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February 2, 2004

VIA HAND DELIVERY

Magalie Roman Salas, Secretary
Federal Energy Regulatory Commission
Room 1-A
888 First Street, N.E.
Washington, D.C. 20426

Re: **Vermont Electric Cooperative, Inc.**
Rate Schedule FERC No. 10
Docket No. ER04-~~1~~-000

FILED
OFFICE OF THE
SECRETARY
2004 FEB - 2 P 11:32
FEDERAL ENERGY
REGULATORY COMMISSION

Dear Secretary Salas:

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Pursuant to Section 205 of the Federal Power Act ("FPA"), 16 USC § 824d, and Section 35.12 of the Commission's Regulations, 18 C.F.R. § 35.12 (2004), Vermont Electric Cooperative, Inc. ("VEC") hereby submits for filing an original and six copies of a proposed rate schedule for jurisdictional service. In accordance with Order No. 614, VEC designates its proposed rate schedule as VEC Rate Schedule FERC No. 10.

VEC recently tendered for filing in Docket No. ER04-341-000 eight proposed rate schedules and an open access transmission tariff ("OATT"). These rate schedules and the OATT are part of a transaction between VEC and Citizens Communications Company ("Citizens"), by which VEC has agreed to purchase from Citizens certain electric transmission and distribution facilities in Vermont, and to assume from Citizens various FERC-filed jurisdictional agreements. As discussed in greater detail herein, VEC is assuming one additional FERC-jurisdictional rate schedule from Citizens as part of this transaction, the Hydro Quebec Participation Agreement ("HQPA"), which was inadvertently omitted from the ER04-341-000 filing. The purpose of the instant filing is to place the HQPA and all associated amendments thereto on file with the Commission as a VEC rate schedule. Concurrent with this filing, Citizens will be filing a notice of cancellation of the existing rate schedule, effective as of the date of the closing of the VEC-Citizens transaction.

As requested in conjunction with the assignment of Citizens' other rate schedules filed in Docket No. ER04-341-000, VEC requests an effective date of the closing of the Proposed Transaction, which is anticipated to occur at or near the end of the first quarter of 2004 (i.e., between 60 and 120 days from the date of filing).

Disk/Disc

Régie de l'énergie
DOSSIER: R-3669. 2008 Phase 2
DÉPOSÉE EN AUDIENCE
Date: 3/05/2011
Pièces n°: C-13-47

(cancellation "Enjeu" 16")

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In support of its filing, VEC states as follows:

I. COMMUNICATIONS

All notices, communications or correspondences regarding this matter should be directed to the following:¹

Kelly Enright
Vice President and Executive Manager
Vermont Electric Cooperative, Inc.
182 School Street
Johnson, VT 05656
802-635-2331
Fax: 802-635-7645
kenright@vermontelectric.coop

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II. DESCRIPTION OF VEC

VEC is a consumer-owned electric distribution cooperative headquartered in Johnson, Vermont, and founded in 1938. VEC currently serves approximately 16,000 members in sixty towns throughout Vermont and three towns in Massachusetts. VEC's service territory stretches

¹ VEC requests waiver of Commission Rule 203(b) such that each of the persons named below may be placed on the official service list.

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across the Vermont counties of Addison, Bennington, Chittenden, Franklin, Lamoille, Orleans, Windham and Windsor, and Franklin County, Massachusetts. VEC's fifteen-member Board of Directors is elected by the consumer-owners of VEC. The Board, representing geographically-based districts, sets policy and provides general direction for VEC's operations.

VEC provides retail electric service to residential, small commercial and industrial customers. Approximately ninety percent of VEC's customer base is residential, and is located in some of the most rural parts of Vermont. VEC does not own any generating facilities² and relies on power supply contracts with third party suppliers to meet its power needs. VEC also receives an allocated share of power from the New York Power Authority (through the Vermont Department of Public Service ("VDPS")) and is allocated power from various Qualifying Facilities under arrangements with the Vermont Electric Power Producers, Inc. pursuant to Vermont Public Service Board ("VPSB") Rule 4.100.³

Historically, VEC was subject to the oversight of the Rural Utilities Service ("RUS") and its predecessor agency, the Rural Electrification Administration ("REA"). As such, VEC was exempt from Commission regulation, including the obligation to make rate filings under Section 205 of the FPA. On September 4, 1997, however, VEC repurchased its RUS debt and became a borrower of the CoBank, ACB. Accordingly, it was no longer eligible for the exemption from FERC regulation for RUS borrowers set forth in *Dairyland Power Cooperative*.⁴

In addition to its retail electric service, VEC provides transmission service to Central Vermont Public Service Corporation ("CVPS"), to permit CVPS to provide retail service to approximately 25 of CVPS's customer accounts in Belvidere Center, Vermont. VEC also is a member of the New England Power Pool, and as such, using Vermont Electric Power Company ("VELCO") as an intermediary, makes sales of power excess to its own members' retail needs from time to time into the day ahead and real time markets operated by ISO New England.

² As part of the package of transactions required for Citizens to exit the Vermont electric business, Citizens is also selling certain hydropower and diesel generation facilities to Great Bay Hydro Corporation ("Great Bay"). As more fully described in the joint Section 203 application filed by Citizens, Great Bay and VEC in Docket No. EC04-45-000 on December 23, 2003, Citizens may have to convey these facilities first to VEC so that VEC may subsequently convey them to Great Bay. VEC, however, has no intent to continue long-term ownership or operation of these facilities under any circumstances, as more fully described in that application.

³ Under Rule 4.100, *Small Power Production and Cogeneration*, the Board has established the Vermont Electric Power Producers, Inc. as a Purchasing Agent, which buys energy from qualifying small power production and cogeneration facilities in Vermont and resells the energy to Vermont retail electric utilities such as VEC.

⁴ 37 FPC 12 (1967) ("*Dairyland*"). In *Dairyland*, the Federal Power Commission ("FPC") concluded rural electric cooperatives that were borrowers of the REA were subject to significant oversight by the REA (now the RUS), and thus would not be considered jurisdictional "public utilities" under the FPA. See also, *Salt River Project and Agricultural Improvement and Power District v. Federal Power Commission*, 391 F.2d 470 (D.C. Cir. 1968), cert. denied, 393 U.S. 857 (1968) ("*Salt River*") (to the same effect).

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Because VEC is not a borrower from the RUS, these transmission and wholesale sales transactions are FERC-jurisdictional. Accordingly, on October 28, 2003, VEC made a filing under FPA Section 205 in Docket No. ER04-89-000 to obtain authorization to continue this transmission service to CVPS. By unpublished letter order dated December 22, 2003, the Commission accepted VEC's rate schedule for filing. (VEC designated this agreement as its Rate Schedule FERC No. 1.) VEC also included in that filing an opinion letter from David T. Doot, General Counsel to NEPOOL, stating that, as a member in good standing of NEPOOL, VEC requires no further Commission authorization to make sales of excess power into ISO New England's day ahead and real time markets.

III. OVERVIEW OF THE PROPOSED TRANSACTION WITH CITIZENS

As noted above, on December 24, 2003, VEC filed in Docket No. ER04-341-000 eight rate schedules and an OATT in order to implement certain terms and conditions of a Purchase and Sale Agreement dated April 15, 2003, with Citizens. Also on December 24, 2003, VEC and Citizens jointly filed in Docket No. EC04-46-000 a separate application under FPA Section 203 for approval of the Proposed Transaction. Both of these applications are currently pending before the Commission.

As part of the Proposed Transaction between VEC and Citizens, which is described in greater detail in the EC04-46-000 joint application, VEC will (i) acquire Citizens' distribution facilities and certain lower-voltage transmission facilities currently owned by Citizens, and (ii) receive an assignment of, and assume responsibility for Citizens' FERC-filed rate schedules and its OATT. The Proposed Transaction is part of a series of transactions by which Citizens is transferring its jurisdictional transmission and distribution assets in Vermont, and exiting the electric utility business. Previously, Citizens transferred certain higher voltage transmission assets and associated rate schedules to VELCO. In separate orders issued in October 2003, the Commission approved and accepted for filing Citizens' FPA Section 203 and 205 applications to implement certain terms of the VELCO sale.⁵ Second, on December 23, 2003, Citizens, Great Bay Hydro Corporation ("Great Bay") and VEC filed an FPA Section 203 application for Citizens to sell transmission facilities and related assets associated with certain generating facilities that Citizens proposes to sell to Great Bay. Finally, as discussed above, VEC and Citizens are requesting authorization to convey certain Vermont transmission and distribution facilities to VEC. These facilities constitute all of the remaining Citizens physical facilities in Vermont.⁶

⁵ *Citizens Communications Company*, Docket No. ER03-1325-000 (unpublished letter order dated October 8, 2003); *Citizens Communications Company and Vermont Electric Power Company*, 105 FERC ¶ 62,028 (2003). The Citizens-VELCO transaction closed on December 1, 2003, and Citizens made its required compliance filing with the Commission on December 11, 2003.

⁶ VEC and Citizens have also made related applications to the VPSB and the Department of Energy. For further details, please refer to the FPA Section 203 application filed by VEC and Citizens on December 24, 2003 in Docket No. EC04-46-000.

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IV. DETAILED DESCRIPTION OF HQPA RATE SCHEDULE

Through the transaction set out in the EC04-45-000 application filed jointly by VEC and Citizens, VEC is to assume Citizens' rights and obligations under the HQPA. Due to an inadvertent error, VEC did not file the HQPA as part of its filing in Docket No. ER04-341-000, described above. To correct this oversight, VEC submits the HQPA as VEC Rate Schedule FERC No. 10. See Attachment 2.

The HQPA is a contract originally dated April 1, 1988, and subsequently amended and restated thereafter, by which certain Vermont electric utilities that (i) jointly own a transmission system interconnection with Canada known as the Highgate Interconnection, and (ii) have entitlements to firm energy and capacity under a power supply contract with Hydro Quebec, agreed to assign some of those entitlements to 24 other Vermont utilities. Franklin Electric Light Company ("Franklin"), a public utility under the FPA, was one of the original assignors under the HQPA. Franklin was subsequently acquired by Citizens in 1993.

The Vermont electric utilities that were assignors under the HQPA and subject to FPA regulation as public utilities filed the HQPA with the Commission on January 28, 1991, in Docket No. ER91-236-000. At that time, the public utilities were: CVPS, Allied Power and Light Company (which has since merged into CVPS), Rochester Electric Light and Power Company, Green Mountain Power, and Franklin (which has since merged into Citizens). The Commission accepted the HQPA for filing by unpublished letter order dated May 2, 1991, effective November 1, 1988, in Docket No. ER91-236-000.

The HQPA filed with the Commission in Docket No. ER91-236-000 contained three amendments, the most recent of which is dated September 5, 1990. The HQPA has been amended twice thereafter, by Amendment Nos. 4 and 5, but to VEC's knowledge, these amendments have not ever been filed with the Commission. To correctly capture the current state of the HQPA, as agreed to among all the parties to that contract, VEC is filing a version of the HQPA that includes all amendments. Because the HQPA involves the provision of service by many other parties, VEC is not proposing any changes to it, other than to conform the HQPA to the requirements of Order No. 614.⁷ As it did with its rate schedules filed in Docket No. ER04-341-000, VEC has indicated at the top of each page that the agreement has been assigned from Citizens to VEC.

Moreover, it is VEC's understanding that Citizens never separately filed to assume the HQPA when it merged with Franklin. Accordingly, the rate schedule on file with the Commission is still identified in the Commission's records as a Franklin rate schedule

⁷ To the extent that certain non-substantive changes to the HQPA are necessary (i.e., changes to contact information, etc...) VEC proposes to do so after the closing of the transaction and after it has an opportunity to discuss such changes with all parties to the HQPA.

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Concurrent with this filing, Citizens is separately requesting, pursuant to Section 35.12 of the Commission's regulations, that the Commission (i) deem the HQPA (Franklin Rate Schedule FERC No. 2) to have been cancelled, also as of the date of the 1993 Franklin/Citizens merger, and (ii) deem it to have become a Citizens rate schedule as of that time. Citizens also proposes to designate the HQPA as Citizens Rate Schedule FERC No. 46, and to cancel that Rate Schedule FERC No. 46 as of the date of closing of the transaction between Citizens and VEC.

Sections 8.4 and 8.4.2 of the HQPA require that written notice of assignment be provided to all "Participants" under the HQPA; furthermore, Section 8.4(b) requires that Citizens offer to each Participant to have Citizens assign, on the same terms, its rights to any participant who elects to accept and consummate the offer within ninety (90) days from the date of the notice. By separate letters dated August 28, 2003, Citizens notified each Participant of the proposed assignment of the HQPA, and further provided the requisite offer to each Participant. No Participant accepted Citizens' offer. Accordingly, Citizens has met its notice requirements under the HQPA, and all requisite agreements to the assignment has been obtained.

As was the case in Docket No. ER04-341-000, the purpose of the present filing is to transfer, upon the closing of the Proposed Transaction, a Citizens' rate schedule to VEC as Citizens' successor in interest. Accordingly, VEC requests that the Commission issue an order accepting the HQPA rate schedule with an effective date as of the closing of the Proposed Transaction. VEC anticipates that the closing will occur in the first quarter of 2004 if all regulatory approvals are obtained, and thus, the filing has been made between 60 and 120 days from the commencement of service.

V. INFORMATION PROVIDED PURSUANT TO 18 CFR § 35.12

VEC submits the following information pursuant to Section 35.12(a) of the Commission's Regulations:

A. List Of Documents Submitted:

<u>Attachment</u>	<u>Description</u>
1	Notice of Filing suitable for publication in the <i>Federal Register</i> .
2	Proposed Rate Schedule FERC No. 10
3	List of rate schedule customers

Also included with the original of this filing is an electronic version of the Form of Notice on diskette.

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B. Date On Which Service Is Expected To Commence:

The closing of the Proposed Transaction, which is subject to regulatory approvals, is expected to occur at the end of the first quarter of 2004.

C. Names And Addresses Of Those Entities To Whom The Rate Schedule Has Been Mailed:

A copy of this filing has been sent to each of the parties to the HQPA. A list of all such parties is provided at Attachment 3. A copy of this filing has also been provided to Citizens, the Vermont Public Service Board, and the Vermont Department of Public Service.

Due to the size of the HQPA, VEC has served each of the above parties with a copy of this transmittal letter and all attachments on diskette. VEC will provide hard copy of the entire filing to any customer upon request.

D. Brief Description Of The Service To Be Furnished:

See Section IV, above.

E. Showing That Requisite Agreements Have Been Obtained:

As set out in greater detail in Section IV, above, VEC has demonstrated that Citizens has complied with the relevant assignment provisions of the HQPA, which is to be assigned to VEC. The underlying VEC-Citizens transaction is subject to the approval of the VPSB, which is currently pending. No other requisite agreements are necessary.

VI. REQUEST FOR WAIVERS

Due to the circumstances of this filing, VEC respectfully requests waivers of the cost support information required with an initial rate filing, as set out in 18 CFR § 35.12(b). Although the attached rate schedules and tariff are "new" as to VEC, they are already rate schedules on file with the Commission under Franklin's name.

VEC also requests waiver of Section 35.10 of the Commission's Regulations, which requires the filing of redline-strikeover versions that display amendments to contracts already on file with the Commission. As explained above, VEC has made no changes to the rate schedule itself other than to conform it to the requirements of Order No. 614 and to incorporate amendments 4 and 5. Since the HQPA was scanned from its original hard copy form into a more

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useable electronic format for the purpose of inserting headers and footers, it would be difficult, if not impossible, to provide redline-strikeover versions of what are graphic images.

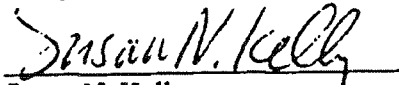
VEC otherwise believes that it has fully complied with or provided necessary information to satisfy the Commission's inquiry under Section 205 of the FPA, such that the Commission may accept the proposed HQPA rate schedule for filing. To the extent the Commission's Regulations have not been satisfied, VEC respectfully requests waiver of such regulations as may be necessary.

VII. CONCLUSION

For the foregoing reasons, VEC requests that the Commission (i) accept for filing VEC's Rate Schedule FERC No. 10, with an effective date of the date of the closing of the Proposed Transaction; (ii) grant all necessary associated waivers of the Commission's Regulations, including those requested herein and any others that may be necessary and appropriate.

Respectfully Submitted,




Susan N. Kelly
Craig W. Silverstein

Attorneys for Vermont Electric Cooperative, Inc.

Attachments

Attachment 1

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Vermont Electric Cooperative, Inc.) Docket No. ER04-____-000

NOTICE OF FILING

Take notice that on February 2, 2004, Vermont Electric Cooperative, Inc. ("VEC") tendered for filing its proposed Rate Schedule FERC No. 10. The filing seeks to effect certain terms and conditions of a Purchase and Sale Agreement under which VEC has agreed to purchase from Citizens Communications Company ("Citizens") certain electric transmission and distribution facilities in Vermont. VEC requests an effective date as of the closing of the Transaction.

Each of the customers under the rate schedules, Citizens, the Vermont Public Service Board, and the Vermont Department of Public Service were mailed copies of the filing.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866)208-3676, or for TTY, contact (202)502-8659. Protests and interventions may be filed electronically via the Internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instructions on the Commission's web site under the "e-Filing" link. The Commission strongly encourages electronic filings.

Comment Date:

Attachment 2

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

HYDRO QUEBEC PARTICIPATION AGREEMENT

AMENDED AND RESTATED AS OF OCTOBER 21, 1993

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

EXHIBIT 1

HYDRO-QUEBEC PARTICIPATION AGREEMENT

THIS AGREEMENT, restated as of the twenty-first day of October, 1993, is made as of the first day of April, 1988, and is by, between and among each of the electric utilities the names and principal addresses of which are set forth on the signature pages to this Agreement. Capitalized terms used in this Agreement, including the Preliminary Statement that follows, have the meaning defined in Section 1.1 hereof.

PRELIMINARY STATEMENT

The Contract Joint Owners have entered into a Contract with Hydro-Quebec for the purchase of power and energy. Pursuant to Schedules A and B of the Contract, Hydro-Quebec agrees to make available power and deliver associated energy respectively in the amount of up to 44 megawatts, for a five-year period commencing in late 1990, and 175 megawatts for a twenty-year period commencing in late 1995. Pursuant to Schedule C of the Contract, Hydro-Quebec agrees to make available power and deliver associated energy in the cumulative amount (under five sub-schedules) of up to 172 megawatts for periods of up to twenty-two years, 12 megawatts of which may be cancelled on or before November 1, 1996, and all of which purchases will commence by the year 2000.

The Contract Joint Owners desire to make this Contract's power and energy available to all of the Participants that have executed this Agreement, and the Participants desire unconditionally to assume the obligations therefor. Accordingly, this Agreement provides for the assignment of the right to purchase Contract power and energy to all Participants and permits each Participant to purchase and obligates it to pay for its Schedule A/B Share and its Schedule C Share of Contract power and energy and to provide its own transmission facilities therefor.

Finally, this Agreement establishes a decision-making procedure among all Participants and provides for certain aspects of its and the Hydro-Quebec Contract's administration through VELCO and by a Representative and an Operating Committee elected by the Participants, all as provided hereinafter.

Now, therefore, for good and valuable consideration, receipt of which is acknowledged by each signatory, the signatories to this Agreement agree and covenant as follows:

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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Article I -- Definitions; Construction

1.1 Capitalized terms used in this Agreement have the meaning defined in this Section 1.1.

1.1.1 Administration Costs: Reasonable and necessary costs, incurred by VELCO (or any other agent designated to perform VELCO's obligations hereunder), the Operating Committee, the Representative, or another Participant if approved by Vote in accordance with Section 3.1 hereof, to administer provisions of this Agreement, or by the Participants, acting collectively under this Agreement, including, without limitation, (a) costs incurred to render bills to Participants, make payment to Participants or Hydro-Quebec, and give Notice and conduct meetings as provided herein, (b) costs incurred by the Representative (and the employee or agent who acts therefor) and the Operating Committee (and any member or alternate thereof) to the extent incurred for the benefit of all Participants, including insurance in accordance with Section 3.2 hereof, (c) legal, accountants' or auditors' fees and expenses incurred for the benefit of all Participants, (d) engineers' fees and expenses if approved by Vote in accordance with Section 3.1 hereof, (e) the cost of obtaining and maintaining any Approvals required to execute, amend or perform this Agreement, the Contract or any of the transactions contemplated hereby or thereby, and (f) all costs incurred to administer this Agreement approved as part of the Participants' budget in accordance with Sub-section 3.1.3 of this Agreement.

1.1.2 Agreement: This Hydro-Quebec Participation Agreement.

1.1.3 Approval or Approvals: Any certification, license, consent, order, acceptance for filing, permission to become effective, resolution, vote, or other approval required to execute, deliver, amend or perform this Agreement, and the transactions (including the purchase of Contract and Interconnection Agreements power and energy) contemplated hereby, including, without limitation, any such action required by a Participant's governing board, the Board, the Department,

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
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Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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the Commission, the United States Department of Energy, the United States Department of Agriculture Rural Electrification Administration, in the case of a cooperative its members, in the case of a municipality its citizens, and any other such action or approval by any federal, state, or municipal entity or person, and specifically including, without limitation, a Certificate of Public Good pursuant to Section 248 of Title 30, Vermont Statutes Annotated, the performance of or compliance with any condition imposed thereunder and permission to become effective under the Federal Power Act by the Commission.

- 1.1.4 Block-Loading Facilities: Any transmission or distribution facility that is, or is capable of being, synchronized to the Hydro-Quebec system directly or through the system of a Participant.
- 1.1.5 Board: The State of Vermont Public Service Board.
- 1.1.6 CVPS: Central Vermont Public Service Corporation, a Vermont electric utility the principal place of business for which is located at the address set forth on the signature pages to this Agreement.
- 1.1.7 Citizens: Citizens Utilities Company, a Vermont electric utility the principal place of business for which is located at the address set forth on the signature pages to this Agreement.
- 1.1.9 Claim or Claims: A claim or claims hereunder for losses, liens, damages, demands, and causes of action, and all other claims of every kind or character, including the amount of judgments, settlements, awards, penalties, interest, court costs, and legal consultants' and experts' fees incurred in defense of same.
- 1.1.9 Commission: The United States Federal Energy Regulatory Commission.
- 1.1.10 "Contract Joint Owners": CVPS and GMP, the two Vermont signatories to the Contract.

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.

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Rate Schedule FERC No. 10

This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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- 1.1.11 Contract: The agreement, denoted "Firm Power and Energy Contract," made the 4th day of December, 1987, between the Contract Joint Owners and Hydro-Quebec, which is attached to this Agreement as Exhibit A, as amended as of the date as of which this Agreement is restated and as may be amended from time to time hereafter (as provided therein and herein).
- 1.1.12 Department: The State of Vermont, acting through the Department of Public Service.
- 1.1.13 Delivery Facilities or Delivery Facility: Collectively, the Highgate Interconnection, Phase I, Phase II, Existing Block-Loading Facilities, and any facilities designated by a Participant under Subsection 4.5.1 of this Agreement; individually, any such facility.
- 1.1.14 Existing Block-Loading Facilities: Block-Loading Facilities owned by Citizens, including its existing points of interconnection with Hydro-Quebec at Canaan, Derby Line and Norton, to the extent that such facilities are used to deliver power and energy (including Contract and Interconnection Agreements power and energy) to Citizens or to Participants that elect to transmit, distribute and deliver such power and energy by such facilities.
- 1.1.15 GMP: Green Mountain Power Corporation, a Vermont electric utility the principal place of business for which is located at the address set forth on the signature pages to this Agreement.
- 1.1.16 Highgate Interconnection: A back-to-back, direct-current converter facility in Highgate, Vermont, and a 345-kilovolt transmission line operating at 120 kilovolts in Highgate and Franklin, Vermont, that connects the converter facility to a Hydro-Quebec 120 kilovolt line in Bedford, Quebec, which facilities are jointly owned by the Joint Owners pursuant to the Highgate Joint-Ownership Agreement.

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
 Rate Schedule FERC No. 10
 This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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- 1.1.17 Highgate Joint Owners or Joint Owner: Collectively, the eight signatories to the Highgate Joint-Ownership Agreement; individually, any individual signatory thereto.
- 1.1.18 Highgate Joint-Ownership Agreement: The agreement, denoted "Agreement for Joint Ownership, Construction, and Operation of the Highgate Transmission Interconnection," made as of the first day of August, 1984, by, between and among the Highgate Joint Owners, as amended through and restated by Amendment No. 5 thereto dated as of the first day of January, 1987, and as may be amended from time to time hereafter.
- 1.1.19 Highgate Operating Agreement: The agreement, denoted "Highgate Operating and Management Agreement," made and entered into as of the first day of August, 1984, by and among VELCO and the Highgate Joint Owners, as amended through Amendment No. 3 thereto dated as of the first day of January, 1987, and as may be amended from time to time hereafter.
- 1.1.20 Hydro-Quebec: A body politic and corporate, duly incorporated and regulated by the Hydro-Quebec Act (R.S.Q., Chapter H-5), having its head office and principal place of business at 75 Dorchester Blvd. West, Montreal, Quebec, Canada.
- 1.1.21 Interest Rate: One Hundred Twenty Percent (120%) of the current interest rate on prime commercial loans from time to time in effect at The First National Bank of Boston.
- 1.1.222 Interconnection Agreement: The agreement, denoted "Interconnection Agreement," made and dated as of the 23rd day of February, 1987, between the Highgate Joint Owners and Hydro-Quebec, as may be amended from time to time hereafter (as provided therein and herein).
- 1.1.23 Interconnection Agreements: The Interconnection Agreement and the State Interconnection Agreement.
- 1.1.24 Interconnection Transactions Entitlement: A percentage that is calculated by determining the weighted average (in total firm kilowatts) of each Participant's Schedule A/B

Issued by: Kelly Enright
 Vice President and Executive Manager
 Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
 Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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Share and its Schedule C Share, such calculation to be made by the Representative on November 1 of each year.

- 1.1.25 Notice: Notice required by any provision of this Agreement made in accordance with Section 8.10 hereof. =
- 1.1.26 Operating Committee: The operating committee established pursuant to Section 3.2 of this Agreement.
- 1.1.27 Participants or Participant: Collectively, the signatories to this Agreement except VELCO; individually, any individual signatory except VELCO.
- 1.1.28 Participant Transaction: Any purchase of power or energy under the Interconnection Agreements that is (a) approved by Vote of the Participants at any annual or special meeting of the Participants, (b) agreed between the Operating Committee and Hydro-Quebec if and only to the extent that such purchase relates to that part of the capacity in any Delivery Facilities committed to deliveries of Schedule A/B Power or Schedule C Power that, in a given hour of a calendar year, is not required for such deliveries or (c) involves a term not to exceed six months.
- 1.1.29 Phase I: The first phase of a transmission interconnection known as the "Quebec-New England HVDC Interconnection," consisting of a +450 kilovolt, direct-current transmission line between Norton, Vermont, and Monroe, New Hampshire, and a converter terminal, such facilities having a nominal transfer capability of 690 megawatts, plus certain reinforcements to the existing New England alternating-current, bulk-transmission system required therefor.
- 1.1.30 Phase I Agreements: The Phase I Support Agreements and the Use Agreement.
- 1.1.31 Phase I Participants: Any Participant that has Phase I Rights.
- 1.1.32 Phase I Rights: The right to use and to realize the benefit of Phase I established by

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the Phase I Support Agreements and the Use Agreement; for purposes of determining transmission capability, Phase I Rights means firm capability for transmission of Contract power and energy.

- 1.1.33 Phase I Support Agreements: The agreements, denoted "Phase I Vermont Transmission Line Support Agreement," and "Phase I Terminal Facility Support Agreement," each dated as of December 1, 1981, and each as amended through the date as of which this Agreement is restated and as may be amended from time to time hereafter.
- 1.1.34 Phase II: The second phase of a transmission interconnection known as the "Quebec-New England HVDC Interconnection," consisting of a +450 kilovolt, direct-current transmission line between Monroe, New Hampshire, and Groton, Massachusetts, and a converter terminal located in Groton, Massachusetts, such facilities having a nominal transfer capability of 1310 megawatts, plus certain reinforcements to the existing New England alternating-current, bulk-transmission system required therefor.
- 1.1.35 Phase II Agreements: The Phase II Support Agreements and the Use Agreement.
- 1.1.36 Phase II Participants: Any Participant that has Phase II Rights.
- 1.1.37 Phase II Rights: The right to use and to realize the benefit of Phase II established by the Phase II Support Agreements and the Use Agreement; for purposes of determining transmission capability, Phase II Rights means firm capability for transmission of Contract power and energy.
- 1.1.38 Phase II Support Agreements: The agreements, denoted "Phase II Massachusetts Transmission Facility Support Agreement," "Phase II New Hampshire Transmission Facility Support Agreement," "Phase II New England Power AC Facility Support Agreement," and "Phase II Boston Edison AC Facility Support Agreement," each dated as of June 1, 1985, and each as amended through the date as of which this

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Agreement is restated and as may be amended from time to time hereafter.

- 1.1.39 Project 3 Agreement: The agreement, denoted "Transmission Services Agreement for Project No. 3," among VPPSA and the VPPSA Participants.
- 1.1.40 Pro Rata: An adjustment to a Participant's Share of any purchases of Contract and Interconnection Agreements power and energy, or the right to use any transmission facility used hereunder to transmit and deliver such power and energy under this Agreement, determined by the ratio of an individual Participant's Share of Schedule A/B Power or Schedule C Power or its Interconnection Transactions Entitlement to power and energy purchased pursuant to Schedule A or B to the Contract, Schedule C to the Contract or the Interconnection Agreements (as the case may be) to the Share of all Participants involved in the calculation.
 - 1.1.40.1 Where the calculation involves Shares of both Schedule A/B Power and Schedule C Power, the adjustment will be weighted in kilowatts based on a Participant's Share of Schedule A/B Power and Schedule C Power (if any).
- 1.1.41 Representative: The representative elected pursuant to Sub-section 3.1.1 of this Agreement.
- 1.1.42 Schedule A/B Participants: The Participants listed on Schedule I to this Agreement.
- 1.1.43 Schedule A/B Power: Power and energy (and all rights related thereto) purchased pursuant to Schedule A or Schedule B of the Contract.
- 1.1.44 Schedule A/B Share: The Share of Schedule A/B Power specified on Schedule I to this Agreement.
- 1.1.45 Schedule C Participants: The Participants specified on Schedule IIA to this Agreement.
- 1.1.46 Schedule C Power: Power and energy (and all rights related thereto) purchased pursuant to Schedule C of the Contract.

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- 1.1.47 Schedule C Share: The amount of Schedule C Power purchased by a Participant under the five Contract sub-schedules specified on Schedule IIB to this Agreement.
- 1.1.48 Securities: Any stock certificate or other instruments evidencing equity, or any bonds, notes or other instruments evidencing indebtedness, issued to finance the construction of Delivery Facilities or any other obligations of a Participant required by this Agreement.
- 1.1.49 Share: Either (as the case may be) a Participant's right in kilowatts and kilowatt-hours to any purchase of power and/or energy or a percentage interest in rights and obligations pursuant to any provision of this Agreement, the Contract or the Interconnection Agreement.
- 1.1.50 State Interconnection Agreement: The Agreement, denoted "Interconnection Agreement," made on July 25, 1984, between the Department and Hydro-Quebec.
- 1.1.51 Transmission Rights: A Participant's contractual right to use a Delivery Facility for transmission of energy if and to the extent such facility has been committed by the Participant for deliveries of Schedule A/B Power or Schedule C Power.
- 1.1.52 Use Agreement: The Agreement, denoted "Agreement with respect to Use of Quebec Interconnection," dated as of May 1, 1982, as amended through the date as of which this Agreement is restated and as may be amended from time to time hereafter.
- 1.1.53 VELCO: Vermont Electric Power Company, Inc., a Vermont electric utility, the principal place of business for which is located at the address set forth on the signature pages to this Agreement.
- 1.1.54 Vermont Phase I Agreement: The agreement, denoted "Vermont Participation Agreement for Quebec Interconnection," dated as of July 15, 1982, between VELCO and those Participants that have Phase I Rights, as amended through the date as of which this Agreement is

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restated and as may be amended from time to time hereafter.

1.1.55 Vermont Phase II Agreement: The agreement, denoted "Vermont Support Agency Agreement Re: Quebec Interconnection - Phase II," dated as of June 1, 1985, between and among VELCO and those Participants that have Phase II Rights, as amended through the date as of which this Agreement is restated and as may be amended from time to time hereafter.

1.1.56 VPPSA: Vermont Public Power Supply Authority, a joint-action agency organized pursuant to Chapter 84 of Title 30, Vermont Statutes Annotated, the principal place of business for which is currently located at 512 St. George, Williston, VT 05495.

1.1.57 VPPSA Participant or VPPSA Participants: Individually, a Participant listed on Schedule IV to this Agreement that has rights to use a portion of VPPSA's "ownership share" (under the Highgate Joint-Ownership Agreement) in the Highgate Interconnection; collectively, as the context requires, more than one or all such Participants.

1.1.58 Vote: A vote in accordance with Section 3.1 of this Agreement required to make any decision or determination made by the Participants pursuant to any provision of this Agreement.

1.2 This Agreement will be interpreted and governed as provided in this Section 1.2.

1.2.1 This Agreement will be governed by and construed in accordance with the laws of the State of Vermont.

1.2.2 If any clause or provision of this Agreement, or any part thereof, is declared invalid or unenforceable by any court, board, agency or other quasi-judicial tribunal having jurisdiction thereof, such invalidity or unenforceability will not affect the validity or enforceability of the remaining clauses and provisions of this Agreement.

1.2.3 All provisions of this Agreement providing for indemnification against any Claims for

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liability will apply to the full extent permitted by law, and regardless of fault, and will survive termination pursuant to this Agreement.

1.2.4 Any number of counterparts to this Agreement may be executed, and each will have the same force and effect as the original.

1.2.5 This Agreement, together with any other agreement expressly named or for which provision is expressly made herein, constitute the entire understanding among the signatories and supersedes any and all previous understandings pertaining to the subject matter of this Agreement.

1.2.6 Captions used to identify any article, section or subsection of this Agreement are for the convenience of the signatories only and will not be used to assist in interpreting any provision of this Agreement.

Article II -- Assignment of Contract Power; Performance of Contract Obligations; Assumption of Obligations

2.1 Joint Owners' Responsibility. To the extent authorized under Article 15.1 of the Contract and Article 13.0 of the Interconnection Agreement, each Contract Joint Owner and each Highgate Joint Owner makes the assignments and agrees to perform the other obligations set forth in this Section 2.1.

2.1.1 Each Contract Joint Owner unconditionally assigns to the Participants its Share of all power and energy purchased by it pursuant to the Contract, and each Highgate Joint Owner unconditionally makes a partial assignment to the Participants of its Share of all power and energy purchased by it pursuant to the Interconnection Agreement only for purposes of Participant Transactions.

2.1.2 Each Contract Joint Owner agrees unconditionally to make available to the Participants its Share of all other benefits to which it is entitled pursuant to the Contract, and each Highgate Joint Owner agrees to make available to the Participants its Share of all other benefits to which it

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is entitled pursuant to the Interconnection Agreement that relate to Participant Transactions.

2.1.3 To the extent that a Contract Joint Owner has discretion with respect to the performance of any obligation under the Contract or a Highgate Joint Owner has discretion with respect to the performance of any obligation under the Interconnection Agreement that relates to Participant Transactions, each such Joint Owner agrees to perform such obligation in accordance with such direction as may be given by Vote.

2.1.4 The Highgate Joint Owners agree to vote to elect as members of the Highgate Interconnection "operating committee" (pursuant to the Highgate Joint-Ownership Agreement) the persons elected to the Operating Committee pursuant to Section 4.2 of this Agreement; these Joint Owners further authorize the Operating Committee so elected by the Participants to perform all responsibilities of such Highgate Interconnection operating committee on the Participants' behalf.

2.1.5 To the extent that performance of this Section 2.1 requires approval by the Highgate Joint Owners pursuant to the Highgate Joint-Ownership Agreement, each such Joint Owner hereby consents to and approves such transfer.

2.2 Subject to and in accordance with the provisions of this Agreement, the Participants unconditionally assume all of the Contract Joint Owners' obligations under the Contract and the Highgate Joint Owners' obligations under the Interconnection Agreement that relate to Participant Transactions, as though the Contract and the Interconnection Agreement have been assigned to them.

2.2.1 Specifically, and without limiting the foregoing, each Schedule A/B Participant unconditionally agrees to pay its Schedule A/B Share of the Contract Joint Owners' payment obligations for power and energy purchased pursuant to Schedules A or B of the Contract.

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2.2.2 Specifically, and without limiting the foregoing, each Schedule C Participant unconditionally agrees to pay its Schedule C Share of the Contract Joint Owners' payment obligations for power and energy purchased pursuant to Schedule C of the Contract.

2.2.3 Specifically, and without limiting the foregoing, each Participant unconditionally agrees to pay its Interconnection Transactions Entitlement of the Highgate Joint Owners' payment obligations that relate to any Participant Transaction under the Interconnection Agreement.

2.3 Upon termination of this Agreement as to all Participants as provided in Section 8.9 of this Agreement, the Participants will, and by this Agreement do, reassign to the Contract Joint Owners and Highgate Joint Owners (as the case may be) all rights assigned to them pursuant to Section 2.1 of this Agreement.

2.3.1 Each Participant agrees to execute and perform any notice, filing, petition, contract, instrument or other document necessary to implement such assignment.

Article III -- Participant Decisions; Representative; Operating Committee

3.1 All decisions of the Participants will be made by Vote of at least three individual Participants having a cumulative Interconnection Transactions Entitlement of more than fifty percent (50%), provided, however, that decisions that pertain only to Schedule A/B Power or only to Schedule C Power will be made by three Schedule A/B Participants or three Schedule C Participants (as the case may be) having a cumulative Schedule A/B Share or Schedule C Share of more than fifty percent (50%).

