

1 Q. **NLH Evidence, Schedule 3-VI, page 1 of 1**

2 Preamble:

3 The table shows no off-island electricity purchases. Based on Citation 2, it would  
4 appear that Hydro nevertheless intends to import significant quantities of off-island  
5 generation in 2018 and 2019.

6

7 a) Is the statement in the preamble correct? If not please, correct it.

8 b) Please:

9 i. confirm that Hydro expects off-island imports in 2018 and 2019 that are not  
10 indicated in Schedule 3-VI; and

11 ii. provide a table showing Hydro's Energy Purchases by Supplier, reflecting its  
12 current forecast for expected off-island energy purchases for 2018 and  
13 2019.

14 iii. Please provide any existing power purchase agreement with any generation  
15 or transmission utility, including but not limited to Churchill Falls (Labrador)  
16 Corp Ltd and Emera Inc, from whom supply to the Island Interconnected  
17 System may be expected in 2018 and 2019.

18 iv. If no such power purchase agreements have yet been signed, please provide  
19 an overview of the status of Hydro's discussions with such suppliers, and  
20 undertake to update the Board and intervenors as these discussions evolve.

21

22 A. a) Hydro confirms that the statement in the preamble is correct.

23 b) i. Hydro confirms that it does expect off-island imports in 2018 and 2019 that  
24 are not indicated in Schedule 3-VI.

25 ii. Please refer to LAB-NLH-009, Attachment 1.

- 1           iii. Please refer to LAB-NLH-009, Attachment 2 for the Power Purchase
- 2                 Agreement between Hydro and Churchill Falls (Labrador) Corporation
- 3                 Limited.
- 4           iv. Discussions remain ongoing and Hydro will provide update to the Board and
- 5                 intervenors once appropriate to do so.

**Newfoundland and Labrador Hydro  
Energy Purchases by Suppliers for 2015 to 2019  
Island Interconnected System**

Supplier	2015 TY Forecast		2015 Actuals		2016 Actuals		2017 Forecast		2018 TY Forecast		2019 TY Forecast	
	GWh	\$000	GWh	\$000	GWh	\$000	GWh	\$000	GWh	\$000	GWh	\$000
Recapture for Island Interconnected System use												
NP at Hydro Request	-	-	0.6	183	1.7	370	-	-	-	-	-	-
CBPP Secondary <sup>(1)</sup>	-	-	9.1	174	8.4	231	-	-	-	-	-	-
Star Lake	142.2	5,687	135.3	5,413	135.7	5,429	140.3	5,610	141.8	5,672	141.7	5,670
Rattle Brook	15.0	1,254	13.5	1,103	15.2	1,283	14.8	1,252	14.8	1,264	14.8	1,282
Corner Brook Cogen	51.1	10,281	62.5	11,879	70.6	13,317	66.5	12,934	66.5	12,536	66.5	12,554
St. Lawrence Wind	104.8	7,514	94.8	6,806	103.1	7,420	104.8	7,535	104.8	7,567	104.8	7,598
St. Lawrence Wind Ecoenergy Incentive Credit <sup>(2)</sup>		(638)		(466)		(828)		(560)		(621)		(31)
Fermeuse Wind	84.4	6,488	87.2	6,744	87.0	6,728	84.4	6,513	84.4	6,539	84.4	6,565
Fermeuse Wind Ecoenergy Incentive Credit <sup>(2)</sup>		(632)		(653)		(651)		(527)		(621)		(86)
Nalcor Exploits	633.5	25,340	559.5	22,380	495.4	19,815	587.0	23,482	615.4	24,615	615.0	24,600
CBPP Capacity Assistance	-	1,680	0.3	1,752	0.8	2,232	-	2,100	-	2,520	-	2,520
Vale Capacity Assistance	-	442	0.2	304	0.4	371	-	213	-	302	-	302
Vale Capacity Assistance (Curtailed Load)	-	-	-	-	-	-	-	126	-	168	-	168
Praxair Capacity Assistance <sup>(3)</sup>	-	-	-	-	0.0	35	-	140	-	140	-	140
<b>Total Power Purchases<sup>(4)</sup></b>	<b>1,031.0</b>	<b>57,416</b>	<b>962.9</b>	<b>55,618</b>	<b>918.2</b>	<b>55,752</b>	<b>997.9</b>	<b>58,819</b>	<b>1,415.9</b>	<b>60,967</b>	<b>1,946.2</b>	<b>63,228</b>

## Notes:

1. Recapture energy is reflected as delivered quantity to the Island Interconnected System.
2. CBPP Secondary amounts represent the actuals delivered to the IIS.
3. Ecoenergy Incentive Credits are paid to Hydro quarterly at \$0.0075/kwh on the eligible production (up to a maximum of 82.78 GWh annually)
4. 2016 Actuals appear as 0 due to rounding.
5. Differences in totals vs. addition of individual components due to rounding.

**THIS AGREEMENT** made at St. John's in the Province of Newfoundland as of the  
9th day of March, 1998.

**BETWEEN:** **CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**, a  
company organized under the laws of Canada and having its head  
office at St. John's in the Province of Newfoundland (hereinafter  
called "CF(L)Co") of the first part

**AND** **NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC  
CORPORATION** a corporation constituted by statute and an agent  
of her Majesty the Queen in right of the Province of Newfoundland  
and having its head office at Hydro Place, St. John's in the said  
Province (hereinafter called "Hydro") of the second part.

**WHEREAS** Hydro has purchased from CF(L)Co certain Electricity from CF(L)Co's  
hydro-electric plant at Churchill Falls pursuant to the 1976 Hydro/CF(L)Co Power  
Contract;

**AND WHEREAS** the parties wish to terminate the 1976 Hydro/CF(L)Co Power Contract  
and agree to a new contract for the supply and delivery of Electricity from CF(L)Co to  
Hydro upon the terms and conditions as hereinafter set forth;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that the parties hereto, each,  
in consideration of the premises and of the covenants, agreements and declarations  
made herein by the other, covenant, agree and declare as follows:

#### **ARTICLE 1**

#### **INTERPRETATION**

1.0 In this Agreement, unless the context otherwise requires, the following words  
and phrases shall have the following meanings:

- (a) **"Amount of Energy on Order" for a period means the Amount of Power on Order multiplied by the Load Factor prescribed in Article 3 multiplied by the number of hours in the period;**
- (b) **"Amount of Power on Order" means the amount of kilowatts prescribed in Article 3;**
- (c) **"Basic Contract Demand" means, in respect of any month, the number of kilowatthours obtainable, calculated to the nearest 1/100 of a billion kilowatthours, when the annual Amount of Energy on Order is multiplied by the number which corresponds to the number of days in the month concerned and the result is then divided by the number which corresponds to the number of days in the year concerned.**
- (d) **"Delivery Point" means the point or points at which delivery of the Energy is to be made hereunder, and includes, collectively, all of such points;**
- (e) **"Effective Delivery Point" means that point on the transmission lines from CF(L)Co's hydro-electric plant in Churchill Falls towards the Province of Quebec which is at the height of land, about opposite present Mile 148.8 on the Quebec North Shore and Labrador Railway, which is the presumed watershed between the St. Lawrence River and the Churchill River, or such other point on such transmission lines as may be determined by CF(L)Co;**
- (f) **"Electricity" includes Power and Energy;**
- (g) **"Energy" means the amount of Power taken during a given period of time and measured in kilowatthours;**

- (h) **"Force Majeure" means**
- (i) **any fortuitous event, act of governmental authority, act of public enemies, war, invasion or insurrection, riot, civil disturbance, labour trouble, strike; or**
  - (ii) **any flood, fire, shortage of labour, or of materials or of transport or other cause of inability to perform or delay in performing obligations hereunder which, in each such event, is beyond the reasonable control of the party or parties affected;**
- (i) **"Hydro-Quebec" means the corporate body duly incorporated and regulated by Hydro-Quebec Act, Chapter H-5, Revised Statutes of Quebec and having its head office at the City of Montreal in the Province of Quebec and includes its successors and assigns;**
- (j) **"Load Factor" means for any period, the ratio, expressed as a percentage, of the average Power over that period to the Maximum Power in that period;**
- (k) **"Maximum Power" means the greatest amount of Power averaged over a period of thirty (30) consecutive minutes during the appropriate month or part of a month, as the case may be;**
- (l) **"Month" means a calendar month;**
- (m) **"Power" means the amount of Electricity delivered at any instant of time measured in kilowatts; and**

(n) "1976 Hydro/CF(L)Co Power Contract" means the Power Contract executed and delivered as of September 1, 1976 by and between Hydro and CF(L)Co as amended from time to time.

1.02 All references to dollar amounts and all references to any other money amounts herein are, unless specifically otherwise provided, expressed in terms of coin or currency of Canada which at the time of payment or determination shall be legal tender in Canada for the payment of public and private debts.

1.03 Words herein importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders.

1.04 Where a word is defined anywhere in this Agreement, other parts of speech and tenses of the same word have corresponding meanings.

1.05 Wherever in this Agreement a number of days is prescribed for any purpose, the days shall be reckoned inclusively of the first and exclusively of the last.

1.06 Whenever this Agreement requires a notice to be given or a request to be made on a Sunday or legal holiday, such notice or request may be given or made, on the first business day occurring thereafter, and, whenever in this Agreement the time within which any right will lapse or expire shall terminate on a Sunday or legal holiday, such time will continue to run until the next succeeding business day.

1.07 The headings of all of the Articles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.08 Any reference in this Agreement to an Article or a Clause shall, unless the context otherwise specifically requires, be taken as a reference to an Article or Clause of this Agreement.

1.09 This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, but all of such counterparts together shall constitute one and the same instrument.

**ARTICLE 2**  
**TERM OF AGREEMENT**

2.01 The term of this Agreement runs from and including March 9, 1998 to and including 31 August, 2041.

**ARTICLE 3**  
**AMOUNT OF ELECTRICITY AND DELIVERY THEREOF**

3.01 The Amount of Power on Order is 300,000 kilowatts and the Load Factor is ninety percent (90%) per month. The aggregate amount is not to exceed 2.362 billion kilowatthours in a year.

3.02 Subject to the provisions of this Agreement, CF(L)Co will deliver to Hydro at the Delivery Points prescribed by or under Clause 3.03, such quantity of Electricity that if transmitted to and measured at the Effective Delivery Point, would amount to the Amount of Power on Order and Amount of Energy on Order.



**3.03 The Electricity referred to in Clause 3.02 shall be delivered by CF(L)Co to Hydro at the following Delivery Points:**

- (1) The CF(L)Co 230,000 volt bus at Churchill Falls;**
- (2) The metered locations of various Hydro customers being supplied by the 13.8 kV distribution system owned by CF(L)Co;**
- (3) The metered locations of various Hydro customers being supplied by the 66 kV sub-transmission system owned by CF(L)Co;**
- (4) The Effective Delivery Point; and**
- (5) Any other points mutually agreed to from time to time between CF(L)Co and Hydro pursuant to Clause 3.05.**

**Provided, however, that the sum of the amounts of Electricity delivered at the Delivery Points shall not exceed the amount specified in Clause 3.02, subject to any surplus energy sold to Hydro pursuant to Clause 5.**

**3.04 For the purpose of determining the equivalent amount of Electricity delivered to Hydro at the Effective Delivery Point the amount of Electricity delivered at each of the Delivery Points shall be increased or decreased at that Delivery Point by the quantity of transmission losses or gains, as the case be, between the Effective Delivery Point and the Delivery Point.**

**3.05 Subject to Clause 7.01, CF(L)Co will, on the written request of Hydro made from time to time, change any of the Delivery Points prescribed in Clause 3.03 or add one or more new Delivery Points, but if any such change or addition requires the installation of**

additional facilities, or obliges CF(L)Co to incur any other costs or expenses, such facilities will be furnished and installations made at the expense of Hydro.

3.06 The Electricity delivered to Hydro under this Agreement shall be only for consumption outside of the Province of Quebec.

#### **ARTICLE 4**

#### **PRICE OF POWER AND ENERGY**

4.01 Subject to the other provisions of this Agreement, Hydro shall pay to CF(L)Co for the right to use and for the use of the Electricity of CF(L)Co the sum of the amounts prescribed in accordance with the Clauses of this Article 4 from and including Clause 4.02 to and including Clause 4.07.

4.02 Hydro shall pay to CF(L)Co each Month from March 9, 1998 to September 1, 2041, an amount to be determined:

- (a) by multiplying the Basic Contract Demand for that Month by 66.67% of the applicable rate set out in Clause 4.03 (whether or not the Amount of Energy on Order for the Month is taken or made available);
- (b) by multiplying the amount of Energy taken at the Effective Delivery Point by Hydro for that Month by 33.33% of the applicable rate set out in Clause 4.03; and
- (c) by adding the amounts computed in accordance with paragraphs (a) and (b) of this Clause 4.02.

