

Westinghouse Electric Company, LLC  
Special Contracts

<u>Special Contract</u>	<u>Effective Date</u>	<u>NHPUC Docket</u>
NHPUC-40	02-01-1978	I-R14,761
NHPUC-45	10-30-1984	DR 84-312
NHPUC-50	07-15-1987	DR 86-305
NHPUC-69	01-01-1992	DR 92-002
NHPUC-79	03-04-1993	DR 92-232
NHPUC-103	03-08-1995	DR 94-30
NHPUC-144	01-01-2005	DE 04-202

SPECIAL CONTRACT – ELECTRICITY  
CONTRACT NO. NHPUC-145  
SUPERSEDING CONTRACT NO. NHPUC-144  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE  
WITH  
WESTINGHOUSE ELECTRIC COMPANY, LLC

Date of Execution:	<u>November 20, 2014</u>
Effective Date:	<u>January 1, 2015</u> (Subject to New Hampshire Public Utilities Commission Approval)
Date of Termination:	<u>Three Years from Effective Date</u>

STATEMENT OF THE SPECIAL CIRCUMSTANCES  
RENDERING DEPARTURE FROM GENERAL SCHEDULES  
JUST AND CONSISTENT WITH THE PUBLIC INTEREST

1. The service to be rendered under this Special Contract consists of the furnishing of interruptible power to Westinghouse Electric Company, LLC (Westinghouse) for its pump testing operation.
2. In the absence of this Special Contract, service would be rendered to Westinghouse under PSNH's Large General Delivery Service Rate LG. Westinghouse has determined, however, that interruptible power is more suitable to the needs of its pump-testing operation. Although less reliable than the service that would be furnished under Rate LG, interruptible power will have a lower cost.
3. Departure from PSNH's Delivery Service Tariff is justified because PSNH's Delivery Service Tariff does not provide for rates and charges for the furnishing of direct controlled interruptible power. Furthermore, Westinghouse (and its predecessor companies) has been rendered service under the terms of a special contract for direct controlled interruptible service at the existing location since 1978. This Special Contract extends the previous arrangements and provides for rate continuity for Westinghouse. In addition, while this contract is designed to meet Westinghouse's unique circumstances, it also provides benefits to PSNH's other customers by providing for a continued contribution to the recovery of fixed costs, and to the state of New Hampshire by providing for the continued employment of approximately 320 individuals.

AGREEMENT BETWEEN  
WESTINGHOUSE ELECTRIC COMPANY, LLC  
AND  
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

This AGREEMENT entered into this 20th day of November 2014 by and between WESTINGHOUSE ELECTRIC COMPANY, LLC, a Delaware limited liability company having a place of business in Newington, New Hampshire (hereinafter referred to as “Westinghouse”), and PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, a New Hampshire corporation having its principal place of business in Manchester, New Hampshire (hereinafter referred to as “PSNH”).

WITNESSETH

WHEREAS, Westinghouse owns a facility located in Newington, New Hampshire, which utilizes electricity in the testing of large pumps and has determined that Interruptible Power (as hereafter defined) is suitable for the needs of its pump-testing operation; and

WHEREAS, PSNH’s delivery service tariff does not provide for rates and charges for the furnishing of Interruptible Power; and

WHEREAS, PSNH has direct control of Westinghouse’s circuit switcher enabling PSNH to terminate electric service instantaneously; and

WHEREAS, PSNH will realize certain benefits from the sale of Interruptible Power, including an increase in its system load factor; and

WHEREAS, absent an Interruptible Power rate Westinghouse will re-evaluate its decision to manufacture and test pumps in Newington, New Hampshire and will consider either re-locating its manufacturing and pump-testing operation to Asia or to an existing Westinghouse facility, purchasing or renting a generator to support the pump-testing operation or exiting the pump-testing business; and

WHEREAS, PSNH is willing and able, as hereinafter provided, to provide Interruptible Power to Westinghouse at a price that would enable Westinghouse to economically operate its pump-testing operation in Newington, New Hampshire while maintaining value for PSNH and its retail customers; and

WHEREAS, Westinghouse or its predecessor companies have been served since February 1, 1978 under several special contracts containing terms and conditions similar to those contained herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, Westinghouse and PSNH hereby agree as follows:

#### Article 1 - Definitions

The following definitions shall apply throughout this Agreement:

Commission: The State of New Hampshire Public Utilities Commission.