3.1.1 The Participants will vote to elect a Representative, which will be a Participant that is not elected to the Operating Committee pursuant to Section 2.2 of this Agreement. The Participant elected will appoint an employee or agent to perform the Representative's obligations, who will have authority to act on behalf of the Participants with respect to all matters under this Agreement for which the Representative is responsible, excluding those responsi-

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bilities, authority and decisions of the Participants or the Operating Committee for which provision is made in this Agreement. The Participants will reimburse the Administration Costs incurred by the Representative pursuant to Section 5.5 of this Agreement.

3.1.2 The Representative will schedule an annual meeting of the Participants for purposes of electing the Representative in accordance with this section, electing the Operating Committee as provided in Section 3.2 hereof, adopting a budget of Administration Costs as required pursuant to Subsection 3.1.3 of this Agreement, appointing an auditor to audit the performance of VELCO (or such other person appointed pursuant to Section 5.7 hereof) under Article V of this Agreement, if the Participants Vote so to do, and taking such other action as may be appropriate, which meeting will take place no earlier than October 1 or later than December 31 of any calendar year.

3.1.2.1 Any Participant or the Representative may request a special meeting of the Participants by Notice to the Representative, and the Representative will schedule such meeting promptly upon receipt of such Notice, providing each Participant and VELCO fifteen (15) days Notice thereof.

3.1.3 At the annual meeting for which provision is made in Subsection 3.1.2 hereof, the Participants will adopt a budget for the Administration Costs to be incurred in the succeeding calendar year.

3.1.4 For and in consideration of any Participant's willingness to serve as a Representative for no consideration other than the payment of its costs as provided in Subsection 3.1.1 of this Agreement, each other Participant will indemnify, defend and hold harmless any Participant elected as a Representative, and the employee or agent appointed by such Participant to act therefor, from and against all Claims arising in favor or brought about by or on behalf of any person, including any other Participant and any governmental

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authority, arising on account of personal injuries, bodily injuries or death, including employees or agents of such Participant, or damage to or loss of property caused by any act or omission of such Participant, including such employees or agents, or anyone for whose acts any of them may be liable, arising out of its (or their) performance hereunder as the Representative, provided, however, that such Participant will be liable for such Claims to the extent that they are finally determined to have been caused by such Participant's wanton or willful misconduct by a court of competent authority, and following expiration of the time for, or affirmance following, all appeals therefrom.

3.1.5 If any Participant claims that a Participant elected as Representative has breached its responsibilities under this Agreement or has otherwise acted against, or omitted to act in, the interest of all Participants as provided hereunder, it will give Notice to all Participants no later than the earlier of six (6) months after the date on which such breach is discovered, or should have been discovered with the exercise of due diligence, or three (3) years after the date on which such breach is claimed to have occurred, and the failure to give Notice within such period will constitute a release of the Participant elected as Representative from any Claims against such Participant brought pursuant to this Subsection 4.1.5 with respect to such claimed breach.

3.1.6 Each January, the Representative will retain the auditor, if any, appointed at the annual meeting (for which provision is made in Subsection 3.1.2 hereof) to audit the performance of VELCO (or such other person appointed pursuant to Section 5.7 hereof) under Article V of this Agreement. After receipt of the auditor's report, the Representative may schedule a special meeting of the Participants to review such report and take such action as may be appropriate thereon.

3.2 By Vote in accordance with Section 3.1 of this Agreement, the Participants will elect annually two Participants to serve on the Operating Committee, which

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will have the responsibilities of the Operating Committee established pursuant to this Agreement, the Contract, the Interconnection Agreements, and any other power-purchase or transmission agreement between the Highgate Joint Owners and Hydro-Quebec, provided that an individual Participant may not be elected to serve more than one of the Operating Committee's two positions. The Participants agree to reimburse Administration Costs incurred by each Participant elected to the Operating Committee pursuant to Section 5.5 of this Agreement and will insure each such Participant (and the member and alternate appointed to the Operating Committee) against all risks (including negligence) arising from its (or their) performance hereunder to the extent such insurance is available at reasonable cost from a carrier of recognized financial responsibility that is qualified to transact business in Vermont.

3.2.1 Each Participant elected will determine the individual employee or agent who will serve as the member of the Operating Committee and as such member's alternate.

3.2.2 The Operating Committee will give Participants Notice of, and Participants will have the right to attend, meetings of the Operating Committee, including meetings that Hydro-Quebec members attend; provided, however, that Participants will not have the right to attend meetings with Hydro-Quebec involving negotiations related to the Contract, the Interconnection Agreements or any other power-purchase or transmission agreements, but through the Representative the Operating Committee will report to all Participants periodically on the substance of any such negotiations, including on any consideration of or proposed Participant Transactions as provided in Paragraphs 3.2.2.1 or 3.2.2.2 of this Agreement.

3.2.2.1 The Operating Committee or any member thereof will inform the Representative (or its agent) of any negotiations with Hydro-Quebec at which use of either of the Interconnection Agreements to effect a Participant Transaction is first considered as soon as practicable following such negotiations.

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3.2.2.2 The Operating Committee will give Notice to the Representative and all Participants of any proposed Participant Transaction described in Paragraph 1.1.28(c), such Notice to include the transaction's basic terms and be effective at 5:00 p.m. on the third full business day after such Notice is given.

3.2.3 The Operating Committee will (and by this Agreement each Participant will cause any member or alternate chosen by it to serve on the Operating Committee to) act in good faith and consistent with prudent utility practice, the objective being to administer the Operating Committee's responsibilities hereunder so that Contract power and energy or power and energy purchased under the Interconnection Agreements, or any other power-purchase agreement with Hydro-Quebec subject to this Agreement, will be planned, procured, scheduled, transmitted, distributed and delivered for the benefit of all Participants consistently with the requirements of and subject to any restrictions or limitations in any such agreement, and so that the scheduling, use and management of the Delivery Facilities will be operated as efficiently, economically, safely, and reliably as possible consistently with the requirements and subject to any restrictions or limitations in agreements governing the support, operation or use of such facilities and with the interests of any Participant owning such facilities.

3.2.4 For and in consideration of any Participant's willingness to serve as a member of the Operating Committee for no consideration other than the payment of its costs as provided in Section 3.2 of this Agreement, each other Participant will indemnify, defend and hold harmless each Participant elected to the Operating Committee, its officers, employees and agents, including the employees or agents selected by each such Participant to be a member or an alternate on the Operating Committee, from and against all Claims arising in favor or brought about by or on behalf of any person, including any other Participant and any governmental authority, arising on account of personal

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injuries, bodily injuries or death, including employees or agents of such Participant, or damage to or loss of property caused by any act or omission of such Participant, or such employees or agents, or anyone for whose acts any of them may be liable, arising out of its (or their) membership on the Operating Committee, provided however, that a Participant will be liable for such Claims to the extent they are finally determined to have been caused by such Participant's negligence, gross negligence or material breach of this Agreement (not approved by Vote of the Participants) or its wanton or willful misconduct by a court of competent authority, and following expiration of the time for, or affirmance following, all appeals therefrom.

3.2.5 If any Participant claims that any Participant elected to the Operating Committee has breached its responsibilities under this Agreement or otherwise acted against, or omitted to act in, the interest of all Participants as provided hereunder, it will give Notice to the Participants no later than the earlier of six (6) months after the date on which such breach is discovered, or should have been discovered with the exercise of due diligence, or three (3) years after the date on which such breach is claimed to have occurred, and the failure to give Notice within such period will constitute a release of such Participant from any Claims against such Participant brought pursuant to Section 3.2 hereof with respect to such claimed breach.

3.3 Each Participant will inform the Representative (or its agent) and the Operating Committee of negotiations with Hydro-Quebec at which use of either of the Interconnection Agreements to effect a transaction is first considered as soon as practicable following such negotiations.

Article IV -- Allocation of Shares of Schedule A/B Power and Schedule C Power

4.1 Each Participant named on Schedule I to this Agreement has the right to purchase and the obligation to pay, and perform other obligations related to, its Share of

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Schedule A/B Power set forth on Schedule I to this Agreement.

- 4.2 Each Participant named on Schedule IIA to this Agreement has the right to purchase and the obligation to pay, and perform other obligations related to, its Share of Schedule C Power set forth on Schedule IIB to this Agreement.
- 4.3 Each Participant named on Schedule III to this Agreement has the right to purchase and the obligation to pay, and perform other obligations related to, its Interconnection Transactions Entitlement (set forth on Schedule III to this Agreement) of any Participant Transactions.
- 4.3.1 For each Participant Transaction described in Subsection 1.1.28(a), a Participant will have only such purchase right or payment or other obligations if it either has Voted for the transaction or, if it Voted against the transaction, gave Notice to the Representative and Operating Committee before such Vote of its intent to participate in the transaction if nonetheless approved. A Participant that Votes against such transaction without such Notice will be deemed to have waived any rights it has under this Agreement to the benefits of such transaction and each other Participant that so Votes to participate or notifies the Representative and Operating Committee of its participation in the transaction will be deemed to have waived any Claims it has against such non-participating Participant with respect to any payments for or other obligations related to such transaction.
- 4.3.2 For each Participant Transaction described in Subsection 1.1.28(b), all Participants will have such purchase right and payment and other obligations, without any requirements of Notice to or approval of the transaction by any Participant.
- 4.3.3 For each Participant Transaction described in Subsection 1.1.28(c), a Participant will have only such purchase right or payment and other obligations if it gives Notice to the Representative and Operating Committee of its agreement to participate in such transaction and such Notice is received by the

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Representative and Operating Committee before the Operating Committee's Notice of such transaction becomes effective (for which provision is made in Paragraph 3.2.2.1 of this Agreement). If a Participant elects not or omits to give such Notice before the Operating Committee's Notice becomes effective, such Participant will be deemed to have waived any rights it has under this Agreement to the benefits of such transaction and each other Participant that participates in the transaction will be deemed to have waived any Claims it has against such non-participating Participant with respect to any payments for or other obligations related to such transaction.

4.4 Upon each new calculation of the Interconnection Transactions Entitlement or the consummation of any assignment permitted under Section 8.4 of this Agreement, including any disposition of assets for which provision is made in Subsection 8.4.2 or decision not to cancel Schedule C Power under Subsection 8.4.3, the Representative will adjust the Participants named, their Shares of Contract power and associated energy or their Interconnection Transactions Entitlement stated in Schedules I, IIA, IIB or III to this Agreement (as necessary), substitute new schedules to this Agreement as so adjusted and provide Notice thereof to each signatory hereto.

4.5 Each Participant will provide firm transmission capacity on Delivery Facilities adequate to transmit its Share of Schedule A/B Power and Schedule C Power (if any) and, by this Agreement, will have no right to use any such transmission capacity provided by any other Participant for transmission of its Share of such power for any transaction other than Participant Transactions.

4.5.1 Section 4.5 notwithstanding, a Participant will have the right to use transmission facilities other than the entitlement to Delivery Facilities that it has as of the date on which this Agreement is restated for transmission of its Share of Contract power and energy under this Agreement upon Notice to the Representative of its intent to use new Delivery Facilities and provided that such transmission, combined with such Participant's right to use existing Delivery Facilities, will be adequate to transmit its

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Share of Contract power and energy under this Agreement and will be subject to this Agreement's provisions, including its provisions for default under Article VI hereof.

Article V -- Billing

- 5.1 VELCO will be responsible for all billing arrangements hereunder as set forth in this Article V.
- 5.2 The Participants hereby indemnify VELCO, and its employees and agents, from and against all Claims arising in favor or brought about by or on behalf of any third person, including any governmental authority, on account of personal injuries, bodily injuries or death, including employees or agents of VELCO or any Participant, or damage to or loss of property caused by any act or omission of VELCO or any Participant, or its or their agents or employees, or anyone for whose acts any of them may be liable, arising out of its (or their) performance of this Agreement, provided, however, that VELCO will be liable for such Claims to the extent that they are finally determined to have been caused by its willful or wanton misconduct by a court of competent authority, and following expiration of the time for, or affirmance following, all appeals therefrom.
- 5.3 VELCO agrees to pay to Hydro-Quebec when due all amounts billed to the Participants pursuant to the Contract, the Interconnection Agreements, or any other power-purchase or transmission agreement approved by Vote of the Participants.
- 5.4 No later than the tenth (10th) day of each calendar month, VELCO will bill each Participant for its Share of Schedule A/B Power, Schedule C Power and Participant Transactions delivered during the previous month (in advance of receiving from Hydro-Quebec the bill therefor).
- 5.4.1 Such bills will be decreased to the extent of any credit due a Participant on payments made in previous months in excess of the actual charges due pursuant to this Agreement and increased to the extent payments made in previous months were less than amounts due pursuant to this Agreement, with interest thereon at VELCO's cost of working capital.

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5.4.2 Each Participant agrees to pay no later than the fifteenth (15th) day of each calendar month all amounts so billed to it by VELCO. Payments made after the fifteenth (15th) day of the month will accrue interest at the Interest Rate.

5.4.3 The obligation to make payment under this Section 5.4, and under any other provision of this Agreement, is unconditional and applies whether the Delivery Facilities, or any additional Delivery Facilities designated by the Participant as provided in Subsection 4.5.1 hereof, are available or operate or not and regardless of whether energy is delivered to a Participant by such facilities pursuant to the Contract or the Interconnection Agreements.

5.5 In addition to any amounts due and billed hereunder, VELCO will bill each Participant monthly in advance for its Share of Administration Costs, allocated in accordance with the Interconnection Transactions Entitlement of each Participant. Such bills will be rendered and paid on the dates, will bear interest at the Interest Rate, and will be adjusted in successive months as provided in Section 5.3 of this Agreement.

5.6 If a Participant makes a general assignment for the benefit of creditors, or if any proceeding is instituted against a signatory (and is not dismissed within sixty (60) days), or by a signatory, seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, or composition of it or its debt under any law related to bankruptcy, insolvency, or reorganization or relief of debtors, or seeking appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property, or if a signatory takes any action to authorize any of the actions set forth in this Section 5.6, or in the event of an occurrence, transaction, event or condition (arising after the date hereof) affecting a Participant that in the opinion of the Participants, reasonably exercised (and as evidenced by Vote), and, after first having given such Participant an opportunity to present its views, materially could impair the ability of such Participant to continue to pay its current obligations as they become due, such Participant will be obligated to make payment of all amounts due under this Agreement (on an estimated basis and subject thereafter to adjustment as provided in Subsection 5.4.1 hereof) forty-five (45) calendar days

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Issued on: February 2, 2004

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before the date on which bills would otherwise be due as provided herein.

- 5.7 Upon ninety (90) days' Notice to each signatory, including VELCO, and payment of all amounts due VELCO hereunder, including payments due for such ninety- (90-) day period, the Participants by Vote may terminate VELCO's obligations under this Article V and appoint -- another person that upon execution of this Agreement will perform VELCO's obligations under this Article V.

Article VI -- Defaults; Remedies

6.1 Default Pursuant to Underlying Agreements

6.1.1 A Highgate Joint Owner in default under the Highgate Joint-Ownership Agreement or the Highgate Operation Agreement (or a VPPSA Participant in default under the Project 3 Agreement) is in default of this Agreement; if other Highgate Joint Owners (or VPPSA Participants) assume such defaulting Highgate Joint Owner's (or VPPSA Participant's) obligations in accordance with the Highgate Joint-Ownership Agreement (or Project 3 Agreement), then such curing Highgate Joint Owners (or VPPSA Participants) will succeed Pro Rata to such defaulting Highgate Joint Owner's (or VPPSA Participant's) rights as a Participant under this Agreement unless and until such defaulting Participant cures its default as provided thereunder.

6.1.2 A Phase I Participant in default under the Vermont Phase I Agreement is in default of this Agreement; if other Phase I Participants assume such defaulting Phase I Participant's obligations under the Vermont Phase I Agreement, then such curing Phase I Participants will succeed Pro Rata to such defaulting Phase I Participant's rights as a Participant under this Agreement unless and until such defaulting Participant cures its default as provided thereunder.

6.1.3 A Phase II Participant in default under the Vermont Phase II Agreement is in default of this Agreement; if other Phase II Participants assume such defaulting Phase II Participant's obligations in accordance with the Vermont Phase II Agreement, then such

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curing Phase II Participants will succeed Pro Rata to such defaulting Phase II Participant's rights as a Participant under this Agreement unless and until such defaulting Participant cures its default as provided thereunder.

6.2 Failure to Cure Default Pursuant to Underlying Agreements

6.2.1 If a Highgate Joint Owner is in default under the Highgate Joint-Ownership Agreement or the Highgate Operation Agreement (or a VPPSA Participant under the Project 3 Agreement), and the non-defaulting Highgate Joint Owners (or VPPSA Participants) fail to cure such default, then the other Participants hereunder will assume all the defaulting Highgate Joint Owner's (or to the extent not cured by other VPPSA Participants, a VPPSA Participant's) obligations under the Highgate Joint-Ownership Agreement or the Highgate Operation Agreement (or Project 3 Agreement) Pro Rata, and the defaulting Highgate Joint Owner (or VPPSA Participant) agrees to take all actions necessary to assign and otherwise transfer to the Participants so curing hereunder all of the defaulting Highgate Joint Owner's (or VPPSA Participant's) rights under the Highgate Joint-Ownership Agreement or the Highgate Operation Agreement (or Project 3 Agreement) and such Participant's right hereunder to purchase Contract and Interconnection Agreements power and energy transmitted thereby unless and until such defaulting Participant cures its default as provided thereunder.

6.2.2 If a Phase I Participant is in default under the Vermont Phase I Agreement, and the non-defaulting Phase I Participants fail to cure such default, then the other Participants hereunder will assume all the defaulting Phase I Participant's obligations under the Vermont Phase I Agreement Pro Rata, and the defaulting Phase I Participant agrees to take all actions necessary to assign and otherwise transfer to the Participants so curing hereunder all of the defaulting Phase I Participant's rights under the Vermont Phase I Agreement and such Participant's right hereunder to purchase Contract and

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Interconnection Agreements power and energy transmitted thereby unless and until such defaulting Participant cures its default as provided thereunder.

6.2.3 If a Phase II Participant is in default under the Vermont Phase II Agreement, and the non-defaulting Phase II Participants fail to cure such default, then the other Participants hereunder will assume all the defaulting Phase II Participant's obligations under the Vermont Phase II Agreement Pro Rata, and the defaulting Phase II Participant agrees to take all actions necessary to assign and otherwise transfer to the Participants so curing hereunder all of the defaulting Phase II Participant's rights under the Vermont Phase II Agreement and such Participant's right hereunder to purchase Contract and Interconnection Agreements power and energy transmitted thereby unless and until such defaulting Participant cures its default as provided thereunder.

6.3 Default under this Agreement

6.3.1 If a Schedule A/B Participant fails to pay for Schedule A/B Power or Transmission Rights related thereto as required hereunder, including any Administration Costs related thereto, then all other Participants will immediately assume such defaulting Participant's obligations under this Agreement pertaining to Schedule A/B Power and Transmission Rights related thereto Pro Rata; if such defaulting Participant fails to cure within 90 days, then the defaulting Participant's rights hereunder with respect to Schedule A/B Power, including its Transmission Rights therefor, will be terminated, and such curing Participants will thereafter permanently assume the obligations and be entitled to the defaulting Participant's rights to Schedule A/B Power and such Transmission Rights under this Agreement Pro Rata without further obligation to such defaulting Participant.

6.3.2 If a Schedule C Participant fails to pay for Schedule C Power or Transmission Rights related thereto as required hereunder, including any Administration Costs related

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thereto, then the other Participants will immediately assume such defaulting Participant's obligations under this Agreement pertaining to Schedule C Power and Transmission Rights related thereto Pro Rata; if such defaulting Participant fails to cure within 90 days, then the defaulting Participant's rights hereunder with respect to Schedule C Power, including its Transmission Rights therefor, will be terminated, and such curing Participants will thereafter permanently assume the obligations and be entitled to the defaulting Participant's rights to Schedule C Power and such Transmission Rights under this Agreement Pro Rata without further obligation to such defaulting Participant.

6.3.3 A Participant in default of both its Schedule A/B Power or Transmission Rights obligations as provided in Subsection 6.3.1 and its Schedule C Power or Transmission Rights obligations as provided in Subsection 6.3.2 will be in default of this Agreement and upon failure to cure as provided in each such subsection will be terminated from this Agreement.

6.4 By the provisions of this Article VI, the Participants intend that any and all Participants required hereunder to assume a Participant's obligation to pay for (a) transmission facilities used hereunder will be entitled to such Participant's rights and will assume its obligations to purchase the power and energy transmitted by such facility, and (b) power and energy hereunder will be entitled to such Participant's rights and will assume its obligations to use the transmission facilities used by such Participant hereunder to transmit such power and energy.

6.5 The foregoing notwithstanding, each Participant reserves all of its rights at law and equity against a Participant in default (as provided in this Article VI) or otherwise in breach of this Agreement.

6.5.1 A Participant that is a municipality covenants and agrees to fix, revise and collect fees and charges for electric power and energy and other services, facilities and commodities furnished or supplied through its electric system at least sufficient to provide revenues adequate to meet its

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obligations under this Agreement and, in addition, to pay all other amounts payable from or constituting a charge and lien upon such revenues, including amounts sufficient to pay the principal of and interest on all Securities issued by the Participants for electric purposes. The obligations of such a Participant under this Agreement will be treated as an expense of operating its electric plant and constitute a special obligation of the Participant payable solely from the revenues and other moneys derived by it from its electric system.

Article VII -- Cooperation Among Participants

- 7.1 Each Participant will provide or cause to be provided such assistance as set forth in this Article VII as another Participant may reasonably request and for which such Participant agrees to pay in connection with the issuance and sale, whether public or private, by such Participant of any Securities.
- 7.2 Each Participant, in connection with the issuance and sale by any other Participant of Securities, will make available one of its senior personnel, who is knowledgeable about the electric-utility business of such Participant, to assist in the preparation of any official statement or report; provided, however, that such assistance and preparation will be limited to such information concerning the electric-utility business of such Participant as may be necessary and relevant to any such official statement or report. Such assistance will be provided at such times, and at such places, as shall be reasonably agreed by such Participant that requests assistance and the Participant providing such assistance.
- 7.3 Each Participant and any entity acting on its behalf in the preparation of any statement or report will certify and represent to any Participant that requests such statement or report as true, subject to any qualification contained in such certification, any information contained in the respective statements or reports supplied by or on behalf of such Participant (including any such entity) to any other Participant under this article, and such Participant (and any such entity, as applicable) will state that any statements in such reports that purport to be statements of fact are true and correct in all material respects and that such report does not omit to state any material fact necessary to make such report not misleading in the

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light of the circumstances under which it is furnished. Such certification and representation will, upon request of the underwriters or any other financing entity involved in the issuance and sale of Securities, be embodied in a letter or letters of representation addressed to the underwriters or to such other financing entity.

7.4 Each Participant will also, upon request, furnish an opinion of its counsel addressed to the underwriters or to any other financing entity involved in the issuance and sale of Securities by another Participant that requests assistance under this article to the effect that the execution and delivery by such Participant of the letter or letters of representation referenced in this article to be executed by it have been duly and effectively authorized by all requisite action.

7.4.1 A Participant's failure to furnish such an opinion will not constitute grounds for its termination hereunder, but the Participant will be liable hereunder for any Claims by the Participant that requests such assistance.

7.5 Any liability for any Claims that any Participant may have to any other Participant, the underwriters of any Securities, or any other financing entity involved in the issuance and sale by a Participant of any Securities, by reason of any misstatement of material fact or omission of material facts by such Participant in the information furnished pursuant to this article, will be borne by such Participant, subject to any rights of contribution to which it may be entitled by law, and will not be a cost reimbursable by the other Participants under this Agreement. For purposes of the preceding sentence, such Participant's liability will include the costs of its defense of any lawsuit involving the subject matter of such sentence, whether or not such Participant prevails in such defense, but to the extent permitted by law such Participant will be held harmless by the Participant that requests assistance under this article against any and all Claims against such Participant, including reasonable attorneys' fees, resulting from any misleading, improper or erroneous use of such information by the Participant that requests such assistance, the underwriters, or any other financing entity involved in such Participant's issuance of Securities. The Participant that requests assistance under this article will also bear all other costs of the Participant that provides such assistance as provided in this article,

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excepting, however, any liability resulting from any misstatement by such Participant of a material fact or the omission by such Participant of a material fact necessary in order to make information provided under this article, in the light of the circumstances under which it was furnished, not misleading.

Article VIII -- Miscellaneous Provisions

- 8.1 There is no intention to create by this Agreement, or by any other contract, transaction or activity related hereto, an association, joint venture, trust or partnership, or to impose on any signatory trust or partnership rights or obligations; any such implied intention is expressly negated. Except as expressly provided in this Agreement, no signatory will have by virtue of this Agreement or of any such contract, transaction or action the right or power to bind any other signatory without the other signatory's express written consent.
- 8.2 Nothing in this Agreement is intended to create any rights or benefits for any person that has not executed this Agreement.
- 8.3 This Agreement may be amended by Vote in accordance with Section 3.1 of this Agreement, except that with respect to any right or obligation of VELCO this Agreement may be amended only by such Vote with VELCO's written consent, and provided, however, that no amendment may operate to (a) reduce the Vote required to amend this Agreement or (b) change the rights and obligations of any Participant relative to the other Participants based on their Shares of Contract power or energy hereunder or (c) change the nature of costs and expenses to be shared by the Participants pursuant to this Agreement, in each case without the written consent of each Participant. Amendments to this Agreement must be in writing and be executed by the requisite signatories required to effect amendment pursuant to this Section 8.3.
- 8.4 This Agreement may not be assigned to any other signatory or to any person not a signatory to this Agreement except (a) if the signatory making the assignment remains unconditionally obligated to perform its obligations under this Agreement, (b) such assigning signatory will have given each other signatory Notice of the proposed terms of assignment, such Notice to (and by this Agreement does) constitute an offer to each other signatory (other than VELCO) to assign on the same terms and conditions of the proposed

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assignment its rights under this Agreement, and (c) the proposed assignment will not be consummated until ninety (90) days following the date on which such Notice will have been given without one or more other signatories to this Agreement (other than VELCO) having accepted and consummated such offer to assign such signatory's rights under this Agreement. If more than one signatory accepts such offer, the rights of the assigning signatory will be assigned Pro Rata, and upon confirmation of such assignment (the previous sentence notwithstanding) the assigning Participant will be released thereafter by all signatories to this Agreement from any obligations hereunder, provided that the terms and conditions of such assignment require the assignee signatory or signatories to assume unconditionally the assigning Participant's obligations under this Agreement.

8.4.1 The foregoing notwithstanding, each Participant will have the right to assign any right to power or energy purchased pursuant to this Agreement and any Transmission Rights hereunder related thereto without obtaining the consent of any other signatory to this Agreement, provided that such assignment does not constitute an assignment of any obligations of such Participant under this Agreement.

8.4.2 The foregoing notwithstanding, a Participant may elect to sell, lease or otherwise dispose of all or substantially all of its electric system upon ninety (90) days Notice thereof to the Participants, such Notice to specify the security or other contractual arrangements to be provided by such Participant that will provide adequate assurances of the continued performance of such Participant's obligations hereunder; provided that such security or other contractual arrangements provides such assurances, a Participant will have the right to assign its obligations pursuant to this Agreement as part of such sale, lease or disposal.

8.4.3 The foregoing notwithstanding, the rights of each Schedule C Participant that has obtained all Approvals required to purchase Schedule C Power to cancel all or any portion of its Share, as set forth in the Representative's Notice to the Participants dated December 8,

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1989, of its purchases of power under Sub-schedule C-4b of the Contract are subject to the following:

8.4.3.1 A Schedule C Participant that determines to cancel any amount of its purchases of power and energy under Sub-schedule C-4b of the Contract must give Notice thereof to the Representative no later than January 1, 1996, such Notice to constitute an offer to sell such power and energy (as the case may be) to the other Schedule C Participants Pro Rata.

8.4.3.2 Within five days of receipt of such Notice, the Representative will give Notice to the Participants of the amount of Schedule C Power thereby offered to the Participants. Within ten days of the date of such Notice from the Representative, each Schedule C Participant will give Notice to the Representative stating whether (and to what extent) such Schedule C Participant desires to accept such offer (including amounts not taken by other Participants to which such offer is made); failure to provide such Notice will be deemed to constitute a decision by such Schedule C Participant not to accept such offer.

8.4.3.3 No later than five days before the date on which written notice is due Hydro-Quebec under the Contract in order to effect cancellation of all (or any part) of any option to cancel purchases under Sub-schedule C-4b, the Representative will give Notice to the Operating Committee as to the amounts of such power and energy to be canceled, and the Operating Committee is authorized and directed to give written notice, either itself or through VELCO, to Hydro-Quebec to effect such cancellation.

8.5 Each signatory to this Agreement agrees to execute and perform any other notices, contracts, instruments, filings, petitions, and other documents and to take any other action reasonably required to implement and perform any provision of this Agreement.

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- 8.6 VELCO's obligations hereunder are limited to those for which provision is expressly made in Articles V and VIII of this Agreement.
- 8.7 The signatories acknowledge that informal resolution of disputes is in their mutual interest. Accordingly, each signatory agrees that for any Claim arising under this Agreement the signatories (or any two or more of them, as applicable) will in good faith attempt to resolve the Claim informally. If such Claim is not resolved informally, the claiming signatory will give Notice of its Claim to the Representative and any signatory against which the Claim is brought, and the Chief Operating Officer of each such signatory will attempt in good faith to resolve the Claim. The parties agree and covenant that they will not file a lawsuit or institute other legal action pursuant to this Agreement unless the signatories fail to resolve the Claim in accordance with the foregoing procedure and at least thirty (30) days have passed from the date on which such Notice is delivered. No signatory will be entitled to recover from any other signatory, or any affiliate or any shareholder, director, officer, or employee thereof, Claims arising from another signatory's performance under this Agreement, except a signatory will be liable for such Claims to the extent they are finally determined to have been caused by such signatory's negligence, gross negligence or material breach of this Agreement (not approved by Vote of the Participants), or its wanton or willful misconduct, by a court of competent authority and following expiration of the time for, or affirmance following, all appeals therefrom.
- 8.8 Except for a delay or failure to make any payment a Participant is obligated to make under this Agreement, or any agreement (including the Contract and the Interconnection Agreements) related hereto, no failure or delay in the performance of any obligation by a signatory under this Agreement will be deemed to exist if it is the result of any cause beyond the reasonable control of the signatory that the signatory could not have reasonably been expected to avoid by the exercise of due diligence, including, without limiting the generality of the foregoing, storm, flood, lightning, earthquake, fire, explosion, civil disturbance, labor disturbance, sabotage, war, national emergency, or restraint by court or public authority. In such event, the signatory will give Notice of such event to all signatories to this Agreement within fifteen (15) days of its occurrence and will diligently seek to remove

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the cause preventing its performance of the obligation at the earliest possible date.

8.9 This Agreement will terminate as to all signatories upon termination of the Contract, provided, however, that this Agreement will be terminated as to any individual Participant upon termination of such Participant as provided in Article VI of this Agreement.

8.9.1 The foregoing notwithstanding, this Agreement will continue in effect after termination to the extent necessary to make payment of any amount due hereunder or to resolve any Claims hereunder in accordance with the provisions for resolving Claims set forth herein.

8.10 Notice will be given under this Agreement in writing addressed to the required recipient at the address set forth on the signature pages to this Agreement, be effective on the earlier of receipt or five (5) days after the date of such Notice and be deemed to be achieved if given by first-class mail, provided, however, that if pursuant to any provision of this Agreement Notice must be effected by a specified date no more than five (5) days from the date of such Notice, Notice will be effected only by overnight carrier, hand delivery, or telefacsimile the receipt of which is confirmed in writing by the recipient.

8.10.1 Any signatory to this Agreement may change the address used to effect Notice set forth on the signature pages to this Agreement by giving Notice thereof to the Representative and each other signatory in accordance with the procedures set forth in this Section 8.10.

8.11 This Agreement is the act and obligation of the signatories hereto in their corporate or governmental capacity, and any Claims hereunder against any shareholder, director, trustee, officer, employee or agent of any signatory, as such, is expressly waived.

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Schedule I

Company	Schedule A	Schedule B	--
	5/1/91 To <u>9/22/95</u>	9/23/95 To <u>10/31/15</u>	
Barton	168	672	
Citizens	104	415	
CVPS	23,312	92,248	
Enosburg	183	730	
GMP	16,888	67,554	
Hyde Park	97	390	
Ludlow	321	1,284	
Lyndonville	610	2,438	
Morrisville	534	2,136	
Northfield	300	1,198	
Orleans	180	722	
Rochester	84	336	
Stowe	572	2,288	
WEC	<u>647</u>	<u>2,589</u>	
TOTAL	44,000	175,000	

Schedule IIA

Barton
 CVPS
 Citizens
 Enosburg
 GMP
 Hyde Park
 Ludlow
 Lyndonville
 Morrisville
 Northfield
 Orleans
 Rochester
 Stowe
 Vermont Marble

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Schedule IIB

KILOWATTS BASED ON SCHEDULE C ENTITLEMENTS

Company	Sched C-1 5/1/91 to 10/31/12	Sched C-2 5/1/92 to 10/31/12	Sched C-3 11/1/95 to 12/31/15	Sched C-4a 11/1/96 to 10/31/16	Sched C-4b 11/1/00 to 10/31/20
Barton	397	200	58	128	0
CVPS	30,725	20,526	6	23,714*	0
Citizens	19,995	5,132	125	0	5,671
Enosburg	160	316	141	0	329
GMP	0	0	46,619	0	0
Ludlow	334	0	0	0	0
Lyndon-ville	0	78	5	1,158	0
Morrisville	20	554	3	0*	0
Northfield	246	66	2	0	0
Rochester	0	0	3	0	0
Stowe	1,075	128	38	0	0
VMCO	2,048	0	0	0	0

*From 5/1/98 until 4/30/12, CVPS will have 23,216 and Morrisville 500 kilowatts

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Schedule III

Barton	0.6071%
Citizens	40.7579%
CVPS	38.4437%
Enosburg	0.5230%
GMP	13.4032%
Hyde Park	0.0770%
Ludlow	0.5198%
Lyndonville	0.5460%
Morrisville	0.8794%
Northfield	0.4857%
Orleans	0.1429%
Rochester	0.0667%
Stowe	1.4087%
Washington Electric	0.5135%
Vermont Marble	1.6254%

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Schedule IV

Barton
Enosburg
Hyde Park
Ludlow
Lyndonville
Morrisville
Northfield
Orleans
Stowe
Washington Coop

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Exhibit A

[Copy of Contract]

0005370.01

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EXHIBIT A

HYDRO-QUÉBEC

VERMONT JOINT OWNERS

CONTRAT DE PUISSANCE
ET D'ÉNERGIE GARANTIES

FIRM POWER AND ENERGY
CONTRACT

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CONTRAT DE PUISSANCE ET
D'ÉNERGIE GARANTIES

FIRM POWER AND ENERGY
CONTRACT

Contrat fait ce 4^e jour de décembre,
1987 entre:

Contract made this 4th day of December,
1987 between:

Allied Power and Light Company
Elm Street
Pittsford, Vermont 05763

Allied Power and Light Company
Elm Street
Pittsford, Vermont 05763

City of Burlington Electric Department
585 Pine Street
Burlington, Vermont 05401

City of Burlington Electric Department
585 Pine Street
Burlington, Vermont 05401

Central Vermont Public Service
Corporation
77 Grove Street
Rutland, Vermont 05701

Central Vermont Public Service
Corporation
77 Grove Street
Rutland, Vermont 05701

Franklin Electric Light Company, Inc.
Main Street
P.O. Box 96
Franklin, Vermont 05457

Franklin Electric Light Company, Inc.
Main Street
P.O. Box 96
Franklin, Vermont 05457

Green Mountain Power Corporation
P.O. Box 850
25 Green Mountain Drive
South Burlington, Vermont 05402-0850

Green Mountain Power Corporation
P.O. Box 850
25 Green Mountain Drive
South Burlington, Vermont 05402-0850

Village of Johnson Electric Light
Department
School Street
P.O. Box 68
Johnson, Vermont 05656

Village of Johnson Electric Light
Department
School Street
P.O. Box 68
Johnson, Vermont 05656

Rochester Electric Light & Power
Company
Route 100
Rochester, Vermont 05767

Rochester Electric Light & Power
Company
Route 100
Rochester, Vermont 05767

Vermont Electric Generation &
Transmission Cooperative Inc.
School Street
Johnson, Vermont 05656

Vermont Electric Generation &
Transmission Cooperative Inc.
School Street
Johnson, Vermont 05656

Vermont Public Power Supply Authority
P.O. Box 425
512 St. George Road
Williston, Vermont 05495

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P.O. Box 425
512 St. George Road
Williston, Vermont 05495

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
 Rate Schedule FERC No. 10
 This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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les co-propriétaires de l'intercon-
nexion de Highgate, qui sont des servi-
ces publics au Vermont, ci-après appe-
lés collectivement VERMONT JOINT OWNERS
et appelés individuellement, un des
VERMONT JOINT OWNERS,

joint owners of the Highgate intercon-
nection, which are Vermont utilities,
hereinafter referred to collectively as
VERMONT JOINT OWNERS and individually
as one of the VERMONT JOINT OWNERS,

et

and

HYDRO-QUÉBEC, société dûment constituée
et régie par la Loi sur Hydro-Québec
(L.R.Q., chapitre H-5) ayant son siège
social et sa principale place d'affai-
res au 75, boulevard Dorchester ouest,
Montréal, Québec, Canada, ci-après ap-
pelée HYDRO-QUÉBEC.

HYDRO-QUÉBEC, a body politic and corpo-
rate, duly incorporated and regulated
by the Hydro-Québec Act (R.S.Q., Chap-
ter H-5), having its head office and
principal place of business at 75 Dor-
chester Boulevard West, Montréal, Qué-
bec, Canada, hereinafter referred to as
HYDRO-QUÉBEC.

ATTENDU QU'HYDRO-QUÉBEC désire vendre
et que les VERMONT JOINT OWNERS dési-
rent acheter de la puissance et de l'é-
nergie garanties dans des conditions
avantageuses pour les deux parties; et

WHEREAS, HYDRO-QUÉBEC wishes to sell
and VERMONT JOINT OWNERS wish to buy
firm power and energy under conditions
which are beneficial to both parties;
and

ATTENDU QUE les parties désirent éta-
blir les conditions de l'achat par les
VERMONT JOINT OWNERS de puissance et
d'énergie garanties fournies par HY-
DRO-QUÉBEC.