4.03 The applicable rates per kilowatthour for the Electricity of CF(L)Co shall be:

- (a) \$0.0027202 from and including March 9, 1998 to and including 31 August, 2001;
- (b) \$0.0025426 from and including 1 September, 2001 to and including 31 August, 2016; and
- (c) \$0.0020000 from and including 1 September, 2016 to and including 1 September, 2041.

4.04 Hydro shall pay to CF(L)Co that portion of the interest payments due by CF(L)Co on its debt obligations which CF(L)Co would, under its contract arrangements with Hydro-Quebec subsisting on 1 September, 1976, have received from Hydro-Quebec in respect of the Amount of Energy on Order, if that Energy had not been recaptured from Hydro-Quebec.

4.05 Payments under Clause 4.04 in respect of any debt obligation of CF(L)Co each consisting of all amounts then outstanding on account of that debt obligation, shall be made by Hydro at least three business days prior to the date upon which the interest on such debt obligation is required to be paid by CF(L)Co, whether that date is monthly, quarterly, half-yearly or yearly.

4.06 If, as a result of the recapture by CF(L)Co from Hydro-Quebec of the whole or any part of the Amount of Energy on Order the price payable to CF(L)Co by Hydro-Quebec for Energy is reduced by Hydro-Quebec during the period of the recapture notice in accordance with contract arrangements between CF(L)Co and Hydro-Quebec in effect at the date of the execution and delivery of this Agreement, then, from and including the date that such reduction becomes effective and thereafter during the

recapture notice period, which shall not exceed three years, Hydro shall, on notice of any such reduction given by CF(L)Co to Hydro, pay to CF(L)Co amounts necessary to indemnify CF(L)Co in respect of such reduction, and each such amount shall be

- (a) an amount sufficient to bring the payment received by CF(L)Co from Hydro-Quebec up to the sum CF(L)Co would have received from Hydro-Quebec; and
- (b) paid on or before the date that such amount would have been paid by Hydro-Quebec,

if the Amount of Energy on Order or part thereof, as the case may be, had not been recaptured from Hydro-Quebec.

4.07 This Agreement shall be construed towards the end that during the term thereof Hydro shall pay to CF(L)Co for the Electricity to be delivered to it by CF(L)Co hereunder the same price as would have been paid to CF(L)Co by Hydro-Quebec, in accordance with contract arrangements between CF(L)Co and Hydro-Quebec in effect at the date of the execution and delivery of this Agreement if such Electricity had, from the beginning of such contract arrangements, been sold continuously to Hydro-Quebec, without any reduction in the price that would have been paid under such contract arrangements if such Electricity had not been recaptured and a notice of recapture had not been given in respect of it, and if in respect of any period the sum of the amounts to be paid by Hydro to CF(L)Co under this Agreement is less or greater than the price that would have been so paid by Hydro-Quebec in accordance with such contract arrangements in respect of the same period, then, the price to be paid by Hydro to CF(L)Co hereunder shall be adjusted by way of increase or decrease to equalize it with the price that would have been so paid by Hydro-Quebec for the same amount of Electricity in respect of the same period.

**ARTICLE 5**  
**SURPLUS ENERGY**

5.01 CF(L)Co agrees to deliver to Hydro when requested up to and including December 31, 2014, interruptible Energy from its generating facilities resulting from under utilization of Energy reserved for its existing obligations when, in the sole discretion of CF(L)Co, it can be made available, and the price of such Energy shall be determined in the manner prescribed in Clause 5.02.

5.02 The rates for any Energy supplied to Hydro pursuant to this Article 5, shall be 33% of the rates prescribed in Clause 4.03. At the end of each four year review period as defined under the terms of the Power Contract between CF(L)Co and Hydro-Quebec dated May 12, 1969 (the "Power Contract"), the Energy Payable (as defined under the terms of the Power Contract) shall be compared to the Annual Energy Base as determined pursuant to the Power Contract (the "AEB"). If the Energy Payable for the period is less than the AEB, then Hydro shall pay 66% of the rates prescribed in Clause 4.03 on the amount of Energy that is equal to the difference between the Energy Payable for the period and the AEB, up to a maximum of the amount of Energy taken pursuant to this Article 5.

**ARTICLE 6**  
**MONTHLY BILL**

6.01 Except where otherwise expressly provided in this Agreement, CF(L)Co will render its accounts monthly, and Hydro will make payment in lawful money of Canada at CF(L)Co's office at St. John's, Newfoundland or at any such other place as CF(L)Co may designate, and Hydro will make payment of every such bill within 15 days after the

date on which any such account was rendered (without abatement or set off whatsoever except for credits or adjustments, if any, included in the account).

## **ARTICLE 7**

### **METERING**

7.01 Metering equipment and meters to register the Electricity taken by Hydro under this Agreement, shall be of a type approved by the appropriate Department of the Government of Canada, shall be furnished by CF(L)Co, and, if required to be located on Hydro's premises, shall be installed by CF(L)Co in a suitable place satisfactory to CF(L)Co and provided by Hydro, and shall be installed in such manner as to register accurately the total amount of Electricity taken by Hydro under this Agreement.

7.02 Hydro shall have the right, at its own expense, to install, equip and maintain check meters adjacent to the meters of CF(L)Co.

7.03 Wherever the metering equipment may be installed the readings of the meters will be increased or decreased as is appropriate to compensate for transmission losses between the point of metering and the Delivery Point.

7.04 Authorized employees of CF(L)Co shall have the right to access all such meters at all reasonable times for the purpose of reading, inspecting, testing, repairing or replacing them.

7.05 Should any meter fail to function or to register accurately, CF(L)Co shall promptly adjust, repair or replace the same.

7.06 Should any meter fail to register accurately, CF(L)Co may charge for the Electricity supplied during the period when the registration was inaccurate, either,

- (a) on the basis of the amount of Electricity charged for
  - (i) during the corresponding term immediately succeeding or preceding the period of alleged inaccurate registration, or
  - (ii) during the corresponding term in the previous calendar year; or
- (b) on the basis of the amount of Electricity supplied as established by available evidence,

whichever basis appears most fair and accurate.

7.07 The amount of Electricity taken at the Effective Delivery Point by Hydro under this Agreement shall be determined using the methodology established in Appendix "A" of this Agreement.

## **ARTICLE 8**

### **LIABILITY FOR SERVICE**

8.01 The Electricity herein contracted for will be made available for use by Hydro during 24 hours on each and every day of the term of this Agreement.

8.02 Either party may at any time discontinue or reduce the supply or taking of Electricity under this Agreement for the purpose of safeguarding human life or protecting its facilities from major damage but only to the extent necessary for such purpose.

8.03 No event of Force Majeure or of default hereunder shall give rise to, or result in, the termination of this Agreement.

8.04 Subject to Clause 4.07, events of Force Majeure shall have the effect of abating to the extent thereby not earned any payments provided for in this Agreement.

8.05 Subject to Clause 4.07, should either or both parties to this Agreement by reason of Force Majeure be prevented or delayed in the performance of any of its or their obligations hereunder, such party or parties shall not on that account be subject to any penalty under the provisions hereof or incur any liability to the other, but shall nonetheless perform such obligation as soon and to as full an extent as possible.

#### **ARTICLE 9**

#### **CONSTRUCTION OR INSTALLATION OF TRANSMISSION LINES OR APPARATUS**

9.01 For the purpose of using the Electricity to be supplied by CF(L)Co, Hydro shall at its expense furnish and install properly designed and suitable apparatus in accordance with good engineering practice, and shall at all times operate and maintain such apparatus so as to avoid causing any undue disturbance on the system of CF(L)Co.

9.02 If, at any time during the term of this Agreement, CF(L)Co or Hydro desires to improve the continuity of service to any of their customers, CF(L)Co and Hydro will cooperate and use their best endeavours to carry out the improvements either by changes to existing equipment or additions to the original installations of either CF(L)Co or Hydro.



**ARTICLE 10**  
**RESPONSIBILITY FOR DAMAGES**

10.01 CF(L)Co shall assume all obligations, risks and responsibilities for and shall forever indemnify and save Hydro harmless from and against any and all claims that may be made by third persons for injuries or damages to persons or property caused in any manner by electric current on or induced from the transmission circuits of CF(L)Co on CF(L)Co's side of the Delivery Point up to and including the Delivery Point, or by the presence or use of CF(L)Co's equipment, unless such injuries or damages are caused by the negligence of Hydro or any of its employees.

10.02 Hydro shall assume all obligations, risks and responsibilities and shall forever indemnify and save CF(L)Co harmless from and against any and all claims that may be made by third persons for injuries or damages to persons or property caused in any manner by electric current on or induced from the transmission circuits of Hydro on Hydro's side of the Delivery Point or by the presence or use of Hydro's equipment, unless such injuries or damages are caused by the negligence of CF(L)Co or any of its employees.

10.03 Subject to Clauses 10.04 and 10.05, neither party to this Agreement shall make any claim upon the other by reasons of one party's circuit and system being damaged or rendered inoperative for any period as a result of an occurrence on the circuits and system of the other party.

10.04 If any of the transmission lines or apparatus installed by CF(L)Co on Hydro's premises should be destroyed or damaged by the negligence of Hydro, its servants or agents, Hydro shall reimburse CF(L)Co for the cost of their replacement or repair.

10.05 If any of the transmission lines or apparatus installed by Hydro on the premises of CF(L)Co should be destroyed or damaged by the negligence of CF(L)Co, its servants or agents, CF(L)Co shall reimburse Hydro for the cost of their replacement or repair.

#### **ARTICLE 11**

#### **MODIFICATION OF AGREEMENT**

11.01 All previous communications between the parties to this Agreement, either oral or written, with reference to the subject matter of this Agreement, are hereby abrogated and this Agreement shall constitute the sole and complete agreement of the parties hereto in respect of the matters herein set forth.

11.02 Any amendment to or change or modification of this Agreement shall be binding upon the parties hereto to either of them only if such amendment, change or modification is in writing and is executed by affixing to it the common seal of each of the parties to this Agreement in the presence of its duly authorized officers and in accordance with its regulations or by-laws.

#### **ARTICLE 12**

#### **TERMINATION OF 1976 HYDRO/CF(L)CO POWER CONTRACT**

12.01 Hydro and CF(L)Co hereby covenant and agree that the 1976 Hydro/CF(L)Co Power Contract shall terminate when this Agreement comes into effect pursuant to Article 2 of this Agreement.

**ARTICLE 13**  
**SUCCESSORS AND ASSIGNS**

13.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

**ARTICLE 14**  
**APPLICABLE LAW AND FORUM**

14.01 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and every action or other proceeding arising hereunder shall be determined exclusively by a court of competent jurisdiction in the said Province, subject to the right of appeal up to the Supreme Court of Canada, where such appeal lies.

**ARTICLE 15**  
**ADDRESS FOR SERVICE**

15.01 Subject to Clause 15.02 and 15.03, any notice, request or other instrument which is required or permitted to be given, made or served under this Agreement by either of the parties hereto shall be given, made or served in writing and shall be served personally, sent by fax or mailed by prepaid registered post, addressed, if service is to be made

(a) on CF(L)Co, to

Churchill Falls (Labrador) Corporation Limited  
Hydro Place  
St. John's, Newfoundland  
Fax: (709) 737-1782

ATTENTION: The Secretary

(b) on Hydro, to  
Newfoundland and Labrador Hydro  
Hydro Place  
St. John's, Newfoundland  
Fax: (709) 737-1782

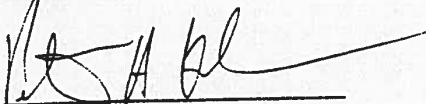
ATTENTION: The Secretary

15.02 Any notice, request or other instrument made pursuant to Clause 15.01 shall be deemed to have been received by the party hereto to which it is addressed, if personally served on the date of delivery, if mailed three business days after the time of its being so mailed, or if sent by fax on the day following the date of delivery.

15.03 Either of the parties hereto may change the address or fax number to which a notice, request or other instrument may be served personally, mailed or faxed to it by giving to the other party to this Agreement notice of such change, and, thereafter, every notice, request or other instrument shall be served personally, mailed or faxed in the manner prescribed in Clause 15.01 on or to such party at the new address or fax number.