Delivery Service: The delivery of electric power by PSNH to Westinghouse.

Energy Service: Electric energy and capacity supplied to Westinghouse by an Energy Service Provider, by PSNH, or by Westinghouse under the terms of Self-Supply Service as provided for under PSNH's Tariff.

Energy Service Provider: Any entity registered with the Commission and authorized by the Commission to supply electricity to retail users of electricity in the state of New Hampshire.

Interruptible Power: Electric Delivery Service which is not intended to be made available by PSNH at all times to Westinghouse, and the availability of which is subject to curtailment by PSNH. Interruptible Power may also include Energy Service if Westinghouse purchases such service from PSNH under the provisions of Article 7 herein.

ISO-NE: The Independent System Operator of New England, the NEPOOL operating center that centrally dispatches the electric generating and transmission facilities owned or controlled by NEPOOL participants to achieve the objectives of the NEPOOL Agreement, or any

successor thereto (which may be an independent transmission provider, a regional transmission organization, or a component thereof).

NEPOOL: The New England Power Pool. The power pool created by and operated pursuant to the provisions of the Restated NEPOOL Agreement, or any successor to the New England Power Pool.

Rate DE: The Default Energy Service Rate DE as defined in the Tariff or revisions thereof or successors thereto.

Rate LG: Large General Delivery Service Rate LG as defined in the Tariff or revisions thereof or successors thereto.

Restated NEPOOL Agreement: The NEPOOL Agreement dated September 1, 1971, restated December 31, 1996, and as amended and restated from time to time, governing the relationship among the NEPOOL Participants. The Restated NEPOOL Agreement includes any successor agreement(s) and/or tariff(s), including those of a regional transmission organization accepted or approved by FERC.

Self-Supply Service: Electric energy and capacity purchased by a Customer directly from the ISO-NE or the New England Power Pool.

Tariff: The electric delivery service tariff of PSNH as now or hereafter effective and on file with the Commission.

## Article 2 – Availability

PSNH shall furnish Interruptible Power to Westinghouse up to the level required for Westinghouse to test a 13,500 horsepower pump in accordance with the terms specified in Article 3 of this Agreement

### Article 3 – Terms for Furnishing Interruptible Power

PSNH will furnish and Westinghouse will use Interruptible Power in accordance with the provisions of this Article and to the extent not otherwise specifically provided in this Agreement, in accordance with the Terms and Conditions and the specific provisions of Rate LG of the Tariff.

- A. Whenever PSNH is not furnishing Interruptible Power and Westinghouse desires PSNH to begin furnishing Interruptible Power, it shall so notify PSNH's system load dispatcher at the Electric System Control Center in Manchester, New Hampshire (hereinafter referred to as the "PSNH Dispatcher") and shall inform the PSNH Dispatcher of the approximate amount of Interruptible Power in megavolt-amperes that it requests PSNH to begin furnishing, the approximate time at which the furnishing of Interruptible Power is to commence and the estimated duration for which such furnishing is desired.

Westinghouse shall endeavor to provide to the PSNH Dispatcher reasonable advance notice of such commencement of Interruptible Power, but in no case shall such notice be less than five business days.

- B. Whenever PSNH is furnishing an amount of Interruptible Power in accordance with Paragraph A of this Article and Westinghouse desires to increase the amount in megavolt-amperes of Interruptible Power being furnished, Westinghouse shall so notify the PSNH Dispatcher and shall inform the PSNH Dispatcher of the approximate amount of additional Interruptible Power in megavolt-amperes that it requests PSNH to begin furnishing and the approximate time at which the furnishing of additional Interruptible Power is to commence and the estimated duration for which such furnishing is desired.

Westinghouse shall endeavor to provide to the PSNH Dispatcher reasonable advance notice of such intended increase in the level of Interruptible Power, but in no case shall such notice be less than two hours.