WHEREAS, the parties wish to provide
for terms relating to the purchase by
VERMONT JOINT OWNERS of firm power and
energy from HYDRO-QUÉBEC.

EN CONSÉQUENCE les parties conviennent
de ce qui suit:

NOW THEREFORE the parties agree as fol-
lows:

ARTICLE I

ARTICLE I

1.0 AUTORISATIONS

1.0 AUTHORIZATIONS

1.1 HYDRO-QUÉBEC entreprend immédia-
tement des démarches en vue d'ob-
tenir tous les droits et autori-
sations nécessaires au transport,
à la livraison, et à la vente de
puissance et d'énergie aux VER-
MONT JOINT OWNERS, aux Points de
livraison, et par la suite, prend
toutes les mesures raisonnables
nécessaires au maintien de ces
droits et autorisations.

1.1 HYDRO-QUÉBEC will undertake
forthwith steps for obtaining all
requisite rights and approvals
concerning the transmission, de-
livery and sale of power and en-
ergy to VERMONT JOINT OWNERS, at
the Delivery Points, and will
thereafter take all reasonable
actions necessary to maintain
said rights and approvals.

1.2 Les VERMONT JOINT OWNERS entre-
prennent ou font entreprendre im-
médiatement des démarches en vue
d'obtenir tous les droits et au-

1.2 VERMONT JOINT OWNERS will under-
take or cause to be undertaken
forthwith steps for obtaining all
requisite rights and approvals

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torisations nécessaires au transport, à la livraison, et à l'achat de la puissance et de l'énergie fournies par HYDRO-QUÉBEC aux Points de livraison, et par la suite, prennent toutes les mesures raisonnables nécessaires au maintien de ces droits et autorisations.

concerning the transmission, delivery and purchase of power and energy from HYDRO-QUÉBEC at the Delivery Points, and will thereafter take all reasonable actions necessary to maintain said rights and approvals.

1.3 Les parties conviennent que les obligations de ce contrat dépendent de l'obtention par HYDRO-QUÉBEC, les VERMONT JOINT OWNERS et les acheteurs de l'électricité contractuelle des VERMONT JOINT OWNERS, de tous les droits et autorisations, y compris les permis et licences requis, qui sont nécessaires à l'achat, à la vente, au transport et à la livraison de la puissance et de l'énergie conformément à ce contrat et conformément aux contrats de revente entre les VERMONT JOINT OWNERS et des tierces parties, à des conditions satisfaisantes pour la partie qui demande ce droit ou cette autorisation. Chaque partie convient de fournir à l'autre partie les renseignements techniques, les données ou toute autre information, qui sont raisonnablement requis pour l'obtention de ces droits et autorisations.

1.3 The parties agree that the obligations under this Contract are contingent upon the receipt of all relevant rights and approvals, including required permits and licenses, by HYDRO-QUÉBEC, VERMONT JOINT OWNERS, and purchasers of contract power from VERMONT JOINT OWNERS, for the purchase and sale and the transmission and delivery of electric power and energy under this Contract and under any resale contract between VERMONT JOINT OWNERS and third parties, upon terms satisfactory to the party that sought such right or approval. Each party hereto will cooperate with the other in the furnishing of technical information, data, or other matters which may be reasonably required for such rights and approvals.

1.4 Chaque partie aux présentes convient d'aviser promptement l'autre partie de tout fait ou renseignement qui selon elle, pourrait avoir des répercussions importantes sur les ententes contractées par les présentes.

1.4 Each of the parties hereto agrees to notify the other party promptly of any fact or matter which, in its opinion, could materially affect the arrangements made hereby.

En particulier, chaque partie se réserve le droit de résilier le présent contrat sans encourir de responsabilité à l'égard de l'autre partie si des droits ou autorisations, y compris des permis et des licences requis, lui sont refusés ou accordés à des conditions qui ne la satisfont pas.

Each party specifically reserves the right to terminate this Contract without liability to the other party should any rights or approvals, including required permits and licenses, be withheld or tendered upon terms unsatisfactory to it.

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Si, une fois qu'HYDRO-QUÉBEC a obtenu les permis et licences nécessaires pour vendre ou livrer la puissance et l'énergie conformément au présent contrat, le gouvernement du Canada ou celui du Québec, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie, et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, décide de modifier ou de révoquer les permis ou les licences en question, empêchant ainsi HYDRO-QUÉBEC de vendre et de livrer la puissance et l'énergie prévues au présent contrat selon les termes et les conditions qui y sont stipulés, HYDRO-QUÉBEC a le droit de résilier le présent contrat, mais à la condition expresse d'indemniser les VERMONT JOINT OWNERS de tous les frais, dommages et dépenses engagés ou subis ou à être engagés ou subis par les VERMONT JOINT OWNERS par suite de cette résiliation. La responsabilité à l'égard des tiers est déterminée conformément à l'article XII.

Si, une fois que les VERMONT JOINT OWNERS ont obtenu les permis et licences nécessaires pour acheter ou payer la puissance et l'énergie conformément au présent contrat, le gouvernement des États-Unis ou de l'état du Vermont, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie, et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, décide de modifier ou de révoquer les permis ou les licences en

If, following the issuance of the permits and licenses required by HYDRO-QUÉBEC for the sale or delivery of power and energy under this Contract, the government of Canada or of Québec, including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, takes any action modifying or terminating any such permit or license, which prevents HYDRO-QUÉBEC from selling and delivering power and energy hereunder on the terms and conditions herein provided, HYDRO-QUÉBEC shall have the right to terminate this Contract, but only if it compensates VERMONT JOINT OWNERS for all costs, damages and expenses incurred or suffered or to be incurred or suffered by VERMONT JOINT OWNERS as a result of such termination. The liability to third parties shall be governed by Article XII.

If, following the issuance of the permits and licenses required by VERMONT JOINT OWNERS for the purchase of and payment for power and energy under this Contract, the government of the United States or the State of Vermont, including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, takes any action modifying or terminating any such permit or license which prevents VERMONT JOINT OWN.

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question, empêchant ainsi les VERMONT JOINT OWNERS d'acheter et de payer la puissance et l'énergie prévues au présent contrat selon les termes et les conditions qui y sont stipulés, les VERMONT JOINT OWNERS ont le droit de résilier le présent contrat, mais à la condition expresse d'indemniser HYDRO-QUÉBEC de tous les frais, dommages et dépenses engagés ou subis ou à être engagés ou subis par cette dernière par suite de cette résiliation. La responsabilité à l'égard des tiers est déterminée conformément à l'article XII.

Le présent article 1.4 s'applique sous réserve de l'article XI aussi longtemps que, conformément à l'article XI, l'exécution par une partie de ses obligations conformément au présent contrat est empêchée ou retardée.

- 1.5 Les parties aux présentes conviennent de faire diligence pour prendre toutes les mesures nécessaires à l'exécution de leurs engagements en vertu des présentes.

ARTICLE II

2.0 DÉFINITIONS

- 2.1 Dans le présent contrat, "Année contractuelle" signifie une période qui s'étend du 1^{er} novembre d'une année au 31 octobre de l'année suivante, inclusivement.
- 2.2 "Installations d'interconnexion" signifie les installations décrites à l'article IX.
- 2.3 "Points de livraison" signifie les points de livraison définis à l'article IX.
- 2.4 "Jour ouvrable" signifie un jour de semaine, du lundi au vendredi, sauf les Jours fériés.

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ERS from purchasing and paying for power and energy hereunder on the terms and conditions herein provided, VERMONT JOINT OWNERS shall have the right to terminate this Contract, but only if they compensate HYDRO-QUÉBEC for all costs, damages and expenses incurred or suffered or to be incurred or suffered by HYDRO-QUÉBEC as a result of such termination. The liability to third parties shall be governed by Article XII.

This Article 1.4 is subject to Article XI for as long as, under Article XI, a party is prevented from or delayed in performing its obligations under this Contract.

- 1.5 The parties hereto agree that they will act with due diligence to do all things necessary to carry out their undertakings hereunder.

ARTICLE II

2.0 DEFINITIONS

- 2.1 In this Contract, "Contract Year" shall mean a period extending from November 1 of one year through October 31 of the following year.
- 2.2 "Interconnection Facilities" shall mean the facilities described in Article IX.
- 2.3 "Delivery Points" shall mean the delivery points defined in Article IX.
- 2.4 "Workday" shall mean a weekday, Monday through Friday, excluding Holidays.

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|------|---|------|---|
| 2.5 | "Jours fériés" signifie les jours fériés décrétés par l'État du Vermont ou par l'administration fédérale et célébrés dans l'État du Vermont. Les Jours fériés à la date de ce contrat apparaissent à l'Annexe III. | 2.5 | "Holidays" shall mean legal state or federal holidays celebrated in the State of Vermont. The Holidays as of the date of this Contract are listed in Supplement III. |
| 2.6 | "Contrat d'électricité garantie" signifie le contrat liant HYDRO-QUÉBEC et le State of Vermont Department of Public Service en date du 25 juillet 1984. | 2.6 | "Firm Power Contract" shall mean the contract between Hydro-Québec and the State of Vermont Department of Public Service dated July 25, 1984. |
| 2.7 | "Engagement horaire" signifie, pour une heure quelconque, la quantité d'énergie à être livrée durant cette heure telle que prévue au programme final de livraisons horaires établi conformément au paragraphe e) de l'article 5.2 et à partir de laquelle les défaillances sont mesurées. | 2.7 | "Hourly Commitment" for any hour shall mean the amount of energy to be delivered in that hour as given in the final schedule of hourly deliveries as established pursuant to Article 5.2, paragraph e) and against which deficiencies will be measured. |
| 2.8 | "Défaillance d'HYDRO-QUÉBEC" a le sens que lui attribue le paragraphe b) de l'article 6.1. | 2.8 | "HYDRO-QUÉBEC Deficiency" shall be as defined in Article 6.1, paragraph b). |
| 2.9 | "Défaillance horaire des VERMONT JOINT OWNERS" a le sens que lui attribue le paragraphe b) de l'article 6.2. | 2.9 | "VERMONT JOINT OWNERS Hourly Deficiency" shall be as defined in Article 6.2, paragraph b). |
| 2.10 | "Défaillance annuelle des VERMONT JOINT OWNERS" a le sens que lui attribue le paragraphe b) de l'article 6.2. | 2.10 | "VERMONT JOINT OWNERS Yearly Deficiency" shall be as defined in Article 6.2, paragraph b). |
| 2.11 | "Défaillance d'interconnexion" a le sens que lui attribue l'article 6.5. | 2.11 | "Interconnection Deficiency" shall be as defined in Article 6.5. |
| 2.12 | "Semaine" signifie la période débutant à 00:00 heure le lundi et se terminant à 24:00 heures le dimanche suivant. | 2.12 | "Week" shall mean the period starting at 00:00 hour on Monday and ending at 24:00 hours on the following Sunday. |
| 2.13 | "Comité d'exploitation" signifie le Comité d'exploitation constitué conformément à l'article VII. | 2.13 | "Operating Committee" shall mean the Operating Committee established pursuant to Article VII. |

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2.14 "Facteur d'utilisation" pour une période de temps donnée signifie un ratio, exprimé en pourcentage, égal à la quantité d'énergie, en MWh, dont il est question pendant cette période de temps, divisée par le produit de la puissance contractuelle, en MW, en vigueur pendant cette période, et du nombre d'heures dans cette période.

2.14 "Load Factor" for any period of time shall mean a ratio, expressed as a percentage, equal to the quantity of energy, in MWh, referred to for such period of time, divided by the product of the contracted capacity, in MW, in effect during that period, and the number of hours in the period.

2.15 Les "Installations de la Phase II de NEPOOL" signifie les installations décrites à l'article VIII du Contrat d'énergie garantie entre HYDRO-QUÉBEC et les New England Utilities en date du 14 octobre 1985.

2.15 "NEPOOL Phase II Facilities" shall mean the facilities described in Article VIII of the Firm Energy Contract between HYDRO-QUÉBEC and the New England Utilities dated October 14, 1985.

ARTICLE III

ARTICLE III

3.0 PUISSANCE ET ÉNERGIE

3.0 POWER AND ENERGY

3.1 HYDRO-QUÉBEC met à la disposition des VERMONT JOINT OWNERS, aux Points de livraison, la puissance suivante:

3.1 HYDRO-QUÉBEC will make available to VERMONT JOINT OWNERS at the Delivery Points the following capacity:

Programme A

Schedule A

<u>Période</u>	<u>Puissance</u>
Du 1 ^{er} novembre 1990 à l'expiration du Contrat d'électricité garantie	50 MW

<u>Period</u>	<u>Capacity</u>
November 1, 1990 to the expiration of the Firm Power Contract	50 MW

Programme B

Schedule B

<u>Période</u>	<u>Puissance</u>
De l'expiration du Contrat d'électricité garantie au 31 octobre 2015 inclusivement	200 MW

<u>Period</u>	<u>Capacity</u>
From the expiration of the Firm Power Contract through October 31, 2015	200 MW

De plus, les VERMONT JOINT OWNERS ont l'option, sujet aux conditions et limites ci-dessous, d'ajouter des quantités additionnelles de puissance établies au Programme C ci-dessous.

In addition, VERMONT JOINT OWNERS shall have the option, subject to the conditions and limits below, of adding additional amounts of capacity as set forth in Schedule C below.

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Programme C

Schedule C

C-1 À compter de la plus rapprochée des dates suivantes, soit le 1^{er} mai 1990, ou la date de mise en service des installations de la Phase II de NEPOOL, jusqu'au 31 octobre 2012 inclusivement une quantité de puissance pouvant atteindre 100 MW.

C-1 From the earlier of May 1, 1990, or the in-service date of the NEPOOL Phase II Facilities, through October 31, 2012, an amount of capacity up to 100 MW.

C-2 Du 1^{er} mai 1992 au 31 octobre 2012 inclusivement, une quantité de puissance pouvant atteindre 200 MW moins la quantité effectivement prise par les VERMONT JOINT OWNERS selon le Programme C-1.

C-2 From May 1, 1992 through October 31, 2012, an amount of capacity up to 200 MW less the amount of Schedule C-1 capacity actually taken by VERMONT JOINT OWNERS.

C-3 Du 1^{er} novembre 1995 au 31 octobre 2015 inclusivement, une quantité de puissance pouvant atteindre 300 MW moins la quantité totale effectivement prise par les VERMONT JOINT OWNERS selon les Programmes C-1 et C-2.

C-3 From November 1, 1995 through October 31, 2015, an amount of capacity up to 300 MW less the total amount of Schedules C-1 and C-2 capacity actually taken by VERMONT JOINT OWNERS.

C-4 Pour une période débutant le 1^{er} novembre 1996 ou 1997 ou 1998 ou 1999 ou 2000 et pour une durée de 20 ans, une quantité de puissance pouvant atteindre un montant qui ne peut dépasser le moindre de:

C-4 For a period beginning on November 1 of 1996 or 1997 or 1998 or 1999 or 2000 and for a duration of 20 years, an amount of capacity up to an amount that shall not exceed the lesser of:

i) 75 % de la quantité totale effectivement prise par les VERMONT JOINT OWNERS selon les Programmes C-1 et C-2, ou

i) 75% of the total amount of Schedules C-1 and C-2 capacity actually taken by VERMONT JOINT OWNERS, or

ii) 300 MW moins la quantité totale effectivement prise par les VERMONT JOINT OWNERS selon les Programmes C-1, C-2 et C-3.

ii) 300 MW less the total amount of Schedules C-1, C-2 and C-3 capacity actually taken by VERMONT JOINT OWNERS.

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Les quantités de puissance du Programme C ci-dessus sont rendues disponibles par HYDRO-QUÉBEC à condition que les VERMONT JOINT OWNERS lui donnent un avis écrit à cet effet, au plus tard le 31 août 1988, indiquant les quantités de puissance qui doivent être rendues disponibles aux dates spécifiées ci-dessus pour le Programme C.

The amounts of Schedule C capacity given above shall be made available by HYDRO-QUÉBEC provided VERMONT JOINT OWNERS give HYDRO-QUÉBEC written notice on or before August 31, 1988, indicating the amounts of capacity to be made available at the dates specified above for Schedule C.

Les VERMONT JOINT OWNERS peuvent différer cet avis pour une partie ou pour la totalité de la quantité de puissance à être rendue disponible en vertu du Programme C-3 jusqu'au 31 décembre 1988, dans quel cas HYDRO-QUÉBEC peut, à son choix, retarder le commencement de cette partie de la puissance du Programme C-3 jusqu'au 1^{er} avril 1996 et elle avise les VERMONT JOINT OWNERS de ce retard au plus tard le 1^{er} juin 1989. Cette puissance est vendue et livrée aux conditions établies au présent contrat.

VERMONT JOINT OWNERS may defer giving such notice with respect to all or part of the amount of capacity to be made available under Schedule C-3 up to December 31, 1988, in which case, HYDRO-QUÉBEC, at its option, may delay initiation of such part of Schedule C-3 capacity up to April 1, 1996 and shall notify VERMONT JOINT OWNERS of such delay on or before June 1, 1989. Such capacity shall be sold and delivered under the terms and conditions established in this Contract.

Les VERMONT JOINT OWNERS peuvent à leur choix réduire d'une quantité pouvant atteindre 50 MW la quantité de puissance du Programme C-4 engagée en vertu du présent article en donnant un avis écrit au moins quatre (4) ans avant le début des livraisons de cette puissance.

VERMONT JOINT OWNERS shall have the option of reducing by up to 50 MW the amount of Schedule C-4 capacity contracted for pursuant to this Article by giving written notice at least four (4) years prior to the start of deliveries of such capacity.

Sous réserve des dispositions de l'article V, la puissance prévue dans les Programmes A, B, et C et l'énergie qui y est associée sont mises à la disposition des VERMONT JOINT OWNERS qui peuvent les programmer à toute heure pendant l'Année contractuelle.

Subject to Article V, Schedules A, B and C power and associated energy will be available to be scheduled by VERMONT JOINT OWNERS in all hours of the Contract Year.

Les VERMONT JOINT OWNERS paient la puissance contractuelle établie conformément aux Programmes A, B et C.

VERMONT JOINT OWNERS shall pay for the capacity contracted for pursuant to Schedules A, B and C.

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Les VERMONT JOINT OWNERS prennent et paient l'énergie relative à la puissance prévue au Programme A, selon un Facteur d'utilisation annuel minimum de 50 % et selon un Facteur d'utilisation annuel maximum de 80 %.

VERMONT JOINT OWNERS shall take and pay for the energy corresponding to the Schedule A capacity at a minimum yearly Load Factor of 50% and at a maximum yearly Load Factor of 80%.

Sauf quant à ce qui est prévu aux articles 3.2 et 3.3 les VERMONT JOINT OWNERS prennent et paient l'énergie correspondant aux quantités de puissance des Programmes B et C selon un Facteur d'utilisation annuel de 75 %.

Except as provided in Articles 3.2 and 3.3 VERMONT JOINT OWNERS shall take and pay for the energy corresponding to the Schedules B and C capacities at a yearly Load Factor of 75%.

3.2 Réductions des livraisons par HYDRO-QUEBEC

3.2 Reductions of Deliveries by HYDRO-QUEBEC

Trois fois pendant la durée de ce contrat, HYDRO-QUÉBEC peut opter de réduire pour une Année contractuelle le Facteur d'utilisation annuel des Programmes B et C à un niveau minimum de 65 %. Quand HYDRO-QUÉBEC souhaite exercer cette option, elle en avise les VERMONT JOINT OWNERS avant le 1^{er} juillet précédant une Année contractuelle. HYDRO-QUÉBEC peut renoncer à l'exercice de ladite option par un avis à cet effet aux VERMONT JOINT OWNERS avant le 1^{er} septembre précédant ladite Année contractuelle. À ce moment, si le Facteur d'utilisation de l'Année contractuelle en cours n'a pas été réduit conformément au présent article 3.2, les VERMONT JOINT OWNERS peuvent opter pour que la réduction s'applique à l'Année contractuelle suivante ou à la seconde Année contractuelle suivante.

Three times during the term of this Contract, HYDRO-QUÉBEC shall have the option to reduce for a Contract Year the annual Load Factor of Schedules B and C to a level not lower than 65%. When HYDRO-QUÉBEC wishes to exercise this option, it shall so advise VERMONT JOINT OWNERS before July 1 preceding any Contract Year. HYDRO-QUÉBEC may renounce the exercise of such option by so advising VERMONT JOINT OWNERS before September 1 preceding such Contract Year. At that time, if the Load Factor for the current Contract Year has not been reduced pursuant to this Article 3.2, VERMONT JOINT OWNERS shall have the option to choose whether the reduction will be effective in the following Contract Year or in the second following Contract Year.

Le Comité d'exploitation peut reprogrammer au cours des années subséquentes les réductions des livraisons d'énergie faites conformément au présent article 3.2. Cette énergie est facturée au prix en vigueur au moment de la livraison.

Any reductions of energy deliveries pursuant to this Article 3.2 may be rescheduled by the Operating Committee in subsequent years. The price of such energy shall be the price in effect at the time of delivery.

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3.3 Ajustements du Facteur d'utilisation par les VERMONT JOINT OWNERS

Cinq fois pendant la durée de ce contrat, les VERMONT JOINT OWNERS peuvent opter de hausser ou de réduire pour une Année contractuelle le Facteur d'utilisation annuel des Programmes B et C à un niveau maximum de 80 % et à un niveau minimum de 70 %, sauf dans les cas suivants:

- a) au cours d'une Année contractuelle où le Facteur d'utilisation est réduit conformément à l'article 3.2, ou
- b) au cours d'une Année contractuelle à l'égard de laquelle HYDRO-QUÉBEC demande de réduire le Facteur d'utilisation conformément à l'article 3.2 mais où le Facteur d'utilisation n'est pas réduit parce que les VERMONT JOINT OWNERS choisissent de différer d'un an cette réduction.

Une réduction ou une augmentation du Facteur d'utilisation conformément au présent article 3.3 peut se traduire respectivement par une augmentation ou une réduction du Facteur d'utilisation durant les années subséquentes, par entente du Comité d'exploitation.

ARTICLE IV

4.0 PRIX

4.1 Pour chaque mois de la durée de ce contrat, les VERMONT JOINT OWNERS paient à HYDRO-QUÉBEC le prix mensuel de la puissance établi ci-après et correspondant à la quantité contractuelle de puissance en vigueur pendant ce

3.3 Adjustments of Load Factor by VERMONT JOINT OWNERS

Five times during the term of the Contract, VERMONT JOINT OWNERS shall have the option to increase or decrease for a Contract Year the yearly Load Factor of Schedules B and C to a level not higher than 80% and not lower than 70%, except in the following cases:

- a) in any Contract Year when the Load Factor is reduced pursuant to Article 3.2, or
- b) in any Contract Year for which HYDRO-QUÉBEC requests a reduction of Load Factor pursuant to Article 3.2, but for which the Load Factor is not reduced because VERMONT JOINT OWNERS choose to delay such reduction by one year.

Any reduction or increase in the Load Factor pursuant to this Article 3.3 may be reflected in subsequent years by an increase or reduction of the Load Factor respectively, as determined by the Operating Committee.

ARTICLE IV

4.0 PRICING

4.1 VERMONT JOINT OWNERS shall pay to HYDRO-QUÉBEC, for each month of the term of the Contract, a monthly capacity price as established below for each of the contractual amounts of capacity in effect during such month, whether

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mois, que des livraisons d'énergie soient effectuées ou non. En outre, pour chaque mois de la durée de ce contrat, les VERMONT JOINT OWNERS paient l'énergie effectivement livrée par HYDRO-QUÉBEC et reçue par les VERMONT JOINT OWNERS aux Points de livraison pendant ce mois au prix de l'énergie établi ci-après.

deliveries of energy are made or not. In addition, for each month of the term of the Contract, VERMONT JOINT OWNERS shall pay for the energy actually delivered by HYDRO-QUÉBEC and received by VERMONT JOINT OWNERS at the Delivery Points during that month at the energy price set forth below.

a) Programme A

Le prix mensuel de la puissance, PC, ci-après établi en \$US/mois s'applique à la puissance prévue au Programme A:

$$PC = \frac{F_1}{12}$$

où F_1 correspond à ce qui suit:

<u>Période</u>	<u>F_1</u>
Du 1 ^{er} novembre 1990 au 31 octobre 1992 inclusivement	3,3 millions \$US/an en dollars de novembre 1990
Du 1 ^{er} novembre 1992 à l'expiration du Contrat d'électricité garantie	5,0 millions \$US/an en dollars de novembre 1990

Les valeurs que prend F_1 dans le tableau ci-dessus sont rajustées à l'aide d'un facteur d'inflation, selon les modalités établies à l'article 7.2 du Contrat d'électricité garantie.

Le prix de l'énergie, PE, ci-après établi en \$US/MWh, s'applique à l'énergie livrée pendant chaque mois en vertu du Programme A:

a) Schedule A

The following monthly capacity price, PC, in \$US/month applicable to the capacity under Schedule A shall apply:

$$PC = \frac{F_1}{12}$$

where F_1 is as follows:

<u>Period</u>	<u>F_1</u>
November 1, 1990 through October 31, 1992	3.3 million \$US/year in November 1990 dollars
November 1, 1992 to the expiration of the Firm Power Contract	5.0 million \$US/year in November 1990 dollars

The values of F_1 given in the above table shall be adjusted by an inflation factor, pursuant to the terms of Article 7.2 of the Firm Power Contract.

The following energy price, PE, in \$US/MWh applicable to the energy delivered during each month under Schedule A shall apply:

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<u>Période</u>	<u>Prix de l'énergie en \$US/MWh</u>	<u>Period</u>	<u>Energy Price in \$ US/MWh</u>
Du 1er novembre 1990 au 31 octobre 1991 inclusivement	25,00	November 1, 1990 through October 31, 1991	25.00
Du 1er novembre 1991 au 31 octobre 1992 inclusivement	28,00	November 1, 1991 through October 31, 1992	28.00
Du 1er novembre 1992 au 31 octobre 1993 inclusivement	29,00	November 1, 1992 through October 31, 1993	29.00
Du 1er novembre 1993 au 31 octobre 1994 inclusivement	29,00	November 1, 1993 through October 31, 1994	29.00
Du 1er novembre 1994 à l'expiration du Contrat d'électricité garantie	33,00	November 1, 1994 to the expiration of the Firm Power Contract	33.00

b) Programmes B, C-2, C-3 et C-4

Le prix mensuel de la puissance, PC, ci-après établi en \$US/mois, s'applique à la puissance contractuelle prévue dans le Programme B et dans les Programmes C-2, C-3 et C-4:

$$PC = \frac{F_1 \times I_1 \times I_2 \times C}{12}$$

où

C = la quantité de puissance contractuelle, en kW, en vigueur pendant le mois pour le Programme concerné

I₁ = un ratio établi à l'aide de l'indice Handy-Whitman, tel que défini à l'Annexe I

b) Schedules B, C-2, C-3 and C-4

The following monthly capacity price PC, in \$US/month applicable to the contractual capacity under each of Schedule B and Schedules C-2, C-3 and C-4 shall apply:

$$PC = \frac{F_1 \times I_1 \times I_2 \times C}{12}$$

where

C = the amount of contractual capacity, in KW, in effect during the month for the given Schedule

I₁ = a factor based on the Handy Whitman index, as defined in Supplement I

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I₂ = un ratio établi selon les taux d'intérêt des obligations à long terme des sociétés commerciales, tel que défini à l'Annexe I

I₂ = a factor based on interest rates on corporate long term bonds as defined in Supplement I

F₁ = un prix, en dollars US de 1985 par kilowatt, établi comme suit:

F₁ = a price in 1985 US dollars per kilowatt, as follows:

<u>Pro-gramme</u>	<u>Période</u>	<u>F₁</u> <u>en \$US/kW</u>	<u>Sched-ule</u>	<u>Period</u>	<u>F₁</u> <u>in \$ US/KW</u>
B	Durée du Programme B définie à l'article 3.1	1295,00	B	Duration of Schedule B as defined in Article 3.1	1295,00
C-2	Du 1er mai 1992 au 31 octobre 1997 inclusivement	1220,00	C-2	May 1, 1992 through October 31, 1997	1220,00
	et			and	
	Du 1er novembre 1997 au 31 octobre 2012 inclusivement	1295,00		November 1, 1997 through October 31, 2012	1295,00
C-3	Durée du Programme C-3 définie à l'article 3.1	1295,00	C-3	Duration of Schedule C-3 as defined in Article 3.1	1295,00
C-4	Durée du Programme C-4 définie à l'article 3.1	1295,00	C-4	Duration of Schedule C-4 as defined in Article 3.1	1295,00

Le prix de l'énergie, PE, ci-après établi en \$US/MWh, s'applique à l'énergie livrée en vertu du Programme B et des Programmes C-2, C-3 et C-4 pendant chaque Année contractuelle:

The following energy price, PE, in \$US/MWh applicable during each Contract Year to the energy delivered under Schedules B and Schedules C-2, C-3 and C-4 shall apply:

PE = F₂ x I₃

PE = F₂ x I₃

où

where:

I₃ = un ratio, défini à la section I.3 de l'Annexe I, établi à l'aide du "Gross National Product

I₃ = a factor based on the US Gross National Product Implicit Price Deflator, as defined

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Implicit Price Deflator⁴ des États-Unis

F2 = un prix égal à 17,74 \$US/MWh en dollars de 1985

c) Programme C-1

Du début des livraisons jusqu'au 30 avril 1992 inclusivement, les prix de la puissance et de l'énergie suivants s'appliquent aux livraisons correspondant au Programme C-1:

Le prix mensuel de la puissance, PC, en \$US/mois, s'établit comme suit:

$$PC = \frac{F_1 \times C}{12}$$

où

C = la quantité de puissance contractuelle, en kW, en vigueur pendant le mois pour le Programme C-1

F1 = un prix annuel de la puissance en \$US/kW, établi comme suit:

<u>Période</u>	<u>F1</u>
Du début des livraisons tel que défini à l'article 3.1, au 30 avril 1991 inclusivement	92,00 \$US/kW
Du 1er mai 1991 au 30 avril 1992 inclusivement	105,00 \$US/kW

Le prix de l'énergie, PE, applicable à l'énergie livrée selon le Programme C-1 est de 25,00 \$US/MWh.

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in Supplement I, Section I.3

F2 = a price equal to 17.74 \$US/MWh in 1985 dollars

c) Schedule C-1

From the beginning of deliveries through April 30, 1992, the following prices of capacity and energy for deliveries corresponding to Schedule C-1 shall apply:

The monthly capacity price PC, in \$US/month shall be as follows:

$$PC = \frac{F_1 \times C}{12}$$

where

C = the amount of contractual capacity, in KW, in effect during the month for Schedule C-1

F1 = a yearly capacity price in \$US/KW as follows:

<u>Period</u>	<u>F1</u>
Start of deliveries as defined in Article 3.1, through April 30, 1991	92.00 \$US/KW
May 1, 1991 through April 30, 1992	105.00 \$US/KW

The energy price PE, applicable to the energy delivered under Schedule C-1 shall be 25.00 \$US/MWh.

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Du 1er mai 1992 au 31 octobre 2012 inclusivement, les prix de la puissance et de l'énergie suivants s'appliquent aux livraisons correspondant au Programme C-1:

Le prix mensuel de la puissance, PC, en \$US/mois est celui défini ci-dessus au paragraphe b) du présent article 4.1, sauf que pour le calcul des variables I₁ et I₂ les livraisons correspondant au Programme C-1 sont présumées commencer le 1er mai 1992. De plus, la variable F₁ est définie comme suit:

From May 1, 1992 through October 31, 2012 the following prices of capacity and energy for deliveries corresponding to Schedule C-1 shall apply:

The monthly capacity price, PC, in \$US/month shall be as defined above in this Article 4.1, paragraph b), except that for the calculation of the variables I₁ and I₂ the start of deliveries corresponding to Schedule C-1 shall be considered to be May 1, 1992. In addition, the variable F₁ shall be defined as follows:

<u>Programme</u>	<u>Période</u>	<u>F₁</u> <u>en \$US/kW</u> <u>de 1985</u>	<u>Schedule</u>	<u>Period</u>	<u>F₁</u> <u>in \$US/KW</u> <u>of 1985</u>
C-1	Du 1er mai 1992 au 31 octobre 1997 inclusivement	1200,00	C-1	May 1, 1992 through October 31, 1997	1200.00
	et			and	
	Du 1er novembre 1997 au 31 octobre 2012 inclusivement	1230,00		November 1, 1997 through October 31, 2012	1230.00

Le prix de l'énergie, PE, en \$US/MWh qui s'applique à l'énergie livrée selon le Programme C-1 durant chaque Année contractuelle est défini ci-dessus au paragraphe b) de cet article 4.1.

The energy price, PE in \$US/MWh applicable during each Contract Year to the energy delivered under Schedule C-1 shall be as defined above in this Article 4.1, paragraph b).

4.2 Ajustements de prix

Si, avant le 1er novembre 1992, HYDRO-QUÉBEC conclut une lettre d'entente, un contrat ou une autre entente avec une ou des parties aux États-Unis, pour la vente d'un produit substantiellement équivalent à celui du présent contrat, avec une ou des condi-

4.2 Price Adjustments

If, before November 1, 1992, HYDRO-QUÉBEC enters into a letter of intent, contract or other agreement with a party or parties in the United States, for the sale of a substantially equivalent product to that of this Contract, on price terms which,

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tions de prix qui, considérées dans leur ensemble, sont plus favorables à l'acheteur pour toute la période durant laquelle cette nouvelle lettre d'entente, ce nouveau contrat ou cette nouvelle autre entente est en vigueur que les conditions de prix du présent contrat considérées dans leur ensemble, alors des conditions de prix également favorables sont appliquées au présent contrat durant les années ou parties d'années, après le début des livraisons conformément aux programmes B ou C du présent contrat, durant lesquelles des livraisons sont programmées conformément à cette autre lettre d'entente, à cet autre contrat ou à cette autre entente. Ce principe s'applique seulement à une autre lettre d'entente, à un autre contrat ou à une autre entente qui prévoit la vente, pour une période de quinze ans ou plus, d'une quantité de puissance égale ou supérieure à 75 pour cent de la quantité de puissance ultimement engagée conformément au présent contrat. Il ne s'applique pas à une entente conclue suite à une lettre d'entente entre HYDRO-QUÉBEC et Central Maine Power Company le 10 février 1987; cependant, si un contrat final et totalement approuvé et pour lequel ont été émis tous les permis et licences nécessaires à son exécution, ne résulte pas de cette lettre d'entente avant le 1^{er} novembre 1992, les prix de la puissance et de l'énergie des programmes B et C établis conformément aux paragraphes b) et c) de l'article 4.1 du présent contrat, sont modifiés en donnant les valeurs suivantes aux variables F₁ et F₂ pour la période du 1^{er} septembre 1995 au 31 octobre 2015 inclusivement:

taken as a whole, are more favorable to the purchaser for the entire period of time that such new letter of intent, contract or agreement is in effect, than the price terms taken as a whole in this Contract, then equally favorable price terms shall be applied to this Contract during the years or part of years, following the commencement of deliveries under this Contract pursuant to Schedules B or C, that deliveries are scheduled pursuant to such other letter of intent, contract or agreement. This principle shall apply only to such other letter of intent, contract or agreement that provides for the sale of an amount of capacity equal to or greater than 75 percent of the amount of capacity ultimately contracted for under this Contract, for a period of fifteen years or more. It shall not apply to an agreement made pursuant to a Letter of Intent between HYDRO-QUÉBEC and Central Maine Power Company, dated February 10, 1987, provided however, that if that Letter of Intent does not result in a final and fully approved contract, with receipt of all permits and licenses necessary to the performance thereof, before November 1, 1992, the prices for Schedules B and C capacity and energy as established pursuant to Article 4.1, paragraphs b) and c) of this Contract, shall be modified by giving the following values to the variables F₁ and F₂ for the period from September 1, 1995 through October 31, 2015:

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F1 = 1225 \$US/KW

F2 = 17,74 \$US/MWh

F1 = 1225 \$US/KW

F2 = 17,74 \$US/MWh

Dans les trente jours de la date de signature d'une lettre d'entente, d'un contrat ou d'une autre entente telle que décrite ci-dessus, HYDRO-QUÉBEC doit en aviser les VERMONT JOINT OWNERS et doit fournir aux VERMONT JOINT OWNERS l'information nécessaire à l'application du présent article.

Within 30 days of the date of execution of any letter of intent, contract or other agreement as described above, HYDRO-QUÉBEC shall so notify VERMONT JOINT OWNERS and shall provide VERMONT JOINT OWNERS with the information required for the application of this Article.

Si le présent article 4.2 devient applicable et si les VERMONT JOINT OWNERS désirent l'appliquer, une requête à cet effet doit être faite par les VERMONT JOINT OWNERS dans les 90 jours de la date de la signature de la lettre d'entente, du contrat ou d'une autre entente mentionnée ci-dessus. Les parties doivent, dans les six mois d'une telle requête, modifier le présent contrat en conséquence.

If this Article 4.2 becomes applicable and if VERMONT JOINT OWNERS wish to apply it, a request for its application must be made by VERMONT JOINT OWNERS within 90 days of the execution of the letter of intent, contract or other agreement mentioned above. The parties shall thereafter within six months of such request, amend this Contract accordingly.

4.3 Dans le présent contrat, les prix ont été fixés en tenant pour acquis que nuls taxes, droit d'exportation ou d'importation, impôt ou autre charge ne sont exigibles par le Canada, les États-Unis, le Québec ou l'État du Vermont.

4.3 The prices in this Contract have been fixed on the understanding that no Canadian, United States, Québec or Vermont State tax, export or import duty, impost or other charge will be payable.

