

ATTACHMENT G
Network Operating Agreement

Applicability

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

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

NETWORK OPERATING AGREEMENT

Between

Maritime Electric Company, Limited

and

(Insert Facility Owner Name)

(Date)

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NETWORK OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____.

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

- and -

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

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

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

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

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

1. DEFINITIONS

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

Transmission Provider Facilities

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

Customer Facilities

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

Without limiting the generality of the foregoing, these facilities include

Delivery Point

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

Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices,

methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by law.

Metering Equipment

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

Metering Point

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

Rental Facilities

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

Without limiting the generality of the foregoing, these facilities include

2. CHARACTERISTICS OF CONNECTION SERVICE

2.1 Characteristics of Supply

Subject to Article 3.1 hereof the transmission connection service supplied to the Customer

at the Delivery Point shall be three phase alternating current at the nominal frequency of 60 hertz and at a nominal voltage of _____ volts between phases.

2.2 Metering

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

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

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

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

3. GENERAL OBLIGATIONS OF THE CUSTOMER

3.1 Customer's Equipment

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

The Customer agrees that all motors, transformers and other equipment utilized in its

installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce detrimental effects on the Transmission Provider Facilities which will adversely affect the adequacy of service to the Customer and other customers.

3.2 Electrical Harmonics

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

3.3 Load Balance

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

3.4 Right-of-Way

The Customer agrees to provide and arrange for the necessary right-of-way on the

Customer's premises for the appropriate Transmission Provider Facilities and Rental Facilities free of cost to the Transmission Provider during the continuance of this Agreement, renewal or renewals thereof, and for six (6) months thereafter, so that the Transmission Provider, its subcontractors, their respective employees and agents may enter upon the same and build, install and erect, construct, operate, repair and remove any or all of the appropriate Transmission Provider Facilities or Rental Facilities, all of which shall not unduly interfere with the Customer's operations and which in the opinion of the Transmission Provider are necessary for the delivery of transmission service under this Agreement. Any changes which the Customer may request the Transmission Provider to make in the location of the Transmission Provider Facilities or Rental Facilities shall be made at the expense of the Customer.

3.5 Right of Access

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

3.6 Preparation for the Receipt of Transmission Connection Service

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

In addition to the foregoing the Customer agrees to provide, own and maintain beyond the Delivery Point any equipment which the Transmission Provider deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of

the Transmission Provider Facilities in accordance with Good Utility Practice. All the said equipment of the Customer shall be subject to the approval of the Transmission Provider and shall be installed, maintained and operated in a manner satisfactory to the Transmission Provider.

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

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

3.8 Insulation Contamination

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

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

4. GENERAL RIGHTS AND OBLIGATIONS OF TRANSMISSION PROVIDER

4.1 Interruption of Supply

The Transmission Provider shall provide a regular and uninterrupted delivery of transmission connection services under the terms of this Agreement but shall have no liability to the Customer for loss or damage from any failure of delivery in respect of any abnormality, delay, interruption or other partial or complete failure in the said delivery when such loss or damages are caused by something that is beyond the ability of the Transmission Provider to control by reasonable and practicable effort, said effort to be measured by Good Utility Practice as defined herein.

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

4.2 Special or Consequential Damages

Notwithstanding any other provision in this contract, the Transmission Provider shall not be liable to the Customer for special or consequential damages, or damages for loss of

use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

4.3 Removal of Equipment at Termination

The Transmission Provider shall, at the termination of this Agreement, or within six (6) months thereafter, remove from the Customer's premises the appropriate Transmission Provider Facilities and Rental Facilities which may have been installed by the Transmission Provider for the supply of transmission connection service under this Agreement, but after the expiration of said six (6) months period all such Transmission Provider Facilities and Rental Facilities shall be at the risk of the Transmission Provider.

5. ENVIRONMENTAL CONTAMINATION

5.1 Environmental Contamination

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

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

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

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

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

6. FORCE MAJEURE

6.1 Force Majeure

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

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

7. INDEMNITY

7.1 Indemnification Obligation

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

7.2 Control of Indemnification

If any third party shall notify any Indemnitee of a claim with respect to any matter which may give rise to a claim for indemnification against the other Party (the Indemnifying Party) under this Section, then the Indemnitee shall notify the Indemnifying Party thereof promptly (and in any event within ten (10) Business Days after receiving any written notice from a third party). The Indemnifying Party's liability hereunder to the

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

7.3 Recovery of Enforcement Costs

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

8. TERM OF AGREEMENT AND GOOD FAITH NEGOTIATION

8.1 Term of Agreement

The Initial Term of this Agreement shall commence on the day and year first above written and continue in force for a period of five (5) years. This Agreement shall terminate on the expiration of the Initial Term provided one of the Parties hereto has given at least twelve (12) months written notice to the other Party. Should neither of the Parties hereto give notice to terminate this Agreement at the expiration of the Initial Term, this Agreement shall continue in full force and effect provided however that it may be terminated at any time after the expiration of the Initial Term by either Party having first given at least twelve (12) months written notice of termination to the other Party.