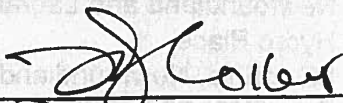
**IN WITNESS WHEREOF** Churchill Falls (Labrador) Corporation Limited and Newfoundland and Labrador Hydro-Electric Corporation has each executed this Agreement by causing its common seal to be affixed hereto in accordance with its by-laws or regulations and in the presence of its duly authorized officers, the day and year first above written.

The Common Seal of  
Churchill Falls (Labrador)  
Corporation Limited was  
hereunto affixed in the  
presence of:

  
\_\_\_\_\_

Witness

CHURCHILL FALLS (LABRADOR)  
CORPORATION LIMITED

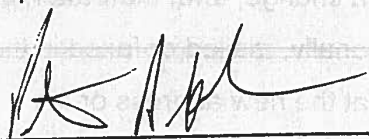
By  \_\_\_\_\_

Title: President

And  \_\_\_\_\_

Title: General Manager

The Common Seal of  
Newfoundland and Labrador  
Hydro-Electric Corporation  
was hereunto affixed in  
the presence of:

  
\_\_\_\_\_

Witness

NEWFOUNDLAND AND LABRADOR HYDRO-  
ELECTRIC CORPORATION

By  \_\_\_\_\_

Title: President

And Maurice P. Greene

Title: Vice-Pres, Gen. Counsel &  
Corp. Sec.

## APPENDIX "A"

### Metering Methodology

#### Meter Readings (Refer to Drawing - Labrador Load Metering)

CF1-	230 kV Energy to Wabush Measured at Churchill Falls
CF2-	138 kV Energy to Happy Valley Measured at Churchill Falls
CF3-	Hydro Customers in Churchill Falls
W1 -	46 kV Total energy to Iron Ore Company of Canada (IOCC) at Wabush Terminal Station (T.S.)
W2 -	46 kV Total energy to Wabush Mines at Wabush T.S.
W3 -	46 kV Total energy to Fermont for Hydro-Quebec at Wabush T. S.
W4 -	46 kV Total energy to Labrador City and Wabush for Hydro at Wabush T.S.

#### Calculations Applied to Meter Readings

1. Determine TWINCo (Twin Falls Power Corporation) consumption at Churchill Falls
  - a) IOCC Energy from TWINCo

Add together all half hour energy readings from W1 associated with a demand up to and including 160 MW.
  - b) Wabush Mines Energy from TWINCo

Add together all half hour energy readings from W2 associated with a demand up to and including 53.6 MW.
  - c) TWINCo Customers' Energy Consumption at Wabush T.S.

Add together IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.
  - d) TWINCo Consumption at Churchill Falls

Multiply TWINCo Customers' Energy Consumption at Wabush by the ratio of 1.053. 1.053 is the ratio of the TWINCo power at Churchill Falls of 225 MW to the TWINCo contracted energy delivery of 213.6 MW.

2. Determine Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

a) Hydro and Hydro-Quebec load at Wabush T.S.

Add together meter readings W1, W2, W3 and W4 and subtract IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.

b) Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Subtract TWINCo Consumption at Churchill Falls from CF1.

c) Hydro and Hydro-Quebec Line Losses to Wabush T.S.

Subtract Hydro and Hydro-Quebec load at Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

d) Hydro-Quebec Line Losses to Wabush T.S.

Multiply Hydro and Hydro-Quebec Line Losses to Wabush T.S. by the ratio of W3 to Hydro and Hydro-Quebec Load at Wabush T.S.

e) Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Add together Hydro-Quebec Line Losses to Wabush T.S. and W3.

f) Hydro Consumption at Churchill Falls for Wabush T.S.

Subtract Hydro-Quebec Consumption at Churchill Falls for Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

3. Determine Hydro Consumption at Churchill Falls for Happy Valley T.S.

a) Determine 230/138 kV transformers' No Load Losses

These are constant at 27,010 kWh per month.

b) Determine 230/138 kV Transformer's Load Losses

Calculated by squaring meter reading CF2 and multiplying the result by the constant factor  $9.917 \times 10^{-11}$ .

c) Hydro Consumption at Churchill Falls for Happy Valley T.S.

Add together the 230/138 kV transformer's No Load and Load Losses with meter reading CF2.

4. Determine Hydro Consumption at Churchill Falls for Churchill Falls

Multiply meter reading CF3 by 1.07. 7 percent represents the distribution losses in Churchill Falls.

5. Determine Hydro Consumption at Churchill Falls

Add together Hydro Consumption at Churchill Falls for Wabush, Happy Valley and Churchill Falls.

6. Determine Hydro Equivalent Consumption at the Effective Delivery Point

Divide Hydro Consumption at Churchill Falls by 1.023036. 2.3036 percent is the average energy lost between the Churchill Falls 230 kV bus and the Effective Delivery Point as determined by load flow analysis.

7. Total Energy taken by Hydro at the Effective Delivery Point

Add Hydro Equivalent Consumption at the Effective Delivery Point to Hydro-Quebec Purchase from Hydro at the Effective Delivery Point as determined in Annex IV of the Hydro-Quebec/Hydro agreement dated March 9, 1998.



Hydro Concentration of Chloride Cells for West Valley 1.5

and together the 250.138 by transformer No. 1 and load losses  
with meter reading 0.92

Determine Hydro Concentration of Chloride Cells

Mathematically reading 0.92 by 1.07 percent increase in the distribution losses  
in Chloride Cells

Determine Hydro Concentration of Chloride Cells

Add together Hydro Concentration of Chloride Cells for West Valley  
and Chloride Cells

Determine Hydro Equivalent Concentration of the Electric Delivery Point

Take the concentration with Chloride Cells by 1.02138. 2.02138 percent the  
average reading between the Chloride Cells 230KV and the Electric  
Delivery Point as determined previously

Total Energy Taken by Hydro and Electric Delivery Point

Add Hydro Equivalent Concentration of the Electric Delivery Point to Hydro  
Energy Taken in Hydro and Electric Delivery Point as determined in  
Appendix of the Hydro-Gas and Gas Concentration which is 1.998

**THIS AGREEMENT** made at St. John's in the Province of Newfoundland as of the 9th day of March, 1998.

**BETWEEN:** **CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**, a company organized under the laws of Canada and having its head office at St. John's in the Province of Newfoundland (hereinafter called "CF(L)Co") of the first part

**AND** **NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC CORPORATION** a corporation constituted by statute and an agent of her Majesty the Queen in right of the Province of Newfoundland and having its head office at Hydro Place, St. John's in the said Province (hereinafter called "Hydro") of the second part.

**WHEREAS** Hydro has purchased from CF(L)Co certain Electricity from CF(L)Co's hydro-electric plant at Churchill Falls pursuant to the 1976 Hydro/CF(L)Co Power Contract;

**AND WHEREAS** the parties wish to terminate the 1976 Hydro/CF(L)Co Power Contract and agree to a new contract for the supply and delivery of Electricity from CF(L)Co to Hydro upon the terms and conditions as hereinafter set forth;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that the parties hereto, each, in consideration of the premises and of the covenants, agreements and declarations made herein by the other, covenant, agree and declare as follows:

**ARTICLE 1**  
**INTERPRETATION**

1.0 In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

- (a) **"Amount of Energy on Order" for a period means the Amount of Power on Order multiplied by the Load Factor prescribed in Article 3 multiplied by the number of hours in the period;**
- (b) **"Amount of Power on Order" means the amount of kilowatts prescribed in Article 3;**
- (c) **"Basic Contract Demand" means, in respect of any month, the number of kilowatthours obtainable, calculated to the nearest 1/100 of a billion kilowatthours, when the annual Amount of Energy on Order is multiplied by the number which corresponds to the number of days in the month concerned and the result is then divided by the number which corresponds to the number of days in the year concerned.**
- (d) **"Delivery Point" means the point or points at which delivery of the Energy is to be made hereunder, and includes, collectively, all of such points;**
- (e) **"Effective Delivery Point" means that point on the transmission lines from CF(L)Co's hydro-electric plant in Churchill Falls towards the Province of Quebec which is at the height of land, about opposite present Mile 148.8 on the Quebec North Shore and Labrador Railway, which is the presumed watershed between the St. Lawrence River and the Churchill River, or such other point on such transmission lines as may be determined by CF(L)Co;**
- (f) **"Electricity" includes Power and Energy;**
- (g) **"Energy" means the amount of Power taken during a given period of time and measured in kilowatthours;**

- (h) **"Force Majeure" means**
  - (i) **any fortuitous event, act of governmental authority, act of public enemies, war, invasion or insurrection, riot, civil disturbance, labour trouble, strike; or**
  - (ii) **any flood, fire, shortage of labour, or of materials or of transport or other cause of inability to perform or delay in performing obligations hereunder which, in each such event, is beyond the reasonable control of the party or parties affected;**
- (i) **"Hydro-Quebec" means the corporate body duly incorporated and regulated by Hydro-Quebec Act, Chapter H-5, Revised Statutes of Quebec and having its head office at the City of Montreal in the Province of Quebec and includes its successors and assigns;**
- (j) **"Load Factor" means for any period, the ratio, expressed as a percentage, of the average Power over that period to the Maximum Power in that period;**
- (k) **"Maximum Power" means the greatest amount of Power averaged over a period of thirty (30) consecutive minutes during the appropriate month or part of a month, as the case may be;**
- (l) **"Month" means a calendar month;**
- (m) **"Power" means the amount of Electricity delivered at any instant of time measured in kilowatts; and**

(n) "1976 Hydro/CF(L)Co Power Contract" means the Power Contract executed and delivered as of September 1, 1976 by and between Hydro and CF(L)Co as amended from time to time.

1.02 All references to dollar amounts and all references to any other money amounts herein are, unless specifically otherwise provided, expressed in terms of coin or currency of Canada which at the time of payment or determination shall be legal tender in Canada for the payment of public and private debts.

1.03 Words herein importing the singular number shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders.

1.04 Where a word is defined anywhere in this Agreement, other parts of speech and tenses of the same word have corresponding meanings.

1.05 Wherever in this Agreement a number of days is prescribed for any purpose, the days shall be reckoned inclusively of the first and exclusively of the last.

1.06 Whenever this Agreement requires a notice to be given or a request to be made on a Sunday or legal holiday, such notice or request may be given or made, on the first business day occurring thereafter, and, whenever in this Agreement the time within which any right will lapse or expire shall terminate on a Sunday or legal holiday, such time will continue to run until the next succeeding business day.

1.07 The headings of all of the Articles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.08 Any reference in this Agreement to an Article or a Clause shall, unless the context otherwise specifically requires, be taken as a reference to an Article or Clause of this Agreement.

1.09 This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, but all of such counterparts together shall constitute one and the same instrument.

**ARTICLE 2**  
**TERM OF AGREEMENT**

2.01 The term of this Agreement runs from and including March 9, 1998 to and including 31 August, 2041.

**ARTICLE 3**  
**AMOUNT OF ELECTRICITY AND DELIVERY THEREOF**

3.01 The Amount of Power on Order is 300,000 kilowatts and the Load Factor is ninety percent (90%) per month. The aggregate amount is not to exceed 2.362 billion kilowatthours in a year.

3.02 Subject to the provisions of this Agreement, CF(L)Co will deliver to Hydro at the Delivery Points prescribed by or under Clause 3.03, such quantity of Electricity that if transmitted to and measured at the Effective Delivery Point, would amount to the Amount of Power on Order and Amount of Energy on Order.

**3.03 The Electricity referred to in Clause 3.02 shall be delivered by CF(L)Co to Hydro at the following Delivery Points:**

- (1) The CF(L)Co 230,000 volt bus at Churchill Falls;**
- (2) The metered locations of various Hydro customers being supplied by the 13.8 kV distribution system owned by CF(L)Co;**
- (3) The metered locations of various Hydro customers being supplied by the 66 kV sub-transmission system owned by CF(L)Co;**
- (4) The Effective Delivery Point; and**
- (5) Any other points mutually agreed to from time to time between CF(L)Co and Hydro pursuant to Clause 3.05.**

**Provided, however, that the sum of the amounts of Electricity delivered at the Delivery Points shall not exceed the amount specified in Clause 3.02, subject to any surplus energy sold to Hydro pursuant to Clause 5.**

**3.04 For the purpose of determining the equivalent amount of Electricity delivered to Hydro at the Effective Delivery Point the amount of Electricity delivered at each of the Delivery Points shall be increased or decreased at that Delivery Point by the quantity of transmission losses or gains, as the case be, between the Effective Delivery Point and the Delivery Point.**

**3.05 Subject to Clause 7.01, CF(L)Co will, on the written request of Hydro made from time to time, change any of the Delivery Points prescribed in Clause 3.03 or add one or more new Delivery Points, but if any such change or addition requires the installation of**

additional facilities, or obliges CF(L)Co to incur any other costs or expenses, such facilities will be furnished and installations made at the expense of Hydro.