Si le gouvernement du Canada ou celui du Québec, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, impose une taxe, un droit d'exportation, un impôt ou une autre charge sur le présent contrat ou sur les ventes ou livraisons faites conformément à ce contrat, HYDRO-QUÉBEC en assume seule la responsabilité et l'ac-

In the event any tax, export duty, impost or other charge is imposed by the government of Canada or of Québec, including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, on this Contract or on the sales or deliveries under this Contract, it shall be the sole responsibility of, and shall be paid by, HYDRO-QUÉBEC, and shall not be added to the contract

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quitte sans que le prix du contrat en soit augmenté ou que les VERMONT JOINT OWNERS ne la paient ou ne la remboursent de quelque façon. S'il est exigé qu'une telle taxe, un tel droit d'exportation, un tel impôt ou une telle autre charge soient payés par les VERMONT JOINT OWNERS ou par l'un d'entre eux, ils ont le droit de s'en faire rembourser par HYDRO-QUÉBEC, avec l'intérêt couru à compter de la date du paiement, au taux stipulé à l'article 8.2. Si HYDRO-QUÉBEC le demande, les VERMONT JOINT OWNERS doivent contester, aux frais d'HYDRO-QUÉBEC, cette taxe, ce droit d'exportation, cet impôt ou cette autre charge.

Si le gouvernement des États-Unis ou celui de l'État du Vermont, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, impose une taxe, un droit d'importation, un impôt ou une autre charge sur le présent contrat ou sur les ventes ou livraisons faites conformément à ce contrat, les VERMONT JOINT OWNERS en assument seuls la responsabilité et ils l'acquittent sans que le prix du contrat n'en soit réduit ou qu'HYDRO-QUÉBEC ne la paie ou ne la rembourse de quelque façon. S'il est exigé qu'une telle taxe, un tel droit d'importation, un tel impôt ou une telle autre charge soient payés par HYDRO-QUÉBEC, elle a le droit de s'en faire rembourser par les VERMONT JOINT OWNERS, avec l'intérêt couru à compter de la date du paiement, au taux stipulé à l'article

price or otherwise paid or reimbursed by VERMONT JOINT OWNERS. In the event any such tax, export duty, impost or other charge is required to be paid by VERMONT JOINT OWNERS or any of them, they shall be entitled to be reimbursed therefor by HYDRO-QUÉBEC, with interest thereon from the date of payment at the rate specified in Article 8.2. If requested by HYDRO-QUÉBEC, VERMONT JOINT OWNERS shall contest, at HYDRO-QUÉBEC's expense, any such tax, export duty, impost or other charge.

In the event any tax, import duty, impost or other charge is imposed by the government of the United States or of the State of Vermont, including, without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, on this Contract or on the sales or deliveries under the Contract, it shall be the sole responsibility of, and shall be paid by, VERMONT JOINT OWNERS and shall not be subtracted from the contract price or otherwise paid or reimbursed by HYDRO-QUÉBEC. In the event any such tax, import duty, impost or other charge is required to be paid by HYDRO-QUÉBEC, it shall be entitled to be reimbursed therefor by VERMONT JOINT OWNERS, with interest thereon from the date of payment at the rate specified in Article 8.2. If requested by VERMONT JOINT OWNERS, HYDRO-QUÉBEC shall contest, at VERMONT JOINT OWNERS'

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8.2. Si les VERMONT JOINT OWNERS le demandent, HYDRO-QUÉBEC doit contester, aux frais des VERMONT JOINT OWNERS, cette taxe, ce droit d'importation, cet impôt ou cette autre charge.

expense, any such tax, import duty, impost or other charge.

ARTICLE V

ARTICLE V

5.0 PROGRAMMATION

5.0 SCHEDULING

5.1 La puissance et l'énergie qui correspondent au Programme A sont livrées par HYDRO-QUÉBEC conformément aux modalités de programmation définies à l'article 5.2 du Contrat d'électricité garantie.

5.1 The delivery of capacity and energy corresponding to Schedule A shall be made by HYDRO-QUÉBEC pursuant to the scheduling procedure defined in Article 5.2 of the Firm Power Contract.

5.2 Les modalités de programmation suivantes s'appliquent aux livraisons de puissance et d'énergie qui correspondent aux Programmes B et C.

5.2 The following scheduling procedure shall apply to deliveries of capacity and energy corresponding to Schedules B and C.

a) Facteur d'utilisation annuel

a) Annual Load Factor

Avant le 1^{er} septembre précédant chaque Année contractuelle, les VERMONT JOINT OWNERS et HYDRO-QUÉBEC établissent le Facteur d'utilisation annuel de ladite Année contractuelle sous réserve des conditions prévues à l'article III.

Before September 1 preceding each Contract Year, VERMONT JOINT OWNERS and HYDRO-QUÉBEC shall establish the annual Load Factor for such Contract Year subject to the conditions of Article III.

b) Programmes mensuels

b) Monthly Schedules

Avant le 1^{er} septembre précédant chaque Année contractuelle, les VERMONT JOINT OWNERS transmettent les programmes mensuels de l'Année contractuelle suivante. A moins que le Comité d'exploitation n'en décide autrement, les Facteurs d'utilisation mensuels sont supérieurs à 25 % et inférieurs à 95 %.

Before September 1 preceding each Contract Year, VERMONT JOINT OWNERS shall provide monthly schedules for the following Contract Year. Unless otherwise agreed to by the Operating Committee, the monthly Load Factors shall be greater than 25% and less than 95%.

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c) Programmes hebdomadaires

Au plus tard le premier Jour ouvrable de chaque mois, ou un autre jour déterminé par le Comité d'exploitation, les VERMONT JOINT OWNERS transmettent le programme des livraisons hebdomadaires du mois suivant et confirment les programmes mensuels des mois suivants de l'Année contractuelle en cours. L'énergie est répartie le plus également possible entre les Semaines du mois.

d) Programmes horaires

Au plus tard à 10:00 heures le mardi, ou à un autre moment déterminé par le Comité d'exploitation, les VERMONT JOINT OWNERS transmettent le programme des livraisons horaires de la Semaine suivante et de la quatrième Semaine suivante. À moins que le Comité d'exploitation n'en décide autrement, HYDRO-QUÉBEC n'est pas tenue d'accepter, dans ces programmes, un taux de variation horaire supérieur à 100 MW/h quand la puissance contractuelle est inférieure à 300 MW, ou supérieur à 200 MW/h quand la puissance contractuelle est égale ou supérieure à 300 MW.

e) Engagements horaires

Au plus tard à 10:00 heures chaque jour, ou à un autre moment déterminé par le Comité d'exploitation, les VERMONT JOINT OWNERS transmettent le programme des livraisons horaires du deuxième jour suivant. Ce programme constitue les Engage-

c) Weekly Schedules

On or before the first Work-day of each month or on another day agreed upon by the Operating Committee, VERMONT JOINT OWNERS shall provide a schedule of weekly deliveries for the following month and shall confirm the monthly schedules for the subsequent months of the current Contract Year. The energy shall be distributed as evenly as practicable among the Weeks of the month.

d) Hourly Schedules

On or before 10:00 hours each Tuesday, or at another time agreed upon by the Operating Committee, VERMONT JOINT OWNERS shall provide a schedule of hourly deliveries for the following Week and for the fourth following Week. Unless otherwise agreed to by the Operating Committee, HYDRO-QUÉBEC shall not be obligated to accept an hourly rate of change in the schedules in excess of 100 MW/hour when the contractual capacity is less than 300 MW, or in excess of 200 MW/hour when the contractual capacity is equal to or greater than 300 MW.

e) Hourly Commitments

On or before 10:00 hours of each day, or at another time agreed upon by the Operating Committee, VERMONT JOINT OWNERS shall provide a schedule of hourly deliveries for the second following day. This schedule will become the Hourly Commitments

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ments horaires et il est sujet aux limites de programmation établies au paragraphe d) du présent article 5.2. La somme des Engagements horaires pour un mois quelconque est sujette aux limites établies au paragraphe b) du présent article 5.2 relatives au Facteur d'utilisation mensuel.

and shall be subject to the scheduling limits set forth in paragraph d) of this article 5.2. The sum of the Hourly Commitments for any month shall be subject to the monthly Load Factor limits set forth in paragraph b) of this Article 5.2.

f) Modifications

Seules les modifications déterminées par le Comité d'exploitation peuvent être apportées aux programmes mensuels, hebdomadaires et horaires transmis conformément aux paragraphes b), c) et d) du présent article 5.2.

f) Changes

Changes to monthly, weekly and hourly schedules provided pursuant to paragraphs b), c) and d) of this Article 5.2 may be made only if agreed to by the Operating Committee.

ARTICLE VI

ARTICLE VI

6.0 DÉFAILLANCES

6.0 DEFICIENCIES

6.1 Défaillances d'HYDRO-QUÉBEC

6.1 HYDRO-QUÉBEC Deficiencies

a) Programme A

Sous réserve des dispositions de l'article 6.5, si HYDRO-QUÉBEC ne peut livrer l'énergie qui correspond au Programme A telle qu'elle est programmée par les VERMONT JOINT OWNERS conformément à l'article 5.1 à cause de l'indisponibilité de ses installations de production ou de transport, HYDRO-QUÉBEC paie aux VERMONT JOINT OWNERS une somme égale à ce qu'il en coûte aux VERMONT JOINT OWNERS pour produire ou acheter d'heure en heure, des sources les plus économiques disponibles de façon pratique au moment de la défaillance, la quantité d'é-

a) Schedule A

Subject to Article 6.5, if HYDRO-QUÉBEC is unable to deliver the energy corresponding to Schedule A as scheduled by VERMONT JOINT OWNERS in accordance with Article 5.1, because of the unavailability of its production or transmission facilities, HYDRO-QUÉBEC will pay to VERMONT JOINT OWNERS an amount of money equal to the cost to VERMONT JOINT OWNERS to generate or to purchase hour by hour replacement energy, including capacity and transmission costs if applicable, in an amount equal to the delivery shortage, from the most eco-

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nergie de remplacement correspondant aux quantités non livrées, incluant le coût de la puissance et du transport s'il y a lieu, moins un montant égal à la livraison en défaut, en MWh, multipliée par le prix de l'énergie établi conformément au paragraphe a) de l'article 4.1. L'obligation des VERMONT JOINT OWNERS de payer l'énergie prévue selon les dispositions des présentes est réduite de la quantité qu'HYDRO-QUÉBEC ne peut livrer.

nomical sources practically available at the time of the deficiency, less an amount equal to the delivery shortage, in MWh, multiplied by the energy price as established pursuant to Article 4.1, paragraph a). VERMONT JOINT OWNERS' obligation to pay for energy as provided herein shall be reduced by the amount that HYDRO-QUÉBEC is unable to deliver.

b) Programmes B et C

b) Schedules B and C

La définition suivante des Défaillances d'HYDRO-QUÉBEC et l'indemnité correspondante s'appliquent aux livraisons de puissance et d'énergie en vertu des Programmes B et C.

The following definition of HYDRO-QUÉBEC Deficiencies and the corresponding compensation shall apply to deliveries of Schedules B and C capacity and energy.

Une Défaillance d'HYDRO-QUÉBEC signifie la quantité d'énergie non livrée au cours d'une heure quelconque à cause de l'incapacité d'HYDRO-QUÉBEC de rendre disponibles les Engagements horaires pour les raisons suivantes:

A HYDRO-QUÉBEC Deficiency shall mean the amount of energy not delivered in any hour because of the inability of HYDRO-QUÉBEC to make available the Hourly Commitments for the following reasons:

- i) l'insuffisance ou une défectuosité de ses équipements de production ou de transport, à l'exclusion des équipements de transport énumérés à l'article 6.5, ou,
- ii) l'indisponibilité des équipements de production ou de transport d'une tierce partie qui donne lieu à la

- i) the inadequacy or malfunction of its production or transmission facilities, excluding the transmission facilities listed in Article 6.5, or
- ii) the unavailability of production or transmission facilities of a third party which results in the reduc-

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réduction des livraisons d'électricité à HYDRO-QUÉBEC par cette tierce partie conformément à un contrat d'achat par HYDRO-QUÉBEC de puissance ou d'énergie garanties de cette tierce partie, ou,

tion of deliveries of electricity by such third party to HYDRO-QUEBEC pursuant to a purchase agreement for firm power or energy by HYDRO-QUEBEC from such third party, or

iii) l'indisponibilité totale ou partielle des installations d'interconnexion qui découle d'une limite imposée au niveau des exportations du réseau d'Hydro-Québec vers les États-Unis, pour des raisons techniques, et dont la cause est identifiée comme étant reliée à des équipements de production ou de transport qui sont situés uniquement au Québec.

iii) the total or partial unavailability of the Interconnection Facilities because of restrictions imposed on the level of exports from the HYDRO-QUEBEC system to the United States for technical reasons, the cause of which is identified as being related to production or transmission facilities which are located only in Québec.

Le Comité d'exploitation peut convenir de reprogrammer en tout ou en partie les Défaillances d'HYDRO-QUÉBEC au cours de l'Année contractuelle où elles surviennent ou au cours de l'Année contractuelle suivante. Si de telles défaillances sont reprogrammées au cours de l'Année contractuelle suivante, le prix de cette énergie est le prix établi pour le mois au cours duquel les défaillances se sont produites.

The Operating Committee may agree to reschedule part or all of the HYDRO-QUEBEC Deficiencies during the Contract Year in which they occur or during the following Contract Year. If such deficiencies are rescheduled during the following Contract Year, the price of such energy shall be as established for the month in which the deficiencies occurred.

Lorsque la facture pour le premier mois d'une Année contractuelle quelconque est préparée conformément à l'article 8.2, si le Comité d'exploitation ne s'est pas

At the time the bill for the first month of any Contract Year is prepared pursuant to Article 8.2, if the Operating Committee has not agreed to reschedule all the re-

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entendu pour reprogrammer tout le solde des Défaillances d'HYDRO-QUÉBEC de l'Année contractuelle précédente, une indemnité, HC, pour cette Année contractuelle, définie par la formule ci-après, est alors calculée et HYDRO-QUÉBEC la verse aux VERMONT JOINT OWNERS conformément aux dispositions de l'article 6.4 et le solde des Défaillances d'HYDRO-QUÉBEC est alors ramené à zéro.

HC = somme de:

$$[HD_i \times (PCI_i + 0,5 PE_i)]$$

pour $i = 1$ à 12

où

HC = l'indemnité que doit payer HYDRO-QUÉBEC

HD_i = la quantité, en MWh, des Défaillances d'HYDRO-QUÉBEC du mois i de l'Année contractuelle précédente qui n'ont pas été reprogrammées pour livraison durant l'Année contractuelle précédente ou l'Année contractuelle en cours

PE_i = le prix de l'énergie, en \$US/MWh, pendant le mois i de l'Année contractuelle précédente tel qu'établi conformément à l'article IV.

PCI_i = un prix en US/MWh, équivalent au prix de la puissance pendant le mois i de l'Année

maining HYDRO-QUÉBEC Deficiencies of the previous Contract Year, then an amount of compensation HC for such Contract Year, as defined by the following formula, shall be calculated and paid by HYDRO-QUÉBEC to VERMONT JOINT OWNERS in the manner defined in Article 6.4, and the amount of such remaining HYDRO-QUÉBEC Deficiencies shall thereupon be reduced to zero.

HC = the sum of:

$$[HD_i \times (PCI_i + 0.5 PE_i)]$$

for $i = 1$ to 12

where

HC = the amount of compensation to be paid by HYDRO-QUÉBEC

HD_i = the amount of the HYDRO-QUÉBEC Deficiencies of month i of the previous Contract Year, expressed in MWh, which have not been rescheduled for delivery in the previous or current Contract Year

PE_i = the price of energy in \$US/MWh for the month i of the previous Contract Year, as established pursuant to Article IV.

PCI_i = a price in \$US/MWh equivalent to the price of capacity during the month i of

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contractuelle précédente et établi comme suit:

the previous Contract Year and established as follows:

$$PCI_i = \frac{PC_i \times 12}{E}$$

$$PCI_i = \frac{PC_i \times 12}{E}$$

où

where

PC_i = le prix mensuel total de la puissance, en \$US/mois, en vigueur pendant le mois i de l'Année contractuelle précédente, tel qu'établi conformément à l'article IV, pour tous les Programmes en vigueur durant ce mois.

PC_i = the total monthly capacity price in \$US/month in effect during month i of the previous Contract Year, as established pursuant to Article IV for all Schedules in effect during that month.

E = la quantité d'énergie contractuelle pour ladite Année contractuelle précédente, établie conformément à l'article III et au paragraphe a) de l'article 5.2.

E = the amount of contractual energy for such previous Contract Year as established pursuant to Article III and Article 5.2, paragraph a).

6.2 Défaillances des VERMONT JOINT OWNERS

6.2 VERMONT JOINT OWNERS Deficiencies

a) Programme A

Sous réserve des dispositions de l'article 6.5, les VERMONT JOINT OWNERS paient la quantité de puissance contractuelle selon le Programme A et l'énergie qui y correspond au Facteur d'utilisation annuel minimum établi à l'article 3.1, qu'ils en prennent livraison ou non.

a) Schedule A

Subject to Article 6.5, VERMONT JOINT OWNERS shall pay the charges for the amount of contractual capacity corresponding to Schedule A and the corresponding energy at the minimum yearly Load Factor specified in Article 3.1 whether they are taken or not.

b) Programmes B et C

La définition suivante des Défaillances des VERMONT JOINT OWNERS et l'indemnité

b) Schedules B and C

The following definition of VERMONT JOINT OWNERS Deficiencies and the correspond-

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correspondante s'appliquent aux livraisons de puissance et d'énergie selon les Programmes B et C.

ing compensation shall apply to deliveries of Schedules B and C capacity and energy.

Une Défaillance horaire des VERMONT JOINT OWNERS signifie la quantité d'énergie dont ils n'ont pas pris livraison, durant une heure quelconque, à cause de leur incapacité de prendre livraison de l'énergie prévue aux Engagements horaires, pour les raisons suivantes:

A VERMONT JOINT OWNERS Hourly Deficiency shall mean the amount of energy not taken in any hour because of the inability of VERMONT JOINT OWNERS to take energy as provided in the Hourly Commitments for the following reasons:

- i) l'insuffisance ou une défectuosité de leurs équipements de production ou de transport, ou des équipements de production ou de transport utilisés par les VERMONT JOINT OWNERS, à l'exclusion des équipements de transport énumérés à l'article 6.5, ou
- ii) l'indisponibilité des équipements de production ou de transport d'une tierce partie qui donne lieu à la réduction des livraisons d'électricité par les VERMONT JOINT OWNERS à cette tierce partie conformément à un contrat de vente de puissance ou d'énergie garanties par les VERMONT JOINT OWNERS à cette tierce partie, ou
- iii) l'indisponibilité totale ou partielle des Installations d'interconnexion qui découle d'une limite imposée au niveau des exportations du réseau d'HY-

- i) the inadequacy or malfunction of their production or transmission facilities or production or transmission facilities used by VERMONT JOINT OWNERS, excluding the transmission facilities listed in Article 6.5, or
- ii) the unavailability of production or transmission facilities of a third party which results in the reduction of deliveries of electricity by VERMONT JOINT OWNERS to such third party pursuant to a sale agreement for firm power or energy by VERMONT JOINT OWNERS to such third party, or
- iii) the total or partial unavailability of the Interconnection Facilities because of restrictions imposed on the level of exports from the HYDRO-QUEBEC

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DRO-QUÉBEC vers les États-Unis, pour des raisons techniques, et dont la cause est identifiée comme étant reliée à des équipements de production ou de transport qui sont situés uniquement dans l'État du Vermont ou qui sont utilisés pour livrer de l'électricité à une tierce partie conformément à un contrat de vente de puissance ou d'énergie garanties par les VERMONT JOINT OWNERS à cette tierce partie.

system to the United States for technical reasons, the cause of which is identified as being related to production or transmission facilities which are located only in the State of Vermont or which are used to transmit power to a third party pursuant to a sale agreement for firm power and energy by VERMONT JOINT OWNERS to such third party.

Si, au terme d'une Année contractuelle quelconque, la quantité d'énergie contractuelle annuelle établie conformément à l'article III et au paragraphe a) de l'article 5.2 n'est pas égale à la somme des Engagements horaires de cette Année contractuelle à cause d'erreurs de programmation, compte tenu des défaillances reprogrammées comprises dans les Engagements horaires, cette différence constitue une Défaillance annuelle des VERMONT JOINT OWNERS.

If at the end of any Contract Year the amount of annual contractual energy as established pursuant to Article III and Article 5.2, paragraph a), is not equal to the sum of the Hourly Commitments for such Contract Year for reasons of scheduling errors, taking into account the rescheduled deficiencies which are included in the Hourly Commitments, such difference shall constitute a VERMONT JOINT OWNERS Yearly Deficiency.

Pour une Année contractuelle quelconque, cette Défaillance annuelle des VERMONT JOINT OWNERS se définit comme suit:

For any Contract Year, such VERMONT JOINT OWNERS Yearly Deficiency shall be defined as:

l'énergie contractuelle annuelle qui doit être livrée durant ladite Année contractuelle en cours établie conformément à l'article III et au paragraphe a) de l'article 5.2, plus

the annual contractual energy to be delivered during such current Contract Year as established pursuant to Article III and Article 5.2, paragraph a), plus

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la quantité d'énergie reprogrammée pendant l'Année contractuelle en cours conformément à l'article 3.2, plus

- i) les Défaillances d'HYDRO-QUÉBEC,
- ii) les Défaillances horaires et annuelles des VERMONT JOINT OWNERS,
- iii) les Défaillances d'Interconnexion, et
- iv) l'énergie non livrée à cause des raisons énoncées à l'article 21.2

de l'Année contractuelle précédente que le Comité d'exploitation a décidé de reprogrammer pour livraison pendant l'Année contractuelle en cours conformément à l'article 6.3, plus

- i) les Défaillances d'HYDRO-QUÉBEC,
- ii) les Défaillances horaires des VERMONT JOINT OWNERS,
- iii) les Défaillances d'Interconnexion
- iv) l'énergie non livrée à cause des raisons énoncées à l'article 21.2

de l'Année contractuelle en cours qui ont été reprogrammées durant cette Année contractuelle en cours, moins

la somme des Engagements horaires pour cette Année con-

the amount of energy rescheduled during the current Contract Year pursuant to Article 3.2, plus

- i) the HYDRO-QUÉBEC Deficiencies,
- ii) the VERMONT JOINT OWNERS Hourly and Yearly Deficiencies,
- iii) the Interconnection Deficiencies, and
- iv) the energy not delivered for the reasons given in Article 21.2

of the previous Contract Year that the Operating Committee decided to reschedule for delivery in the current Contract Year pursuant to Article 6.3, plus

- i) the HYDRO-QUÉBEC Deficiencies,
- ii) the VERMONT JOINT OWNERS Hourly Deficiencies,
- iii) the Interconnection Deficiencies
- iv) the energy not delivered for reasons given in Article 21.2

of the current Contract Year that were rescheduled during that current Contract Year, minus

the sum of the Hourly Commitments for that current

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tractuelle en cours établis conformément au paragraphe e) de l'Article 5.2.

La Défaillance annuelle des VERMONT JOINT OWNERS ne doit pas être inférieure à zéro.

Le Comité d'exploitation peut convenir de reprogrammer en tout ou en partie les Défaillances horaires des VERMONT JOINT OWNERS au cours de l'Année contractuelle où elles surviennent ou de l'Année contractuelle suivante et de reprogrammer, en tout ou en partie, au cours de l'Année contractuelle suivante, la Défaillance annuelle des VERMONT JOINT OWNERS.

Si de telles défaillances sont reprogrammées pendant l'Année contractuelle suivante, le prix de cette énergie est celui de l'énergie établi pour ladite Année contractuelle suivante.

Lorsque la facture pour le premier mois d'une Année contractuelle quelconque est préparée conformément à l'article 8.2, si le Comité d'exploitation n'a pas convenu de reprogrammer tout le solde des Défaillances horaires des VERMONT JOINT OWNERS de l'Année contractuelle précédente ou toute la Défaillance annuelle des VERMONT JOINT OWNERS de ladite Année contractuelle précédente, une indemnité, VC, pour cette Année contractuelle, définie par la formule ci-après, est alors calculée et les VERMONT JOINT OWNERS la versent à HYDRO-QUÉBEC conformément

Contract Year established pursuant to Article 5.2, paragraph e).

The VERMONT JOINT OWNERS Yearly Deficiency shall not be less than zero.

The Operating Committee may agree to reschedule part or all of the VERMONT JOINT OWNERS Hourly Deficiencies in the Contract Year during which they occur or during the following Contract Year, and part or all of the VERMONT JOINT OWNERS Yearly Deficiency during the following Contract Year.

If such deficiencies are re-scheduled during the following Year, the price of such energy shall be as established for such following Contract Year.

At the time the bill for the first month of any Contract Year is prepared pursuant to Article 8.2, if the Operating Committee has not agreed to reschedule all the remaining VERMONT JOINT OWNERS Hourly Deficiencies of the previous Contract Year or all the VERMONT JOINT OWNERS Yearly Deficiency of such previous Contract Year, then an amount of compensation VC for such Contract Year, as defined by the following formula shall be calculated and paid by VERMONT JOINT OWNERS to HYDRO-QUÉBEC in the manner described in Article 6.4, and the amount of such remaining VERMONT JOINT

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aux dispositions de l'article 6.4 et le solde de ces défaillances des VERMONT JOINT OWNERS est alors ramené à zéro.

VC = la somme de:

$$[VHD_i \times 0,5 PE_i] + [VYD \times 0,5 PE_{12}]$$

pour $i = 1$ à 12

où

VC = l'indemnité que doivent payer les VERMONT JOINT OWNERS

VHD_i = la quantité, en MWh, des Défaillances horaires des VERMONT JOINT OWNERS du mois i de l'Année contractuelle précédente qui n'ont pas été reprogrammées pour livraison pendant l'Année contractuelle précédente ou pendant l'Année contractuelle en cours

VYD = la quantité, en MWh, de la Défaillance annuelle des VERMONT JOINT OWNERS de l'Année contractuelle précédente qui n'a pas été reprogrammée pour livraison pendant l'Année contractuelle en cours

PE_i = tel que défini à l'article 6.1

PE₁₂ = le prix de l'énergie, exprimé en \$US/MWh, en vigueur au mois d'octobre de l'Année contractuelle précédente, établi conformément à l'article IV.

OWNERS deficiencies shall thereupon be reduced to zero.

VC = the sum of:

$$[VHD_i \times 0.5 PE_i] + [VYD \times 0.5 PE_{12}]$$

for $i = 1$ to 12

where

VC = The amount of compensation to be paid by VERMONT JOINT OWNERS

VHD_i = The amount of the VERMONT JOINT OWNERS Hourly Deficiencies of month i of the previous Contract Year, expressed in MWh, which have not been rescheduled for delivery in the previous or current Contract Year

VYD = The amount of the VERMONT JOINT OWNERS Yearly Deficiency of the previous Contract Year, expressed in MWh, which has not been rescheduled for delivery in the current Contract Year

PE_i = As defined in Article 6.1

PE₁₂ = the price of energy in \$US/MWh for the month of October of the previous Contract Year, as established pursuant to Article IV.

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6.3 Énergie reprogrammée

Cet article s'applique uniquement aux livraisons qui correspondent aux Programmes B et C.

L'ordre suivant est utilisé par le Comité d'exploitation au début d'une Année contractuelle quelconque pour reprogrammer, en tout ou en partie, pour livraison durant l'Année contractuelle en cours, les défaillances de l'Année contractuelle précédente ou l'énergie non livrée à cause des raisons énoncées aux articles 3.2 et 21.2:

- a) d'abord, des quantités égales de Défaillances d'HYDRO-QUÉBEC et de Défaillances horaires ou annuelle des VERMONT JOINT OWNERS, ensuite
- b) tout solde des Défaillances d'HYDRO-QUÉBEC ou des Défaillances horaires ou annuelles des VERMONT JOINT OWNERS, ensuite
- c) l'énergie non livrée à cause des raisons énoncées à l'article 21.2, ensuite
- d) les Défaillances d'interconnexion, ensuite
- e) l'énergie non livrée à cause des raisons énoncées à l'article 3.2.

L'énergie reprogrammée conformément au présent article 6.3 et à l'article 3.2 n'est pas comprise dans la quantité d'énergie contractuelle pour l'Année contractuelle en cours telle qu'établie conformément à l'article III et au paragraphe a) de l'article 5.2, mais elle s'y ajoute. Cette

6.3 Rescheduled Energy

This Article shall apply to Schedules B and C deliveries only.

At the beginning of any Contract Year, the following order shall be used by the Operating Committee for rescheduling, for delivery during the current Contract Year, part or all of any deficiencies of the previous Contract Year, or part or all of any amount of energy not delivered for the reasons given in Articles 3.2 and 21.2:

- a) first, equal amounts of HYDRO-QUÉBEC Deficiencies and VERMONT JOINT OWNERS Hourly or Yearly Deficiencies, then
- b) any remaining HYDRO-QUÉBEC Deficiencies or VERMONT JOINT OWNERS Hourly or Yearly Deficiencies, then
- c) any energy not delivered for reasons given in Article 21.2, then
- d) any Interconnection Deficiencies, then
- e) any energy not delivered for reasons given in Article 3.2.

The rescheduled energy pursuant to this Article 6.3 and to Article 3.2 shall not be included in the amount of contractual energy for the current Contract Year as established pursuant to Article III and Article 5.2 paragraph a), but shall be in addition to such amount of contractual energy.

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Énergie reprogrammée est incluse dans les Engagements horaires pour l'Année contractuelle en cours et est assujettie aux limites et aux méthodes de programmation énoncées à l'article 5.2.

Si des Défaillances d'HYDRO-QUÉBEC sont reprogrammées pour livraison pendant l'Année contractuelle en cours conformément au présent article 6.3, elles sont considérées pour fins de facturation comme étant les premières livraisons d'énergie de cette année.

6.4 Paiement de la compensation

Les indemnités pour une Année contractuelle quelconque, établies conformément aux articles 6.1, 6.2 et 21.2, sont payées en rajustant, pendant l'Année contractuelle suivante, le prix de l'énergie qui correspond aux Programmes B et C. Cet ajustement est effectué en calculant l'ajustement au prix de l'énergie PE_{adj} , tel que défini ci-après, et en ajoutant cet ajustement au prix d'une quantité d'énergie qui est livrée en premier lieu au cours de l'Année contractuelle suivante, égale à 75 pour cent de la quantité totale de l'énergie contractuelle correspondant aux Programmes B et C pour cette Année contractuelle suivante. Ce pourcentage peut être modifié par entente du Comité d'exploitation.

$$PE_{adj} = \frac{VC - HC - HCI}{R \times E}$$

où

PE_{adj} = l'ajustement du prix de l'énergie, en \$US/MWh, (positif ou négatif) qui s'applique pendant l'An-

Such rescheduled energy shall be included in the Hourly Commitments for the current Contract Year and shall be subject to the scheduling limits and procedures set forth in Article 5.2.

In the event any HYDRO-QUÉBEC Deficiencies are rescheduled for delivery in the current Contract Year pursuant to this Article 6.3 they shall be deemed, for billing purposes, to be the first energy deliveries in that year.

6.4 Payment of Compensation

The payment of the amounts of compensation for any Contract Year as calculated pursuant to Articles 6.1, 6.2 and 21.2 shall be made by adjusting the Schedules B and C energy price of the following Contract Year. This adjustment shall be made by calculating the energy price adjustment PE_{adj} defined below and by adding such price adjustment to the price of an amount of energy first delivered during the following Contract Year equal to 75 percent of the total Schedules B and C contractual energy for that following Contract Year. Such percentage may be modified as agreed to by the Operating Committee.

$$PE_{adj} = \frac{VC - HC - HCI}{R \times E}$$

where

PE_{adj} = The energy price adjustment in \$US/MWh (positive or negative) applicable in the current Contract

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	née contractuelle en cours	Year
VC	= l'indemnité, établie conformément à l'article 6.2, que doivent payer les VERMONT JOINT OWNERS pour les Défaillances des VERMONT JOINT OWNERS de l'Année contractuelle précédente	VC = The amount of compensation to be paid by VERMONT JOINT OWNERS for VERMONT JOINT OWNERS Deficiencies of the previous Contract year, as established pursuant to Article 6.2
HC	= l'indemnité, établie conformément à l'article 6.1, que doit payer HYDRO-QUEBEC pour les Défaillances d'HYDRO-QUÉBEC de l'Année contractuelle précédente	HC = The amount of compensation to be paid by HYDRO-QUEBEC for HYDRO-QUEBEC Deficiencies of the previous Contract Year, as established pursuant to Article 6.1
HCI	= l'indemnité, établie conformément à l'article 21.2, que doit payer HYDRO-QUEBEC pour l'énergie non livrée pendant l'Année contractuelle précédente	HCI = The amount of compensation to be paid by HYDRO-QUEBEC for energy not delivered in the previous Contract Year as established pursuant to Article 21.2
E	= la quantité d'énergie contractuelle correspondant aux Programmes B et C pour l'Année contractuelle en cours, établie conformément à l'article III et au paragraphe a) de l'article 5.2	E = The contractual amount of Schedules B and C energy for the current Contract Year, as established pursuant to Article III and Article 5.2, paragraph a)
R	= un facteur égal à 0,75, ou un autre facteur établi par le Comité d'exploitation, qui correspond à la proportion de l'énergie contractuelle à laquelle est appliqué l'ajustement du prix.	R = A factor equal to 0.75 or another factor established by the Operating Committee, corresponding to the proportion of the contractual energy to which the price adjustment is applied.

Si, au terme d'une Année contractuelle quelconque qui donne lieu à un ajustement du prix conformément au présent article, il y a un écart entre l'ajustement global réel versé ou perçu et l'a-

If at the end of any Contract Year for which a price adjustment is made in accordance with this Article, the aggregate actual price adjustment paid or received differs from that contemplated by

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justement prévu au présent article, parce que les livraisons réelles sont inférieures à l'énergie contractuelle pour l'Année contractuelle en question multipliée par R, la partie qui a bénéficié de cet écart verse alors à l'autre le montant de cet écart.

Au terme du contrat, chaque partie paie à l'autre l'indemnité qu'elle lui doit.

L'ajustement du prix prévu au présent article constitue la seule compensation pour tout défaut de livrer la puissance et l'énergie ou d'en prendre livraison qui donne lieu à une défaillance au sens du présent contrat, et aucun dommage y relatif ne peut être obtenu.

La quantité d'énergie contractuelle totale établie conformément à l'article III est réduite de la quantité des Défaillances d'HYDRO-QUÉBEC et de celles des VERMONT JOINT OWNERS qui ne sont pas reprogrammées et pour lesquelles une indemnité est payée conformément aux articles 6.1, 6.2 et 6.4, et de la quantité d'énergie pour laquelle une indemnité est payée conformément aux articles 21.2 et 6.4.

6.5 Défaillances d'interconnexion

Une Défaillance d'interconnexion signifie la quantité d'énergie non livrée par HYDRO-QUÉBEC ou non prise par les VERMONT JOINT OWNERS, au cours d'une heure quelconque, tel que prévu dans les programmes de livraisons horaires pour le Programme A ou dans les Engagements horaires pour les Programmes B et C, à cause de la défaillance partielle ou totale de l'un ou de plusieurs

this Article because actual deliveries are less than the contractual energy for such Contract Year multiplied by R, then the party which benefitted from such variance shall pay to the other the benefit resulting from such variance.

At the end of the term of the Contract, any compensation owed by each party shall be paid to the other party.

The adjustment to the price provided for in this Article shall be the sole remedy for any failure to deliver or receive power and energy which results in a deficiency within the meaning of this Contract and no damages shall be recoverable with respect thereto.

The total contractual amount of energy as established pursuant to Article III shall be reduced by the amount of HYDRO-QUÉBEC Deficiencies and VERMONT JOINT OWNERS Deficiencies which are not rescheduled and for which compensation is paid pursuant to Articles 6.1, 6.2 and 6.4, and by the amount of energy for which compensation is paid pursuant to Articles 21.2 and 6.4.

6.5 Interconnection Deficiencies

An Interconnection Deficiency shall mean the amount of energy not delivered in any hour by HYDRO-QUÉBEC or not taken by VERMONT JOINT OWNERS as scheduled in the hourly schedules of deliveries for Schedule A, or in the Hourly Commitments for Schedules B and C because of the partial or total outage of any of the following: the Bedford-Highgate line, or a 230/120 KV transformer

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des équipements suivants: la ligne Bedford-Highgate, un transformateur à 230/120 kV du poste Saint-Césaire, le réseau à 120 kV reliant les postes Saint-Césaire et Bedford, le redresseur-onduleur c.a.-c.c.-c.a. Highgate, ou le réseau à 115 kV reliant les postes Highgate et Essex, qui comporte: la ligne K-21 entre le convertisseur de Highgate, les postes Highgate, St.Albans et Georgia; la ligne K-21 entre Georgia, IBM et Essex; la ligne K-19 entre Georgia, Sandbar et East Fairfax, et la ligne K-22 entre Sandbar et Essex ou tout autre installation d'interconnexion telle qu'établie conformément à l'article IX.

Pour une Année contractuelle quelconque, l'obligation d'HYDRO-QUÉBEC de rendre l'énergie disponible et l'obligation des VERMONT JOINT OWNERS de payer l'énergie conformément au présent contrat sont réduites d'un montant égal aux Défaillances d'interconnexion pour cette Année contractuelle et aucune indemnité relative à ces Défaillances d'interconnexion n'est payée par l'une ou l'autre des parties. Toutefois, si le service est interrompu ou réduit pour quelque raison que ce soit, la cause de cette interruption ou réduction doit être supprimée, et les conditions normales d'exploitation doivent être rétablies dès que possible.

Si le Comité d'exploitation en convient, les Défaillances d'interconnexion qui correspondent aux livraisons en vertu des Programmes B et C peuvent être reprogrammées pendant l'Année contractuelle ou surviennent de telles défaillances ou au cours de l'Année contractuelle suivante.

at Saint-Césaire substation, or the 120 KV system between the Saint-Césaire and Bedford substations, or the Highgate AC-DC-AC converter, or the 115 KV system between the Highgate and Essex substations consisting of the K-21 line - Highgate converter to Highgate substation to St. Albans to Georgia, the K-21 line Georgia to IBM to Essex, the K-19 line Georgia to Sandbar to East Fairfax, and the K-22 line Sandbar to Essex, or any other Interconnection Facilities as established pursuant to Article IX.

