of Interconnection**

The Points of Interconnection are illustrated in the attached diagram entitled "Seabrook 345 kV and Unit 1 UAT/RAT", Drawing No. 9734-1, dated December 1, 1998. The Points of Interconnection between the Transmission System and the 345 kV Substation are currently identified as the points at which outgoing 345 kV transmission lines #394, #363 and #369 attach to disconnect switches 94J1, 63J1 and 69J1, respectively.

**Existing 345 kV Substation**

The 345 kV Substation constitutes the electrical equipment from the Points of Interconnection inwards to the Facility, including the various breakers, disconnect switches, buses, gas insulated bus ducts to the termination yard, wave traps, coupling capacitors and surge arrestors, and other items necessary to interconnect the Facility to the PSNH Transmission System but excluding the PSNH Interconnection Facilities.

The 345 kV Substation is illustrated in the diagram entitled "Seabrook 345 kV and Unit 1 UAT/RAT", Drawing No. 9734-1, dated December 1, 1998, a copy of which has been provided to Buyer.

**PSNH's Switching and Tagging Procedures, Work Standards and Technical  
Information Bulletins**

## **NRC Maintenance Rule and NRC Requirements & Commitments**

The requirements described in Chapter 8 of the Seabrook UFSAR related to the offsite power sources, including transmission lines, switchyards, substations and control and protection equipment associated with same, interconnections, grid availability, and all studies related to the offsite power source (e.g., load flow and stability) must be complied with by PSNH. These would include, but not be limited to:

### **1. NRC VOLTAGE REQUIREMENTS.**

Buyer shall notify PSNH of the Buyer's required voltage limits at the substation(s) serving the Facility that are required to supply auxiliary power and to ensure that emergency equipment fed from the Facility's auxiliary bus has suitable voltage to function in accordance with Buyer's NRC Requirements and Commitments. Whenever the voltage at such substation(s) goes outside or approaches the Buyer's highest and lowest voltage limits, the knowing Party shall immediately notify the other Party. PSNH shall, upon Buyers' request, perform for Buyer and provide Buyer with the results of voltage studies and short circuit stability evaluations or studies for offsite power sources available to the Facility for single failure contingency conditions or as otherwise necessitated by applicable NRC Requirements and Commitments.

### **2. NRC OFFSITE POWER REQUIREMENTS.**

2.1 **Offsite Power Sources.** Each Party acknowledges and agrees that: (i) Buyer's NRC Requirements and Commitments that the offsite power sources and requirements identified in the Updated Final Safety Analysis Report ("UFSAR") be available to provide emergency power to the Facility, and (ii) in the event that such offsite power sources and requirements become unavailable or cannot be met, then the Facility must be shutdown pursuant to its NRC operating license. PSNH shall use Commercially Reasonable Efforts to maintain compliance with applicable NRC Requirements and Commitments.

2.2 **Facility Critical Transmission Facilities.** PSNH shall use Commercially Reasonable Efforts to take out of service only one Facility Critical Transmission Facility at any one time. Except in an Emergency that does not afford sufficient time for prior notification, PSNH shall provide Buyer with advance notice of any outage of any Facility Critical Transmission Facility. In the event of an outage of more than one Facility Critical Transmission Facility, PSNH shall use Commercially Reasonable Efforts to promptly restore sufficient facilities to service so that only one Facility Critical Transmission Facility is out of service at any one time.

3. **EXCLUSION AREA.**

PSNH agrees that PSNH, its employees and contractors shall evacuate or otherwise comply with Buyer's directives with regard to PSNH's, its employees' and contractors' occupancy of, or activities within, any portion of the Facility's "Station Exclusion Area" as defined in the Facility's NRC operating license, and that each of the Buyer, its employees and contractors shall do so for as long as directed by the Buyer in connection with any Facility Emergency, evaluation or other precautionary measure that Buyer in its sole discretion may declare or deem necessary. PSNH fully acknowledges, understands, and agrees that Buyer has exclusive authority to determine all activities, including exclusion of personnel or property, from the Station Exclusion Area.

4. **INFORMATION REPORTING.**

4.1 **Provision of Information.** PSNH shall promptly provide all relevant information, documents, or data regarding the Transmission System or PSNH Interconnection Facilities which is needed by Buyer to satisfy its NRC Requirements and Commitments and which has been reasonably requested by Buyer. In recognition of Buyer's NRC Requirements and Commitments PSNH shall provide documents, or data in a manner that is timely under the circumstances.

4.2 **UFSAR Documentation.** Buyer shall update drawings and documents to reflect completed modifications that are part of its UFSAR or from which figures in the UFSAR are derived on a regular basis and provide those updated drawings and documents concerning the Transmission System to PSNH as soon as practicable. PSNH will review said updated drawings for accuracy with respect to the Transmission System and promptly notify Buyer if PSNH believes the drawings are in any way inaccurate.