8.2 Good Faith Negotiations Upon Occurrence of Certain Events

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

9. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether

oral or written, of the parties and there are not warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10. SUCCESSORS OF PARTIES

10.1 Successors and Assigns

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

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

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

11. MODE OF DELIVERY

11.1 Mode of Delivery

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

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

Attention:

- b. In the case of the Transmission Provider, to:

Vice President, Corporate Planning and Energy Supply

180 Kent Street

PO Box 1328

Charlottetown PE C1A 7N2

Fax: (902) 629-3665

E-mail: VicePresidentEnergySupply@MaritimeElectric.com

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

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

12. ADMENDMENT

12.1 Amendment

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

13. SEVERANCE AND GOVERNING LAW

13.1 Severance

It is intended that all provisions of this Agreement shall be fully binding and effective between the parties, but in the event that any particular provision or provisions or a part of one is found void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

13.2 Governing Law

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

14. DISPUTES

14.1 Dispute Resolution

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

14.2 Arbitration

Any matter in issue between the Parties as to their rights under this Agreement may, by mutual agreement of the parties hereto, be submitted to arbitration. Any dispute to be decided by arbitration shall be decided by a panel of three arbitrators, each party to choose one arbitrator within ten (10) days of the referral of the dispute to arbitration and the two so chosen shall, within a further ten (10) days, select a third arbitrator to be chairman in accordance with the *Arbitration Act of Prince Edward Island* or any re-enactment of the same. The arbitrators shall be knowledgeable in the electric industry and shall not have any current or past business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrators shall provide each of the parties an opportunity to be heard and shall generally conduct the arbitration in accordance with the provisions of the *Arbitration Act of Prince Edward Island*. Unless otherwise agreed by the parties, the arbitrators shall render a decision within ninety (90) days of appointment and shall notify the parties in writing of such decision and the reasons therefore. The arbitrators shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrators shall be conclusive, final and binding upon the parties. The decision of the arbitrators may be appealed solely on the grounds that the conduct of the arbitrators, or the decision itself, violated the provisions of the *Arbitration Act of Prince Edward Island*. The *Arbitration Act of Prince Edward Island* shall govern the procedures to apply in the enforcement of any award made. If it is necessary to enforce such award, all costs of enforcement shall be payable and paid by the party against whom such award is enforced. Each Party shall be otherwise responsible for its own costs incurred during the arbitration process.

14.3 Referral of Dispute to IRAC

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

- a. instead of proceeding through the Arbitration procedures outlined in Section 14.2 above, elect to refer a dispute directly to IRAC by filing a complaint with IRAC

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

- b. if either party is dissatisfied with the results of an arbitration decision rendered pursuant to Section 14.2, refer a complaint to IRAC for determination and the decision of IRAC with respect to the matter shall be final and binding.

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

Complaints filed with IRAC must be in writing and must include reasons and evidence in support of the party's position. A copy of the complaint, together with the supporting reasons and evidence, must be filed with the other party. IRAC may require a complainant to provide such security for the costs incurred or to be incurred by IRAC, as it considers reasonable, and such security may be forfeited to IRAC if the complaint is not substantiated.

15. REPRESENTATIONS OF MECL

MECL represents and warrants to Customer as follows:

15.1 Organization

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

15.2 Authority Relative to this Agreement

MECL has the requisite power and authority to execute and deliver this Agreement and to

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

15.3 Regulatory Approval

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

15.4 Compliance With Law and Agreements

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

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

16. REPRESENTATIONS OF CUSTOMER

Customer represents and warrants to MECL as follows:

16.1 Organization

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

16.2 Authority Relative to this Agreement

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

16.3 Regulatory Approval

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

16.4 Compliance with Law and Agreements

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

Customer represents and warrants that it will comply with all applicable laws, rules, regulations, codes, and standards of all federal, state, provincial, and local governmental

agencies having jurisdiction over Customer or the transactions under this Agreement and with which failure to comply could reasonably be expected to have a material adverse effect on MECL.

17. REPRESENTATIONS OF BOTH PARTIES

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

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

TRANSMISSION PROVIDER

CUSTOMER

Appendix A
Substation Diagram