In any Contract Year HYDRO-QUÉBEC's obligation to make energy available and VERMONT JOINT OWNERS obligation to pay for energy under this Contract shall be lessened by an amount equal to the Interconnection Deficiencies for such Contract Year, and no compensation shall be paid by either party for such Interconnection Deficiencies. However, if the service is interrupted or diminished for any reason, the cause of such interruption or reduction shall be removed and normal operating conditions restored as soon as practicable.

If agreed to by the Operating Committee, the Interconnection Deficiencies for Schedules B and C deliveries may be rescheduled during the Contract Year when such deficiencies occur or during the following Contract Year. The price for such rescheduled energy shall be as established for the

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Le prix de cette énergie réprogrammée est celui établi pour l'Année contractuelle pendant laquelle elle est livrée.

Contract Year during which it is delivered.

6.6 Entretien

Les parties conviennent que les indisponibilités pour l'entretien prévu et programmé des Installations d'interconnexion et des autres équipements de production et de transport qui pourraient avoir des répercussions sur les livraisons d'énergie prévues au présent contrat seront planifiées conjointement, en autant que les parties peuvent contrôler ces calendriers d'entretien. Afin de réduire au maximum tous genres de défaillances, ces calendriers d'entretien doivent être pris en considération dans les programmes de livraison mensuels, hebdomadaires et horaires fournis par les VERMONT JOINT OWNERS conformément à l'article V.

6.6 Maintenance

The parties agree that the scheduled and planned maintenance outages of the Interconnection Facilities and of other generation and transmission facilities that could affect deliveries of energy pursuant to this Contract shall be jointly planned to the extent the parties have control over such maintenance schedules. The monthly, weekly and hourly delivery schedules provided by VERMONT JOINT OWNERS pursuant to Article V shall take these maintenance schedules into account in order to minimize all types of deficiencies.

ARTICLE VII

7.0 COMITÉ D'EXPLOITATION ET CONVENTION D'INTERCONNEXION

7.1 Les parties maintiennent un Comité d'exploitation composé de quatre membres, deux nommés par HYDRO-QUÉBEC et deux nommés par les VERMONT JOINT OWNERS et quatre membres suppléants, deux nommés par HYDRO-QUÉBEC et deux nommés par les VERMONT JOINT OWNERS. Si un membre ne peut assister à une réunion, il s'y fait représenter par le membre suppléant ou par une personne nommée soit par le membre ou par le membre suppléant, ou par la personne de qui ce membre dépend administrativement. Chaque partie avise par écrit et avec diligence l'autre partie, des nominations, révocations et remplacements de ses membres.

ARTICLE VII

7.0 OPERATING COMMITTEE AND INTERCONNECTION AGREEMENT

7.1 The parties shall maintain an Operating Committee, consisting of four members, two appointed by HYDRO-QUÉBEC and two appointed by VERMONT JOINT OWNERS, and four alternate members, two appointed by HYDRO-QUEBEC and two appointed by VERMONT JOINT OWNERS. Should a member be unable to attend a meeting, he shall be represented at the meeting by the alternate member or by a person named either by the member or the alternate, or by the person to whom such member reports administratively. Prompt notice in writing shall be given by each party for all appointments, removals and replacements of its members.

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7.2 Le Comité d'exploitation est autorisé à faire, au nom des parties, tout ce qui est nécessaire pour assurer la vente, le transport et la livraison de la puissance et de l'énergie à l'aide des Installations d'interconnexion ainsi que le paiement de cette énergie conformément aux dispositions et à l'esprit du présent contrat. Les fonctions du Comité d'exploitation comprennent, sans s'y limiter, les suivantes:

- a) les questions relatives à l'exploitation en interconnexion des réseaux électriques des parties;
- b) les questions relatives au mesurage, à la comptabilité et à la facturation de la puissance, de l'énergie et des autres services connexes;
- c) la coordination des calendriers d'entretien;
- d) la corrélation des prévisions à court terme des charges et des besoins de puissance;
- e) l'étude de toute autre question d'exploitation pouvant survenir dans la poursuite des objectifs du présent contrat ou pouvant lui être référée;
- f) l'établissement et la répartition des pertes.

7.3 Les membres du Comité d'exploitation nommés par les VERMONT JOINT OWNERS et par HYDRO-QUÉBEC sont autorisés à représenter les parties et les lient relativement à toutes les questions énumérées à l'article 7.2.

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7.2 The Operating Committee is authorized on behalf of the parties to do all things necessary to provide for the sale, transmission and delivery of power and energy over the Interconnection Facilities and for payment for such energy in accordance with the provisions and intent of this Contract. Specifically, the duties of the Operating Committee include but are not limited to:

- a) All matters related to the interconnected operation of the parties' electric systems;
- b) All matters related to the metering, accounting and billing for power, energy and other related services;
- c) The coordination of maintenance schedules;
- d) The correlation of short range forecasts of load and capacity requirements;
- e) The consideration of such other operating matters as may arise in carrying out the objectives of this Contract or as may be referred to it;
- f) The determination and allocation of losses.

7.3 The respective members of the Operating Committee appointed by VERMONT JOINT OWNERS and HYDRO-QUÉBEC are authorized to represent and bind the parties respecting all matters covered in Article 7.2.

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| 7.4 | Les décisions du Comité d'exploitation sont unanimes. | 7.4 | All decisions of the Operating Committee shall be unanimous. |
| 7.5 | Chaque partie acquitte les dépenses des membres qui la représentent au Comité d'exploitation. Les dépenses encourues par le Comité pour des activités relatives au présent contrat sont partagées également par HYDRO-QUÉBEC et les VERMONT JOINT OWNERS ou selon toute autre proportion que peut déterminer le Comité d'exploitation. | 7.5 | Each party shall pay the expenses of its own members on the Operating Committee. Any expenses incurred by the Committee for activities pertaining to this Contract shall be shared equally by HYDRO-QUÉBEC and VERMONT JOINT OWNERS or in such other proportion as may be agreed upon by the Operating Committee. |
| 7.6 | Le Comité d'exploitation a accès, à toute heure raisonnable, aux dossiers pertinents et utiles d'HYDRO-QUÉBEC, de Vermont Electric Power Company, Inc. et des VERMONT JOINT OWNERS requis pour établir tout fait relatif au présent contrat. | 7.6 | The Operating Committee shall have access at all reasonable times to the pertinent and relevant records of HYDRO-QUÉBEC, Vermont Electric Power Company, Inc. and VERMONT JOINT OWNERS required to substantiate any fact pertaining to this Contract. |
| 7.7 | Toute entente du Comité d'exploitation faite conformément au présent contrat est confirmée par écrit et signée par les membres du Comité. | 7.7 | Any agreement of the Operating Committee made pursuant to this Contract shall be confirmed in writing and signed by the members of the said Committee. |
| 7.8 | HYDRO-QUÉBEC et les VERMONT JOINT OWNERS maintiendront une Convention d'interconnexion en vigueur afin de permettre une assistance mutuelle en cas d'urgence et afin d'assurer à leurs réseaux respectifs des avantages supplémentaires découlant d'une exploitation coordonnée au moyen des Installations d'interconnexion. | 7.8 | HYDRO-QUÉBEC and VERMONT JOINT OWNERS will have an Interconnection Agreement in effect to allow for mutual assistance in the case of emergencies and to provide additional benefits to their respective systems as a result of coordinated operation by means of the Interconnection Facilities. |
| 7.9 | Le Comité d'exploitation doit garder des procès-verbaux écrits indiquant les sujets discutés et les décisions prises lors de ses réunions. | 7.9 | The Operating Committee shall keep written minutes showing matters discussed and actions taken at its meetings. |

ARTICLE VIII

ARTICLE VIII

8.0 FACTURATION ET PAIEMENT

8.0 BILLING AND PAYMENT

8.1 HYDRO-QUÉBEC et les VERMONT JOINT

8.1 An up-to-date record of deliver-

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OWNERS doivent garder des dossiers à jour indiquant conformément à la procédure établie par le Comité d'exploitation les livraisons, les Défaillances d'Hydro-Québec, les Défaillances des VERMONT JOINT OWNERS, les Défaillances d'interconnexion, les livraisons d'énergie reprogrammée, et toutes les autres données requises pour la facturation.

ies, of HYDRO-QUÉBEC Deficiencies, of VERMONT JOINT OWNERS Deficiencies, of Interconnection Deficiencies, of deliveries of rescheduled energy, and of all other data required for billing purposes shall be kept by HYDRO-QUÉBEC and VERMONT JOINT OWNERS in accordance with the procedure established by the Operating Committee.

8.2 HYDRO-QUÉBEC prépare une facture et la fait parvenir dès que possible après la fin de chaque mois civil au mandataire des VERMONT JOINT OWNERS désigné conformément à l'article 17.1, pour les ventes faites aux VERMONT JOINT OWNERS. Les factures comprennent tous les renseignements raisonnablement nécessaires ou souhaitables pour déterminer les paiements dus à l'égard de la puissance et de l'énergie vendues pendant le mois. Sous réserve d'ajustements subséquents, toutes les sommes dues apparaissant sur la facture sont payables au plus tard quinze (15) jours après la réception de la facture, en fonds immédiatement disponibles des États-Unis d'Amérique. Les paiements sont effectués par virement télégraphique dans un compte de banque indiqué par HYDRO-QUÉBEC ou de toute autre façon raisonnable demandée par HYDRO-QUÉBEC.

8.2 HYDRO-QUÉBEC shall render a bill addressed to the mandatory of the VERMONT JOINT OWNERS as specified in Article 17.1 for sales made to VERMONT JOINT OWNERS as soon as practicable after the end of each calendar month. The bills shall incorporate all information as may be reasonably necessary or desirable to determine the payments due with respect to the power and energy sold during the month. All payments shown to be due on a bill, subject to subsequent adjustments, shall be due and payable not later than fifteen (15) days after receipt of the bill, in immediately available funds of the United States of America. Such payments shall be made by wire transfer to a bank account designated by HYDRO-QUÉBEC, or in such other manner as is reasonably requested by HYDRO-QUÉBEC.

Toute somme impayée après quinze jours porte intérêt à compter de ladite date de la réception à un taux de deux pour cent plus le taux commercial préférentiel annuel tel qu'en vigueur de temps à autre et publié par la Chase Manhattan Bank, N.A. à sa principale place d'affaires à New York, New York, ou par toute autre banque désignée par le Comité d'exploitation. Chaque modification du taux ainsi publié entre en vi-

Any amount remaining unpaid after fifteen (15) days shall bear interest from the said date of receipt at a rate of two percentage points plus the prime commercial rate per annum as in effect from time to time and announced by Chase Manhattan Bank, N.A. at its principal office in New York, New York, or by any other bank designated by the Operating Committee, each change in such announced rate to be effective for the pur-

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gueur aux fins des présentes à la date où la modification prend effet, à moins que le Comité d'exploitation ne fixe un autre taux.

poses hereof on the date on which such change is effective, unless another rate is agreed to by the Operating Committee.

Pour les fins du présent article VIII, une facture est considérée comme étant reçue sept jours ouvrables après la mise à la poste par courrier recommandé, ou au moment de sa livraison de main à main ou au moment de son envoi par télécopieur.

For purposes of this Article VIII a bill is deemed received seven Workdays following its mailing by registered mail, or at the time of hand delivery or at the time of sending by teleprinter.

8.3 Dans le cas où l'une ou l'autre partie réclame un ajustement à une facture cette partie s'efforce d'en aviser l'autre partie au plus tard trente (30) jours à compter de la réception de la facture, en décrivant brièvement la nature de la réclamation. Une partie ne peut en aucun cas réclamer l'ajustement d'une facture plus de dix-huit mois après la présentation de la facture. Les parties s'efforcent de régler telle réclamation dans un délai raisonnable n'excédant pas soixante (60) jours à compter de la date de l'avis. Les VERMONT JOINT OWNERS demeurent tenus de régler à temps toute somme contestée. S'il est établi par la suite que la somme contestée n'était pas due, en tout ou en partie, à HYDRO-QUÉBEC, les VERMONT JOINT OWNERS ont droit aux intérêts sur la somme remboursée à compter de la date de son paiement par les VERMONT JOINT OWNERS et au taux spécifié à l'article 8.2.

8.3 In the event either party claims an adjustment to any bill, such party shall make every reasonable effort to notify the other party of such claim no later than thirty (30) days from receipt of the bill, briefly describing the nature of such claim. In no case shall a party claim an adjustment to any bill more than eighteen months after the submission of the bill. The parties shall use their best efforts to settle such claim within a reasonable period of time not to exceed sixty (60) days from the date of such notice. VERMONT JOINT OWNERS will still be obligated to make timely payment of any disputed amount. If it is ultimately determined that the disputed amount, in whole or in part, was not properly payable to HYDRO-QUÉBEC, interest shall be due VERMONT JOINT OWNERS on the refunded amount from the date of the VERMONT JOINT OWNERS' payment at the same rate specified in Article 8.2.

8.4 S'il est nécessaire pour établir les coûts aux fins de la facturation en vertu du présent contrat, d'exprimer des devises canadiennes en devises des États-Unis d'Amérique ou des devises des États-Unis d'Amérique en devises canadiennes, les parties utili-

8.4 In the event that it is required, in the determination of any costs for purposes of billing under this Contract, to express Canadian funds in the United States of America funds or the United States of America funds in Canadian funds, the parties will use

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sent la moyenne, pour la période couverte par la facture, des taux de change quotidiens publiés à midi par la Banque du Canada pour les achats de devises des États-Unis d'Amérique ou sa réciproque pour les achats de devises canadiennes, selon le cas.

the average, for the period covered by the bill, of the daily noon rates of exchange quoted by the Bank of Canada for purchases of United States of America funds or the reciprocal thereof for purchases of Canadian funds, as the case may be.

ARTICLE IX

ARTICLE IX

9.0 INSTALLATIONS D'INTERCONNEXION, POINTS DE LIVRAISON

9.0 INTERCONNECTION FACILITIES, DELIVERY POINTS

9.1 Installations d'interconnexion pour les Programmes A et B

9.1 Interconnection Facilities for Schedules A and B

Les Installations d'interconnexion entre les VERMONT JOINT OWNERS et HYDRO-QUÉBEC et les Points de livraison y relatifs pour la livraison de la puissance et de l'énergie correspondant aux Programmes A et B de l'article 3.1 sont les suivantes:

The Interconnection Facilities between VERMONT JOINT OWNERS and HYDRO-QUÉBEC and the related Delivery Points for the delivery of the capacity and energy corresponding to Schedules A and B of Article 3.1 are as follows:

- a) Installations d'interconnexion. - Une ligne isolée pour tenir une tension d'au moins 120 kV entre le poste Bedford au Québec et le poste convertisseur à courant continu à Highgate au Vermont, ou d'autres Installations d'interconnexion établies par entente du Comité d'exploitation, pourvu qu'une telle entente ne requière pas la mise en place de nouveaux équipements.
- b) Points de livraison. - Un ou des points situés à l'endroit où les Installations d'interconnexion décrites au paragraphe a) ci-dessus traversent la frontière internationale entre le Canada et les États-Unis.

- a) Interconnection Facilities. - A line insulated to withstand at least 120 KV from Bedford Substation in Québec to the HVDC converter terminal at Highgate, Vermont, or such other Interconnection Facilities as may be agreed to by the Operating Committee provided such agreement does not require the installation of additional equipment.
- b) Delivery Points. - A point or points located where the Interconnection Facilities described in a) above cross the international boundary between Canada and the United States.

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9.2 Installations d'interconnexion pour le Programme C

Les Installations d'interconnexion entre les VERMONT JOINT OWNERS et HYDRO-QUÉBEC et le ou les Points de livraison y relatifs servant à livrer la puissance et l'énergie correspondant au Programme C de l'article 3.1 sont établis par entente du Comité d'exploitation, pourvu qu'une telle entente ne requière pas la mise en place de nouveaux équipements.

9.3 Livraison par d'autres routes

Si pour une raison quelconque les VERMONT JOINT OWNERS ne sont pas en mesure de prendre livraison par les Installations d'interconnexion de l'Engagement horaire complet programmé pour une heure donnée, alors le Comité d'exploitation peut convenir que la livraison d'une partie ou de la totalité dudit Engagement horaire sera faite par une autre route disponible et, si nécessaire, à un autre point de livraison. Cette livraison peut faire partie d'une vente effectuée par les VERMONT JOINT OWNERS à un autre service public. Si HYDRO-QUEBEC livre de cette manière, les VERMONT JOINT OWNERS assument tous les coûts additionnels de la livraison au-delà de ceux qui sont normalement assumés, incluant les pertes additionnelles dans le réseau d'HYDRO-QUEBEC. Si la livraison est faite de cette manière aux VERMONT JOINT OWNERS ou à un autre service public, aucune défaillance n'est encourue quant à cette partie de l'Engagement horaire qui est ainsi livrée.

Si pour une raison quelconque HYDRO-QUEBEC n'est pas en mesure de

9.2 Interconnection Facilities for Schedule C

The Interconnection Facilities between VERMONT JOINT OWNERS and HYDRO-QUÉBEC and the related Delivery Point or Points for the delivery of capacity and energy corresponding to Schedule C of Article 3.1 shall be as agreed by the Operating Committee provided such agreement does not require the installation of additional equipment.

9.3 Delivery by other routes

If for any reason VERMONT JOINT OWNERS are unable to take delivery of the full scheduled Hourly Commitment for any hour over the Interconnection Facilities, then the Operating Committee may agree that the delivery of part or all of such Hourly Commitment be made over another available route and, if necessary, at another delivery point. Such delivery may be made as part of a sale by VERMONT JOINT OWNERS to another utility. In the event HYDRO-QUÉBEC makes delivery in this manner, VERMONT JOINT OWNERS shall bear all of the incremental costs of the delivery above those which would otherwise be normally incurred, including the cost of any incremental losses on HYDRO-QUÉBEC's system. If delivery is made in this manner whether to VERMONT JOINT OWNERS or to another utility, no deficiency shall exist as to the portion of the Hourly Commitment which is so delivered.

If for any reason, HYDRO-QUÉBEC is unable to make delivery of the

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livrer par les Installations d'interconnexion la totalité de l'Engagement horaire programmé pour une heure donnée, alors le Comité d'exploitation peut convenir que la livraison d'une partie ou de la totalité dudit Engagement horaire sera faite par une autre route disponible et, si nécessaire, à un autre point de livraison. Si les VERMONT JOINT OWNERS prennent livraison de cette manière HYDRO-QUÉBEC assume tous les coûts additionnels de la livraison au-delà de ceux qui sont normalement assumés, incluant le coût des pertes additionnelles dans le réseau des VERMONT JOINT OWNERS. Si la livraison est faite de cette manière aucune défaillance n'est encourue quant à la partie de l'Engagement horaire qui est ainsi livrée.

full scheduled Hourly Commitment for any hour over the Interconnection Facilities, then the Operating Committee may agree that the delivery of part or all of such Hourly Commitment be made over another available route and, if necessary, at another delivery point. In the event VERMONT JOINT OWNERS take delivery in this manner, HYDRO-QUÉBEC shall bear all of the incremental costs of the delivery above those which would otherwise be normally incurred, including the cost of any incremental losses on the system of VERMONT JOINT OWNERS. If delivery is made in this manner, no deficiency shall exist as to the portion of the Hourly Commitment which is so delivered.

Si la livraison est faite conformément au présent article 9.3, le Comité d'exploitation établit un mesurage adéquat pour déterminer les quantités de puissance et d'énergie livrées aux VERMONT JOINT OWNERS de cette manière.

If delivery is made pursuant to this Article 9.3, the Operating Committee shall establish suitable means of measurement to determine the quantities of power and energy delivered to VERMONT JOINT OWNERS in this manner.

ARTICLE X

ARTICLE X

10.0 MESURAGE

10.0 METERING

10.1 Des appareils de mesurage appropriés sont installés au besoin pour fournir des lectures, au moins horaires, de l'échange de puissance et d'énergie. Les lectures de la puissance et de l'énergie obtenues à l'aide de l'appareillage de mesure sont rajustées de façon à déterminer les quantités de puissance et d'énergie livrées aux Points de livraison. L'appareillage de mesure est entretenu conformément aux méthodes reconnues d'exploitation des réseaux.

10.1 Appropriate metering devices shall be installed as required to provide readings, at least hourly, of the power and energy interchange. The measurements of power and energy obtained from the metering equipment shall be adjusted to determine the quantities of power and energy delivered at the Delivery Points. All metering equipment shall be maintained in accordance with good utility operating practice.

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10.2 Tout représentant dûment désigné des parties a accès aux compteurs servant à la facturation afin d'en faire la lecture. La précision des compteurs est vérifiée au moyen d'essais pertinents au moins une fois l'an ou sur avis raisonnable donné par une partie à l'autre, et la marge d'erreur doit se maintenir entre plus ou moins 1 %. Le coût de ces vérifications est partagé par les parties, sauf dans le cas où l'une ou l'autre partie demande de vérifier les compteurs moins de douze mois après une vérification, le coût d'une telle vérification étant alors assumé par la partie en cause. Chaque partie a le droit de se faire représenter à une telle vérification. S'il est établi que l'appareillage de mesure est imprécis et que l'écart est supérieur à plus ou moins 1 %, et si la période d'imprécision du mesurage ne peut être déterminée avec exactitude afin de corriger la facturation, les erreurs décelées à la suite d'une vérification donnent lieu à des ajustements rétroactifs de factures pour une période égale à la moitié du temps écoulé depuis la dernière vérification, mais sans excéder six mois.

10.3 Pendant que les compteurs servant à la facturation ne sont pas en service à cause d'une vérification ou de réparations exigées par une défaillance ou un défaut de fonctionnement, la puissance et l'énergie livrées durant la période d'indisponibilité ou du défaut sont déterminées à l'aide d'autres lectures disponibles ou, à défaut, au moyen d'une estimation faite et approuvée par le Comité d'exploitation, mais aucun ajustement n'est fait pour un laps de temps excédant les deux plus récentes périodes de factu-

10.2 Any properly designated representative of the parties shall have access to the billing meters for the purposes of reading the same. The accuracy of the meters shall be verified by proper tests at least once a year or upon reasonable notice given by either of the parties to the other and their tolerance must be within plus or minus 1%. The costs of such testing shall be shared between the parties with the exception being that, if either party requests testing of the meters within twelve months of a previous test, the cost of such testing shall be the responsibility of said party. Each party shall be entitled to have a representative present at such verification. In the event the metering equipment is determined to be inaccurate by more than plus or minus 1%, and the period of inaccuracy cannot be accurately determined as a basis for billing adjustments, retroactive billing adjustments for errors found as a result of any test shall be made for a period equal to one-half of the time elapsed since the last previous test, but not to exceed six months.

10.3 When the billing meters are out of service for testing or repairs because of failure or malfunction, power and energy flow during the period of outage or malfunction shall be determined from other meter readings, if available, or, if not available, shall be estimated and agreed to by the Operating Committee, but no adjustment shall be made for more than the two most recently completed billing periods unless otherwise agreed by the Operating Committee.

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ration complètes, à moins que le Comité d'exploitation n'en convienne autrement.

ARTICLE XI

11.0 FORCE MAJEURE

Chacune des parties aux présentes exécute avec la diligence requise ses obligations en vertu du présent contrat mais certaines conditions peuvent survenir qui empêchent ou retardent l'exécution d'une obligation par une partie en raison de causes hors de son contrôle raisonnable, y compris sans limiter la généralité de ce qui précède, une inondation, un tremblement de terre, un incendie, une explosion, une épidémie, une guerre, une émeute, des troubles ouvriers ou civils, une grève, un sabotage ou la contrainte par une cour, qu'une partie n'a pu éviter par l'exercice d'une diligence et d'une prévoyance adéquates. Si une partie devient incapable d'exécuter ses obligations en raison de telles causes, elle est libérée des obligations qu'elle ne peut ainsi exécuter, mais elle doit exercer une diligence adéquate afin de corriger une telle incapacité dans un délai raisonnable, et elle ne peut être tenue responsable de toute blessure, dommage ou perte résultant d'une telle incapacité et le défaut de rendre la puissance et l'énergie disponibles ou de prendre et de payer l'énergie en raison de telles causes ne constitue pas une Défaillance d'HYDRO-QUÉBEC ou une Défaillance horaire ou annuelle des VERMONT JOINT OWNERS; il est toutefois entendu qu'HYDRO-QUÉBEC n'est pas exempté de responsabilité pour son défaut d'exécuter son obligation de livrer la puissance et l'énergie conformément aux dispo-

ARTICLE XI

11.0 FORCE MAJEURE

Each party hereto shall use all due diligence to perform its obligations under this Contract but conditions may arise which prevent or delay performance by a party because of causes beyond that party's reasonable control including, without limiting the generality of the foregoing, flood, earthquake, fire, explosion, epidemic, war, riot, civil disturbance, labor trouble, strike, sabotage and restraint by court which by exercise of due diligence and foresight a party could not be expected to avoid. If a party is rendered unable to fulfill any obligations by reason of such causes, it shall be excused from performing to the extent it is prevented or delayed from so doing, but shall exercise due diligence to correct such inability with all reasonable dispatch, and shall not be liable for injury, damage or loss resulting from such inability and failures to make capacity and energy available or to take and pay for energy arising from such causes shall not constitute a HYDRO-QUÉBEC Deficiency or a VERMONT JOINT OWNERS Hourly or Yearly Deficiency; provided, however, that HYDRO-QUÉBEC shall not be relieved of any liability for its failure to perform its obligation to deliver capacity and energy on the terms specified in this Contract where the cause preventing or delaying its performance on such terms is a restraint or other action of the government of Canada or Québec, including,

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sitions du présent contrat lorsque la cause de son incapacité ou de son retard à exécuter son obligation selon lesdites dispositions est une contrainte ou un autre acte du gouvernement du Canada ou du Québec, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, autre qu'une contrainte ou un autre acte causé seulement et directement par un événement décrit au présent article et que les VERMONT JOINT OWNERS ne sont pas exempts de responsabilité pour leur défaut d'exécuter leur obligation de recevoir et de payer la puissance et l'énergie conformément aux dispositions du présent contrat lorsque la cause de leur incapacité ou de leur retard à exécuter leur obligation selon lesdites dispositions est une contrainte ou un autre acte du gouvernement des États-Unis, ou de l'État du Vermont, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie et excluant un cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, autre qu'une contrainte ou un autre acte causé seulement et directement par un événement décrit au présent article. Cependant le règlement des grèves et des troubles ouvriers est laissé à l'entière discrétion de la partie qui fait face à ces difficultés.

without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, other than a restraint or other action solely and directly caused by an event described in this Article and provided, further, that VERMONT JOINT OWNERS shall not be relieved of any liability for their failure to perform their obligation to receive and pay for capacity and energy on the terms specified in this Contract where the cause preventing or delaying their performance on such terms is a restraint or other action of the government of the United States or the State of Vermont, including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, other than a restraint or other action solely and directly caused by an event described in this Article. However, settlement of strikes and labor troubles shall be wholly within the discretion of the party having the difficulty.

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Durant la période où une partie est libérée de ses obligations en raison d'un événement de force majeure, au sens du présent article, la somme des Engagements horaires pour cette période est réputée égale à la somme des livraisons précédemment programmées pour cette période. Nonobstant toute autre disposition du présent contrat, les VERMONT JOINT OWNERS ne peuvent pas modifier un programme de livraisons précédemment transmis à HYDRO-QUÉBEC pour la période pendant laquelle une partie est libérée de ses obligations en raison d'un tel événement de force majeure.

During a period when a party is relieved of its obligations due to a force majeure event, within the meaning of this Article, the sum of the Hourly Commitments for that period will be deemed to be equal to the sum of the previously scheduled deliveries for that period. Notwithstanding any other provision in this Contract, VERMONT JOINT OWNERS shall have no right to modify any schedule of deliveries previously submitted to HYDRO-QUÉBEC for the period during which any party is excused from performance due to such force majeure event.

ARTICLE XII

ARTICLE XII

12.0 RESPONSABILITÉ

12.0 LIABILITY

Aucune des parties ne peut faire valoir contre l'autre une réclamation pour des dommages subis par son réseau ou ses circuits ou pour des pannes résultant d'un incident sur les circuits ou le réseau de l'autre partie ou sur les circuits ou le réseau utilisés par une partie au présent contrat. Sans limiter la généralité de ce qui précède, aucune partie n'est tenue responsable d'un dommage aux circuits ou au réseau de l'autre partie si, par suite d'un tel incident, la livraison de puissance et d'énergie est interrompue, augmentée ou réduite ou si la tension ou la fréquence de la puissance et de l'énergie livrées à l'autre partie conformément aux présentes est augmentée, réduite ou modifiée de quelque façon que ce soit pendant une quelconque période.

No party shall make any claim upon the other for any damage to its system or circuits or for forced outages as a result of an occurrence on the circuits or system of the other party or on the circuits or system utilized by a party to this Contract. Without limiting the generality of the foregoing, no party shall be held responsible for any damage to the circuits and system of the other party if, as a result of such an occurrence, the delivery of power and energy is interrupted, increased or decreased or if the voltage or frequency of the power and energy delivered hereunder to the other party is increased, decreased or in any way affected for whatever length of time.

Aucune des parties au présent contrat ne peut faire valoir de réclamation contre l'autre partie en raison d'une responsabilité

Neither party to this Contract shall make any claim against the other party for any liability it has incurred as a result of any

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encourue par elle par suite de dommages subis par des tiers, quelle qu'en soit la cause, à moins que les dommages n'aient été causés par la grossière négligence ou la faute lourde de l'autre partie.

damages sustained by third parties from any cause whatsoever unless the damages arise from gross negligence or willful acts on the part of the other party.

ARTICLE XIII

ARTICLE XIII

13.0 LOI APPLICABLE

13.0 APPLICABLE LAW

13.1 Le présent contrat est interprété, exécuté et régi en vertu des lois de la province de Québec.

13.1 The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the Province of Québec.

ARTICLE XIV

ARTICLE XIV

14.0 DIVISIBILITÉ

14.0 SEVERABILITY PROVISIONS

14.1 L'invalidation d'une quelconque disposition du présent contrat par un tribunal, un comité d'arbitrage ou un organisme gouvernemental compétent n'entraîne pas l'invalidation du contrat dans son ensemble, et toutes les autres conditions demeurent en vigueur.

14.1 Any holding by any board of arbitration, court or governmental agency having jurisdiction, that any provision of this Contract is invalid shall not result in invalidation of the entire agreement and all remaining terms shall remain in full force and effect.

ARTICLE XV

ARTICLE XV

15.0 CESSION

15.0 ASSIGNABILITY

15.1 Sauf en cas de fusion, de consolidation ou de vente de tout ou substantiellement tout l'actif d'HYDRO-QUÉBEC ou de l'un des VERMONT JOINT OWNERS consacré à la production, au transport, à la distribution et à la vente d'électricité, aucune cession volontaire du présent contrat ou des droits d'HYDRO-QUÉBEC ou de l'un des VERMONT JOINT OWNERS en vertu du présent contrat ne peut être exécutée sans le consentement écrit d'HYDRO-QUÉBEC, dans le cas d'un des VERMONT JOINT OWNERS, et des VERMONT JOINT OWNERS, dans le

15.1 Except in the event of merger, consolidation or sale of all, or substantially all of the assets of HYDRO-QUÉBEC or one of the VERMONT JOINT OWNERS devoted to production, transmission, distribution and sale of electricity, no voluntary transfer of this Contract or of the rights of HYDRO-QUÉBEC or one of the VERMONT JOINT OWNERS hereunder shall be made without the written approval of HYDRO-QUÉBEC, in the case of one of the VERMONT JOINT OWNERS, and of the VERMONT JOINT OWNERS, in the case of HYDRO-QUÉBEC, pro-

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cas d'HYDRO-QUÉBEC, pourvu que dans tous les cas tout successeur ou cessionnaire des droits d'HYDRO-QUÉBEC ou de l'un des VERMONT JOINT OWNERS, que ce soit par cession volontaire, par vente en justice ou autrement, soit sujet à toutes les dispositions et conditions du présent contrat au même degré que si le successeur ou cessionnaire était une des parties originales au présent contrat. Il est toutefois entendu que les VERMONT JOINT OWNERS peuvent revendre en tout ou en partie la puissance ou l'énergie y associée achetées en vertu du présent contrat sans le consentement d'HYDRO-QUÉBEC.

vided that in any event any successor to or assignee of the rights of HYDRO-QUÉBEC or one of the VERMONT JOINT OWNERS, whether by voluntary transfer, judicial sale or otherwise, shall be subject to every provision and condition of this Contract to the same extent as though such successor or assignee were the original party hereunder. It is, however, understood that VERMONT JOINT OWNERS may resell all or a portion of the capacity or associated energy purchased under this Contract without the approval of HYDRO-QUEBEC.

ARTICLE XVI

ARTICLE XVI

16.0 DIVERS

16.0 MISCELLANEOUS

16.1 Chaque partie doit signer et produire tous les documents raisonnablement requis pour l'application de toute disposition des présentes.

16.1 Each party shall execute and deliver any documents reasonably required to implement any provision hereof.

16.2 Le présent contrat peut être signé en un nombre indéterminé d'exemplaires, chacun ayant même valeur que l'original.

16.2 Any number of counterparts to this Contract may be executed and each shall have the same force and effect as the original.

16.3 Le présent document constitue la seule et entière convention entre les parties aux présentes eu égard aux questions qui y sont énoncées.

16.3 This instrument shall constitute the sole and complete agreement of the parties hereto in respect of the matters herein set forth.

Toutes les communications antérieures entre les parties aux présentes, tant orales qu'écrites, y compris, sans s'y limiter les divers projets de ce contrat, n'ont aucune application ni aucun effet.

All previous communications between the parties hereto, either oral or written, including without limitation the various drafts of this instrument, shall be of no force or effect.

16.4 Sous réserve de toutes les approbations requises, le présent contrat peut être modifié seulement

16.4 This Contract may be modified, subject to all requisite approvals, only by an instrument in

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par un document écrit signé par les parties aux présentes.

writing signed by the parties hereto.

ARTICLE XVII

ARTICLE XVII

17.0 VERMONT JOINT OWNERS

17.0 VERMONT JOINT OWNERS

17.1 Les services publics énumérés à l'annexe II ont fait en sorte que le présent contrat soit signé en leur nom par leurs dirigeants ou représentants dûment autorisés.

17.1 The utilities identified in Supplement II have caused this Contract to be executed on their behalf by their duly authorized officers or representatives.

Sauf quant à ce qui est prévu à l'article 17.2, les VERMONT JOINT OWNERS sont considérés comme une seule et même partie aux fins du présent contrat. Vermont Electric Power Company Inc. ou toute autre personne nommée par les VERMONT JOINT OWNERS agit à titre de mandataire des VERMONT JOINT OWNERS et les représente pour toutes les questions relatives au présent contrat, sauf celles dévolues au Comité d'exploitation prévu aux présentes. Toute mesure prise par le mandataire des VERMONT JOINT OWNERS en vertu du présent contrat est décisive et lie les VERMONT JOINT OWNERS.

Except as otherwise provided in Article 17.2 VERMONT JOINT OWNERS shall be treated as a single party for all purposes of this Contract. Vermont Electric Power Company, Inc. or any other person designated by the VERMONT JOINT OWNERS shall act as mandatarly for the VERMONT JOINT OWNERS in all matters with respect to this Contract, other than those assigned to the Operating Committee hereunder. Any action taken by the mandatarly of the VERMONT JOINT OWNERS under this Contract shall be conclusive and binding upon VERMONT JOINT OWNERS.

17.2 Les obligations de chacun des VERMONT JOINT OWNERS sont en tout temps égales à son pourcentage des obligations totales de tous les VERMONT JOINT OWNERS. Les pourcentages en vigueur à la date du présent contrat sont spécifiés à l'annexe II. Les VERMONT JOINT OWNERS avisent promptement HYDRO-QUÉBEC de toute modification de ces pourcentages. Les obligations des VERMONT JOINT OWNERS en vertu du présent contrat ne sont pas conjointes et solidaires.

17.2 The obligations of each of the VERMONT JOINT OWNERS at any time shall be in accordance with its percentage of the aggregate obligation of all VERMONT JOINT OWNERS. The percentages in effect at the date of this Contract are specified in Supplement II. VERMONT JOINT OWNERS shall give prompt notice to HYDRO-QUÉBEC of any change in such percentages. The obligations of VERMONT JOINT OWNERS under this Contract are not joint and several.

17.3 Nonobstant les dispositions du paragraphe 17.2, si un des VERMONT JOINT OWNERS fait défaut de payer une somme due en vertu du présent contrat et si tel défaut

17.3 Notwithstanding the provisions of Article 17.2, if any of the VERMONT JOINT OWNERS fails to pay any amount due under this Contract and such failure is not

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n'est pas corrigé à la date de la facture suivante, les autres VERMONT JOINT OWNERS prennent à leur charge proportionnellement, ou autrement selon ce qu'ils conviennent, les paiements en défaut. Dès la réception par HYDRO-QUÉBEC d'un avis du mandataire des VERMONT JOINT OWNERS à l'effet qu'une partie en défaut est déchue de ses droits en vertu du présent contrat, tels droits sont dévolus aux autres VERMONT JOINT OWNERS en proportion de la part qu'ils assument des obligations de la partie en défaut. Si, conformément au présent article, l'un des VERMONT JOINT OWNERS prend à sa charge les paiements en défaut d'un autre VERMONT JOINT OWNER, les paiements des VERMONT JOINT OWNERS ne sont pas réputés en défaut en vertu du présent contrat.

corrected by the date of the next bill, the other VERMONT JOINT OWNERS will assume pro rata, or as otherwise agreed by them, the delinquent payments. Upon receipt by HYDRO-QUÉBEC of a notice from the mandatory of the VERMONT JOINT OWNERS stating that a delinquent party will cease to have any right under this Contract such rights will be vested in the remaining VERMONT JOINT OWNERS in proportion to their assumption of the delinquent party's obligations. If, pursuant to this Article, any VERMONT JOINT OWNER assumes the delinquent payments of another VERMONT JOINT OWNER, the payments of the VERMONT JOINT OWNERS shall not be considered to be in default under this Contract.