3.06 The Electricity delivered to Hydro under this Agreement shall be only for consumption outside of the Province of Quebec.

#### **ARTICLE 4**

#### **PRICE OF POWER AND ENERGY**

4.01 Subject to the other provisions of this Agreement, Hydro shall pay to CF(L)Co for the right to use and for the use of the Electricity of CF(L)Co the sum of the amounts prescribed in accordance with the Clauses of this Article 4 from and including Clause 4.02 to and including Clause 4.07.

4.02 Hydro shall pay to CF(L)Co each Month from March 9, 1998 to September 1, 2041, an amount to be determined:

- (a) by multiplying the Basic Contract Demand for that Month by 66.67% of the applicable rate set out in Clause 4.03 (whether or not the Amount of Energy on Order for the Month is taken or made available);
- (b) by multiplying the amount of Energy taken at the Effective Delivery Point by Hydro for that Month by 33.33% of the applicable rate set out in Clause 4.03; and
- (c) by adding the amounts computed in accordance with paragraphs (a) and (b) of this Clause 4.02.



4.03 The applicable rates per kilowatthour for the Electricity of CF(L)Co shall be:

- (a) \$0.0027202 from and including March 9, 1998 to and including 31 August, 2001;
- (b) \$0.0025426 from and including 1 September, 2001 to and including 31 August, 2016; and
- (c) \$0.0020000 from and including 1 September, 2016 to and including 1 September, 2041.

4.04 Hydro shall pay to CF(L)Co that portion of the interest payments due by CF(L)Co on its debt obligations which CF(L)Co would, under its contract arrangements with Hydro-Quebec subsisting on 1 September, 1976, have received from Hydro-Quebec in respect of the Amount of Energy on Order, if that Energy had not been recaptured from Hydro-Quebec.

4.05 Payments under Clause 4.04 in respect of any debt obligation of CF(L)Co each consisting of all amounts then outstanding on account of that debt obligation, shall be made by Hydro at least three business days prior to the date upon which the interest on such debt obligation is required to be paid by CF(L)Co, whether that date is monthly, quarterly, half-yearly or yearly.

4.06 If, as a result of the recapture by CF(L)Co from Hydro-Quebec of the whole or any part of the Amount of Energy on Order the price payable to CF(L)Co by Hydro-Quebec for Energy is reduced by Hydro-Quebec during the period of the recapture notice in accordance with contract arrangements between CF(L)Co and Hydro-Quebec in effect at the date of the execution and delivery of this Agreement, then, from and including the date that such reduction becomes effective and thereafter during the

recapture notice period, which shall not exceed three years, Hydro shall, on notice of any such reduction given by CF(L)Co to Hydro, pay to CF(L)Co amounts necessary to indemnify CF(L)Co in respect of such reduction, and each such amount shall be

- (a) an amount sufficient to bring the payment received by CF(L)Co from Hydro-Quebec up to the sum CF(L)Co would have received from Hydro-Quebec; and
- (b) paid on or before the date that such amount would have been paid by Hydro-Quebec,

if the Amount of Energy on Order or part thereof, as the case may be, had not been recaptured from Hydro-Quebec.

4.07 This Agreement shall be construed towards the end that during the term thereof Hydro shall pay to CF(L)Co for the Electricity to be delivered to it by CF(L)Co hereunder the same price as would have been paid to CF(L)Co by Hydro-Quebec, in accordance with contract arrangements between CF(L)Co and Hydro-Quebec in effect at the date of the execution and delivery of this Agreement if such Electricity had, from the beginning of such contract arrangements, been sold continuously to Hydro-Quebec, without any reduction in the price that would have been paid under such contract arrangements if such Electricity had not been recaptured and a notice of recapture had not been given in respect of it, and if in respect of any period the sum of the amounts to be paid by Hydro to CF(L)Co under this Agreement is less or greater than the price that would have been so paid by Hydro-Quebec in accordance with such contract arrangements in respect of the same period, then, the price to be paid by Hydro to CF(L)Co hereunder shall be adjusted by way of increase or decrease to equalize it with the price that would have been so paid by Hydro-Quebec for the same amount of Electricity in respect of the same period.

**ARTICLE 5**  
**SURPLUS ENERGY**

5.01 CF(L)Co agrees to deliver to Hydro when requested up to and including December 31, 2014, interruptible Energy from its generating facilities resulting from under utilization of Energy reserved for its existing obligations when, in the sole discretion of CF(L)Co, it can be made available, and the price of such Energy shall be determined in the manner prescribed in Clause 5.02.

5.02 The rates for any Energy supplied to Hydro pursuant to this Article 5, shall be 33% of the rates prescribed in Clause 4.03. At the end of each four year review period as defined under the terms of the Power Contract between CF(L)Co and Hydro-Quebec dated May 12, 1969 (the "Power Contract"), the Energy Payable (as defined under the terms of the Power Contract) shall be compared to the Annual Energy Base as determined pursuant to the Power Contract (the "AEB"). If the Energy Payable for the period is less than the AEB, then Hydro shall pay 66% of the rates prescribed in Clause 4.03 on the amount of Energy that is equal to the difference between the Energy Payable for the period and the AEB, up to a maximum of the amount of Energy taken pursuant to this Article 5.

**ARTICLE 6**  
**MONTHLY BILL**

6.01 Except where otherwise expressly provided in this Agreement, CF(L)Co will render its accounts monthly, and Hydro will make payment in lawful money of Canada at CF(L)Co's office at St. John's, Newfoundland or at any such other place as CF(L)Co may designate, and Hydro will make payment of every such bill within 15 days after the

date on which any such account was rendered (without abatement or set off whatsoever except for credits or adjustments, if any, included in the account).

**ARTICLE 7**

**METERING**

7.01 Metering equipment and meters to register the Electricity taken by Hydro under this Agreement, shall be of a type approved by the appropriate Department of the Government of Canada, shall be furnished by CF(L)Co, and, if required to be located on Hydro's premises, shall be installed by CF(L)Co in a suitable place satisfactory to CF(L)Co and provided by Hydro, and shall be installed in such manner as to register accurately the total amount of Electricity taken by Hydro under this Agreement.

7.02 Hydro shall have the right, at its own expense, to install, equip and maintain check meters adjacent to the meters of CF(L)Co.

7.03 Wherever the metering equipment may be installed the readings of the meters will be increased or decreased as is appropriate to compensate for transmission losses between the point of metering and the Delivery Point.

7.04 Authorized employees of CF(L)Co shall have the right to access all such meters at all reasonable times for the purpose of reading, inspecting, testing, repairing or replacing them.

7.05 Should any meter fail to function or to register accurately, CF(L)Co shall promptly adjust, repair or replace the same.

7.06 Should any meter fail to register accurately, CF(L)Co may charge for the Electricity supplied during the period when the registration was inaccurate, either,

- (a) on the basis of the amount of Electricity charged for
  - (i) during the corresponding term immediately succeeding or preceding the period of alleged inaccurate registration, or
  - (ii) during the corresponding term in the previous calendar year; or
- (b) on the basis of the amount of Electricity supplied as established by available evidence,

whichever basis appears most fair and accurate.

7.07 The amount of Electricity taken at the Effective Delivery Point by Hydro under this Agreement shall be determined using the methodology established in Appendix "A" of this Agreement.

**ARTICLE 8**  
**LIABILITY FOR SERVICE**

8.01 The Electricity herein contracted for will be made available for use by Hydro during 24 hours on each and every day of the term of this Agreement.

8.02 Either party may at any time discontinue or reduce the supply or taking of Electricity under this Agreement for the purpose of safeguarding human life or protecting its facilities from major damage but only to the extent necessary for such purpose.

8.03 No event of Force Majeure or of default hereunder shall give rise to, or result in, the termination of this Agreement.

8.04 Subject to Clause 4.07, events of Force Majeure shall have the effect of abating to the extent thereby not earned any payments provided for in this Agreement.

8.05 Subject to Clause 4.07, should either or both parties to this Agreement by reason of Force Majeure be prevented or delayed in the performance of any of its or their obligations hereunder, such party or parties shall not on that account be subject to any penalty under the provisions hereof or incur any liability to the other, but shall nonetheless perform such obligation as soon and to as full an extent as possible.

#### **ARTICLE 9**

#### **CONSTRUCTION OR INSTALLATION OF TRANSMISSION LINES OR APPARATUS**

9.01 For the purpose of using the Electricity to be supplied by CF(L)Co, Hydro shall at its expense furnish and install properly designed and suitable apparatus in accordance with good engineering practice, and shall at all times operate and maintain such apparatus so as to avoid causing any undue disturbance on the system of CF(L)Co.

9.02 If, at any time during the term of this Agreement, CF(L)Co or Hydro desires to improve the continuity of service to any of their customers, CF(L)Co and Hydro will cooperate and use their best endeavours to carry out the improvements either by changes to existing equipment or additions to the original installations of either CF(L)Co or Hydro.

**ARTICLE 10**  
**RESPONSIBILITY FOR DAMAGES**

10.01 CF(L)Co shall assume all obligations, risks and responsibilities for and shall forever indemnify and save Hydro harmless from and against any and all claims that may be made by third persons for injuries or damages to persons or property caused in any manner by electric current on or induced from the transmission circuits of CF(L)Co on CF(L)Co's side of the Delivery Point up to and including the Delivery Point, or by the presence or use of CF(L)Co's equipment, unless such injuries or damages are caused by the negligence of Hydro or any of its employees.

10.02 Hydro shall assume all obligations, risks and responsibilities and shall forever indemnify and save CF(L)Co harmless from and against any and all claims that may be made by third persons for injuries or damages to persons or property caused in any manner by electric current on or induced from the transmission circuits of Hydro on Hydro's side of the Delivery Point or by the presence or use of Hydro's equipment, unless such injuries or damages are caused by the negligence of CF(L)Co or any of its employees.

10.03 Subject to Clauses 10.04 and 10.05, neither party to this Agreement shall make any claim upon the other by reasons of one party's circuit and system being damaged or rendered inoperative for any period as a result of an occurrence on the circuits and system of the other party.

10.04 If any of the transmission lines or apparatus installed by CF(L)Co on Hydro's premises should be destroyed or damaged by the negligence of Hydro, its servants or agents, Hydro shall reimburse CF(L)Co for the cost of their replacement or repair.

10.05 If any of the transmission lines or apparatus installed by Hydro on the premises of CF(L)Co should be destroyed or damaged by the negligence of CF(L)Co, its servants or agents, CF(L)Co shall reimburse Hydro for the cost of their replacement or repair.

#### **ARTICLE 11**

#### **MODIFICATION OF AGREEMENT**

11.01 All previous communications between the parties to this Agreement, either oral or written, with reference to the subject matter of this Agreement, are hereby abrogated and this Agreement shall constitute the sole and complete agreement of the parties hereto in respect of the matters herein set forth.

11.02 Any amendment to or change or modification of this Agreement shall be binding upon the parties hereto to either of them only if such amendment, change or modification is in writing and is executed by affixing to it the common seal of each of the parties to this Agreement in the presence of its duly authorized officers and in accordance with its regulations or by-laws.

#### **ARTICLE 12**

#### **TERMINATION OF 1976 HYDRO/CF(L)CO POWER CONTRACT**

12.01 Hydro and CF(L)Co hereby covenant and agree that the 1976 Hydro/CF(L)Co Power Contract shall terminate when this Agreement comes into effect pursuant to Article 2 of this Agreement.



**ARTICLE 13**  
**SUCCESSORS AND ASSIGNS**

13.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

**ARTICLE 14**  
**APPLICABLE LAW AND FORUM**

14.01 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Newfoundland and every action or other proceeding arising hereunder shall be determined exclusively by a court of competent jurisdiction in the said Province, subject to the right of appeal up to the Supreme Court of Canada, where such appeal lies.

**ARTICLE 15**  
**ADDRESS FOR SERVICE**

15.01 Subject to Clause 15.02 and 15.03, any notice, request or other instrument which is required or permitted to be given, made or served under this Agreement by either of the parties hereto shall be given, made or served in writing and shall be served personally, sent by fax or mailed by prepaid registered post, addressed, if service is to be made

(a) on CF(L)Co, to

Churchill Falls (Labrador) Corporation Limited  
Hydro Place  
St. John's, Newfoundland  
Fax: (709) 737-1782

ATTENTION: The Secretary

(b) on Hydro, to

Newfoundland and Labrador Hydro  
Hydro Place  
St. John's, Newfoundland  
Fax: (709) 737-1782

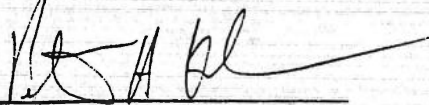
ATTENTION: The Secretary

15.02 Any notice, request or other instrument made pursuant to Clause 15.01 shall be deemed to have been received by the party hereto to which it is addressed, if personally served on the date of delivery, if mailed three business days after the time of its being so mailed, or if sent by fax on the day following the date of delivery.