- C. In response to requests for Interruptible Power made by Westinghouse in accordance with Paragraphs A or B of this Article, PSNH will either (1) begin to furnish Interruptible

Power or (2) begin to furnish additional amounts of Interruptible Power, in accordance with the provisions of Paragraph D of this Article. However, PSNH may at any time discontinue and interrupt entirely or partially the furnishing of any Interruptible Power in accordance with the provisions of Paragraph D of this Article.

- D. Westinghouse understands and agrees that the decision to furnish, curtail or to interrupt the furnishing of Interruptible Power will be made by the PSNH Dispatcher. PSNH shall furnish Interruptible Power provided that
- a. the Independent System Operator of New England (ISO-NE) has not implemented emergency operating procedures equivalent to Operating Procedure No. 4 or its successor procedure(s); and
  - b. PSNH can maintain the integrity of its electrical system.

Whenever an impending interruption of the furnishing of Interruptible Power can be reasonably anticipated, the PSNH Dispatcher will endeavor to provide Westinghouse with as much advance notice as possible, considering the exigencies of PSNH's and ISO-NE's electric system operating conditions. Nevertheless, it is understood by Westinghouse that the PSNH Dispatcher may interrupt the furnishing of Interruptible Power at any time without notice.

- E. Westinghouse shall endeavor to provide to the PSNH Dispatcher reasonable advance notice under the circumstances that it intends to terminate pump-testing and that the continued receipt of Interruptible Power at that time will no longer be desired by Westinghouse. Nevertheless, it is understood by PSNH that Westinghouse may discontinue the receipt of Interruptible Power without notice to PSNH.
- F. During each month, Westinghouse shall provide a forecast to the PSNH Dispatcher of the approximate amount of Interruptible Power in megavolt-amperes that it expects to request PSNH to furnish, the approximate time at which the furnishing of Interruptible



Power is to commence and the estimated duration for which such furnishing is desired for the following twelve month period.

#### Article 4 – Delivery and Character of Service

Interruptible Power furnished hereunder to Westinghouse shall be three-phase, 60 hertz alternating current and shall be delivered at a nominal voltage of 115 kilovolts at the point of connection of the 115 kilovolt line owned by PSNH to the high voltage circuit switcher at the Westinghouse sub-station owned by Westinghouse and located in Newington, New Hampshire (hereinafter referred to as the “Delivery Point”).

#### Article 5 – Metering

PSNH shall own and maintain the following:

- 1) Metering and telemetering facilities located at the Westinghouse sub-station and the Electric System Control Center in Manchester, New Hampshire by which the PSNH Dispatcher may continuously monitor the total instantaneous Interruptible Power being furnished to Westinghouse; and
- 2) Metering facilities located at the Westinghouse sub-station by which PSNH can measure and record the billing determinants specified in Article 7 and Rate LG of the Tariff.

The current and potential transformers will be installed on the low voltage side of the 115-13.2/4.16 kilovolt transformer at the Westinghouse sub-station and the registration of the watt-hour and var-hour meters shall be appropriately compensated to include the demand and energy losses of that transformer. All metering equipment shall be tested in accordance with the Commission’s Rules and Regulations Prescribing Standards for Electric Utilities.

## Article 6 – Controlling Apparatus

Westinghouse shall own and maintain the 115 kilovolt circuit switcher located at the Westinghouse sub-station.

PSNH shall own and maintain telemetering and remote control equipment located at the Westinghouse sub-station and at the Electric System Control Center in Manchester, New Hampshire by which the PSNH Dispatcher can remotely operate the circuit switcher at the Westinghouse sub-station in order to interrupt the furnishing of Interruptible Power in accordance with Article 3.

## Article 7 – Rates and Charges for Interruptible Delivery Service and Energy Service

### A. Delivery Service

For each bill rendered during the term of this Agreement, Westinghouse shall be rendered delivery service in accordance with the provisions of Rate LG of the Tariff, except as modified by this Article. If the design of Rate LG is changed so that the provisions of this Article are no longer applicable, the parties shall agree to an appropriate modification of this Article.

The MAXIMUM DEMAND section of Rate LG shall be modified as follows:

The kilovolt-ampere (KVA) demand during each thirty-minute interval of the current monthly billing period shall be determined by measurement. Maximum demand shall be determined for billing purposes to the nearest whole (1.0) kilovolt-ampere and shall be defined as fifty percent (50%) of the highest kilovolt-ampere demand registered during any thirty-minute interval of the current monthly billing period.