ARTICLE XVIII

ARTICLE XVIII

18.0 RÉSILIATION POUR DÉFAUT

18.0 TERMINATION ON DEFAULT

18.1 Si, à n'importe quel moment, une des parties est en défaut dans l'exécution de l'une quelconque de ses obligations en vertu du présent contrat, l'autre partie a le droit de résilier le présent contrat sous réserve d'un préavis écrit de trois (3) mois à la partie en défaut, et à la date spécifiée dans cet avis si ledit défaut n'est pas corrigé avant l'expiration de cette période de trois mois.

18.1 If at any time one of the parties is in default in the performance of any of its obligations under this Contract, the other party shall have the right to terminate this Contract upon three (3) months' prior written notice to the party in default and on the date specified in such notice, if such default is not corrected before the end of such three-month period.

ARTICLE XIX

ARTICLE XIX

19.0 ARBITRAGE

19.0 ARBITRATION

Les litiges entre les parties concernant le présent contrat ne sont pas référés aux tribunaux, mais plutôt à l'arbitrage, à la demande d'une des parties, pourvu

Any dispute between the parties with respect to this Contract shall not be submitted to any court, but shall instead be submitted to arbitration upon re-

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qu'un tel litige ne puisse être ainsi référé moins de trente (30) jours, ni plus de deux ans après avoir pris naissance et, pourvu qu'une question déterminée par une décision unanime du Comité d'exploitation ne fasse pas l'objet d'une révision par arbitrage ou autrement.

L'arbitrage se déroule exclusivement conformément aux règles intitulées "Commercial Arbitration Rules", complétées par les "Supplementary Procedures for International Commercial Arbitration" de l'American Arbitration Association (AAA) telles que modifiées périodiquement. L'arbitrage est entendu par un comité de trois arbitres, un désigné par HYDRO-QUÉBEC, un désigné par les VERMONT JOINT OWNERS, et le troisième désigné par les deux arbitres nommés par les parties. Chaque partie désigne son arbitre dans les dix (10) jours suivant la réception de l'avis qui entame la procédure d'arbitrage. Le troisième arbitre est désigné dans les dix (10) jours suivant la désignation des deux arbitres par les parties. Chaque arbitre doit être compétent dans le domaine de la question faisant l'objet du litige. Si les arbitres ne sont pas désignés dans les trente (30) jours suivant la réception de tel avis, l'AAA les désigne. Le troisième arbitre ne doit être résident ni du Québec, ni de l'État du Vermont.

L'arbitrage se tient à Burlington, Vermont ou à tel autre endroit dont peuvent convenir les parties. Pour interpréter le présent contrat, les arbitres appliquent les lois du Québec. Les

quest of any party, provided that no such dispute may be so submitted less than thirty (30) days nor more than two years after it arises and, further, that any matter which has been decided by the unanimous decision of the Operating Committee shall not be subject to review in arbitration or otherwise.

The arbitration proceeding shall be conducted exclusively in accordance with the Commercial Arbitration Rules, as supplemented by the Supplementary Procedures for International Commercial Arbitration, of the American Arbitration Association (AAA) and as amended from time to time. The arbitration shall proceed before a board of three arbitrators, one appointed by HYDRO-QUÉBEC, one appointed by VERMONT JOINT OWNERS, and the third one appointed by the two arbitrators appointed by the parties. Each party shall appoint its arbitrator on the board within ten (10) days after receipt of the notice initiating the arbitration. The third arbitrator shall be appointed within ten (10) days from the appointment of the two arbitrators by the parties. Each arbitrator shall be a person who is qualified in the area of the matter in dispute. If the arbitrators are not appointed within thirty (30) days after receipt of such notice, the arbitrators shall be appointed by the AAA. The third arbitrator shall not be a resident of Québec or of the State of Vermont.

The arbitration proceeding shall be conducted in Burlington, Vermont or such other place as may be agreed to by the parties. In construing this Contract, the arbitrators shall apply the laws of

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arbitres peuvent aussi tenir compte des ententes conclues par le Comité d'exploitation. Les arbitres peuvent accorder des dommages-intérêts, mais ils ne disposent pas du pouvoir de modifier le présent contrat ni d'y faire des ajouts. Les arbitres doivent produire une décision écrite exposant les faits constatés et l'application de la loi à ces faits. Compte tenu de ces réserves, la décision des arbitres est finale et elle lie toutes les parties, bien que l'une ou l'autre puisse en appeler des erreurs de droit et de juridiction à un tribunal compétent. La décision des arbitres détermine et stipule la façon dont les frais de l'arbitrage sont répartis entre les parties.

Québec. The arbitrators may also consider agreements arrived at by the Operating Committee. The arbitrators may award damages but shall have no power to modify or add to this Contract. The arbitrators shall provide a written decision setting forth the facts found and the application of law to those facts. Subject to such limitation, the decision of the arbitrators shall be final and binding on all parties except that any party may petition a court of competent jurisdiction for review of errors of law and jurisdiction. The decision of the arbitrators shall determine and specify how the expenses of the arbitration shall be allocated between the parties.

ARTICLE XX

ARTICLE XX

20.0 AVIS

20.0 NOTICES

20.1 Tout avis, demande ou requête à une partie exigés ou autorisés par le présent contrat doivent être faits par écrit et livrés personnellement à un représentant désigné par HYDRO-QUÉBEC ou le mandataire des VERMONT JOINT OWNERS, selon le cas, ou expédiés par télex, télécopieur ou par courrier recommandé dûment affranchi, à l'adresse indiquée de temps à autre par ladite partie. L'avis est considéré comme ayant été donné à la date de sa réception s'il est livré personnellement, par télex ou par télécopieur, ou sept jours ouvrables après sa mise à la poste par courrier recommandé.

20.1 Any notice, demand or request required or authorized by this Contract to be given to a party shall be in writing and shall either be personally delivered to a representative designated by HYDRO-QUÉBEC or VERMONT JOINT OWNERS' mandatary, as the case may be, or telexed, telecopied or mailed by registered mail, postage prepaid, to the party at the address indicated by such party from time to time. Notice shall be deemed to have been given on the date of actual receipt if it is personally delivered, telexed or telecopied, or seven Workdays after the date of mailing by registered mail.

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ARTICLE XXI21.0 RÉPARTITION DE LA PUISSANCE ET DE L'ÉNERGIE PAR HYDRO-QUÉBEC

21.1 Sous réserve de toutes les autres dispositions du présent contrat, HYDRO-QUÉBEC s'engage, au cas d'indisponibilités de ses installations de production ou de transport affectant les livraisons prévues au présent contrat, à traiter les VERMONT JOINT OWNERS de façon équitable dans la répartition de la puissance et de l'énergie entre les contrats d'exportation de puissance garantie aux États-Unis, en tenant compte des contraintes physiques affectant les réseaux de production et de transport des parties.

21.2 HYDRO-QUÉBEC s'engage de plus, en cas de restrictions imposées au niveau de ses exportations vers les États-Unis, pour des motifs d'ordre technique, qui affectent les livraisons prévues conformément aux Programmes B et C du présent contrat, et qui ne constituent pas des Défaillances d'HYDRO-QUÉBEC, des VERMONT JOINT OWNERS ou d'interconnexion conformément aux articles 6.1, 6.2 ou 6.5, à traiter les VERMONT JOINT OWNERS de façon équitable dans la répartition de la puissance garantie et de l'énergie qui y est associée entre les contrats d'exportation de puissance vers les États-Unis conclus après le présent contrat, en tenant compte des contraintes physiques affectant les réseaux de production et de transport des parties. La répartition des réductions dans une proportion égale au rapport de la puissance contractuelle établie conformément à l'article III divisée par la somme de cette puissance contractuelle et de la puissance totale

ARTICLE XXI21.0 ALLOCATION OF CAPACITY AND ENERGY BY HYDRO-QUÉBEC

21.1 Subject to all other provisions of this Contract, HYDRO-QUÉBEC agrees that in the event of unavailabilities of its production or transmission facilities that affect deliveries according to this Contract, it shall treat VERMONT JOINT OWNERS in an equitable manner as to the allocation of capacity and energy among firm power contracts for export to the United States, taking into account the physical constraints affecting the production or transmission systems of the parties.

21.2 HYDRO-QUÉBEC further agrees that in the event of restrictions imposed on the level of exports from its system to the United States for technical reasons, which affect deliveries pursuant to Schedules B and C of this Contract, but which do not result in either HYDRO-QUÉBEC, VERMONT JOINT OWNERS or Interconnection Deficiencies pursuant to Articles 6.1, 6.2 or 6.5, it shall treat VERMONT JOINT OWNERS in an equitable manner as to the allocation of firm capacity and associated energy among power contracts for export to the United States executed after this Contract, taking into account the physical constraints affecting the production and transmission systems of the parties. An allocation of reductions in a proportion equal to the ratio of the contract capacity, as established pursuant to Article III, divided by the sum of such contract capacity and the total capacity of firm power export contracts to the United States executed after this Con-

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des contrats d'exportation de puissance garantie vers les Etats-Unis conclus après le présent contrat et devant être livrée par les installations d'interconnexion touchées par ces restrictions, est présumée être équitable pour les fins du présent article 21.2.

tract and to be delivered over the interconnections affected by such restrictions, shall be presumed to be equitable for purposes of this Article 21.2.

Les réductions aux livraisons des Engagements horaires dans de telles conditions peuvent être reprogrammées par le Comité d'exploitation durant l'Année contractuelle durant laquelle elles ont été effectuées ou durant l'Année contractuelle suivante. Le prix de cette énergie reprogrammée est celui établi pour l'Année contractuelle au cours de laquelle elle est livrée. Si au moment où la facture pour le premier mois d'une Année contractuelle est préparée conformément à l'article 8.2, le Comité d'exploitation n'a pas convenu de reprogrammer tout le solde de la quantité d'énergie non livrée durant l'Année contractuelle précédente pour les raisons exposées au présent article 21.2 et selon les conditions décrites ci-dessus, alors une indemnité HCI définie par la formule suivante est calculée et payée par HYDRO-QUÉBEC aux VERMONT JOINT OWNERS de la façon décrite à l'article 6.4.

Reductions to deliveries occurring with respect to the Hourly Commitments under such conditions may be rescheduled by the Operating Committee during the Contract Year in which they occur or during the following Contract Year. The price for such rescheduled energy shall be as established for the Contract Year during which it is delivered. At the time the bill for the first month of any Contract Year is prepared pursuant to Article 8.2, if the Operating Committee has not agreed to reschedule all the remaining amount of energy not delivered during the previous Contract Year for the reasons given in this Article 21.2, and under the conditions given above, then an amount of compensation HCI as defined by the following formula shall be calculated, and paid by HYDRO-QUÉBEC to VERMONT JOINT OWNERS in the manner defined in Article 6.4.

HCI = Somme de:

$$[HDI_i \times 0,5 PCI_i]$$

pour $i = 1$ à 12

où

HCI = le montant de l'indemnité que doit payer HYDRO-QUÉBEC

HCI = Sum of:

$$[HDI_i \times 0.5 PCI_i]$$

For $i = 1$ to 12

where

HCI = the amount of compensation to be paid by HYDRO-QUÉBEC

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HDI_i = la quantité d'énergie en MWh, non livrée durant le mois i de l'Année contractuelle précédente pour les raisons exposées au présent article 21.2 et selon les conditions décrites ci-dessus, et dont la livraison n'a pas été reprogrammée durant l'Année contractuelle précédente ou l'Année contractuelle courante

HDI_i = the amount of energy, in MWh, not delivered during the month i of the previous Contract Year for the reasons given in this Article 21.2 and under the conditions given above, which have not been re-scheduled for delivery in the previous or current Contract Year

PCI_i = tel que défini au paragraphe b) de l'article 6.1

PCI_i = As defined in Article 6.1, paragraph b)

Si les réductions des livraisons mentionnées ci-dessus ne sont pas ainsi réparties au prorata, HYDRO-QUÉBEC fournit aux VERMONT JOINT OWNERS une explication écrite de la répartition effectuée conformément au présent article 21.2. S'il est établi que cette répartition n'est pas équitable au sens du présent article, les réductions excédant la quantité jugée équitable sont considérées comme des Défaillances d'HYDRO-QUÉBEC.

If the reductions to deliveries referred to above are not allocated on such a pro-rated basis, HYDRO-QUÉBEC will supply to VERMONT JOINT OWNERS a written explanation of the allocation made pursuant to this Article 21.2. If it is established that such allocation is not equitable according to the meaning of this Article, any reductions exceeding that amount which is established as equitable shall be considered as HYDRO-QUÉBEC Deficiencies.

ARTICLE XXII

ARTICLE XXII

22.0 DATE D'ENTRÉE EN VIGUEUR ET DURÉE

22.0 EFFECTIVE DATE AND TERM

Le présent contrat entre en vigueur à la date de sa signature par les parties et il le demeure pour une période se terminant quand toutes les obligations des parties au présent contrat ont été remplies, mais au plus tard le 31 octobre 2020.

This Contract shall take effect on the date of execution by the parties hereto and shall continue in force for a term terminating when all obligations of the parties under this Contract have been fulfilled, but not later than October 31, 2020.

EN FOI DE QUOI, les parties ont signé le présent contrat.

IN WITNESS HEREOF, the parties hereto have executed this Contract.


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HYDRO-QUÉBEC

By/par: 
Jacques Guevremont

ALLIED POWER AND LIGHT COMPANY

By/par: 
Bradford E. White

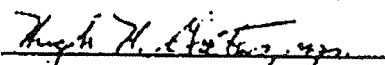
CITY OF BURLINGTON ELECTRIC DEPARTMENT

By/par: 
Robert C. Young


CENTRAL VERMONT PUBLIC SERVICE CORPORATION

By/par: 
Thomas C. Webb


FRANKLIN ELECTRIC LIGHT COMPANY, INC.

By/par: 
Hugh H. Gates

GREEN MOUNTAIN POWER CORPORATION

By/par: 
John V. Cleary Jr.

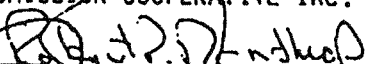
VILLAGE OF JOHNSON ELECTRIC LIGHT DEPARTMENT

By/par: 
Kenneth Phelps

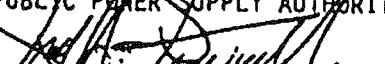
ROCHESTER ELECTRIC LIGHT & POWER COMPANY

By/par: 
Thomas B. Pierce

VERMONT ELECTRIC GENERATION & TRANSMISSION COOPERATIVE INC.

By/par: 
Robert P. Northrop

VERMONT PUBLIC POWER SUPPLY AUTHORITY

By/par: 
Paul H. Bradtmiller

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ANNEXES

SUPPLEMENTS

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ANNEXE I
CALCUL DU PRIX MENSUEL DE LA PUISSANCE
ET DU PRIX DE L'ENERGIE

Cette annexe définit les variables requises pour calculer le prix mensuel de la puissance et le prix de l'énergie, pour la puissance et l'énergie qui correspondent aux Programmes B, C-1, C-2, C-3 et C-4, selon les formules données au paragraphe b) de l'article 4.1. Les formules données dans cette annexe s'appliquent séparément pour chacun des Programmes.

I.1 Calcul de la variable I₁

La variable I₁ est un ratio calculé d'après l'indice publié dans "The Handy-Whitman Index of Public Utility Construction Costs", par Whitman, Requardt and Associates, dans la section intitulée "Cost Trends of Public Utility Construction, North Atlantic Region" sous la rubrique "Total Steam Production Plant". Cette variable se définit comme suit.

Pour chaque Programme, la variable I₁ s'obtient grâce à la formule suivante pour les deux premières Années contractuelles de livraisons correspondant à ce Programme:

$$(1) \quad I_1 = \left[\frac{HW_t}{HW \text{ juillet } 1985} \right] \times \left[1 + \left[\frac{N}{12} \times \frac{(HW_t - HW_{t-12})}{HW_{t-12}} \right] \right]$$

où

HW = la valeur de l'indice Handy-Whitman défini ci-dessus, à la date indiquée par l'indice correspondant à la variable

t = le dernier mois pour lequel on dispose de l'indice Handy-Whitman à la date où commencent les livraisons qui correspondent au Programme

t-12 = le mois antérieur d'un an au mois t

N = le nombre de mois entre t et la date où commencent les livraisons qui correspondent au Programme.

Pour toutes les autres Années contractuelles pendant lesquelles des livraisons correspondant à ce Programme sont effectuées, la valeur de I₁ est calculée selon la formule qui suit:

$$(2) \quad I_1 = \left[\frac{HW_{t'}}{HW \text{ juillet } 1985} \right] \times \left[1 + \left[\frac{N'}{6} \times \frac{(HW_{t'+6} - HW_{t'})}{HW_{t'}} \right] \right]$$

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où

HW = tel que défini ci-dessus

t' = le dernier mois pour lequel l'indice ci-dessus est publié avant
 le début des livraisons qui correspondent au Programme

t'+6 = le sixième mois après t'

N' = le nombre de mois entre t' et la date où commencent les livrai-
 sons qui correspondent au Programme.

1.2 Calcul de la variable I₂

1.2.1 La variable I₂ est un ratio calculé d'après les taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu les cotes A et B_{aa} de Moody, publiées dans le "Federal Reserve Bulletin" par le "Federal Reserve System", et cette variable est définie par l'équation (3), si la valeur de la variable int définie dans l'équation (5) est inférieure ou égale à 20%, ou par l'équation (4), si la valeur de la variable int définie dans l'équation (5) est supérieure à 20 %.

$$(3) \quad I_2 = 0,1600 + \frac{0,75 (int - 10,37)}{100} \quad \text{si int est inférieure ou égale à 20\%}$$

$$(4) \quad I_2 = 0,2322 + \frac{0,96 (int - 20)}{100} \quad \text{si int est supérieure à 20\%}$$

où

$$(5) \quad int = (0,30 \times int_1) + (0,70 \times int_2)$$

où

$$(6) \quad int_1 = I_a + 1/3 (I_{baa} - I_a)$$

$$(7) \quad int_2 = I_a + 1/3 (I_{baa} - I_a)$$

et où, pour chaque Programme, les variables I_a et I_{baa} sont définies comme suit pour la première Année contractuelle de livraisons correspondant à ce Programme:

(7.1) I_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody, pour les soixante derniers mois disponibles à la date où commencent les livraisons qui correspondent au Programme

(7.2) I_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la Cote B_{aa} de Moody, pour les soixante derniers mois disponibles à la date où commencent les livraisons qui correspondent au Programme.

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Pour toutes les autres Années contractuelles pendant lesquelles des livraisons correspondant à ce Programme sont effectuées, les variables I_a et I_{baa} sont définies comme suit:

(7.3) I_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody, pour les soixante mois précédant la date où commencent les livraisons qui correspondent au Programme

(7.4) I_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote B_{aa} de Moody, pour les soixante mois précédant la date où commencent les livraisons qui correspondent au Programme.

Au début de la deuxième Année contractuelle au cours de laquelle des livraisons correspondant à ce Programme sont effectuées, le prix total de la puissance pour ce Programme que les VERMONT JOINT OWNERS doivent payer pour l'Année contractuelle précédente doit être calculé à l'aide des formules (7.3) et (7.4) pour les variables I_a et I_{baa} . À ce moment, la partie qui aura tiré avantage de quelque différence que ce soit entre ce prix de la puissance et le prix calculé en utilisant les valeurs des variables I_a et I_{baa} définies par les formules (7.1) et (7.2), doit payer à l'autre partie un montant égal à cette différence. Aucun autre ajustement n'est fait par la suite.

Pour chaque Programme, une variable W qui sera requise pour des calculs ultérieurs, prend alors une valeur égale à la valeur révisée de la variable int_1 pour ce Programme.

1.2.2 Ajustements de la variable int_1 tous les 5 ans

La valeur de la variable int_1 pour chaque Programme est sujette à modification au début de la 6^e Année contractuelle de livraisons correspondant à ce Programme, et chaque cinquième année par la suite (année appelée ci-après "Année d'ajustement"), conformément aux modalités décrites ci-dessous.

Une variable Y doit être calculée de la manière suivante pour ce Programme:

$$(8) \quad Y = J_a + 1/3 (J_{baa} - J_a)$$

où

(8.1) J_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody, pour les soixante derniers mois disponibles à la date où commence l'Année d'ajustement

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- (8.2) J_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote B_{aa} de Moody, pour les soixante derniers mois disponibles à la date où commence l'Année d'ajustement.

Si la valeur de la variable Y pour le Programme est égale ou supérieure à la valeur courante de la variable W pour ce Programme, les valeurs de int_1 et de W demeurent alors inchangées pendant l'Année d'ajustement et pendant les quatre Années contractuelles suivantes.

Si la valeur de Y est inférieure à la valeur courante de la variable W, les valeurs des variables int_1 et W sont alors modifiées comme suit.

Pour l'Année d'ajustement, la valeur révisée de la variable int_1 doit être calculée de la façon suivante:

(9) $int_1 = 0,80 Y + 0,20 Z$

où Z = la valeur de la variable int_1 calculée pour la deuxième Année contractuelle de livraisons correspondant au Programme.

La valeur de la variable I_2 se calcule alors selon les formules (3) ou (4), ces deux formules étant définies ci-dessus.

Pour les Années contractuelles suivant l'Année d'ajustement, la valeur révisée des variables Y, int_1 et W doivent se calculer en utilisant les valeurs suivantes pour les variables J_a et J_{baa} :

- (8.3) J_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody's, pour les soixante mois précédant la date où commence l'Année d'ajustement.

- (8.4) J_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote B_{aa} de Moody's, pour les soixante mois précédant la date où commence l'Année d'ajustement.

Au début de la première Année contractuelle suivant l'Année d'ajustement, le prix total de la puissance que les VERMONT JOINT OWNERS doivent payer pour le Programme en question pour l'Année d'ajustement doit être calculé en utilisant les formules (8.3) et (8.4) pour les variables J_a et J_{baa} . À ce moment, la partie qui aura tiré avantage de quelque différence que ce soit entre ce prix de la puissance et le prix de la puissance au cours de l'Année d'ajustement calculé en utilisant les valeurs des variables

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J_a et J_{baa} définies par les formules (8.1) et (8.2), doit payer à l'autre partie un montant égal à cette différence. Aucun autre ajustement n'est fait par la suite.

La valeur de la variable W pour le Programme est alors modifiée et rendue égale à la valeur révisée de la variable Y pour le Programme.

1.2.3 Ajustement de la variable int_2 après 15 ans

Les VERMONT JOINT OWNERS peuvent réviser la valeur de la variable int_2 pour chaque Programme une fois au cours de la période contractuelle, au début de la 16^e, de la 17^e, de la 18^e, de la 19^e ou de la 20^e Année contractuelle du Programme en question. Les VERMONT JOINT OWNERS doivent en aviser HYDRO-QUÉBEC au moins un mois avant le début de l'Année contractuelle choisie.

Dans ce cas, la variable int_2 pour l'Année contractuelle choisie se définit ainsi:

$$(10) \quad int_2 = K_a + 1/3 (K_{baa} - K_a)$$

où

(10.1) K_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody's, pour les soixante derniers mois disponibles à la date où commence l'Année contractuelle choisie par les VERMONT JOINT OWNERS

(10.2) K_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote B_{aa} de Moody's, pour les soixante derniers mois disponibles à la date où commence l'Année contractuelle choisie par les VERMONT JOINT OWNERS.

La valeur de la variable I_2 se calcule alors selon les formules (3) ou (4), ces deux formules étant définies ci-dessus.

Pour les Années contractuelles suivant l'année choisie par les VERMONT JOINT OWNERS, une valeur révisée de la variable int_2 doit être calculée en utilisant les valeurs suivantes pour les variables K_a et K_{baa} :

(10.3) K_a = moyenne, exprimée en pourcentage par année, des taux d'intérêt sur les obligations à long terme de sociétés commerciales ayant obtenu la cote A de Moody's, pour les soixante mois précédant la date où commence l'Année contractuelle choisie par les VERMONT JOINT OWNERS.

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(10.4) K_{baa} = moyenne, exprimée en pourcentage par année, des taux d'intérêt, sur les obligations à long terme de sociétés commerciales ayant obtenu la cote B_{aa} de Moody's, pour les soixante mois précédant la date où commence l'Année contractuelle choisie par les VERMONT JOINT OWNERS.

Au début de l'Année contractuelle suivant l'année choisie par les VERMONT JOINT OWNERS, le prix total de la puissance que les VERMONT JOINT OWNERS doivent payer pour le Programme en question pour l'année choisie doit être calculé en utilisant les formules (10.3) et (10.4) pour les variables K_a et K_{baa} . À ce moment, la partie qui aura tiré avantage de quelque différence que ce soit entre ce prix de la puissance et le prix de la puissance au cours de l'année choisie calculé en utilisant les valeurs des variables K_a et K_{baa} définies par les formules (10.1) et (10.2), doit payer à l'autre partie un montant égal à cette différence. Aucun autre ajustement n'est fait par la suite.

I.3 Calcul de la variable I3

La variable I3 est un ratio calculé d'après le "Gross National Product Implicit Price Deflator" des États-Unis (GNIPD) publié dans le "Survey of Current Business" par le "Department of Commerce" des États-Unis. La variable doit être calculée pour chaque Année contractuelle, au début de l'année en question, en utilisant la formule suivante:

$$(11) \quad I_3 = \left[\frac{GNIPD_q}{GNIPD_{annee\ 1985}} \right] \times \left[1 + \left[\frac{L}{12} \times \frac{(GNIPD_q - GNIPD_{q-4})}{GNIPD_{q-4}} \right] \right]$$

où

GNIPD = une variable égale à la valeur du "Gross National Product Implicit Price Deflator" des États-Unis pour l'année ou le trimestre indiqué par l'indice correspondant à cette variable

q = le dernier trimestre pour lequel on dispose du GNIPD au début de l'Année contractuelle

q-4 = le trimestre antérieur d'un an à q

L = le nombre de mois entre le deuxième mois du trimestre q et le septième mois de l'Année contractuelle.

I.4 Remplacement des indices de référence

Si, pendant la période contractuelle, l'indice Handy-Whitman, les taux d'intérêt ou le Gross National Product Implicit Price Deflator auxquels on se réfère dans les articles 1.1 à 1.3 cessent d'exister ou d'être publiés de la façon décrite dans ces articles, les modalités suivantes s'appliquent.

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Si un indice ou un taux d'intérêt définis aux articles I.1, I.2 ou I.3 est remplacé par un indice ou un taux d'intérêt équivalent, ce nouvel indice ou ce nouveau taux d'intérêt est utilisé comme nouvelle référence. Si tel n'est pas le cas, le Comité d'exploitation établit un nouvel indice de référence ou un nouveau taux d'intérêt de référence dont la définition est la plus conforme possible à celle de l'indice ou du taux d'intérêt qui n'est plus disponible.

Durant la période entre le moment où un indice ou un taux d'intérêt auquel on fait référence ci-haut cesse d'exister et le moment où une nouvelle référence est établie pour cet indice ou ce taux d'intérêt, les valeurs suivantes sont utilisées pour fins de facturation. La valeur de la variable I_1 est calculée en utilisant l'équation (1) et la valeur de I_3 est calculée en utilisant l'équation (11) et en utilisant dans chaque cas les dernières valeurs disponibles de l'indice requis.

Pour le calcul des variables définies par les équations (7.1) à (7.4), (8.1) à (8.4) et (10.1) à (10.4), la valeur du taux d'intérêt utilisé pour un mois quelconque pour lequel ce taux n'est pas disponible, parce qu'il n'existe plus ou qu'il n'est plus publié de la façon décrite dans la présente Annexe I, est la valeur moyenne de ce taux d'intérêt pendant les douze derniers mois pour lesquels il est disponible.

Si une variable quelconque requise pour calculer un prix selon les modalités de la présente annexe I est calculée, pour une période de temps quelconque, en utilisant des valeurs temporaires d'un indice ou d'un taux d'intérêt, la valeur de cette variable pour la période en question est calculée à nouveau, lorsque le Comité d'exploitation établit un nouvel indice de référence ou un nouveau taux d'intérêt, en utilisant ce nouvel indice ou ce nouveau taux d'intérêt. La partie qui aura tiré avantage de quelque différence que ce soit entre un prix calculé en utilisant une valeur temporaire d'un indice ou d'un taux d'intérêt et ce même prix calculé en utilisant le nouvel indice de référence ou le nouveau taux d'intérêt doit payer à l'autre partie un montant égal à cette différence.

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SUPPLEMENT I
CALCULATION OF THE MONTHLY CAPACITY PRICE
AND OF THE ENERGY PRICE

This Supplement defines the variables required to calculate the monthly capacity price and the energy price according to the formulas given in Article 4.1, paragraph b) for the capacity and energy corresponding to Schedules B, C-1, C-2, C-3 and C-4. The formulas given in this Supplement shall be applied separately for each of these Schedules.

I.1 Calculation of the variable I₁

The variable I₁ is a factor based on the index published in "The Handy-Whitman Index of Public Utility Construction Costs" by Whitman, Requardt and Associates in the section called "Cost Trends of Public Utility Construction, North Atlantic Region" under the heading "Total Steam Production Plant". This variable is defined as follows.

For each Schedule, the variable I₁ shall be defined by the following formula for the first two Contract Years of deliveries corresponding to such Schedule:

$$(1) \quad I_1 = \left[\frac{HW_t}{HW \text{ July 1985}} \right] \times \left[1 + \frac{N}{12} \times \frac{(HW_t - HW_{t-12})}{HW_{t-12}} \right]$$

where

HW = The value of the Handy-Whitman Index as defined above at the date referred to by the corresponding subscript

t = The last month for which the Handy-Whitman index is available at the start of deliveries corresponding to such Schedule

t-12 = The month that is one year before t

N = Number of months between t and the start of deliveries corresponding to such Schedule.

For all other Contract Years during which deliveries corresponding to such Schedule are made, the variable I₁ shall be defined by the following formula:

$$(2) \quad I_1 = \left[\frac{HW_{t'}}{HW \text{ July 1985}} \right] \times \left[1 + \frac{N'}{6} \times \frac{(HW_{t'+6} - HW_{t'})}{HW_{t'}} \right]$$

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where

- HW = As defined above
- t' = The last month of publication of the above index before the start of deliveries corresponding to such Schedule
- t'+6 = The sixth month after t'
- N' = Number of months between t' and the start of deliveries corresponding to such Schedule.

1.2 Calculation of the variable I₂

1.2.1 The variable I₂ is a factor based on the interest rates on corporate long-term bonds with a Moody's rating of A and B_{aa} as published in the "Federal Reserve Bulletin" by the Federal Reserve System and is defined by equation (3) if the value of the variable int as defined in equation (5) is less than or equal to 20% or by equation (4) if the value of the variable int as defined in equation (5) is greater than 20%.

- (3) $I_2 = 0.1600 + \frac{0.75 (int - 10.37)}{100}$ if int is less than or equal to 20%
- (4) $I_2 = 0.2322 + \frac{0.96 (int - 20)}{100}$ if int is greater than 20%

where

(5) $int = (0.30 \times int_1) + (0.70 \times int_2)$

where

- (6) $int_1 = I_a + 1/3 (I_{baa} - I_a)$
- (7) $int_2 = I_a + 1/3 (I_{baa} - I_a)$

and where for each Schedule, the variables I_a and I_{baa} are defined as follows for the first Contract Year of deliveries corresponding to such Schedule:

- (7.1) I_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the last sixty months available at the start of deliveries corresponding to such Schedule
- (7.2) I_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the last sixty months available at the start of deliveries corresponding to such Schedule.

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For all other Contract Years during which deliveries corresponding to such Schedule are made, the variables I_a and I_{baa} shall be defined as follows:

(7.3) I_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the sixty months preceding the start of deliveries corresponding to such Schedule

(7.4) I_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the sixty months preceding the start of deliveries corresponding to such Schedule.

At the beginning of the second Contract Year during which deliveries corresponding to such Schedule are made, the total capacity price for such Schedule to be paid by VERMONT JOINT OWNERS during the preceding Contract Year shall be calculated based on the formulas (7.3) and (7.4) for I_a and I_{baa} . At that time, the party who benefited from any difference between such capacity price and the price calculated using the values of I_a and I_{baa} as defined in formulas (7.1) and (7.2) shall pay to the other party an amount equal to that difference. No further adjustments shall be made thereafter.

For each Schedule, a variable W , to be used in later calculations, shall then be given a value equal to the revised value of the variable int_1 for such Schedule.

I.2.2 Adjustments of the variable int_1 every 5 years

The value of the variable int_1 for each Schedule shall be subject to modification at the beginning of the sixth Contract Year of deliveries corresponding to such Schedule and every 5th year thereafter (hereinafter referred to as Adjustment Year) according to the following procedure.

A variable Y will be computed as follows for such Schedule:

$$(8) \quad Y = J_a + 1/3 (J_{baa} - J_a)$$

where

(8.1) J_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the last sixty months available at the beginning date of the Adjustment Year

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(8.2) J_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the last sixty months available at the beginning date of the Adjustment Year.

If the value of Y for the Schedule is equal to or greater than the current value of the variable W for such Schedule, then the values of int_1 and W shall remain unchanged for the Adjustment Year and for the four following Contract Years.

If the value of Y is lower than the current value of the variable W, then the values of int_1 and W will be modified as follows.

For the Adjustment Year, the updated value of int_1 shall be computed as follows:

(9) $int_1 = 0.80 Y + 0.20 Z$

where Z = the value of the variable int_1 computed for the second Contract Year of deliveries corresponding to the Schedule.

The value of I_2 will then be computed with the formulas (3) or (4) as previously defined.

For the Contract Years following the Adjustment Year, the updated values of Y, int_1 , and W shall be computed by using the following values of J_a and J_{baa} :

(8.3) J_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the sixty months preceding the beginning date of the Adjustment Year

(8.4) J_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the sixty months preceding the beginning date of the Adjustment Year.

At the beginning of the first Contract Year following the Adjustment Year, the total capacity price for such Schedule to be paid by VERMONT JOINT OWNERS during the Adjustment Year shall be calculated based on the formulas 8.3 and 8.4 for J_a and J_{baa} . At that time, the party who benefited from any difference between such capacity price and the price during the Adjustment Year as calculated using the values of J_a and J_{baa} as defined in formulas 8.1 and 8.2 shall pay to the other party an amount equal to that difference. No further adjustments shall be made thereafter.

The variable W for the Schedule shall then be updated and made equal to the revised value of the variable Y for the Schedule.

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1.2.3 Adjustment of the variable int₂ after 15 years

VERMONT JOINT OWNERS shall have the option of updating the value of int₂ for each Schedule once during the Contract Period, at the beginning of the 16th, 17th, 18th, 19th or 20th Contract Year of such Schedule. VERMONT JOINT OWNERS shall so advise HYDRO-QUÉBEC at least 1 month before the beginning of the chosen Contract Year.

In such case, the variable int₂ for the chosen Contract Year shall then be as defined below:

$$(10) \quad \text{int}_2 = K_a + 1/3 (K_{baa} - K_a)$$

where

(10.1) K_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the last sixty months available at the beginning date of the Contract Year chosen by VERMONT JOINT OWNERS

(10.2) K_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the last sixty months available at the beginning date of the Contract Year chosen by VERMONT JOINT OWNERS.

The value of I₂ will then be computed with the formula (3) or (4) as previously defined.

For the Contract Years following the year chosen by VERMONT JOINT OWNERS, the updated value of int₂ shall be computed by using the following values of K_a and K_{baa} :

(10.3) K_a = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of A for the sixty months preceding the beginning date of the Contract Year chosen by VERMONT JOINT OWNERS.

(10.4) K_{baa} = Average of the interest rates, expressed in percent per annum, on corporate long-term bonds with Moody's rating of B_{aa} for the sixty months preceding the beginning date of the Contract Year chosen by VERMONT JOINT OWNERS.

At the beginning of the Contract Year following the year chosen by VERMONT JOINT OWNERS the total capacity price for such Schedule to be paid by VERMONT JOINT OWNERS during such chosen year shall be calculated based on the formulas 10.3 and 10.4 for K_a and K_{baa} . At that time, the party who benefited from any difference between such capacity price and the price during the chosen

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year as calculated using the values of K_a and K_{baa} as defined by formulas 10.1 and 10.2 shall pay to the other party an amount equal to that difference. No further adjustment shall be made thereafter.

1.3 Calculation of the variable I₃

The variable I₃ is a factor based on the United States Gross National Product Implicit Price Deflator as published in the "Survey of Current Business" by the United States Department of Commerce. The variable shall be calculated for each Contract Year at the beginning of such year using the following formula:

$$(11) \quad I_3 = \left[\frac{\text{GNPIPD}_q}{\text{GNPIPD year 1985}} \right] \times \left[1 + \left[\frac{L}{12} \times \frac{(\text{GNPIPD}_q - \text{GNPIPD}_{q-4})}{\text{GNPIPD}_{q-4}} \right] \right]$$

where

GNPIPD = A variable equal to the value of the United States Gross National Product Implicit Price Deflator index for the year or quarter given by the subscript corresponding to that variable

q = The last quarter for which the GNPIPD is available at the beginning of the Contract Year

q-4 = The quarter one year before q

L = Number of months between the second month in the quarter q and the seventh month of the Contract Year.

1.4 Replacement of reference indices

During the Contract Period, if the Handy-Whitman index, the interest rates or the Gross National Product Implicit Price Deflator referred to in Articles I.1 to I.3 cease to exist or to be published as described in such Articles, the following procedure shall be followed.

If an index or an interest rate, as specified in Articles I.1, I.2 or I.3 is replaced by an equivalent index or equivalent interest rate, such new index or new interest rate shall be used as the new reference. If not, the Operating Committee shall establish a new reference index or new reference interest rate that will match as closely as possible the definition of the index or the interest rate that ceased to be available.

During the period between the time that an index or an interest rate referred to above ceases to exist and the time that a new reference is

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established for such index or interest rate, the following values shall be used for billing purposes. The value of the variable I_1 shall be calculated by using equation (1), and the value of I_3 shall be calculated by using equation (11), and by using in each case the last available values of the required index.