15.03 Either of the parties hereto may change the address or fax number to which a notice, request or other instrument may be served personally, mailed or faxed to it by giving to the other party to this Agreement notice of such change, and, thereafter, every notice, request or other instrument shall be served personally, mailed or faxed in the manner prescribed in Clause 15.01 on or to such party at the new address or fax number.

**IN WITNESS WHEREOF** Churchill Falls (Labrador) Corporation Limited and Newfoundland and Labrador Hydro-Electric Corporation has each executed this Agreement by causing its common seal to be affixed hereto in accordance with its by-laws or regulations and in the presence of its duly authorized officers, the day and year first above written.

The Common Seal of  
Churchill Falls (Labrador)  
Corporation Limited was  
hereunto affixed in the  
presence of:



Witness

CHURCHILL FALLS (LABRADOR)  
CORPORATION LIMITED

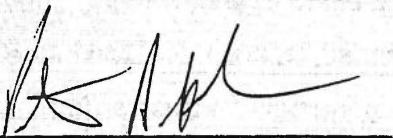
By 

Title: President

And 

Title: General Manager

The Common Seal of  
Newfoundland and Labrador  
Hydro-Electric Corporation  
was hereunto affixed in  
the presence of:



Witness

NEWFOUNDLAND AND LABRADOR HYDRO-  
ELECTRIC CORPORATION

By 

Title: President

And Maurice P. Greene

Title: Vice-Pres, Gen. Counsel &  
Corp. Sec.

APPENDIX "A"

Metering Methodology

Meter Readings (Refer to Drawing - Labrador Load Metering)

CF1-	230 kV Energy to Wabush Measured at Churchill Falls
CF2-	138 kV Energy to Happy Valley Measured at Churchill Falls
CF3-	Hydro Customers in Churchill Falls
W1 -	46 kV Total energy to Iron Ore Company of Canada (IOCC) at Wabush Terminal Station (T.S.)
W2 -	46 kV Total energy to Wabush Mines at Wabush T.S.
W3 -	46 kV Total energy to Fermont for Hydro-Quebec at Wabush T. S.
W4 -	46 kV Total energy to Labrador City and Wabush for Hydro at Wabush T.S.

Calculations Applied to Meter Readings

1. Determine TWINCo (Twin Falls Power Corporation) consumption at Churchill Falls
  - a) IOCC Energy from TWINCo

Add together all half hour energy readings from W1 associated with a demand up to and including 160 MW.
  - b) Wabush Mines Energy from TWINCo

Add together all half hour energy readings from W2 associated with a demand up to and including 53.6 MW.
  - c) TWINCo Customers' Energy Consumption at Wabush T.S.

Add together IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.
  - d) TWINCo Consumption at Churchill Falls

Multiply TWINCo Customers' Energy Consumption at Wabush by the ratio of 1.053. 1.053 is the ratio of the TWINCo power at Churchill Falls of 225 MW to the TWINCo contracted energy delivery of 213.6 MW.

2. Determine Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

a) Hydro and Hydro-Quebec load at Wabush T.S.

Add together meter readings W1, W2, W3 and W4 and subtract IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.

b) Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Subtract TWINCo Consumption at Churchill Falls from CF1.

c) Hydro and Hydro-Quebec Line Losses to Wabush T.S.

Subtract Hydro and Hydro-Quebec load at Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

d) Hydro-Quebec Line Losses to Wabush T.S.

Multiply Hydro and Hydro-Quebec Line Losses to Wabush T.S. by the ratio of W3 to Hydro and Hydro-Quebec Load at Wabush T. S.

e) Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Add together Hydro-Quebec Line Losses to Wabush T.S. and W3.

f) Hydro Consumption at Churchill Falls for Wabush T.S.

Subtract Hydro-Quebec Consumption at Churchill Falls for Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

3. Determine Hydro Consumption at Churchill Falls for Happy Valley T.S.

a) Determine 230/138 kV transformers' No Load Losses

These are constant at 27,010 kWh per month.

b) Determine 230/138 kV Transformer's Load Losses

Calculated by squaring meter reading CF2 and multiplying the result by the constant factor  $9.917 \times 10^{-11}$ .

c) Hydro Consumption at Churchill Falls for Happy Valley T.S.

Add together the 230/138 kV transformer's No Load and Load Losses with meter reading CF2.

4. Determine Hydro Consumption at Churchill Falls for Churchill Falls

Multiply meter reading CF3 by 1.07. 7 percent represents the distribution losses in Churchill Falls.

5. Determine Hydro Consumption at Churchill Falls

Add together Hydro Consumption at Churchill Falls for Wabush, Happy Valley and Churchill Falls.

6. Determine Hydro Equivalent Consumption at the Effective Delivery Point

Divide Hydro Consumption at Churchill Falls by 1.023036. 2.3036 percent is the average energy lost between the Churchill Falls 230 kV bus and the Effective Delivery Point as determined by load flow analysis.

7. Total Energy taken by Hydro at the Effective Delivery Point

Add Hydro Equivalent Consumption at the Effective Delivery Point to Hydro-Quebec Purchase from Hydro at the Effective Delivery Point as determined in Annex IV of the Hydro-Quebec/Hydro agreement dated March 9, 1998.



AMENDMENT OF POWER CONTRACT made as of the 1<sup>st</sup> day of April, 2009 (the "Effective Date").

**BETWEEN:**

**CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**, a company organized under the laws of Canada and having its head office at St. John's, in the Province of Newfoundland and Labrador,

(hereinafter called "CF(L)Co")

OF THE FIRST PART

**AND:**

**NEWFOUNDLAND AND LABRADOR HYDRO**, a corporation constituted by statute and an agent of her Majesty the Queen in right of the Province of Newfoundland and Labrador and having its head office at St. John's in said Province;

(hereinafter called "Hydro")

OF THE SECOND PART

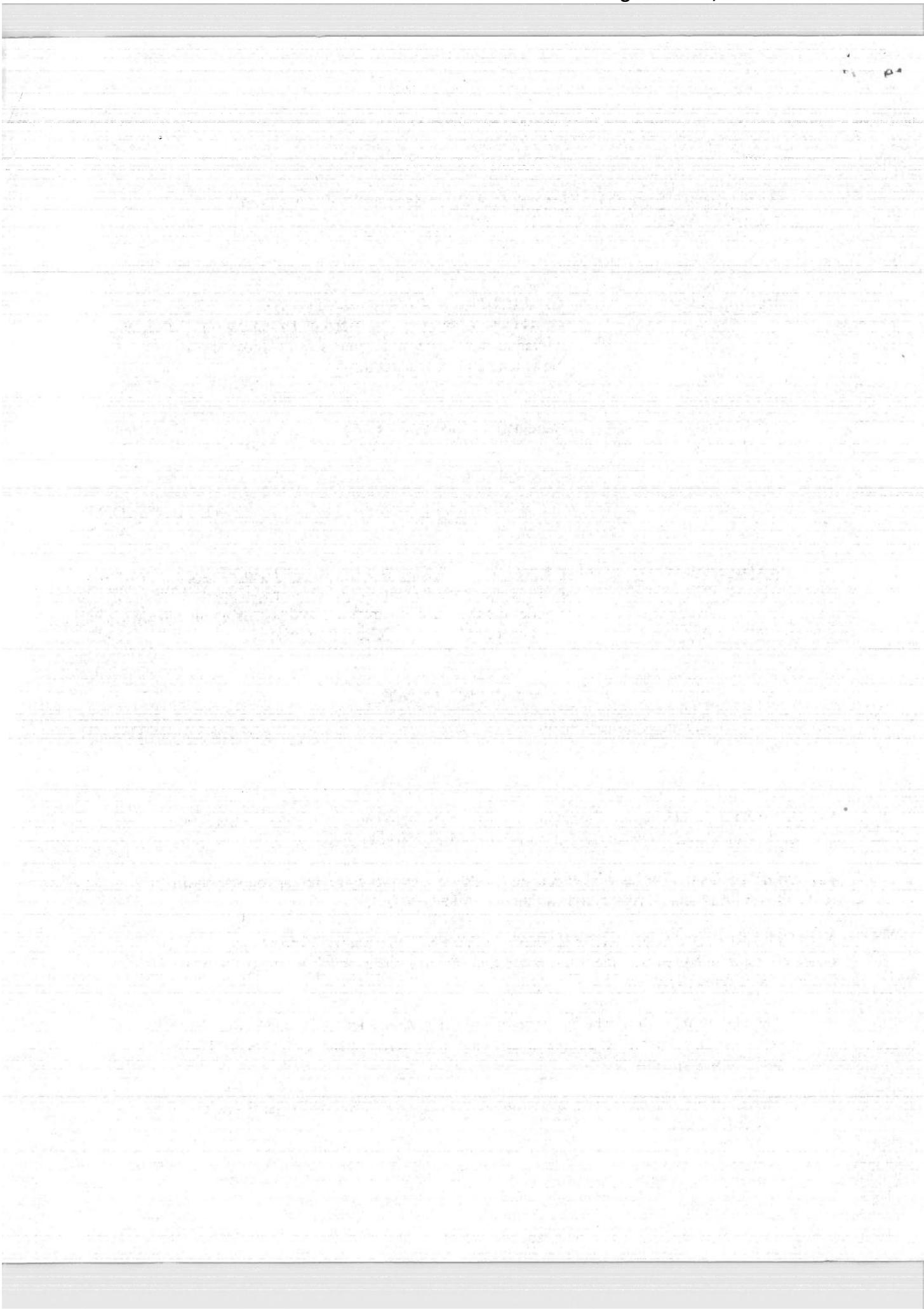
**WHEREAS** the Parties hereto entered into an Agreement dated March 9, 1998 for the supply and delivery of Electricity from CF(L)Co to Hydro (the "Power Contract");

**AND WHEREAS** the Parties wish to amend the Power Contract by removing the Appendix "A" to the Power Contract and replacing it with a new Appendix "A";

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that the Parties hereto, each, in consideration of the premises and of the covenants and agreements made herein by the other, covenant and agree as follows:

1. That the Power Contract be amended by removing Appendix "A" to the Power Contract (the "Original Appendix "A"") and replacing it with the Appendix "A" attached hereto (the "New Appendix "A"").
2. That as of the Effective Date, the Original Appendix "A" shall no longer form part of the Power Contract.

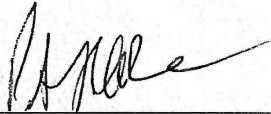




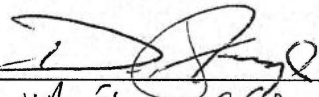
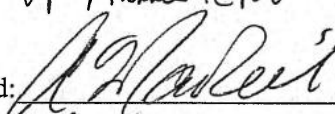
3. That as of the Effective Date, the New Appendix "A" shall form part of the Power Contract as Appendix "A" to that Agreement.
4. That the Power Contract as amended hereby is ratified and confirmed.

**IN WITNESS WHEREOF** Churchill Falls (Labrador) Corporation Limited and Newfoundland and Labrador Hydro have each executed this Agreement in accordance with their by-laws or regulations and in the presence of their respective duly authorized officers as of the day and year first above written.

**SIGNED, SEALED AND DELIVERED**  
by Churchill Falls (Labrador)  
Corporation Limited in the presence of:

  
\_\_\_\_\_  
WITNESS

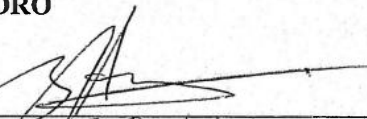
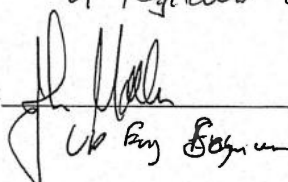
**CHURCHILL FALLS  
(LABRADOR) CORPORATION  
LIMITED**

By:   
\_\_\_\_\_  
VP - Finance & CEO  
And:   
\_\_\_\_\_  
General Manager

**SIGNED, SEALED AND DELIVERED**  
by Newfoundland and Labrador Hydro  
in the presence of:

  
\_\_\_\_\_  
WITNESS

**NEWFOUNDLAND AND LABRADOR  
HYDRO**

By:   
\_\_\_\_\_  
VP Regulated Operations  
And:   
\_\_\_\_\_  
VP Eng & Systems

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APPENDIX "A"

Metering Methodology

Meter Readings (Refer to Drawing - Labrador Load Metering)

CF1-	230 kV Energy to Wabush Measured at Churchill Falls
CF2-	138 kV Energy to Happy Valley Measured at Churchill Falls
CF3-	Hydro Customers in Churchill Falls
W1 -	46 kV Total energy to Iron Ore Company of Canada (IOCC) at Wabush Terminal Station (T.S.)
W2 -	46 kV Total energy to Wabush Mines at Wabush T.S.
W3 -	46 kV Total energy to Fermont for Hydro-Quebec at Wabush T. S.
W4 -	46 kV Total energy to Labrador City and Wabush for Hydro at Wabush T.S.