### B. Energy Service

Westinghouse shall have the option of purchasing energy service from (1) an Energy Service Provider, (2) directly from the ISO-NE under the terms of Self-Supply Service, or (3) from PSNH in accordance with the Terms and Conditions of PSNH's Tariff. If Westinghouse is

purchasing energy service from PSNH, PSNH shall furnish and bill for energy service in accordance with the provisions of Rate DE, except as modified by this Article.

The RATE PER MONTH section of Rate DE shall be modified as follows:

Energy Charge per Kilowatt-hour: The applicable hourly ISO-NE Real Time Zonal Price for the New Hampshire load zone, plus an Adder per Kilowatt-hour as defined in this Article.

Adder per Kilowatt-hour: The Adder per Kilowatt-hour shall be the estimated incremental costs of all non-energy and non-capacity charges assessed by ISO-NE that are used in the calculation of PSNH's Rate DE in effect during the month(s) PSNH is furnishing energy service to Westinghouse; plus the non-operating costs (including depreciation, return on rate base including income taxes and incremental property taxes) of the wet flue gas desulfurization system at Merrimack Station. Each time there is a change in the Adder per Kilowatt-hour PSNH shall provide to Westinghouse the effective date and the calculation of the Adder per Kilowatt-hour.

#### Article 8 – Liability

Each party will be responsible for its facilities and the operation thereof to the Delivery Point and will indemnify and hold the other harmless from all costs and damage by reason of bodily injury, death or damage to property sustained upon such party's facilities.

PSNH shall not be liable to Westinghouse for any loss, cost, damage or expense to Westinghouse occasioned by any failure to supply electricity under the terms of this Agreement or to provide notice of an impending interruption of Interruptible Power.

Except as provided in the next paragraph of this Article with respect to special, coincidental or consequential damages, Westinghouse shall be liable for all damages incurred by

PSNH for failing to comply with the procedures established under Paragraphs A and B of Article 3 or for failing to give reasonable notice under the circumstances as provided for in Paragraph E of Article 3.

In no event, whether as a result of breach of contract, tort (including negligence), strict liability or otherwise shall either PSNH or Westinghouse be liable to the other for any special, incidental or consequential damages of any nature. This paragraph shall prevail over any conflicting or inconsistent provisions contained in any of the documents comprising of this Agreement.

#### Article 9 - Effective Date and Contract Term

The effective date of this Agreement shall be the date upon which the Commission orders that this Agreement becomes effective. The effectiveness of this Agreement is subject to approval without conditions by the Commission. The rates contained in this Agreement shall be fully applicable for all monthly bills rendered on or after the effective date. This Agreement shall continue in full force and effect for three years after the effective date, at which time the term shall end.

#### Article 10 – Adjustment for Altered Conditions

The provisions of this Agreement are based on circumstances existing as of the date of execution hereof. Either party may at any time by notice in writing to the other party request that any of the terms and conditions of this Agreement be adjusted on the ground that conditions have changed materially since the date of execution and that the intent of the Agreement can no longer be carried out or that this Agreement is working a substantial inequity to the party making the request. Should the parties be unable to agree upon such an adjustment within three (3) months after the aforesaid notice in writing, the matter may be referred by either party to the Commission for decision. Any adjustment resulting from said Commission decision, and any appeals

therefrom, unless otherwise stipulated by Agreement of the parties of said decision, shall be effective for the balance of the term hereof or until a further adjustment is made in accordance with the provisions of this Article.

#### Article 11 - Force Majeure

Either party shall not be considered to be in default hereunder and shall be excused from performance hereunder if and to the extent that it shall be prevented from doing so by storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, act of God or the public enemy, action of a court or public authority, or any cause beyond the reasonable control of either party and not due to the fault or negligence of the party claiming Force Majeure. However, an event of Force Majeure shall not excuse either party from making a payment for service rendered under this Agreement prior to the period of Force Majeure that it is legally required to make.