For the calculation of the variables as defined in equations 7.1 to 7.4, 8.1 to 8.4 and 10.1 to 10.4, the value of an interest rate used for any month for which it is not available because it has ceased to exist or to be published as described in this Supplement I, shall be the average value of the required interest rate for the last twelve months for which such interest rate is available.

If any variable required to calculate a price pursuant to this Supplement I is calculated for any period of time by using a temporary value of an index or of an interest rate, the value of that variable for such period of time shall be recalculated when the Operating Committee has established a new reference index or a new interest rate, using such new index or interest rate. The party who benefited from any difference in price as calculated using the temporary value of an index or interest rate, and the price using the new reference index or interest rate shall pay to the other party an amount equal to that difference.

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ANNEXE II

Liste des "VERMONT JOINT OWNERS"
et de leur intérêt respectif
en pourcentage

SUPPLEMENT II

List of "VERMONT JOINT OWNERS"
and their percentage interests

Allied Power and Light Company 21m Street Pittsford, Vermont 05763	0.63
City of Burlington Electric Department 585 Pine Street Burlington, Vermont 05401	7.49
Central Vermont Public Service Corporation 17 Grove Street Rutland, Vermont 05701	45.45
Franklin Electric Light Company, Inc. Main Street P.O. Box 96 Franklin, Vermont 05457	0.21
Green Mountain Power Corporation P.O. Box 850 25 Green Mountain Drive South Burlington, Vermont 05402-0850	33.84
Village of Johnson Electric Light Department School Street P.O. Box 68 Johnson, Vermont 05656	0.42
Rochester Electric Light & Power Company Route 100 Rochester, Vermont 05767	0.17
Vermont Electric Generation & Transmission Cooperative Inc. School Street Johnson, Vermont 05656	2.68
Vermont Public Power Supply Authority P.O. Box 425 512 St. George Road Williston, Vermont 05495	9.11

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ANNEXE IIIListe des Jours fériés

La liste suivante donne les Jours fériés célébrés dans l'État du Vermont. Les VERMONT JOINT OWNERS peuvent modifier cette liste pour une Année contractuelle quelconque en donnant un avis écrit avant le 1^{er} octobre qui précède cette Année contractuelle.

- . New Year's Day, le 1^{er} janvier
- . Lincoln's Birthday, le 12 février
- . Washington's Birthday, le troisième lundi de février
- . Town Meeting Day, le premier mardi de mars
- . Memorial Day, le 30 mai
- . Independence Day, le 4 juillet
- . Bennington Battle Day, le 16 août
- . Labor Day, le premier lundi de septembre
- . Columbus Day, le deuxième lundi d'octobre
- . Veterans Day, le 11 novembre
- . Thanksgiving Day, le quatrième jeudi et le quatrième vendredi de novembre
- . Christmas Day, le 25 décembre

SUPPLEMENT IIIList of Holidays

The following are the Holidays celebrated in the State of Vermont. VERMONT JOINT OWNERS may modify this list for any Contract Year by written notice given before October 1 preceding such Contract Year.

- . New Year's Day, January 1
- . Lincoln's Birthday, February 12
- . Washington's Birthday, the third Monday in February
- . Town Meeting Day, the first Tuesday in March
- . Memorial Day, May 30
- . Independence Day, July 4
- . Bennington Battle Day, August 16
- . Labor Day, the first Monday in September
- . Columbus Day, the second Monday in October
- . Veterans Day, November 11
- . Thanksgiving Day, the fourth Thursday and Friday in November
- . Christmas Day, December 25

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ENTENTE
entre
HYDRO-QUÉBEC
et
VERMONT JOINT OWNERS

ENTENTE
between
HYDRO-QUÉBEC
and
VERMONT JOINT OWNERS

ENTENDU QU'HYDRO-QUÉBEC et les VERMONT JOINT OWNERS ont conclu un contrat de vente de puissance et d'énergie garanties le 4 décembre 1987;

WHEREAS HYDRO-QUÉBEC and VERMONT JOINT OWNERS have entered into a Firm Power and Energy Contract on December 4, 1987:

ENTENDU QUE le contrat prévoit la vente de puissance selon les programmes suivants :

WHEREAS the Contract provides for the sale of capacity corresponding to the following schedules :

Programme A

Une puissance de 50 MW du 1^{er} novembre 1990 au 31 août 1995.

- Schedule A

50 MW of power between November 1, 1990 and August 31, 1995.

Programme B

La puissance de 50 MW sera portée à 200 MW du 1^{er} septembre 1995 au 31 octobre 2015.

- Schedule B

The 50 MW of power will be increased to 200 MW between September 1, 1995 and October 31, 2015.

Programme C

Une série d'options devant être levées avant le 31 août 1988 permettant d'augmenter la puissance de base, pour atteindre 300 MW à partir de 1990.

- Schedule C

A series of options which must be exercised by August 31, 1988 to increase the base capacity by up to 300 MW, starting in 1990.

In conséquence, les parties conviennent de ce qui suit:

Now, therefore, the parties agree as follows :

Les Vermont Joint Owners auront le droit jusqu'au 30 novembre 1988, de modifier l'avis qui aura été donné le ou avant le 31 août 1988, portant sur l'exercice des options de puissance selon le programme C du Contrat de puissance et d'énergie garanties.

Vermont Joint Owners shall have the right until November 30, 1988 to modify the notice given on or before August 31, 1988, regarding the exercise of the series of power options in Schedule C of the Firm Power and Energy Contract.

Date d'entrée en vigueur

Effective Date

La présente entente entre en vigueur le 31 août 1988.

The present agreement shall take effect on August 31, 1988.

8/5/04/3/1
Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

En foi de quoi, les parties ont signé
la présente entente ce 31e jour
de août 1988.

In witness hereof, the parties hereto
signed this agreement on this 31st day
of August 1988.

HYDRO-QUÉBEC

Par : [Signature]
Jacques Guevremont

ALLIED POWER AND LIGHT COMPANY

By/par: [Signature]

CITY OF BURLINGTON ELECTRIC DEPARTMENT

By/par: [Signature]

CENTRAL VERMONT PUBLIC SERVICE CORPORATION

By/par: [Signature]

FRANKLIN ELECTRIC LIGHT COMPANY, INC.

By/par: [Signature]

GREEN MOUNTAIN POWER CORPORATION

By/par: [Signature]

VILLAGE OF JOHNSON ELECTRIC LIGHT DEPARTMENT

By/par: [Signature]

ROCHESTER ELECTRIC LIGHT & POWER COMPANY

By/par: [Signature]

VERMONT ELECTRIC GENERATION & TRANSMISSION COOPERATIVE INC.

By/par: [Signature]

VERMONT PUBLIC POWER SUPPLY AUTHORITY

By/par: [Signature]

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
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MODIFICATION NO 2

AMENDMENT NO 2

AU CONTRAT DE PUISSANCE ET D'ENERGIE
GARANTIES

TO THE FIRM POWER AND ENERGY CONTRACT

ENTRE LES VERMONT JOINT OWNERS

BETWEEN VERMONT JOINT OWNERS

ET HYDRO-QUEBEC

AND HYDRO-QUEBEC

Entente faite ce 19^{ieme} jour de
septembre 1990 entre:

This Agreement is made and dated as of
the 19th day of September 1990. between:

Allied Power and Light Company
Elm Street
Pittsford, Vermont 05763

Allied Power and Light Company
Elm Street
Pittsford, Vermont 05763

City of Burlington Electric Department
585 Pine Street
Burlington, Vermont 05401

City of Burlington Electric Department
585 Pine Street
Burlington, Vermont 05401

Central Vermont Public Service
Corporation
77 Grove Street
Rutland, Vermont 05701

Central Vermont Public Service
Corporation
77 Grove Street
Rutland, Vermont 05701

Franklin Electric Light Company, Inc.
Main Street
P.O. Box 96
Franklin, Vermont 05457

Franklin Electric Light Company, Inc.
Main Street
P.O. Box 96
Franklin, Vermont 05457

Green Mountain Power Corporation
P.O. Box 850
25 Green Mountain Drive
South Burlington, Vermont 05402-0850

Green Mountain Power Corporation
P.O. Box 850
25 Green Mountain Drive
South Burlington, Vermont 05402-0850

Village of Johnson Electric Light
Department
School Street
P.O. Box 68
Johnson, Vermont 05656

Village of Johnson Electric Light
Department
School Street
P.O. Box 68
Johnson, Vermont 05656

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the ~~VEC~~ Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
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Rochester Electric Light & Power Company
Route 100
Rochester, Vermont 05767

Rochester Electric Light & Power
Route 100
Rochester, Vermont 05767

Vermont Electric Generation &
Transmission Cooperative Inc.
School Street
Johnson, Vermont 05656

Vermont Electric Generation &
Transmission Cooperative Inc
School Street
Johnson, Vermont 05656

Vermont Public Power Supply Authority
P.O. Box 425
512 St. George Road
Williston, Vermont 05495

Vermont Public Power Supply Authority
P.O. Box 425
512 St. George Road
Williston, Vermont 05495

les co-propriétaires de l'interconnexion
de Highgate, qui sont des services
publics au Vermont, ci-après appelés
collectivement VERMONT JOINT OWNERS et
appelés individuellement, un des VERMONT
JOINT OWNERS, partie de première part.

joint owners of the Highgate
interconnection, which are Vermont utility
hereinafter referred to collectively as
VERMONT JOINT OWNERS and individually
one of the VERMONT JOINT OWNERS
of the first part.

et

and

HYDRO-QUEBEC, société dûment constituée
et régie par la Loi sur Hydro-Québec
(L.R.Q., chapitre H-5) ayant son siège
social et sa principale place d'affaires
au 75 ouest, boulevard René-Lévesque,
Montréal, Québec, Canada, ci-après
appelée HYDRO-QUEBEC, partie de deuxième
part.

HYDRO-QUEBEC, a body politic and
independent rate, duly incorporated and regulated
under the Hydro-Québec Act (R.S.Q., Chapter
H-5) having its head office and principal
place of business at 75 René-Lévesque
Boulevard West, Montreal, Quebec,
Canada, hereinafter referred to as
HYDRO-QUEBEC, party of the second part.

ATTENDU qu'un contrat de puissance et
d'énergie garanties a été conclu le 4^e
jour de décembre 1987 par les VERMONT
JOINT OWNERS et HYDRO-QUEBEC, et qu'il a
été modifié une première fois le 31^e
jour d'août 1988 (ci-après appelé le
Contrat); et

WHEREAS, a Firm Power and Energy
Contract was entered into on the 4th
of December, 1987, by VERMONT
JOINT OWNERS and HYDRO-QUEBEC, and was
amended on the 31st day of August,
(hereinafter the Contract); and

ATTENDU que les parties s'entendent pour
clarifier l'article 1.3 et pour limiter
l'application de l'article 1.4 ; et

WHEREAS, the parties agree to
clarify Article 1.3 and to limit the application
of Article 1.4 ; and

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

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Vermont Electric Cooperative, Inc.
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This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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ATTENDU que les VERMONT JOINT OWNERS et HYDRO-QUEBEC se sont entendus sur des conditions précises relatives au programme C et désirent modifier l'article 3.1 du Contrat en conséquence ; et

WHEREAS, VERMONT JOINT OWNERS and HYDRO-QUEBEC have agreed on specific conditions relative to Schedule C and wish to amend Article 3.1 of the Contract accordingly ; and

ATTENDU que les parties se sont entendues sur des conditions précises relatives à la livraison d'une partie de la puissance et de l'énergie contractuelles par liaison radiale ; et

WHEREAS, the parties have agreed to specific conditions related to the delivery of part of the contractual capacity and energy by block loading; and

ATTENDU que les parties désirent modifier le Contrat pour prévoir les conditions relatives aux livraisons par liaison radiale.

WHEREAS, the parties wish to amend the Contract to establish the conditions related to deliveries by block loading

EN CONSEQUENCE, les parties conviennent de ce qui suit :

NOW THEREFORE, the parties agree as follows :

ARTICLE 1

ARTICLE 1

L'article 1 du Contrat est modifié de la façon suivante :

Article 1 of the Contract shall be modified as follows :

L'article 1.3 est abrogé et remplacé par le suivant :

Article 1.3 is hereby deleted and replaced by the following :

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Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
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Vermont Electric Cooperative, Inc.

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Rate Schedule FERC No. 10

This Agreement has been assigned by Citizens to Vermont Electric Cooperative

"1.3 Les parties conviennent que les obligations de ce contrat dépendent de l'obtention par HYDRO-QUEBEC, les VERMONT JOINT OWNERS, et les acheteurs de l'électricité contractuelle des VERMONT JOINT OWNERS en vertu de "contrats signés au plus tard le 30 avril 1991, de tous les droits et autorisations, y compris les permis et licences requis, qui sont nécessaires à l'achat, à la vente, au transport et à la livraison de la puissance et de l'énergie conformément à ce contrat et conformément aux contrats de revente entre les VERMONT JOINT OWNERS et des tierces parties, à des conditions satisfaisantes pour chaque partie. Chaque partie convient de fournir à l'autre partie les renseignements techniques, les données ou toute autre information, qui sont raisonnablement requis pour l'obtention de ces droits et autorisations."

"1.3 The parties agree that the obligations under this Contract are contingent upon the receipt of all relevant rights and approvals, including required permits and licenses, by HYDRO-QUEBEC, VERMONT JOINT OWNERS, and purchasers of contract power from VERMONT JOINT OWNERS under contracts executed on or before April 30, 1991, for the purchase and sale and the transmission and delivery of power and energy under this Contract and under any resale contract between VERMONT JOINT OWNERS and third parties, upon terms satisfactory to each party. Each party hereto will cooperate with the other in the furnishing of technical information, data, or other matters which may be reasonably required for such rights and approvals."

L'article 1.4 est abrogé et remplacé par le suivant :

Article 1.4 is hereby deleted and replaced by the following:

"1.4 Chaque partie aux présentes convient d'aviser promptement l'autre partie de tout fait ou renseignement qui, selon elle, pourrait avoir des répercussions importantes sur les ententes contractées par les présentes.

"1.4 Each of the parties hereto agrees to notify the other party promptly of any fact or matter which, in its opinion, could materially affect the arrangements made hereby.

Handwritten signatures and initials, including a large 'M' and a signature that appears to be 'J. D.'.

Issued by: Kelly Enright
 Vice President and Executive Manager
 Issued on: February 2, 2004

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Au moment de l'émission des décisions du Vermont Public Service Board dans les dossiers No. 5330 et 5331 et de l'Office national de l'énergie dans le dossier No. EH-3-89, chaque partie examinera les modalités de tous droits et approbations, y compris les permis et les licences dont l'émission découle de ces décisions, et chaque partie se réserve le droit, jusqu'au 30 avril 1991, de résilier le présent contrat sans encourir de responsabilité à l'égard de l'autre partie si les dits droits ou autorisations, y compris les permis et les licences requis, sont refusés ou accordés à des conditions qui ne la satisfont pas. La suspension de l'une ou l'autre des décisions précitées peut être considérée comme une modalité insatisfaisante qui pourrait permettre la résiliation conformément au présent alinéa du présent article 1.4 au plus tard le 30 avril 1991. Cependant, le fait que l'une ou l'autre de ces décisions soit portée en appel ou soumise à une révision judiciaire ne permet pas en soi à une partie de résilier le présent contrat en vertu du présent alinéa du présent article 1.4. Les dispositions du présent alinéa peuvent être invoquées dans l'éventualité où une cour, siégeant en appel ou en révision de l'une ou l'autre de ces décisions, annule la licence ou le permis ou les modifie ou les renvoie pour examen additionnel ou pour modification. Dans un tel cas, les troisième et quatrième alinéas du présent article 1.4 ne s'appliquent pas et l'avis final de résiliation est donné dans les quatre-vingt-dix (90) jours suivant la date d'émission d'une décision finale et non susceptible d'appel con-

Upon issuance of decisions by the Vermont Public Service Board in Docket Nos. 5330 and 5331 and the Canadian National Energy Board in Docket No. EH-3-89, each of the Parties will review the terms and conditions of any rights and approvals including permits and licenses issued as a result of these decisions, and each Party reserves the right until April 30, 1991, to terminate this Contract without liability to the other party should said rights or approvals, including required permits and licenses, be withheld or tendered upon terms unsatisfactory to it. Issuance of a stay of either decision can be considered an unsatisfactory term or condition which could allow termination under this paragraph of this Article 1.4 on or before April 30, 1991. However, the fact that either decision is appealed or judicially reviewed does not of itself allow a party to terminate under this paragraph of this Article 1.4. The provisions of this paragraph may be invoked in the event that a court sitting in appeal or review of either of the decisions cancels the license or permit or modifies it or remands it for further proceedings or modification. In such case the third and fourth paragraphs of this Article 1.4 will not apply and final notice of termination shall be given within ninety (90) days following the date of issuance of a final, unappealable decision on the terms and conditions of the license or permit. And further, in the event that in the above-mentioned dockets the Canadian National Energy Board issues a decision prior to the Vermont Public Service Board neither party shall exercise its right to terminate the Contract in accordance with this paragraph of this Article 1.4 until fourteen

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 Vice President and Executive Manager
 Issued on: February 2, 2004

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cernant les modalités de la licence ou du permis. De plus, si dans les dossiers précités, l'Office national de l'énergie du Canada rend une décision avant le Vermont Public Service Board, aucune des parties n'exercera son droit de résilier le présent contrat en vertu du présent alinéa du présent article 1.4 avant quatorze jours suivant la décision de l'Office national de l'énergie. Si le Public Service Board ne rend pas de décision dans ce délai, ou s'il refuse son approbation, les parties pourront résilier le présent contrat.

days after the National Energy Board's decision. If the Public Service Board fails to issue a decision within such period, or denies its approval, the parties shall be entitled to terminate the Contract.

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Vice President and Executive Manager
Issued on: February 2, 2004


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Vermont Electric Cooperative, Inc.

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This Agreement has been assigned by Citizens to Vermont Electric Cooperative

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Si, après le 30 avril 1991, quelque droit ou autorisation, y compris des permis et des licences requis par HYDRO-QUÉBEC pour la vente et la livraison de puissance -- et -- d'énergie conformément à ce contrat est refusé ou est accordé à des conditions qui ne satisfont pas HYDRO-QUÉBEC, ou si, après que ce droit ou cette autorisation a été accordé, le gouvernement du Canada ou celui du Québec, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie, et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, décide de modifier ou de révoquer ce droit ou cette autorisation, empêchant ainsi HYDRO-QUÉBEC de vendre et de livrer la puissance et l'énergie prévues au présent contrat selon les termes et les conditions qui y sont stipulées, HYDRO-QUÉBEC a le droit de résilier le présent contrat, mais à la condition expresse d'indemniser les VERMONT JOINT OWNERS de tous les frais, dommages ou dépenses engagés ou subis ou à être engagés ou subis par les VERMONT JOINT OWNERS par suite de cette résiliation. La responsabilité à l'égard des tiers est déterminée conformément à l'article XII.

If, subsequent to April 30, 1991, any rights or approvals, including permits and licenses, required by HYDRO-QUÉBEC for the sale or delivery of power and energy under this Contract are denied or are tendered upon terms unacceptable to HYDRO-QUÉBEC, or if following the granting of such rights or approvals, the government of Canada or of Québec, including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, takes any action modifying or terminating any such rights or approvals, which prevents HYDRO-QUÉBEC from selling and delivering power and energy hereunder on the terms and conditions herein provided, HYDRO-QUÉBEC shall have the right to terminate this Contract, but only if it compensates VERMONT JOINT OWNERS for all costs, damages and expenses incurred or suffered or to be incurred or suffered by VERMONT JOINT OWNERS as a result of such termination. The liability to third parties shall be governed by Article XII.

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Vice President and Executive Manager
Issued on: February 2, 2004

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Si, après le 30 avril 1991, quelque droit ou autorisation, y compris des permis et des licences requis par les VERMONT JOINT OWNERS et les acheteurs de l'électricité contractuelle des VERMONT JOINT OWNERS, pour l'achat et la vente et le transport et la livraison de la puissance et de l'énergie conformément à ce contrat et conformément aux contrats de revente entre les VERMONT JOINT OWNERS et des tierces parties, est refusé ou est accordé à des conditions qui ne satisfont pas les VERMONT JOINT OWNERS ou si après que ce droit ou cette autorisation a été accordé, le gouvernement des États-Unis ou de l'état du Vermont, incluant, sans limiter la généralité de ce qui précède, tout organisme public, toute institution du gouvernement ou tout organisme gouvernemental de régie, et excluant une cour, sauf une cour siégeant en appel ou en révision d'une décision d'un organisme gouvernemental de régie, décide de modifier ou de révoquer ce droit ou cette autorisation, empêchant ainsi les VERMONT JOINT OWNERS d'acheter et de payer la puissance et l'énergie prévues au présent contrat selon les termes et les conditions qui y sont stipulés, les VERMONT JOINT OWNERS ont le droit de résilier le présent contrat, mais à la condition expresse d'indemniser HYDRO-QUÉBEC de tous les frais, dommages et dépenses engagés ou subis ou à être engagés ou subis par cette dernière par suite de cette résiliation. La responsabilité à l'égard des tiers est déterminée conformément à l'article XII.

If, subsequent to April 30, 1991, any rights or approvals, including permits and licenses, required by VERMONT JOINT OWNERS and purchasers of contract power from VERMONT JOINT OWNERS, for the purchase and sale and transmission and delivery of power and energy under this Contract and under any resale contract between VERMONT JOINT OWNERS and third parties, are denied or are tendered upon terms unacceptable to VERMONT JOINT OWNERS or if, following the granting of such rights or approvals the government of the United States or the State of Vermont including without limiting the generality of the foregoing, any public body, government institution or governmental regulatory body and excluding any court except when sitting in appeal or review from a decision of a governmental regulatory body, takes any action modifying or terminating any such rights and approvals, which prevents VERMONT JOINT OWNERS from purchasing and paying for power and energy hereunder on the terms and conditions herein provided, VERMONT JOINT OWNERS shall have the right to terminate this Contract, but only if they compensate HYDRO-QUÉBEC for all costs, damages and expenses incurred or suffered or to be incurred or suffered by HYDRO-QUÉBEC as a result of such termination. The liability to third parties shall be governed by Article XII.

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

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Le présent article 1.4 s'applique sous réserve de l'article XI aussi longtemps que, conformément à l'article XI, l'exécution par une partie de ses obligations conformément au présent contrat est empêchée ou retardée."

This Article 1.4 is subject to Article XI for as long as, under Article XI, a party is prevented from or delayed in performing its obligations under this Contract."

ARTICLE II

ARTICLE II

L'article 2.16 suivant est ajouté à l'article II du Contrat.

The following Article 2.16 shall be added to Article II of the Contract.

2.16 "Livraison par liaison radiale" signifie qu'une partie de la puissance et de l'énergie contractuelles est livrée en isolant certaines charges situées aux Etats-Unis et en les raccordant directement au réseau d'HYDRO-QUEBEC".

"2.16 "Block Loading" shall mean delivering part of the contractual capacity and energy by isolating certain loads located in the United States and connecting them directly to the HYDRO-QUEBEC system."

ARTICLE III

ARTICLE III

L'article 3.1 du Contrat est abrogé et remplacé par le nouvel article 3.1 suivant; les articles 3.2 et 3.3 sont inchangés; et le nouvel article 3.4 suivant est ajouté:

Article 3.1 of the Contract is hereby deleted and replaced by a new Article 3.1 as follows; Articles 3.2 and 3.3 are unchanged; and a new Article 3.4 is added as follows:

3.1 HYDRO-QUEBEC met à la disposition des VERMONT JOINT OWNERS, aux Points de livraison, la puissance suivante :

3.1 HYDRO-QUEBEC will make available to VERMONT JOINT OWNERS at the Delivery Points the following capacity :

Programme A

Schedule A

<u>Période</u>	<u>Puissance</u>
Du 1 ^{er} novembre 1990 à l'expiration du Contrat d'électricité garantie	50 MW

<u>Period</u>	<u>Capacity</u>
November 1, 1990 to the expiration of the Firm Power Contract	50 MW

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Vice President and Executive Manager
Issued on: February 2, 2004

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Programme B

<u>Période</u>	<u>Puissance</u>
De l'expiration du Contrat d'électricité garantie au 31 octobre 2015 inclusivement	200 MW

Schedule B

<u>Period</u>	<u>Capacity</u>
From the expiration of the Firm Power Contract through October 31, 2015	200 MW

Programme C

<u>Période</u>	<u>Puissance</u>
C-1 A compter de la plus rapprochée des dates suivantes, soit le 1 ^{er} mai 1990, ou la date de mise en service des installations de la Phase II de NEPOOL, jusqu'au 31 octobre 2012 inclusivement	57 MW
C-2 Du 1 ^{er} mai 1992 au 31 octobre 2012 inclusivement	58 MW
C-3 Du 1 ^{er} novembre 1995 au 31 octobre 2015 inclusivement	77 MW
C-4a Du 1 ^{er} novembre 1996 au 31 octobre 2016 inclusivement	39 MW
C-4b Du 1 ^{er} novembre 2000 au 31 octobre 2020 inclusivement	19 MW

Schedule C

<u>Period</u>	<u>Capacity</u>
C-1 From the earlier of May 1, 1990, or the in-service date of the NEPOOL Phase II Facilities, through October 31, 2012	57 MW
C-2 From May 1, 1992, through October 31, 2012	58 MW
C-3 From November 1, 1995 through October 31, 2015	77 MW
C-4a From November 1, 1996 through October 31, 2016	39 MW
C-4b From November 1, 2000 through October 31, 2020	19 MW

Les VERMONT JOINT OWNERS peuvent à leur choix, réduire les quantités de puissance des Programmes C-2, C-3, C-4a et C-4b de quantités pouvant atteindre celles indiquées au tableau suivant, en donnant un avis à cet effet au plus tard aux dates indiquées à ce tableau :

VERMONT JOINT OWNERS shall have the option of reducing the amounts of capacity of Schedules C-2, C-3, C-4a and C-4b by up to the amounts given in the following table, by providing notice to that effect on or before the dates given in such table :

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 Vice President and Executive Manager
 Issued on: February 2, 2004

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<u>Programme</u>	<u>Réduction maximale</u>	<u>Date de l'avis</u>	<u>Schedule</u>	<u>Maximum Reduction</u>	<u>Date of Notice</u>
C-2	30 MW	30 avril 1991	C-2	30 MW	April 30, 1991
C-3	30 MW	30 avril 1994	C-3	30 MW	April 30, 1994
C-4a	37 MW	1 ^{er} novembre 1992	C-4a	37 MW	November 1, 1992
C-4b	13 MW	1 ^{er} novembre 1996	C-4b	13 MW	November 1, 1996

Sous réserve des dispositions de l'article V, la puissance prévue dans les Programmes A, B et C et l'énergie qui y est associée sont mises à la disposition des VERMONT JOINT OWNERS qui peuvent les programmer à toute heure pendant l'Année contractuelle.

Subject to Article V, Schedules A, B and C power and associated energy will be available to be scheduled by VERMONT JOINT OWNERS in all hours of the Contract Year.

Les VERMONT JOINT OWNERS paient la puissance contractuelle établie conformément aux Programmes A, B et C.

VERMONT JOINT OWNERS shall pay for the capacity contracted for pursuant to Schedules A, B and C.

Les VERMONT JOINT OWNERS prennent et paient l'énergie relative à la puissance prévue au Programme A, selon un Facteur d'utilisation annuel minimum de 50 % et selon un Facteur d'utilisation annuel maximum de 80 %.

VERMONT JOINT OWNERS shall take and pay for the energy corresponding to the Schedule A capacity at a minimum yearly load factor of 50% and at a maximum yearly Load Factor of 80%.

Sauf quant à ce qui est prévu aux articles 3.2 et 3.3, les VERMONT JOINT OWNERS prennent et paient l'énergie correspondant aux quantités de puissance des Programmes B et C selon un Facteur d'utilisation annuel de 75 %.

Except as provided in Articles 3.2 and 3.3, VERMONT JOINT OWNERS shall take and pay for the energy corresponding to the Schedules B and C capacities at a yearly Load Factor of 75 %.

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 Vice President and Executive Manager
 Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
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Vermont Electric Cooperative, Inc.
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ARTICLE IV

paragraphe b) de l'article 4.1 est roge et remplace par le suivant :

b) Programmes B, C-2, C-3, C-4a et C-4b

1) Le prix mensuel de la puissance, PC, ci-après établi en \$US/mois, s'applique à la puissance contractuelle prévue dans le Programme B et dans les Programmes C-2, C-3, C-4a et C-4b :

$$PC = \frac{F_1 \times I_1 \times I_2 \times C}{12}$$

ou

C= la quantité de puissance contractuelle, en kW, en vigueur pendant le mois pour le Programme concerné

I₁= un ratio établi à l'aide de l'indice Handy-Whitman, tel que défini à l'Annexe I

I₂= un ratio établi selon les taux d'intérêt des obligations à long terme des sociétés commerciales, tel que défini à l'Annexe I

F₁= un prix, en dollars US de 1985 par kilowatt, établi comme suit :

<u>Programme</u>	<u>Période</u>	<u>F₁ en \$US/kW</u>
B	Durée du Programme B définie à l'article 3.1	1295,00

ARTICLE IV

Paragraph b) of Article 4.1 is hereby deleted and replaced by the following:

b) Schedules B, C-2, C-3, C-4a and C-4b

i) The following monthly capacity price PC, in \$US/month applicable to the contractual capacity under each of Schedule B and Schedules C-2, C-3, C-4a and C-4b shall apply:

$$PC = \frac{F_1 \times I_1 \times I_2 \times C}{12}$$

where

C= The amount of contractual capacity, in kW, in effect during the month for the given Schedule

I₁= a factor based on the Handy Whitman index, as defined in Supplement I

I₂= a factor based on interest rates on corporate long term bonds as defined in Supplement I

F₁= a price in 1985 US dollars per kilowatt, as follows:

<u>Schedule</u>	<u>Period</u>	<u>F₁ in \$US/kW</u>
B	Duration of Schedule B as defined in Article 3.1	1295.00

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<p>C-2 Du 1^{er} mai 1992 1220,00 au 31 octobre 1997 inclusivement</p> <p>et</p> <p>—</p> <p>Du 1^{er} novembre 1997 1295,00 au 31 octobre 2012 inclusivement</p> <p>C-3 Durée du Programme 1295,00 C-3 définie à l'article 3.1</p> <p>C-4a Durée du Programme 1295,00 C-4a définie à l'article 3.1</p> <p>C-4b Durée du Programme 1295,00 C-4b définie à l'article 3.1</p> <p>ii) Le prix de l'énergie, PE, ci- après établi en \$US/MWh, s'applique à l'énergie livrée en vertu du Programme B et des Programmes C-2, C-3, C-4a et C-4b pendant chaque Année contractuelle :</p> <p>PE = F₂ x I₃</p> <p>où</p> <p>I₃ = un ratio, défini à la sec- tion 1.3 de l'Annexe I, établi à l'aide du "Gross National Product Implicit Price Deflator" des Etats- Unis</p> <p>F₂ = un prix égal à 17,74 \$US/MWh en dollars de 1985."</p>	<p>C-2 May 1, 1992 through 1220 00 October 31, 1997</p> <p>and</p> <p>November 1, 1997 1295 00 through October 31, 2012</p> <p>C-3 Duration of Sched- 1295.00 ule C-3 as defined in Article 3.1</p> <p>C-4a Duration of Sched- 1295 00 ule C-4a as defined in Article 3.1</p> <p>C-4b Duration of Sched- 1295 00 ule C-4b as defined in Article 3.1</p> <p>ii) The following energy price, PE, in \$US/MWh applicable during each Contract Year to the energy delivered under Schedule B and Schedules C-2, C-3, C-4a and C-4b shall apply:</p> <p>PE = F₂ x I₃</p> <p>where</p> <p>I₃ = a factor based on the US Gross National Product Im- plicit Price Deflator, as defined in Supplement 1, Section 1.3</p> <p>F₂ = a price equal to 17.74 \$US/MWh in 1985 dollars."</p>
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ARTICLE V

Les paragraphes e) et f) de l'article 5.2 sont abrogés et remplacés par les paragraphes e), f) et g) suivants :

"e) Engagements horaires

Au plus tard à 10:00 heures chaque jour, ou à un autre moment déterminé par le Comité d'exploitation, les VERMONT JOINT OWNERS transmettent le programme horaire final pour le deuxième jour suivant, pour les livraisons autres que les livraisons par liaison radiale. Ce programme constitue les Engagements horaires.

La somme des Engagements horaires et des programmes horaires pour les livraisons par liaison radiale établis conformément au paragraphe f) du présent article 5.2 est assujettie, pour une heure quelconque, aux limites de programmation établies au paragraphe d) et, pour un mois quelconque, aux limites de programmation établies au paragraphe b).

ARTICLE V

Paragraphs e) and f) of Article 5.2 are hereby deleted and replaced by the following paragraphs e), f) and g) :

"e) Hourly Commitments

On or before 10:00 hours of each day, or at another time agreed upon by the Operating Committee, VERMONT JOINT OWNERS shall provide a final hourly schedule for the second following day, for deliveries other than those made by Block Loading. This schedule will become the Hourly Commitments.

The sum of the Hourly Commitments and the hourly schedules for Block Loading established pursuant to paragraph f) of this Article 5.2 shall be subject for any hour to the scheduling limits set forth in paragraph d), and for any month to the scheduling limits set forth in paragraph b).

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f) Programmes pour les Livraisons par liaison radiale

Les programmes mensuels, hebdomadaires et horaires fournis par les VERMONT JOINT OWNERS conformément aux paragraphes b), c) et d) du présent article 5.2 doivent indiquer des quantités distinctes pour les livraisons par liaison radiale. Au plus tard à 10:00 heures chaque jour, ou à un autre moment déterminé par le Comité d'exploitation, les VERMONT JOINT OWNERS mettent à jour les programmes horaires pour les livraisons par liaison radiale pour le deuxième jour suivant. Les quantités totales programmées sont assujetties aux limites établies auxdits paragraphes. Ces programmes pour les livraisons par liaison radiale doivent donner les meilleures estimations possibles des charges radiales, et les VERMONT JOINT OWNERS s'efforcent de respecter ces estimations en transférant des charges au besoin et par tout autre moyen disponible. La quantité programmée pour une heure quelconque par les VERMONT JOINT OWNERS pour un Point de livraison utilisé pour livraison par liaison radiale ne doit pas excéder la quantité de puissance établie conformément à l'article 23.1 pour ce Point de livraison.

g) Modifications

Seules les modifications déterminées par le Comité d'exploitation peuvent être apportées aux programmes mensuels, hebdomadaires et horaires transmis conformément aux paragraphes b), c), d) et f) du présent article 5.2."

f) Schedules for Block Loading

The monthly, weekly and hourly schedules provided by VERMONT JOINT OWNERS pursuant to paragraphs b), c) and d) of this Article 5.2 shall include separate amounts for the energy to be delivered by Block Loading. On or before 10:00 hours of each day, or at another time agreed upon by the Operating Committee, VERMONT JOINT OWNERS shall also update the hourly schedules for deliveries by Block Loading for the second following day. The total amounts scheduled shall be subject to the limits stated in such paragraphs. Such schedules for Block Loading shall be the best possible estimates of the block loads, and VERMONT JOINT OWNERS shall strive to meet such estimates by switching loads as required and by other available means. The amount scheduled in any hour by VERMONT JOINT OWNERS for any Block Loading Delivery Point shall not exceed the amount of capacity established pursuant to Article 23.1 for such Delivery Point.

g) Changes

Changes to monthly, weekly and hourly schedules provided pursuant to paragraphs b), c), d) and f) of this Article 5.2 may be made only if agreed to by the Operating Committee."

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ARTICLE VI

ARTICLE VI

Le paragraphe b) de l'article 6.1 est abrogé et remplacé par le suivant :

Paragraph b) of Article 6.1 is hereby deleted and replaced by the following :

"b) Programmes B et C

"b) Schedules B and C

La définition suivante des Défaillances d'HYDRO-QUÉBEC et l'indemnité correspondante s'appliquent aux livraisons de puissance et d'énergie en vertu des Programmes B et C.

The following definition of HYDRO-QUÉBEC Deficiencies and the corresponding compensation shall apply to deliveries of Schedules B and C capacity and energy.

Les Défaillances d'HYDRO-QUÉBEC pour les livraisons par liaison radiale sont enregistrées séparément des autres livraisons.

HYDRO-QUÉBEC Deficiencies for deliveries made through Block Loading shall be recorded separately from all other deliveries.