Calculations Applied to Meter Readings

1. Determine TWINCo (Twin Falls Power Corporation) consumption at Churchill Falls
  - a) IOCC Energy from TWINCo

Add together all half hour energy readings from W1 associated with a demand up to and including the total amount of power available to IOCC under the terms of the Amended Power Contract between IOCC and TWINCO dated November 30, 1967 and the Reserve Power Contract between IOCC and TWINCO dated August 1, 1976..
  - b) Wabush Mines Energy from TWINCo

Add together all half hour energy readings from W2 associated with a demand up to and including the amount of power available to Wabush Mines under the terms of the Amended Power Contract between Wabush Mines and TWINCO dated November 30, 1967.
  - c) TWINCo Customers' Energy Consumption at Wabush T.S.

Add together IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.

The table area is mostly blank, with faint horizontal lines suggesting a grid structure. There are some very faint, illegible characters and marks scattered across the page, but no readable text or data is present.

d) TWINCo Consumption at Churchill Falls

Multiply TWINCo Customers' Energy Consumption at Wabush by the ratio of 1.053. 1.053 is the ratio of the TWINCo power at Churchill Falls of 225 MW to the TWINCo contracted energy delivery of 213.6 MW.

2. Determine Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

a) Hydro and Hydro-Quebec load at Wabush T.S.

Add together meter readings W1, W2, W3 and W4 and subtract IOCC Energy from TWINCo and Wabush Mines Energy from TWINCo.

b) Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Subtract TWINCo Consumption at Churchill Falls from CF1.

c) Hydro and Hydro-Quebec Line Losses to Wabush T.S.

Subtract Hydro and Hydro-Quebec load at Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

d) Hydro-Quebec Line Losses to Wabush T.S.

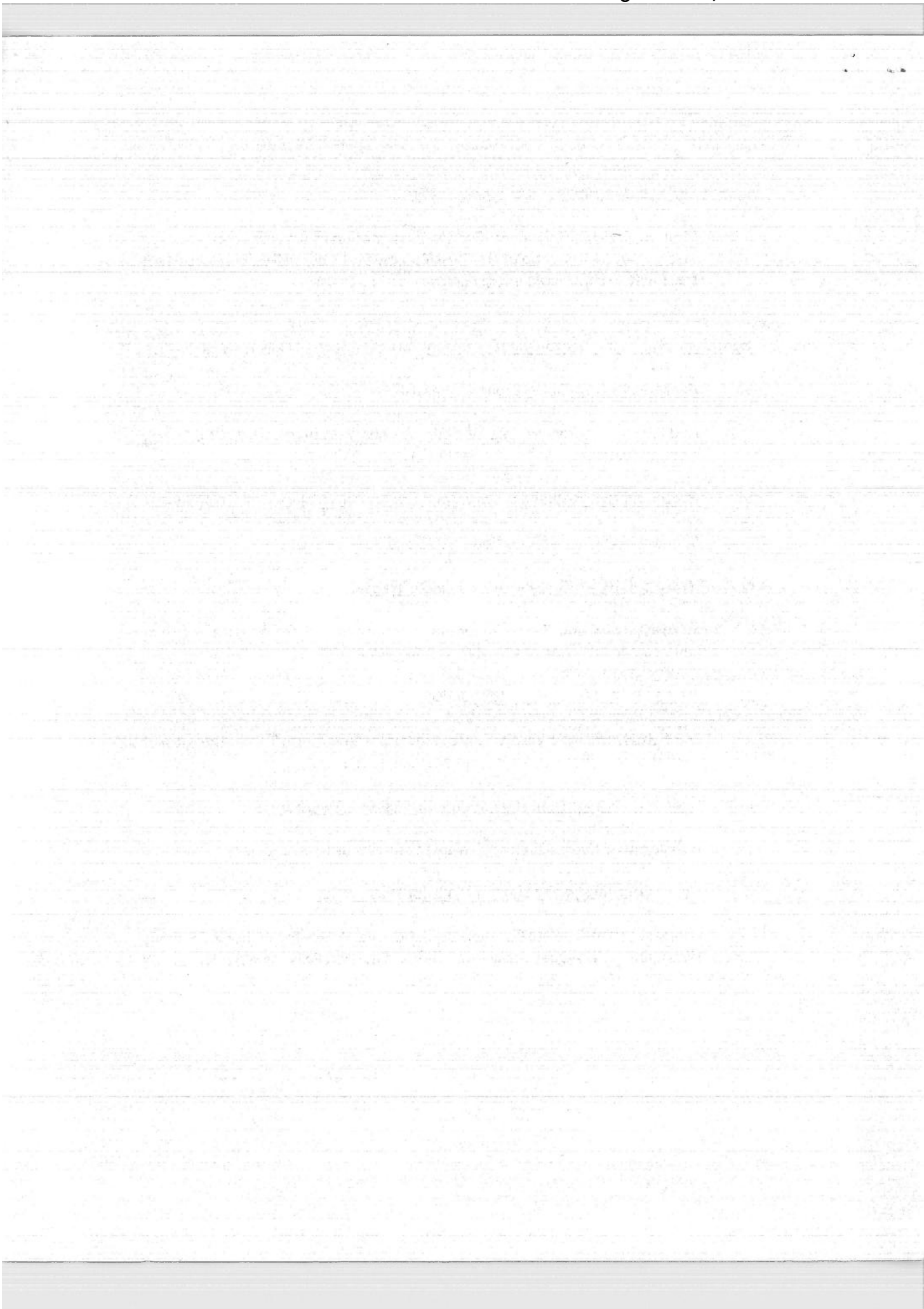
Multiply Hydro and Hydro-Quebec Line Losses to Wabush T.S. by the ratio of W3 to Hydro and Hydro-Quebec Load at Wabush T. S.

e) Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.

Add together Hydro-Quebec Line Losses to Wabush T.S. and W3.

f) Hydro Consumption at Churchill Falls for Wabush T.S.

Subtract Hydro-Quebec Consumption at Churchill Falls for Wabush T.S. from Hydro and Hydro-Quebec Consumption at Churchill Falls for Wabush T.S.



3. Determine Hydro Consumption at Churchill Falls for Happy Valley T.S.
  - a) Determine 230/138 kV transformers' No Load Losses

These are constant at 27,010 kWh per month.
  - b) Determine 230/138 kV Transformer's Load Losses

Calculated by squaring meter reading CF2 and multiplying the result by the constant factor  $9.917 \times 10^{-11}$ .
  - c) Hydro Consumption at Churchill Falls for Happy Valley T.S.

Add together the 230/138 kV transformer's No Load and Load Losses with meter reading CF2.
  
4. Determine Hydro Consumption at Churchill Falls for Churchill Falls

Multiply meter reading CF3 by 1.07. 7 percent represents the distribution losses in Churchill Falls.
  
5. Determine Hydro Consumption at Churchill Falls

Add together Hydro Consumption at Churchill Falls for Wabush, Happy Valley and Churchill Falls.
  
6. Determine Hydro Equivalent Consumption at the Effective Delivery Point

Divide Hydro Consumption at Churchill Falls by 1.023036. 2.3036 percent is the average energy lost between the Churchill Falls 230 kV bus and the Effective Delivery Point as determined by load flow analysis.
  
7. Total Energy taken by Hydro at the Effective Delivery Point

Add Hydro Equivalent Consumption at the Effective Delivery Point to the amount of energy Hydro exports at the Effective Delivery Point for use outside the Province of Quebec.





**THIS SECOND AMENDMENT OF POWER CONTRACT** made at St. John's in the Province of Newfoundland and Labrador as of the 1 day of Nov 2012.

**BETWEEN:** **CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**, a company organized under the laws of Canada and having its head office at St. John's in the Province of Newfoundland and Labrador ("CF(L)Co")

Of the First Part

**AND** **NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC CORPORATION** a corporation constituted by statute and an agent of her Majesty the Queen in right of the Province of Newfoundland and Labrador and having its head office at Hydro Place, St. John's in the said Province ("Hydro")

Of the Second Part.

**WHEREAS** the parties hereto entered into an agreement dated March 9, 1998 for the supply and delivery of Electricity from CF(L)Co to Hydro (the "Power Contract");

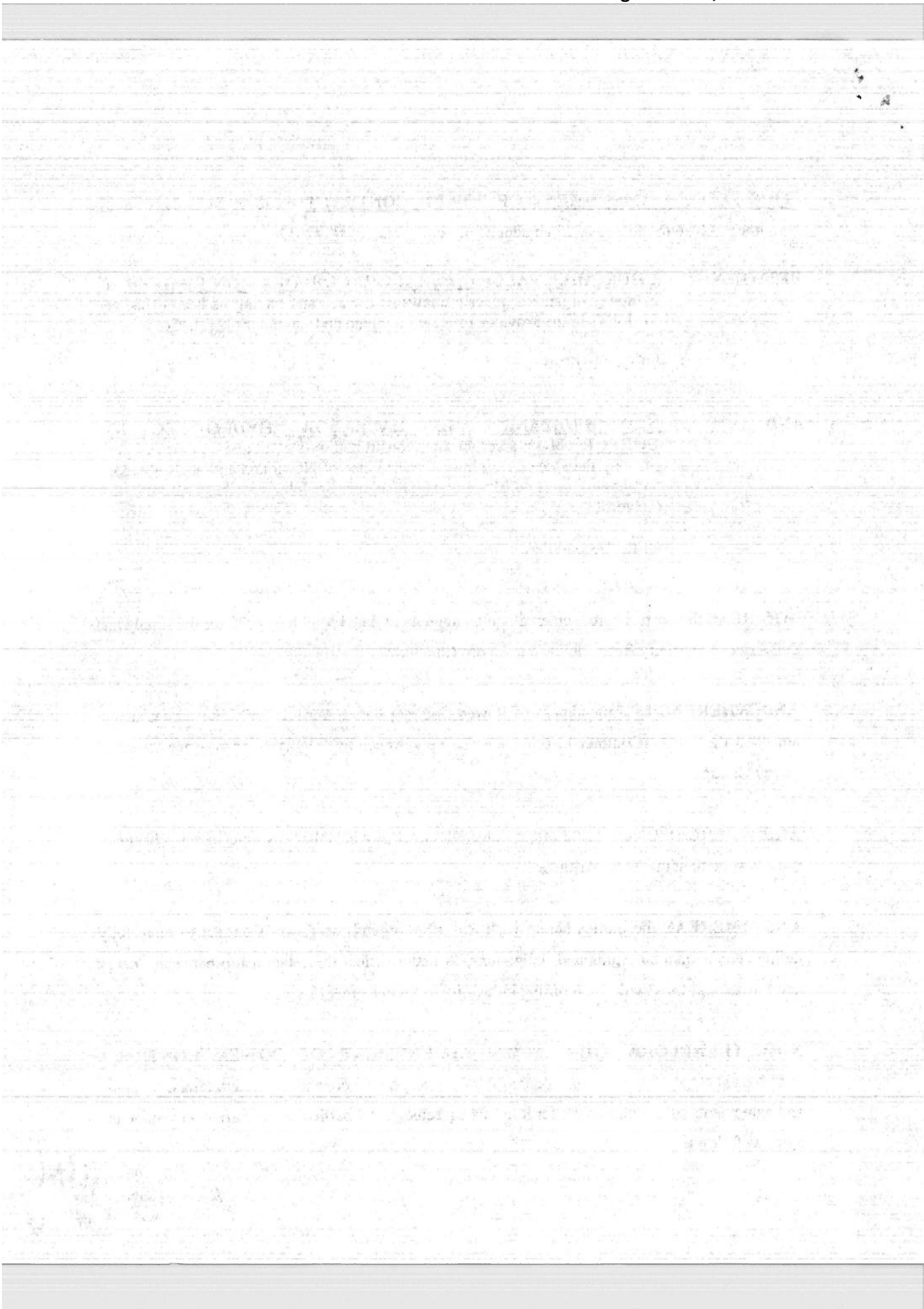
**AND WHEREAS** by Amendment of Power Contract dated April 1, 2009 the parties hereto amended the Power Contract to provide for a new Appendix "A" (the "First Amendment of Power Contract");