If either party is rendered wholly or partly unable to perform its obligations under the Agreement because of Force Majeure, that party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected provided that:

- (A) The non-performing party, promptly after the occurrence of the Force Majeure, gives the other party written notice describing the particulars of the occurrence;
- (B) The suspension of performance be of no greater scope and of no longer duration than is reasonably required by the Force Majeure;
- (C) No obligations of either party that arose before the occurrence causing the suspension of performance be excused as a result of the occurrence;  
and
- (D) The non-performing party uses its best efforts to remedy its inability to perform.

#### Article 12 - Waiver of Terms or Conditions

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall remain at all times in full force and effect.

#### Article 13 - Successors and Assigns

This Agreement will be binding on Westinghouse's and PSNH's respective successors, assigns and purchasers; however, Westinghouse may not assign this Agreement without the written consent of PSNH whose consent will not be unreasonably withheld or delayed.

#### Article 14 - Applicable Law

This Agreement shall be construed and interpreted in accordance with the laws of the state of New Hampshire.

#### Article 15 - Mailing Addresses

The mailing addresses of the parties are as follows:

PSNH:                      Public Service Company of New Hampshire  
                                 Attention: Rates and Department  
                                 780 North Commercial Street  
                                 Manchester, NH 03101

WESTINGHOUSE:      Westinghouse Electric Company, LLC  
                                 Attention: Joan M. Solak  
                                 Supply Chain Manager  
                                 178 Shattuck Way  
                                 Newington, NH 03801

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and by the proper officials thereof who are duly authorized as of the signature and effective dates set forth herein.

WESTINGHOUSE ELECTRIC COMPANY, LLC

/s/ Christopher Quinn

(Witness)

BY: /s/ Joan M.Solak

TITLE: Supply Chain Manager, Newington

DATE: November 20, 2014

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

/s/ Roxanne M. Parkhurst

(Witness)

BY: /s/ Paul E. Ramsey

TITLE: Vice President – Engineering

DATE: November 21, 2014



Westinghouse Electric Company  
Engineering, Equipment and Major Projects  
178 Shattuck Way  
Newington, New Hampshire 03801  
USA

Gregory F. Rahe, CEM  
Public Service of New Hampshire  
1700 Lafayette Road  
Portsmouth, NH 03801

Direct tel: 603-433-4306  
Direct fax:  
e-mail: solakjm@westinghouse.com

Your ref:  
Our ref:

Re: Special Contract – Electricity  
Contract No. NHPUC-144  
Public Service Company of New Hampshire With  
Westinghouse Electric Company

October 3, 2014

Dear Greg,

I am writing to formally request an extension to the above referenced contract Westinghouse has with PSNH which was implemented to support the Reactor Coolant Pump Motor Test. This Contract has been in place since January 1, 2005 and is scheduled to terminate on December 31, 2014. Westinghouse has and continues to have customer orders for our pumps for the next 3 years. In addition, there is significant potential for additional orders that will require testing several years past 2017.

The continuation of this current contract is critical to the continued existence of the Westinghouse facility in Newington, NH. Westinghouse has multiple facilities across the globe and without a contract in place for the electrical costs incurred during testing other facilities will be evaluated for this work. An alternate option would include the purchase or rental of a generator but this is not an optimal option and the loss of this product line to another facility would be likely. An extension of this contract is essential to retaining this work in New Hampshire.

I am hopeful that PSNH understands that if the Westinghouse Newington facility does not retain this work that approximately 320 jobs will be in jeopardy in addition to the additional benefits this work has generated for local area vendors. These vendors include but are not limited to local machine shops, industrial painters, hotels, restaurants, and transportation companies.

This is a very competitive market place and for Westinghouse to continue to do business we must remain competitive ourselves. The termination of the contract will not only have a direct negative impact to this facility but it will extend out to the surrounding communities that benefit from activities related to pump manufacturing that is currently taking place.

Sincerely,

Joan M. Solak  
Supply Chain Manager, Newington

**WESTINGHOUSE PROPRIETARY CLASS 2**

*This document is the property of and contains Proprietary Information owned by Westinghouse Electric Company LLC and/or its subcontractors and suppliers. It is transmitted to you in confidence and trust, and you agree to treat this document in strict accordance with the terms and conditions of the agreement under which it was provided to you.*