Une Défaillance d'HYDRO-QUÉBEC pour des livraisons autres que des livraisons par liaison radiale signifie la quantité d'énergie non livrée au cours d'une heure quelconque à cause de l'incapacité d'HYDRO-QUÉBEC de rendre disponibles les engagements horaires pour les raisons énumérées aux sous-paragraphe i), ii) et iii) ci-après, et

A HYDRO-QUÉBEC Deficiency for deliveries other than those made by Block Loading shall mean the amount of energy not delivered in any hour because of the inability of HYDRO-QUÉBEC to make available the Hourly Commitments for the reasons given in the following sub-paragraphs i), ii) and iii), and

une Défaillance d'HYDRO-QUÉBEC pour des livraisons par liaison radiale signifie la quantité d'énergie non livrée au cours d'une heure quelconque à cause de l'incapacité d'HYDRO-QUÉBEC de rendre disponible l'énergie programmée par les VERMONT JOINT OWNERS dans le programme horaire des livraisons fourni conformément à l'article 5.2, pour les raisons énumérées aux sous-paragraphe i), ii) et iii) ci-après:

a HYDRO-QUÉBEC Deficiency for deliveries made through Block Loading shall be defined as the amount of energy not delivered in any hour because of the inability of HYDRO-QUÉBEC to make available the energy scheduled by VERMONT JOINT OWNERS in the hourly schedule of deliveries provided pursuant to Article 5.2, for the reasons given in the following sub-paragraphs i), ii) and iii) :

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- | | |
|--|---|
| <p>i) l'insuffisance ou une défec-
tuosité de ses équipements de
production ou de transport, à
l'exclusion des équipements
de transport énumérés à l'ar-
ticle 6.5, ou.</p> | <p>i) the inadequacy or malfunc-
tion of its production or trans-
mission facilities, excluding
the transmission facilities
listed in Article 6.5, or</p> |
| <p>ii) l'indisponibilité des équi-
pements de production ou de
transport d'une tierce partie
qui donne lieu à la réduction
des livraisons d'électricité
à HYDRO-QUEBEC par cette
tierce partie conformément à
un contrat d'achat de puis-
sance ou d'énergie garanties
par HYDRO-QUEBEC de cette
tierce partie, ou</p> | <p>ii) the unavailability of pro-
duction or transmission facil-
ities of a third party which
results in the reduction of
deliveries of electricity by
such third party to HYDRO-
QUEBEC pursuant to a purchase
agreement for firm power or
energy by HYDRO-QUEBEC from
such third party, or</p> |
| <p>iii) l'indisponibilité totale ou
partielle des installations
d'interconnexion qui découle
d'une limite imposée au ni-
veau des exportations du ré-
seau d'HYDRO-QUEBEC vers les
Etats-Unis, pour des raisons
techniques, et dont la cause
est identifiée comme étant
reliée à des équipements de
production ou de transport
qui sont situés uniquement au
Québec.</p> | <p>iii) the total or partial unavail-
ability of the Interconnection
Facilities because of restric-
tions imposed on the level of
exports from the HYDRO-QUEBEC
system to the United States
for technical reasons, the
cause of which is identified
as being related to production
or transmission facilities
which are located only in
Québec.</p> |

Le Comité d'exploitation peut convenir de reprogrammer en tout ou en partie les Défaillances d'HYDRO-QUEBEC au cours de l'Année contractuelle où elles surviennent ou au cours de l'Année contractuelle suivante. Si de telles Défaillances d'HYDRO-QUEBEC sont reprogrammées au cours de l'Année contractuelle suivante, le prix de cette énergie est le prix établi pour le mois au cours duquel les défaillances se sont produites.

The Operating Committee may agree to reschedule part or all of the HYDRO-QUEBEC Deficiencies during the Contract Year in which they occur or during the following Contract Year. If such HYDRO-QUEBEC Deficiencies are rescheduled during the following Contract Year, the price of such energy shall be as established for the month in which the deficiencies occurred.

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Lorsque la facture pour le premier mois d'une Année contractuelle quelconque est préparée conformément à l'article 8.2, si le Comité d'exploitation ne s'est pas entendu pour reprogrammer tout le solde des Défaillances d'HYDRO-QUÉBEC de l'Année contractuelle précédente, une indemnité HC, pour cette Année contractuelle, définie par la formule ci-après, est alors calculée et HYDRO-QUÉBEC la verse aux VERMONT JOINT OWNERS conformément aux dispositions de l'article 6.4 et le solde des Défaillances d'HYDRO-QUÉBEC est alors ramené à zéro.

At the time the bill for the first month of any Contract Year is prepared pursuant to Article 8.2, if the Operating Committee has not agreed to reschedule all the remaining HYDRO-QUÉBEC Deficiencies of the previous Contract Year, then an amount of compensation HC for such Contract Year, as defined by the following formula, shall be calculated and paid by HYDRO-QUÉBEC to VERMONT JOINT OWNERS in the manner defined in Article 6.4, and the amount of such remaining HYDRO-QUÉBEC Deficiencies shall thereupon be reduced to zero.

HC = la somme de :

$$[HD_i \times (PCI_i + 0.5 PE_i)] + [HDBL_i \times PCI_i]$$

pour i = 1 à 12

où

HC = l'indemnité que doit payer HYDRO-QUÉBEC

HD_i = la quantité, en MWh, des Défaillances d'HYDRO-QUÉBEC pour des livraisons autres que des livraisons par liaison radiale durant le mois i de l'Année contractuelle précédente qui n'ont pas été reprogrammées pour livraison durant l'Année contractuelle précédente ou l'Année contractuelle en cours.

HC = the sum of :

$$[HD_i \times (PCI_i + 0.5 PE_i)] + [HDBL_i \times PCI_i]$$

for i = 1 to 12

where

HC = the amount of compensation to be paid by HYDRO-QUÉBEC

HD_i = the amount of the HYDRO-QUÉBEC Deficiencies for deliveries other than those made by Block Loading during month i of the previous Contract Year, expressed in MWh, which have not been re-scheduled for delivery in the previous or current Contract Years.

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$HDBL_i$ = la quantité, en MWh, des Défaillances d'HYDRO-QUÉBEC pour des Livraisons par Liaison radiale durant le mois i de l'Année contractuelle précédente qui n'ont pas été reprogrammées pour livraison durant l'Année contractuelle précédente ou l'Année contractuelle en cours.

$HDBL_i$ = the amount of HYDRO-QUÉBEC Deficiencies occurring on Block Loading during month i of the previous Contract Year, expressed in MWh, which have not been rescheduled for delivery in the previous or current Contract Years.

PE_i = le prix de l'énergie, en \$/MWh, pendant le mois i de l'Année contractuelle précédente tel qu'établi conformément à l'article IV.

PE_i = the price of energy in \$/MWh for the month i of the previous Contract Year, as established pursuant to Article IV

PCI_i = un prix en \$/MWh, équivalent au prix de la puissance pendant le mois i de l'Année contractuelle précédente et établi comme suit :

PCI_i = a price in \$/MWh equivalent to the price of capacity during the month i of the previous Contract Year and established as follows :

$$PCI_i = \frac{PC_i \times 12}{E}$$

$$PCI_i = \frac{PC_i \times 12}{E}$$

ou

where

PC_i = le prix mensuel total de la puissance, en \$/mois, en vigueur pendant le mois i de l'Année contractuelle précédente, tel qu'établi conformément à l'article IV, pour toute la puissance des Programmes B et C en vigueur durant ce mois.

PC_i = the total monthly capacity price in \$/month in effect during month i of the previous Contract Year, as established pursuant to Article IV for all Schedules B and C capacity in effect during that month.

E = la quantité d'énergie contractuelle pour ladite Année contractuelle précédente, établie pour les Programmes B et C conformément à l'article III et au paragraphe a) de l'article 5.2."

E = the amount of contractual energy for such previous Contract Year as established for Schedules B and C pursuant to Article III and Article 5.2, paragraph a)."

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ARTICLE VII

ARTICLE VII

article 6.2 du Contrat est modifié de façon suivante :

Article 6.2 of the Contract shall be modified as follows :

Le second alinéa du paragraphe b) de l'article 6.2 commençant par "Une Défaillance horaire des VERMONT JOINT OWNERS" et se terminant par "pour les raisons suivantes" est abrogé et remplacé par le suivant :

a) The second paragraph of paragraph b) of Article 6.2, starting with "A VERMONT JOINT OWNERS Hourly Deficiency" and ending with "for the following reasons" is hereby deleted and replaced by the following :

"Une Défaillance horaire des VERMONT JOINT OWNERS signifie la quantité d'énergie dont ils n'ont pas pris livraison, durant une heure quelconque, à cause de leur incapacité de prendre livraison de l'énergie prévue aux Engagements horaires pour les raisons énumérées aux sous-paragraphe i), ii et iii) ci-après, les Défaillances horaires des VERMONT JOINT OWNERS ne s'appliquant pas aux livraisons par liaison radiale :"

"A VERMONT JOINT OWNERS Hourly Deficiency shall mean the amount of energy not taken in any hour because of the inability of VERMONT JOINT OWNERS to take energy as provided in the Hourly Commitments for the reasons given in the following sub-paragraphs i), ii) and iii), provided that VERMONT JOINT OWNERS Hourly Deficiencies shall not apply to deliveries made by Block Loading :"

Cette partie du paragraphe b) de l'article 6.2 qui commence par "Si au terme d'une Année contractuelle" et qui se termine par "établis conformément au paragraphe e) de l'article 5.2" est abrogée et remplacée par ce qui suit :

b) The part of paragraph b) of Article 6.2 that begins with "if at the end of any Contract Year" and that ends with "... established pursuant to Article 5.2 paragraph e)." is hereby deleted and replaced by the following:

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"Si, au terme d'une Année contractuelle quelconque, la quantité d'énergie contractuelle annuelle établie conformément à l'article III et au paragraphe a) de l'article 5.2 n'est pas égale à la somme des Engagements horaires de cette Année contractuelle et à l'énergie livrée par Livraison par liaison radiale à cause d'erreurs de programmation, compte tenu des défaillances reprogrammées comprises dans les Engagements horaires, cette différence constitue une Défaillance annuelle des VERMONT JOINT OWNERS.

Pour une Année contractuelle quelconque, cette Défaillance annuelle des VERMONT JOINT OWNERS se définit comme suit :

l'énergie contractuelle annuelle qui doit être livrée durant ladite Année contractuelle en cours établie conformément à l'article III et au paragraphe a) de l'article 5.2, plus

- i) les Défaillances d'HYDRO-QUEBEC,
- ii) les Défaillances horaires et annuelles des VERMONT JOINT OWNERS,
- iii) les Défaillances d'interconnexion, et
- iv) l'énergie non livrée à cause des raisons énoncées à l'article 21.2

de l'Année contractuelle précédente que le Comité d'exploitation a décidé de reprogrammer pour livraison pendant l'Année contractuelle en cours conformément à l'article 6.3, plus

"If at the end of any Contract Year the amount of annual contractual energy as established pursuant to Article III and Article 5.2, paragraph a), is not equal to the sum of the Hourly Commitments for such Contract Year and of the energy delivered by Block Loading, for reasons of scheduling errors, taking into account the rescheduled deficiencies which are included in the Hourly Commitments, such difference shall constitute a VERMONT JOINT OWNERS Yearly Deficiency.

For any Contract Year, such VERMONT JOINT OWNERS Yearly Deficiency shall be defined as :

the annual contractual energy to be delivered during such current Contract Year as established pursuant to Article III and Article 5.2, paragraph a), plus

- i) the HYDRO-QUEBEC Deficiencies,
- ii) the VERMONT JOINT OWNERS Hourly and Yearly Deficiencies,
- iii) the Interconnection Deficiencies, and
- iv) the energy not delivered for the reasons given in Article 21.2

of the previous Contract Year that the Operating Committee decided to reschedule for delivery in the current Contract Year pursuant to Article 6.3, plus

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- i) les Défaillances d'HYDRO-QUEBEC,
- ii) les Défaillances horaires des VERMONT JOINT OWNERS,
- iii) les Défaillances d'interconnexion,
- iv) l'énergie non livrée à cause des raisons énoncées à l'article 21.2

- i) the HYDRO-QUEBEC Deficiencies,
- ii) the VERMONT JOINT OWNERS Hourly Deficiencies,
- iii) the Interconnection Deficiencies,
- iv) the energy not delivered for reasons given in Article 21.2

de l'Année contractuelle en cours qui ont été reprogrammées durant cette Année contractuelle en cours, moins

of the current Contract Year that were rescheduled during that current Contract Year, minus

la somme des Engagements horaires pour cette Année contractuelle en cours établis conformément au paragraphe e) de l'article 5.2, moins

the sum of the Hourly Commitments for that current Contract Year established pursuant to Article 5.2 paragraph e), minus

la quantité totale réelle des livraisons par liaison radiale durant l'Année contractuelle en cours, moins

the total amount of energy actually delivered by Block Loading during that current Contract Year, minus

les Défaillances d'HYDRO-QUEBEC et d'interconnexion qui se sont produites pour des livraisons par liaison radiale durant l'Année contractuelle en cours."

the HYDRO-QUEBEC and Interconnection Deficiencies that occurred on Block Loading during that current Contract Year."

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ARTICLE VIII

Le premier paragraphe de l'article 6.5 est abrogé et remplacé par ce qui suit :

"Une Défaillance d'interconnexion signifie la quantité d'énergie non livrée par HYDRO-QUÉBEC ou non prise par les VERMONT JOINT OWNERS, au cours d'une heure quelconque, à cause de la défaillance partielle ou totale de l'un ou de plusieurs des équipements suivants :

- a) la ligne Bedford-Highgate, un transformateur à 230/120 kV du poste St-Césaire, le réseau à 120 kV reliant les postes St-Césaire et Bedford, le redresseur-onduleur c.a.-c.c.-c.a. Highgate, ou le réseau à 115 kV reliant les postes Highgate et Essex qui comporte : la ligne K-21 entre le convertisseur de Highgate, les postes Highgate, St.Albans et Georgia ; la ligne K-21 entre Georgia, IBM et Essex ; la ligne K-19 entre Georgia, Sandbar et East Fairfax, et la ligne K-22 entre Sandbar et Essex, ou

ARTICLE VIII

The first paragraph of Article 6.5 is hereby deleted and replaced by the following :

"An Interconnection Deficiency shall mean the amount of energy not delivered by HYDRO-QUÉBEC or not taken by VERMONT JOINT OWNERS in any hour because of the partial or total outage of any of the following facilities :

- a) the Bedford-Highgate line, or a 230/120 kV transformer at Saint-Césaire substation, or the 120 kV system between the Saint-Césaire and Bedford substations, or the Highgate AC-DC-AC converter, or the 115 kV system between the Highgate and Essex substations consisting of the K-21 line - Highgate converter to Highgate substation to St. Albans to Georgia, the K-21 line Georgia to IBM to Essex, the K-19 line Georgia to Sandbar to East Fairfax, and the K-22 line Sandbar to Essex, or

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- | | |
|--|---|
| <p>b) les lignes de transport à 230 kV Des Cantons-Sherbrooke, les transformateurs 230-120 kV au poste Sherbrooke, le réseau à 120 kV reliant les postes Sherbrooke et Stanstead, la ligne de transport à 120 kV reliant les postes Stanstead et Border, le réseau de transport de la Citizens Utilities Company qui est raccordé de façon radiale au réseau d'HYDRO-QUÉBEC et qui comporte : le réseau à 120 kV reliant les postes Border, Newport et Highgate ; les transformateurs 120-46 kV aux postes Newport et Highgate ; le réseau de répartition reliant Newport, Irasburg, Highgate, Sheldon et St. Albans, ces équipements étant utilisés pour les livraisons par liaison radiale, ou</p> | <p>b) the 230 kV Des Cantons Sherbrooke transmission lines, the 230/120 kV transformers at Sherbrooke substation, the 120 kV system between the Sherbrooke and Stanstead substations, the 120 kV transmission line from Stanstead substation to the Border substation, the transmission system of Citizens Utilities Company radially connected to the HYDRO-QUEBEC system consisting of the 120 kV system between the Border, Newport and Highgate substations, the 120/46 kV transformation in the Newport and in the Highgate substations, the sub-transmission systems between Newport and Irasburg, and Highgate to Sheldon to St. Albans, utilized for Block Loading purposes, or</p> |
| <p>c) la ligne de transport à courant continu, isolée pour une tension d'exploitation nominale de 450 kV, qui relie le poste Des Cantons au Québec aux postes Comerford et Sandy Pond en Nouvelle-Angleterre, l'appareillage connexe des redresseurs et des onduleurs dans chaque poste, ainsi que les lignes de transport à courant continu et les installations connexes de conversion à courant continu qui sont installées pour augmenter à approximativement 2000 MW la capacité de transfert de ces installations, ou</p> | <p>c) the direct current transmission line insulated for a nominal operating voltage of 450 kV linking the Des Cantons substation in Québec to the Comerford and Sandy Pond substations in New England, the related rectifying and inverting equipment at each substation, and the direct current transmission lines and the related direct current converter facilities which are installed to increase to approximately 2000 MW the transfer capacity of these facilities, or</p> |
| <p>d) tout autre installation d'interconnexion telle qu'établie conformément à l'article IX.</p> | <p>d) any other Interconnection Facilities as established pursuant to Article IX.</p> |

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Dans le cas du Programme A, les Défaillances d'interconnexion sont établies selon les programmes horaires fournis par les VERMONT JOINT OWNERS conformément à l'article 5.1.

For Schedule A, Interconnection Deficiencies shall be established based on the hourly schedules provided by VERMONT JOINT OWNERS pursuant to Article 5.1.

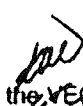
Dans le cas des livraisons en vertu des Programmes B et C autres que les Livraisons par liaison radiale, les Défaillances d'interconnexion sont établies selon les Engagements horaires.

For Schedules B and C deliveries other than those made by Block Loading, Interconnection Deficiencies shall be established based on the Hourly Commitments.

A moins qu'il n'en soit convenu autrement par le Comité d'exploitation, dans le cas des livraisons en vertu du Programme C qui sont des Livraisons par liaison radiale, les Défaillances d'interconnexion sont établies selon les programmes horaires fournis conformément aux paragraphes d) et f) de l'article 5.2. Les Défaillances d'interconnexion qui s'appliquent aux Livraisons par liaison radiale sont établies comme suit : la partie qui subit une défaillance partielle ou totale des équipements utilisés pour ces livraisons, tel qu'établi au présent article 6.5, en avise l'autre partie le plus tôt possible après le début et après la fin de cette défaillance. S'il y a lieu, la quantité des Défaillances d'interconnexion pour les Livraisons par liaison radiale, en MWh, est établie conjointement, pour une journée quelconque, par HYDRO-QUEBEC et les VERMONT JOINT OWNERS.

For Schedule C deliveries made by Block Loading, Interconnection Deficiencies shall be established based on the hourly schedules provided pursuant to Article 5.2 paragraphs d) and f), unless otherwise agreed to by the Operating Committee. For the purpose of determining when Interconnection Deficiencies exist on the Block Loading, the party experiencing a partial or total outage of its related facilities as established in this Article 6.5 shall notify the other party as soon as practicable after the start and the end of such outage. The amount of Interconnection Deficiencies on the Block Loading in MWh, if any, for any day, shall be jointly determined by HYDRO-QUEBEC and the VERMONT JOINT OWNERS.

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Pendant la période débutant le 1^{er} mai 1990 et se terminant le 31 décembre 1992, l'énergie qui est programmée pour livraison par liaison radiale et qui n'est pas prise par les VERMONT JOINT OWNERS à cause des travaux de construction effectués par la Citizens Utilities Company pour améliorer son réseau de transport fait partie des Défaillances d'interconnexion."

During the period from May 1, 1990 to December 31, 1992, any energy not taken by VERMONT JOINT OWNERS as scheduled for Block Loading, because of construction activities by Citizens Utilities Company to upgrade its transmission system shall be included in Interconnection Deficiencies."

ARTICLE IX

ARTICLE IX

l'article 9.2 est abrogé et remplacé par le qui suit :

Article 9.2 is hereby deleted and replaced by the following:

9.2 Installations d'interconnexions pour le Programme C

9.2 Interconnection Facilities for Schedule C

Les Installations d'interconnexion entre les VERMONT JOINT OWNERS et HYDRO-QUEBEC et le ou les Points de livraison y relatifs servant à livrer la puissance et l'énergie correspondant au Programme C de l'article 3.1 sont les suivantes :

The Interconnection Facilities between VERMONT JOINT OWNERS and HYDRO-QUEBEC and the related Delivery Point or Points for the delivery of capacity and energy corresponding to Schedule C of Article 3.1 are as follows:

) Installations d'interconnexion

a) Interconnection Facilities

- i) la ligne de transport à 120 kV entre le poste Bedford au Québec et le poste convertisseur à courant continu à Highgate au Vermont, ou
- ii) la ligne de transport à 120 kV entre le poste Stanstead au Québec et le poste Border au Vermont, ou

- i) the 120 kV transmission line from Bedford substation in Québec to the HVDC converter terminal at Highgate, Vermont, or
- ii) the 120 kV transmission line from Stanstead substation in Québec to Border substation in Vermont, or

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iii) la ligne de transport à courant continu à 450 kV entre le poste Des Cantons au Québec et les postes convertisseurs à Comerford, New Hampshire, et Sandy Pond Massachussetts, ou

iii) the 450 kV direct-current transmission line from the Des Cantons substation in Québec to the converter terminals at Comerford, New Hampshire, and Sandy Pond, Massachussetts, or

iv) d'autres installations d'interconnexion établies par entente des parties, ou

iv) such other Interconnection Facilities as may be agreed to by the parties, or

v) d'autres installations d'interconnexion établies par entente du Comité d'exploitation, pourvu qu'une telle entente ne requière pas la mise en place d'équipements additionnels.

v) such other Interconnection Facilities as may be agreed to by the Operating Committee provided such agreement does not require the installation of additional equipment.

b) Points de livraison

b) Delivery Points

Un ou des points situés à l'endroit où les installations d'interconnexion décrites au paragraphe a) ci-dessus traversent la frontière internationale entre le Canada et les États-Unis."

A point or points located where the Interconnection Facilities described in a) above cross the international boundary between Canada and the United States."

ARTICLE X

ARTICLE X

L'article 23 qui suit est ajouté au Contrat.

The following Article 23 shall be added to the Contract.

"ARTICLE XXIII

"ARTICLE XXIII

23.0 Conditions spéciales relatives aux livraisons par liaison radiale

23.0 Special Provisions for Block Loading

Nonobstant toute autre disposition au présent contrat, les conditions spéciales suivantes s'appliquent à toutes les livraisons par liaison radiale.

Notwithstanding any other provisions of this Contract, the following special provisions shall apply to all deliveries made by the use of Block Loading.

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3.1 Puissance et énergie

Les VERMONT JOINT OWNERS peuvent choisir de prendre une partie de la puissance et de l'énergie correspondant aux Programmes B et C par livraison par liaison radiale. Ces livraisons se font au moyen des installations d'interconnexion appropriées établies à l'article 9.2.

Les VERMONT JOINT OWNERS doivent aviser HYDRO-QUÉBEC de la quantité de puissance correspondant au Programme C-1 qui doit être livrée de cette façon au plus tard le 1^{er} janvier 1990, et des quantités de puissance correspondant aux Programmes B, C-2, C-3, C-4a et C-4b qui doivent être livrées de cette façon un an avant le début de ces Programmes. Les VERMONT JOINT OWNERS peuvent, en donnant un avis préalable de trois mois, modifier les quantités de puissance à être prises par livraison par liaison radiale au cours d'une Année contractuelle quelconque. La quantité de puissance établie de cette façon par les VERMONT JOINT OWNERS ne doit pas dépasser la capacité physique de transfert des installations d'interconnexion qui doivent être utilisées.

Le Comité d'exploitation peut, par entente, modifier la quantité de puissance qui doit être prise par des livraisons par liaison radiale.

La Livraison par liaison radiale d'une partie de la puissance correspondant au Programme C ne modifie pas la quantité totale d'énergie contractuelle pour une Année contractuelle quelconque, telle qu'établie conformément aux articles 3.1, 3.2 et 3.3.

23.1 Capacity and Energy

VERMONT JOINT OWNERS may elect to take delivery of part of the Schedules B and C capacity and energy by means of Block Loading. Such deliveries shall be made using the appropriate Interconnection Facilities listed in Article 9.2.

VERMONT JOINT OWNERS shall provide notice to HYDRO-QUEBEC of the amount of Schedule C-1 capacity to be so delivered on or before January 1, 1990 and of the amounts of capacity of Schedules B, C-2, C-3, C-4a and C-4b to be so delivered one year before the start of such Schedules. VERMONT JOINT OWNERS may modify the amounts of capacity to be delivered by Block Loading during any Contract Year by providing three months advance notice. The amount of capacity so specified by VERMONT JOINT OWNERS shall not exceed the physical transfer capability of the Interconnection Facilities to be used.

The Operating Committee may agree to a change in the amount of capacity to be delivered by Block Loading.

Delivery of parts of Schedule C capacity by Block Loading shall not alter the total amount of contractual energy for any Contract Year as established pursuant to Articles 3.1, 3.2 and 3.3.

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23.2 Répartition des Livraisons par liaison radiale de la puissance et de l'énergie

A moins qu'il n'en soit convenu autrement par le Comité d'exploitation, si des Livraisons par liaison radiale de puissance et d'énergie sont effectuées à un Point de livraison utilisé pour des livraisons faites selon d'autres contrats ou ententes entre HYDRO-QUÉBEC et la Citizens Utilities Company, les livraisons sont réparties, pour fins de facturation, entre le présent contrat et ces autres contrats et ententes de la façon suivante.

Si, pour une heure quelconque, les livraisons effectuées à un Point de livraison quelconque sont plus élevées que la somme de toutes les quantités programmées en vertu de tous les contrats et ententes en vigueur, l'excédent est d'abord attribué à tous autres contrats ou ententes, jusqu'à concurrence des quantités maximales, pour cette heure, en vertu de ces contrats ou ententes. Après ce rajustement, tout excédent de livraison est attribué au présent contrat.

Si, pour une heure quelconque, les livraisons effectuées à un Point de livraison quelconque sont inférieures à la somme de toutes les quantités programmées en vertu du présent contrat et de tous les autres contrats et ententes en vigueur, les quantités considérées comme étant livrées en vertu de ces autres contrats ou ententes sont d'abord réduites.


23.2 Allocation of deliveries of capacity and energy by Block Loading

Except as otherwise agreed to by the Operating Committee, if deliveries of capacity and energy are made by Block Loading at a Delivery Point that is also used for deliveries made pursuant to other contracts and agreements between HYDRO-QUEBEC and Citizens Utilities Company, the deliveries shall be allocated for billing purposes between this Contract and such other contracts and agreements, in the following manner.

In any hour, in the event actual deliveries at any Delivery Point exceed the sum of the amounts scheduled for all contracts or agreements in effect, the excess shall first be deemed to be deliveries under any other contracts or agreements, up to the maximum amounts for that hour pursuant to those contracts or agreements. After this adjustment is made, any remaining excess deliveries shall be deemed to be deliveries under this Contract.

In any hour, in the event actual deliveries at any Delivery Point are less than the sum of the amounts scheduled under this Contract and under all other contracts or agreements in effect, the scheduled amounts deemed to be delivered under such other contracts or agreements shall first be reduced.

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23.3 Excédents de puissance livrée

Si, pendant une journée quelconque, la quantité totale de puissance, en MWh/heure, livrée en vertu du présent contrat à tous les Points de livraison excède la puissance contractuelle totale en vigueur, les VERMONT JOINT OWNERS paient la pénalité suivante, CPEN, à HYDRO-QUÉBEC. La pénalité qui s'applique à un mois quelconque est facturée par HYDRO-QUÉBEC, s'il y a lieu, au début du mois suivant. Le paiement de cette pénalité ne doit pas être interprété comme donnant le droit aux VERMONT JOINT OWNERS de prendre plus de puissance que la puissance contractuelle totale.

$$CPEN = \frac{CE \times TPC \times 12}{C \times 365}$$

ou

CPEN = la pénalité à payer par les VERMONT JOINT OWNERS pour la puissance.

CE = l'excédent maximal de puissance livrée pendant une heure quelconque d'une journée, en MWh/Heure.

TPC = le prix mensuel total de la puissance, en \$US/mois, en vigueur pendant ladite journée, tel qu'établi conformément à l'article IV, pour tous les Programmes en vigueur.

C = la quantité totale de puissance contractuelle, en MW, pour tous les Programmes en vigueur.

23.3 Excess Capacity Delivered

If during any day the total amount of capacity in any hour, in MWh/hour, delivered pursuant to this Contract at all the Delivery Points, exceeds the total contractual capacity in effect, VERMONT JOINT OWNERS shall pay the following penalty, CPEN, to HYDRO-QUÉBEC. Such penalty, if any, will be billed by HYDRO-QUÉBEC at the beginning of each month for the previous month. The payment of such penalty shall not be interpreted as giving the VERMONT JOINT OWNERS the right to take capacity in excess of the total contractual capacity.

$$CPEN = \frac{CE \times TPC \times 12}{C \times 365}$$

where

CPEN = the capacity penalty to be paid by VERMONT JOINT OWNERS.

CE = The maximum amount of excess capacity delivered during any hour of a day, in MWh/hour.

TPC = The total monthly capacity price, in \$US/month in effect during such day, as established pursuant to Article IV, for all Schedules in effect.

C = The total amount of contractual capacity, in MW, for all Schedules in effect.

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ARTICLE XI

Le premier paragraphe de l'Annexe I du Contrat est abrogé et remplacé par ce qui suit :

"Cette annexe définit les variables requises pour calculer le prix mensuel de la puissance et le prix de l'énergie, pour la puissance et l'énergie qui correspondent aux Programmes B, C-1, C-2, C-3, C-4a et C-4b, selon les formules données au paragraphe b) de l'article 4.1. Les formules données dans cette annexe s'appliquent séparément pour chacun des Programmes."

ARTICLE XII

Date d'entrée en vigueur

La présente entente entre en vigueur le 31 décembre 1989.

EN FOI DE QUOI, les parties ont signé la présente entente.

ARTICLE XI

The first paragraph of Supplement I of the Contract is hereby deleted and replaced by the following :

"This Supplement defines the variables required to calculate the monthly capacity price and the energy price according to the formulas given in Article 4.1, paragraph b) for the capacity and energy corresponding to Schedules B, C-1, C-2, C-3, C-4a and C-4b. The formulas given in this Supplement shall be applied separately for each of these Schedules."

ARTICLE XII

Effective Date

This Agreement shall take effect on December 31, 1989.

IN WITNESS WHEREOF, the parties hereto signed this agreement.

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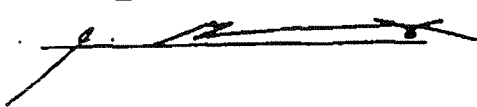
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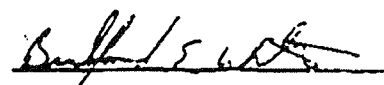
HYDRO-QUEBEC

By/par



ALLIED POWER AND LIGHT COMPANY

By/par



CITY OF BURLINGTON ELECTRIC DEPARTMENT

By/par



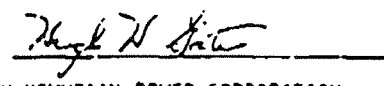
CENTRAL VERMONT PUBLIC SERVICE CORPORATION

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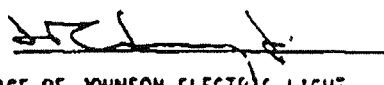
FRANKLIN ELECTRIC LIGHT COMPANY, INC.

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GREEN MOUNTAIN POWER CORPORATION

By/par



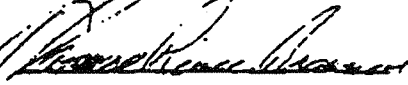
VILLAGE OF JOHNSON ELECTRIC LIGHT DEPARTMENT

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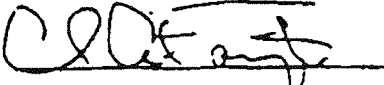
ROCHESTER ELECTRIC LIGHT & POWER COMPANY

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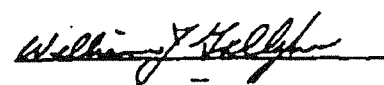
VERMONT ELECTRIC GENERATION & TRANSMISSION COOPERATIVE INC.

By/par



VERMONT PUBLIC POWER SUPPLY AUTHORITY

By/par



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Exhibit B-1

DEVELOPMENT COSTS THROUGH MARCH 31, 1988

Central Vermont	126,175.56
Green Mountain Power	98,373.85
Citizens Utilities	19,946.40
Johnson & Hyde Park	<u>1,691.15</u>
Subtotal (Utilities' Costs)	246,687.16
Downs Rachlin & Martin	55,685.77
Byers Casgrain	<u>20,755.39</u>
Subtotal (Attorneys' Fees)	76,441.16
Total	323,128.32

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Exhibit B-2

Allied	0.5852¢
Barton	0.3078¢
Burlington	7.3038¢
Central Vermont	44.0700¢
Citizens	2.9060¢
Enosburg	0.3322¢
Franklin	0.1858¢
Green Mountain	31.8142¢
Hardwick	0.7220¢
Hyde Park	0.1816¢
Jacksonville	0.0908¢
Johnson	0.3678¢
Ludlow	0.7234¢
Lyndonville	1.1236¢
Morrisville	0.9266¢
Northfield	0.5250¢
Orleans	0.3330¢
Readsboro	0.0512¢
Rochester	0.1430¢
Stowe	1.0798¢
Swanton	0.9950¢
Vermont Marble	1.6570¢
Vermont G&T Coop	2.4190¢
Washington Coop	1.1562¢

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Exhibit B-3

DEVELOPMENT COSTS BUDGET APRIL THROUGH AUGUST 1988

Central Vermont	43,683.00
Green Mountain Power	26,983.88
Citizens Utilities	416,075.00
Johnson & Hyde Park	12,200.00
Morrisville	31,900.00
VELCO	<u>50,000.00</u>
Subtotal (Utilities' Costs)	580,841.88
Downs Rachlin & Martin	<u>57,500.00</u>
Subtotal (Attorneys' Fees)	57,500.00
Total	638,341.88

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EXHIBIT C

[date]

TO: Those Persons Whose Names Appear on Schedule A Attached Hereto (List of names of each other Participant)
RE: The Hydro-Quebec Participation Agreement (the "Agreement")

This opinion is furnished to you in accordance with Section 2.5 of the Agreement. As [special] [general] counsel to [Participant], [we] [I] have represented [Participant] in connection with the transactions contemplated in the Agreement.

All capitalized terms used herein not otherwise defined shall have the meaning ascribed to them in the Agreement.

In rendering this opinion, [I] [we] have reviewed and are familiar with the Agreement, articles of incorporation and bylaws [charter] of [Participant], each as amended to date, the corporate proceedings taken by [Participant] in connection with the Agreement, and such other documents, records, filings and decisions as [I] [we] deemed necessary or appropriate in rendering this opinion.

As to any facts material to this opinion, [I] [we] have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to original documents of all documents submitted to us as certified or photostatic copies.

[I] [We] call your attention to the fact that [I] [am] [we] [are] qualified to practice law in the State of Vermont, and [I] [we] do not purport to be experts on, or to express any opinion concerning, any laws except the laws of the State of Vermont, and the federal laws of the United States.

Based upon and subject to the foregoing, [I] [am] [we] [are] of the opinion that:

- (1) [Participant] is duly organized, validly existing and in good standing under the laws of the State of Vermont;
- (2) [Participant] has full power and authority, in accordance with all legal requirements,

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to own or hold its properties and to carry on its business as presently conducted, and is duly qualified to do business and is in good standing in every jurisdiction in which the nature of its business makes qualification necessary:

- (3) [Participant] has obtained all Approvals required to execute and perform the Agreement (and the transactions, including the purchase of Contract power and energy, contemplated thereby), and such Approvals are valid, in full force and effect, and not subject to any action, suit, investigation or proceeding, pending or threatened, in which termination, cancellation or rescission of any part thereof is sought;
- (4) [Participant] has taken all requisite corporate action required and has full power and authority, in accordance with all legal requirements, to authorize, execute, deliver and perform the Agreement (and the transactions, including the purchase of Contract power and energy, contemplated thereby), and such authorization, execution, delivery and performance by [Participant] does not conflict with any law or the articles, (or) bylaw provisions (or charter) of [Participant] or with any agreement to which Participant is a party or by which it may be bound;
- (5) The Agreement (and the transactions, including the purchase of Contract power and energy, contemplated thereby) constitutes a valid and binding obligation of (Participant) enforceable in accordance with its or their terms (subject to judicial discretion, the exercise of the sovereign police powers of the State of Vermont, the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights); and

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Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Vermont Electric Cooperative, Inc.
Rate Schedule FERC No. 10
This Agreement has been assigned by Citizens to Vermont Electric Cooperative

Original Sheet No. 155

(6) There are no Claims pending or, to [our] [my] knowledge, threatened against [Participant] that contest the validity of [Participant]'s ability to perform its obligations under the Agreement or the transactions, including the purchase of Contract power and energy, contemplated thereby.

Very truly yours,

S1/47:0812

Issued by: Kelly Enright
Vice President and Executive Manager
Issued on: February 2, 2004

Effective Date: Closing of the VEC-Citizens
Proposed Transaction

Attachment 3

Ms. Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street, Drawer 20
Chittenden Bank Building
Montpelier, VT 05620-2701

Mr. William J. Gallagher
General Manager
Vermont Public Power Supply Authority
P.O. Box 298
Waterbury Center, Vermont 05677-0298

Mr. Bill Deehan
Central Vermont Public Service Corporation
77 Grove Street
Rutland, Vermont 05701

Ms. Lynn Paradis
Comptroller
Village of Enosburg Falls
Water and Light Department
R.F.D # 4, Box 80
Enosburg Falls, Vermont 05450

Ms. Crystal Currier
Village of Hyde Park, Inc.
P.O. Box 400
Hyde Park, Vermont 05655

Mr. Scott Corse
Manager/Superintendent
Village of Morrisville
Water and Light Department
Box 460
Morrisville, Vermont 05661

Mr. John Morley
Superintendent
Village of Orleans, Inc.
Memorial Square
Orleans, Vermont 05860

Mr. Bernard C. Machia
General Manager
Town of Stowe Electric Department
P.O. Box 190
Stowe, Vermont 05672

Mr. Avram Pratt
General Manager
Washington Electric Cooperative, Inc.
Box 8
East Montpelier, Vermont 05601

Mr. David O'Brien, Commissioner
Vermont Department of Public Service
112 State Street, Drawer 20
Chittenden Bank Building
Montpelier, VT 05620-2601

Mr. Denis Poirier
Barton Village, Inc.
P.O. Box 519
Barton, Vermont 05822

Mr. John Marshall, Esq.
Downs, Rachlin & Martin
9 Prospect Street
St. Johnsbury, Vermont 05819-0099

Mr. Donald Rendall
Green Mountain Power Corporation
P.O. Box 850
South Burlington, Vermont 05402

Mr. John Collins, Jr.
Comptroller
Village of Ludlow Electric Light Department
P.O. Box 289
Ludlow, Vermont 05149

Mr. Charles Morse
Village of Northfield
51 South Main Street
Northfield, Vermont 05663

Mr. Tom Pierce
President
Rochester Electric Light and Power
Box 6
Rochester, Vermont 05767

Mr. William Gleason
Operations Engineer
Vermont Marble Company
61 Main Street
Proctor, Vermont 05765

Mr. Ken Mason
Manager
Lyndonville Electric Department
Box 167
Lyndonville, Vermont 05851