**AND WHEREAS** Clause 11.02 of the Power Contract provides that any amendment, change or modification to same, be in writing;

**AND WHEREAS** the parties hereto wish to further amend the Power Contract to more fully define certain of their rights and obligations, to better reflect the relationship between Energy and Power, and to provide for a further indemnity in favour of CF(L)Co;

**NOW THEREFORE THIS SECOND AMENDMENT OF POWER CONTRACT WITNESSES** that for and in consideration of the respective covenants, undertakings, promises and agreements of the parties set forth in this agreement, the parties hereto hereby covenant and agree as follows:



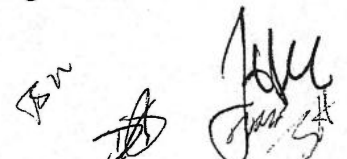


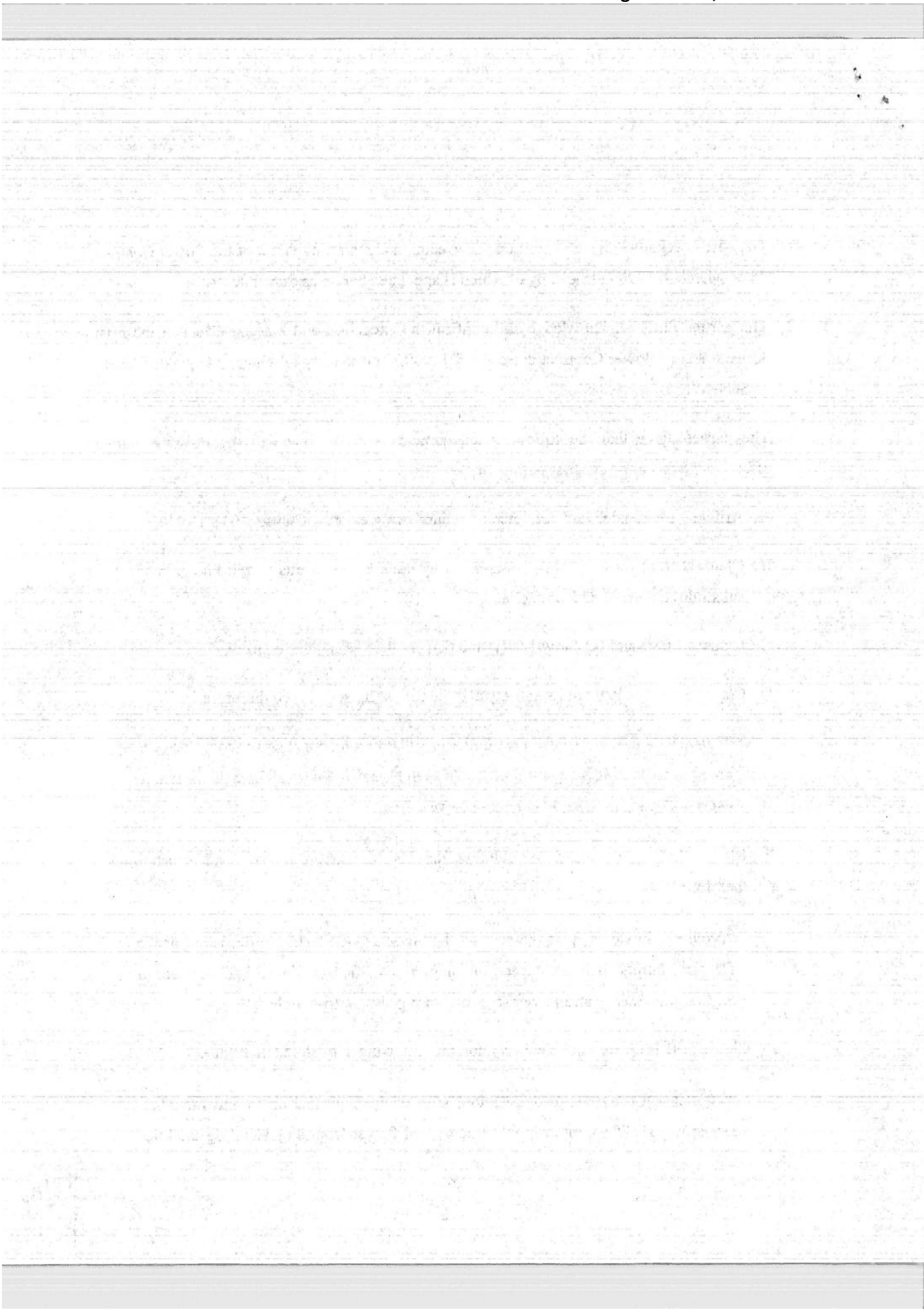
1. The parties acknowledge and confirm the execution and binding effect of the Power Contract dated March 9, 1998 (a true copy of which is appended hereto as Schedule "A");
2. The parties further acknowledge and confirm the execution and binding effect of the First Amendment of Power Contract dated April 1, 2009 (a true copy of which is appended hereto as Schedule "B");
3. The parties agree that the following amendments shall be made to the Power Contract effective the day and year first before written:
  - A. Article 1 is amended and corrected by renumbering existing Clause 1.0 as 1.01.
  - B. Clause 1.0 (a) (now 1.01(a)) is amended by deleting the words "Load Factor" and substituting therefore "load factor".
  - C. Clauses 1.0 (j) and (k) (now 1.01(j) and (k)) are deleted in their entirety.
  - D. Clause 3.01 is deleted in its entirety and the following substituted therefore:

"3.01 The Amount of Power on Order is 300,000 kilowatts and the load factor is ninety percent (90%) per month. The aggregate amount of Energy is not to exceed 2.362 billion kilowatthours in a year."
  - E. Clause 3.03 is amended by deleting the last paragraph thereof and substituting therefore:

"Provided, however, that the sum of the amounts of Electricity delivered at the Delivery Points shall not exceed the amount specified in Clause 3.02, subject to any surplus Energy and Power sold to Hydro pursuant to Article 5."
  - F. Clause 5.01 is deleted in its entirety and the following substituted therefore:

"5.01 CF(L)Co agrees to deliver to Hydro when requested up to and including December 31, 2014, interruptible Energy and Power from its generating facilities





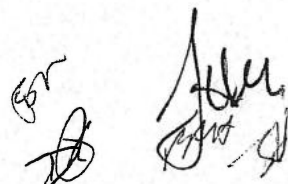
resulting from under utilization of Energy and Power reserved for its existing obligations when, in the sole discretion of CF(L)Co, it can be made available without violating such existing obligations, and the price of such Energy and Power shall be determined in the manner prescribed in Clauses 5.02 and 5.03.”

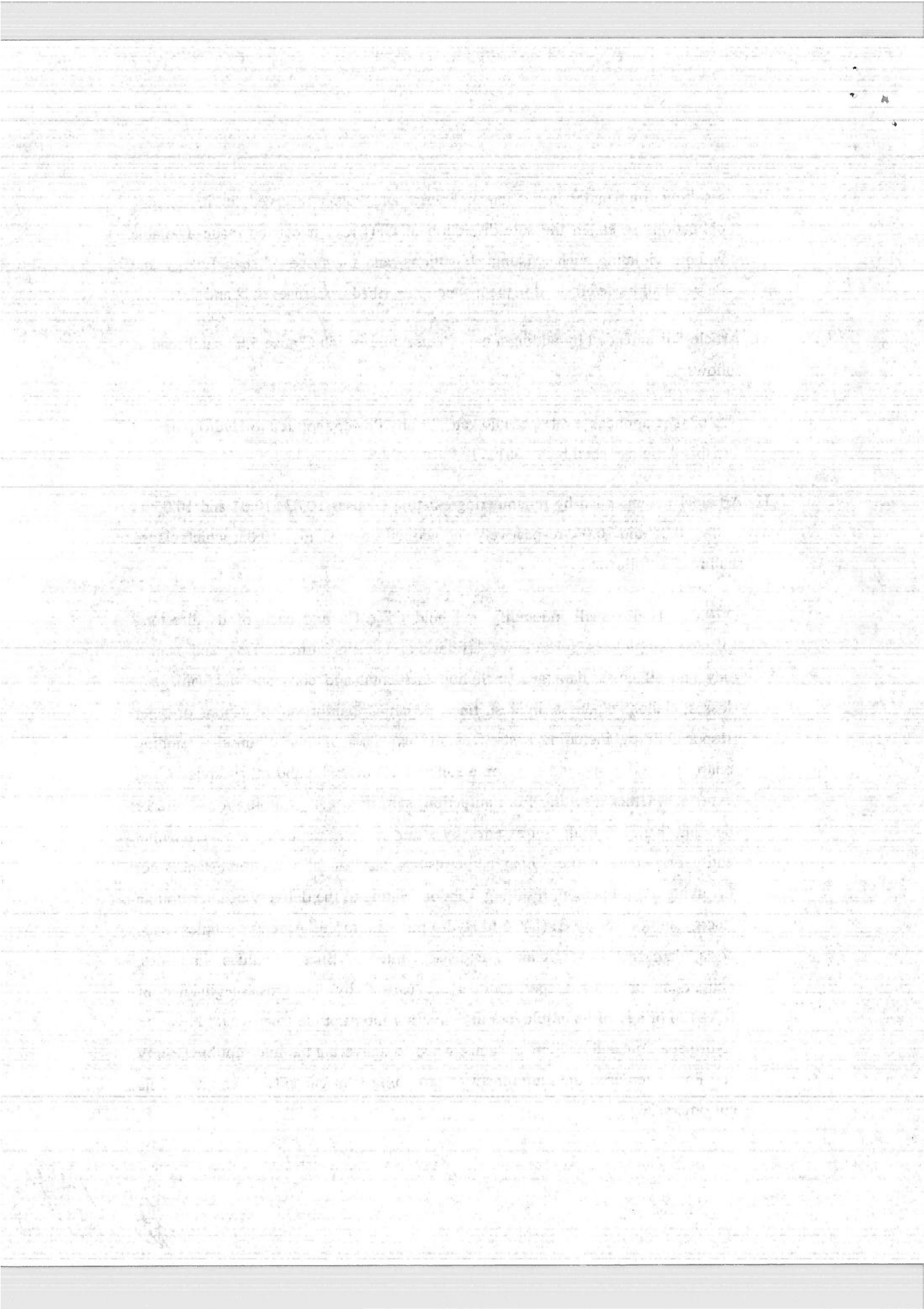
- G. Article 5 is amended by adding a new Clause 5.03 which Clause 5.03 shall read as follows:

“5.03 The applicable rate per kilowatt, for any Power supplied to Hydro pursuant to this Article 5, shall be \$0.0012713.”

- H. Article 10 is amended by renumbering existing Clauses 10.03, 10.04 and 10.05 as 10.04, 10.05 and 10.06, respectively and adding a new Clause 10.03, which clause shall read as follows:

“10.03 Hydro shall indemnify and hold CF(L)Co and each of its directors, officers, employees, subsidiaries, affiliates and agents harmless from and against any and all costs, damages (including incidental and consequential damages), losses, claims, expenses, interest, fines, penalties, liabilities, obligations or other responsibilities, including costs, fees and expenses of legal counsel (including court fees and costs, and costs on a solicitor-client basis) and other advisors and experts, whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third person, including a governmental entity, or a cause, matter, thing, act, omission, state of facts or circumstances not involving a third person, resulting from or relating to the delivery of interruptible Energy and Power by CF(L)Co to Hydro pursuant to this Agreement unless such costs, damages, losses, claims, expenses, interest, fines, penalties, liabilities, obligations or other responsibilities are caused by the gross negligence of CF(L)Co or any of its employees in delivering interruptible Energy and Power to Hydro at a time and in a circumstance when so delivering the interruptible Energy and Power required the curtailment of providing firm capacity to another of its customers.”

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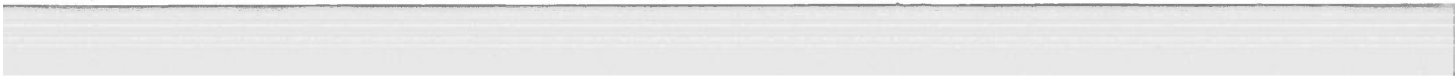
- I. Clause 14.01 is amended by adding, after the word “Newfoundland”, the words “and Labrador”.
4. The parties agree that any and all other terms, conditions, and provisions of the Power Contract and the First Amendment of Power Contract, including all Appendices as amended, shall remain unchanged and of full legal force and effect.