### Insurance Coverage

1. Each Party shall, at its own cost and expense, maintain the following minimum insurance coverages as long as such coverages or reasonably similar coverages are available on reasonable commercial terms:

- (i) Statutory coverage for worker's compensation, and basic employers' liability coverage with a limit no less than \$500,000.
- (ii) Commercial general liability coverage, including operations, contractual liability and broad form property damage liability, written with limits no less than:

Bodily Injury-	\$10 million per occurrence
Property Damage-	\$ 1 million per occurrence
or	\$ 10 million combined single limit

- (iii) Automobile liability coverage, including all owned, non-owned and hired vehicles, written with limits no less than:

Bodily Injury-	\$ 1 million per person \$ 2 million per accident
Property Damage-	\$500,000 per occurrence

- (iv) All dollar amounts expressed in this Schedule E shall be updated triennially based on then current market conditions.

2. The insurance policies specified in Sections (1)(ii) and (1) (iii) of this Schedule E shall be endorsed naming the other Party, its employees, agents and affiliates as additional insureds with respect to any and all third-party bodily injury and/or property damage claims arising from the insured Party's performance of this Agreement. The insured Party shall provide sixty (60) days written notice to the other Party of any cancellation and/or material change in any of the policies of insurance described in the Agreement or this Schedule E.

3. During the term of the Agreement, the insured Party, upon the other Party's reasonable request, shall furnish the other Party with certificates of insurance or certified copies of the insurance policies described in this Schedule E.

4. The insurance coverages described in subsections (1) (i) through (1) (iii) of this Schedule E shall be primary to any other coverage available to the other Party or to affiliates and shall not be deemed to limit the insured Party's liability under this Agreement.

**CERTIFICATE AS TO COMPLIANCE BY NAESCO WITH NRC MAINTENANCE  
RULE AND NRC REQUIREMENTS & COMMITMENTS**

I, [OFFICER OF COMPANY] of North Atlantic Energy Service Corporation (“NAESCO”) do hereby certify that as of the Effective Date<sup>1</sup> the operation by NAESCO or its Affiliates of those facilities, equipment and functions of the 345 kV Substation, if any, covered by the NRC Maintenance Rule and NRC Requirements & Commitments complies with such NRC Maintenance Rule and NRC Requirements & Commitments.

IN WITNESS WHEREOF, I have hereunto subscribed my name as of this [ ] day of [ ], 200[ ].

\_\_\_\_\_  
[NAME OF OFFICER]  
[TITLE OF OFFICER]

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Interconnection and Operating Agreement, dated as of April 13, 2002 by and between Public Service Company of New Hampshire and FPL Energy Seabrook, LLC.

**Notice of Interconnection Agreement**

THIS NOTICE OF INTERCONNECTION AGREEMENT, dated as of April 13, 2002 (this "Notice"), is between Public Service Company of New Hampshire, a New Hampshire corporation ("PSNH") and FPL Energy Seabrook, LLC, a Delaware limited liability company ("Buyer"), (PSNH and Buyer are each referred to herein as a "Party" or, collectively, the "Parties").

W I T N E S S E T H:

1. Contemporaneous with the execution of this Notice, Buyer and PSNH have entered into an interconnection agreement (the "*Interconnection Agreement*") to establish, among other things, the relationship between the Parties regarding PSNH's provision of interconnection service to the Seabrook Station, which is located in the towns of Seabrook, Hampton and Hampton Falls, New Hampshire.
2. Section 6 of the Interconnection Agreement grants to each Party permanent access rights to such of the other Party's facilities, properties and equipment as may be necessary to enable each Party to (i) maintain its facilities, properties and equipment in a manner consistent with Good Utility Practice (as defined in the Interconnection Agreement) and (ii) perform all of its obligations under the Interconnection Agreement or any related agreements.
3. The term of the Interconnection Agreement is set forth in Section 3 of the Interconnection Agreement.
4. The Interconnection Agreement does not contain rights of extension or renewal.
5. The address of PSNH is 780 N. Commercial Street, Manchester, New Hampshire 03101.
6. The address of Buyer is 700 Universe Boulevard, Juno Beach, Florida 33408.
7. A copy of the Interconnection Agreement is on file at the offices of PSNH and is also available in the "Records and Information Management System" database on the website of the United States Federal Energy Regulatory Commission (<http://www.ferc.fed.us/>).

IN WITNESS WHEREOF, Buyer and PSNH have executed this Notice as of the date first above written.

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE**

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

Name: Robert A. Bersak

Title: Assistant Secretary and Assistant  
General Counsel

STATE OF NEW HAMPSHIRE    )  
  )  
COUNTY OF HILLSBOROUGH    )

ss.

On this the 11th day of April, 2002, personally appeared Robert A. Bersak, Assistant Secretary and Assistant General Counsel of Public Service Company of New Hampshire, as agent for Public Service Company of New Hampshire, signer and sealer of the foregoing instrument, and acknowledged the same to be his free act and deed as such officer and the free act and deed of said corporation, before me.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