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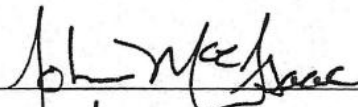


IN WITNESS WHEREOF Churchill Falls (Labrador) Corporation Limited and Newfoundland and Labrador Hydro-Electric Corporation have each executed this Agreement in accordance with their by-laws or regulations and in the presence of their respective duly authorized officers as of the day and year first before written.

The Common Seal of Churchill Falls (Labrador) Corporation Limited was hereunto affixed in the presence of:

  
Witness Burns et al.

**CHURCHILL FALLS (LABRADOR)  
CORPORATION LIMITED**


By 

Title: VP PETS/A.M.

And 

Title: Assistant Corporate Secretary

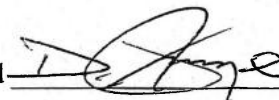
The Common Seal of Newfoundland and Labrador Hydro-Electric Corporation was hereunto affixed in the presence of:

  
Witness Burns et al.

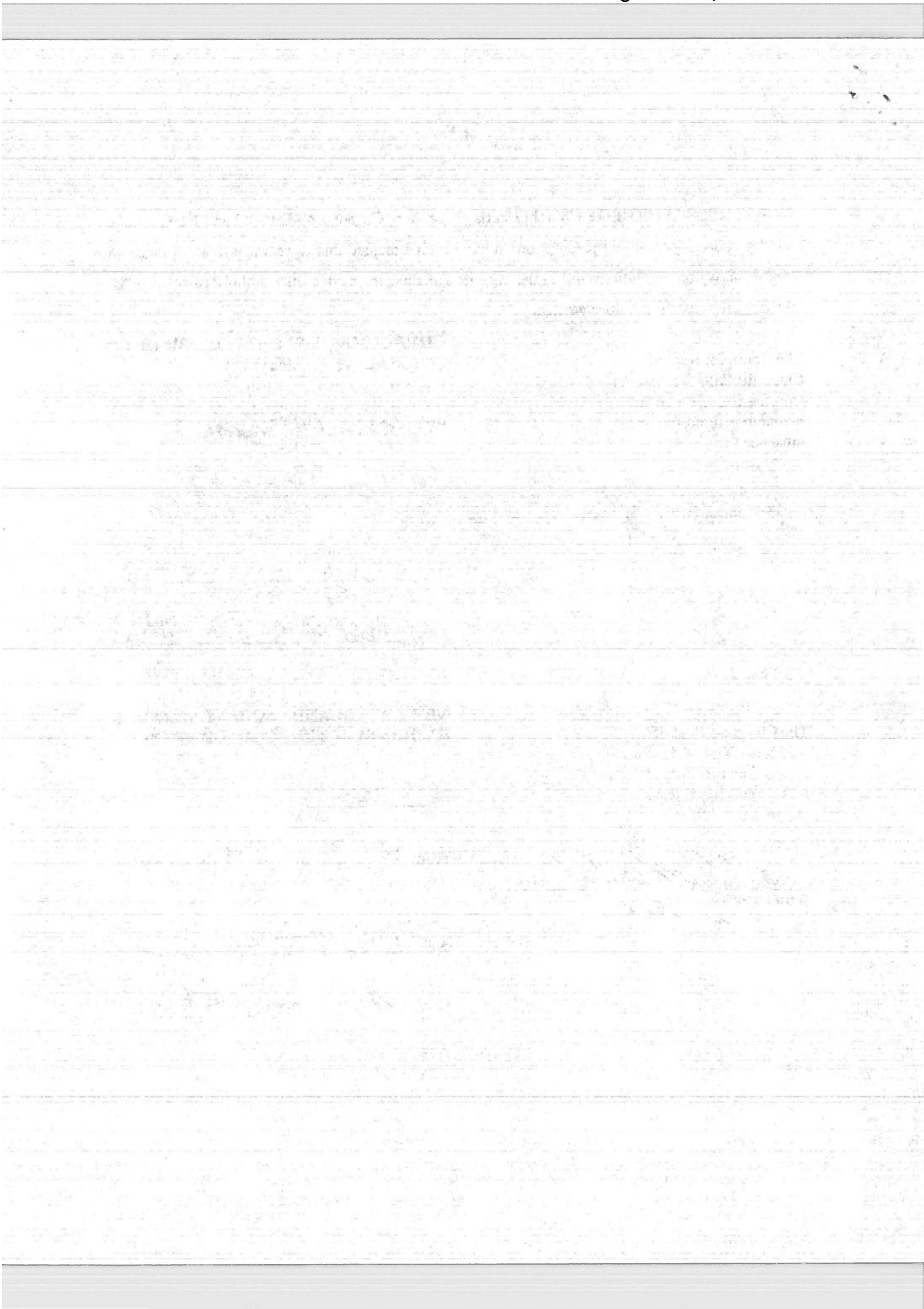
**NEWFOUNDLAND AND LABRADOR  
HYDRO-ELECTRIC CORPORATION**

By 

Title: VP Regulated Operations

And 

Title: VP, Finance & CFO



**THIS THIRD AMENDMENT OF POWER CONTRACT** made at St. John's in the Province of Newfoundland and Labrador as of the 26<sup>th</sup> day of May 2015.

**BETWEEN:** **CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**, a company organized under the laws of Canada and having its head office at St. John's in the Province of Newfoundland and Labrador ("CF(L)Co")

Of the First Part

**AND** **NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC CORPORATION** a corporation constituted by statute and an agent of her Majesty the Queen in right of the Province of Newfoundland and Labrador and having its head office at Hydro Place, St. John's in the said Province ("Hydro")

Of the Second Part.

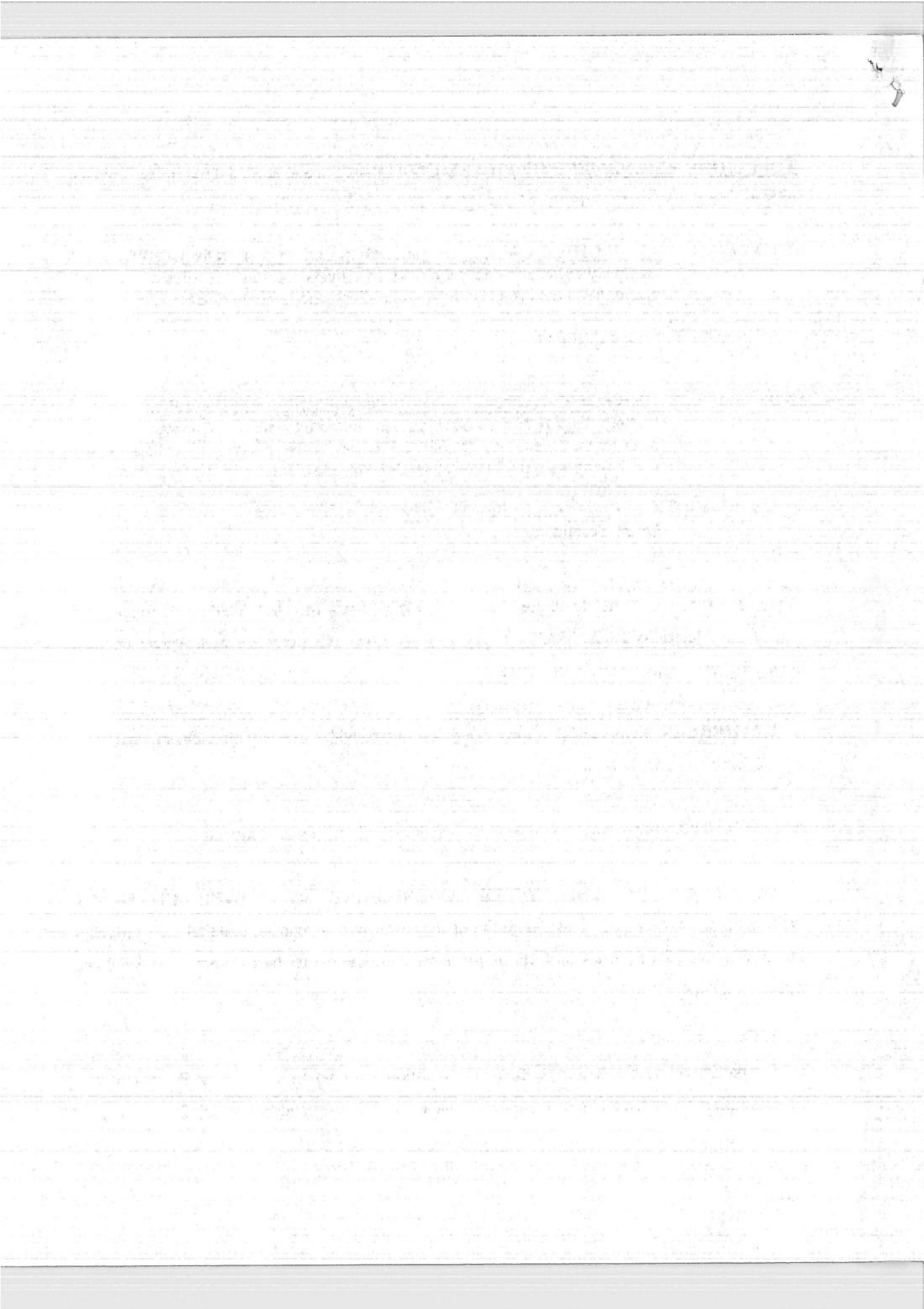
**WHEREAS** the parties hereto entered into an agreement dated March 9, 1998 for the supply and delivery of Electricity from CF(L)Co to Hydro (the "Power Contract"), which Agreement was amended April 1, 2009 and May 1, 2012;

**AND WHEREAS** Clause 11.02 of the Power Contract provides that any amendment, change or modification to same, be in writing;

**AND WHEREAS** the parties hereto wish to further amend the Power Contract;

**NOW THEREFORE THIS THIRD AMENDMENT OF POWER CONTRACT WITNESSES** that for and in consideration of the respective covenants, undertakings, promises and agreements of the parties set forth in this agreement, the parties hereto hereby covenant and agree as follows:

1. The parties acknowledge and confirm the execution and binding effect of the Power Contract dated March 9, 1998 and the amendments made April 1, 2009 and May 1, 2012;



2. The parties agree that the following amendments shall be made to the Power Contract effective January 1, 2015:
  - A) Article 5 is amended by changing the title of the Article from "SURPLUS ENERGY" to "SURPLUS POWER"
  - B) Clause 5.01 is amended by:
    - (i) changing the date "December 31, 2014" to "August 31, 2016";
    - (ii) deleting the words "Energy and";
    - (iii) changing the word "Clauses" to "Clause"; and
    - (iv) deleting the phrase "and 5.03";
  - C) Clause 5.02 is deleted in its entirety;
  - D) Clause 5.03 is renumbered 5.02;
3. Effective January 1, 2015, Article 5 of the Power Contract reads:

**ARTICLE 5  
SURPLUS POWER**

*5.01 CF(L)Co agrees to deliver to Hydro when requested up to and including August 31, 2016, interruptible Power from its generating facilities resulting from underutilization of Power reserved for its existing obligations when, in the sole discretion of CF(L)Co, it can be made available without violating such existing obligations, and the price of such Power shall be determined in the manner prescribed in Clause 5.02.*

*5.02 The applicable rate per kilowatt, for any Power supplied to Hydro pursuant to this Article 5, shall be \$0.0012713.*

4. The parties agree that any and all other terms, conditions, and provisions of the Power Contract, as amended, including all Appendices, shall remain unchanged and of full legal force and effect.



**IN WITNESS WHEREOF** Churchill Falls (Labrador) Corporation Limited and Newfoundland and Labrador Hydro-Electric Corporation have each executed this Agreement in accordance with their by-laws or regulations and in the presence of their respective duly authorized officers as of the day and year first before written.

The Common Seal of Churchill Falls (Labrador) Corporation Limited was hereunto affixed in the presence of:

Andy Brophy  
Witness

**CHURCHILL FALLS (LABRADOR) CORPORATION LIMITED**

By John McLoone

Title: VP TRS / Asst Mgt.

And [Signature]

Title: Asst Corporate Secretary

The Common Seal of Newfoundland and Labrador Hydro-Electric Corporation was hereunto affixed in the presence of:

[Signature]  
Witness

**NEWFOUNDLAND AND LABRADOR HYDRO-ELECTRIC CORPORATION**

By [Signature]

Title: VP - NLH

And [Signature]

Title: VP - System Operations & Plan



