

SCHEDULE JDW – 1

Energy Service RFP

November 1, 2014 through April 30, 2015

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Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Request for Power Supply Proposals to Provide Default Service

For the Period:

November 1, 2014 to April 30, 2015

August 15, 2014



Liberty UtilitiesSM

REQUEST FOR POWER SUPPLY PROPOSALS

1. Overview

1.1 Background

Legislation and restructuring settlement agreements in New Hampshire¹ provide for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers.

In New Hampshire, the Restructuring Settlement provides access to the competitive retail electricity market for all retail electric customers of Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities (“Liberty Utilities”)² as of July 1, 1998 pursuant to the provisions of the New Hampshire Act. The Restructuring Settlement and the New Hampshire Act require Liberty Utilities to provide default service (“Default Service”) to those customers that are not receiving generation service from a competitive supplier³.

1.2 Default Service

The Default Service Settlement Agreement in New Hampshire and the New Hampshire Act require Liberty Utilities to provide Default Service to those customers that are not receiving generation service from a competitive energy supplier. In compliance with the Default Service Settlement Agreement, Liberty Utilities will procure Default Service by customer group (small customer group and large customer group). For the Small Customer Group, Liberty Utilities will procure 100% of their Default Service supply for a six-month period. For the Large Customer Group, Liberty Utilities will procure 100% of their Default Service supply for two consecutive three-month periods.

Liberty Utilities is hereby seeking proposals from qualified power suppliers to supply firm, load-following power to meet its Default Service requirements.

On July 3, 2012, the ownership of Liberty Utilities changed from National Grid USA to

¹ Granite State Electric Company’s Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”) and RSA 374-F (“New Hampshire Act”).

² Granite State Electric Company recently changed its name to Liberty Utilities (Granite State Electric) Corp..

³ The New Hampshire Act specifies that Transition Service ends at midnight on April 30, 2006. All Transition Service customers who did not choose a competitive supplier by April 30, 2006 began receiving Default Service on May 1, 2006. A settlement agreement approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577 provides for the procurement of Default Service commencing May 1, 2006 (“Default Service Settlement Agreement”).

Liberty Energy Utilities (New Hampshire) Corp.. Liberty Utilities (Granite State Electric) Corp. remains a distinct legal entity, has the same tax identification number and continues to operate its regulated electric utility business in the State of New Hampshire. National Grid USA, pursuant to the terms of a transition service agreement, will provide services to Liberty Utilities during this RFP process, including matters covered by the Master Power Agreement.

Liberty Utilities intends to use existing Master Power Agreements (and any Amendments) that are currently in place with suppliers.

Liberty Utilities, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this Request for Power Supply Proposals (“RFP”) or any appendix thereto and to withdraw this RFP.

1.3 Customer Group

For the purposes of this solicitation, the customer groups are defined as:

Customer Group	Rate Class
Small Customer Group	D, D-10, G-3, M, T and V
Large Customer Group	G-1 and G-2

2. Description of Services

2.1 Description

Appendix A contains an overview of the services covered by this RFP. The Appendix provides:

- A brief description of Default Service;
- The eligibility requirements for a customer to obtain or leave Default Service.

2.2 Expected Loads

Liberty Utilities is unable to predict the potential load requirements of any customer group. Liberty Utilities’ customers are free to leave Default Service at any time to take service from competitive suppliers. The ability of customers to enroll or return to Default Service is described in Appendix A.

To assist Respondents in determining the potential load requirements, Liberty Utilities is able to provide the following information on the Liberty Utilities' Power Procurement Website:

For Default Service:

- Aggregated historical hourly load information for Default Service (since May 1, 2006)
- Class average load shapes at the retail meter point;
- Historical customer counts: the number of active accounts in each rate class as of the last billing day in each month.
- Historical customer counts for customers taking service from a competitive supplier, as of the last billing day in each month, by rate class;
- ICAP tags as of the last day of the month for each load asset.

Please use the following link to access the site:

<http://www.libertyutilities.com/nh/electricsupply/index.html>

Click on "Data" at the upper right of the screen to access Load data, Customer Count Data, Class Average Load Shapes and ICAP Tags. This site is open to anyone with the above link. No user id or password is required to access the data on the site.

2.3 Load Blocks

Liberty Utilities' total Default Service requirements covered by this RFP are broken down into the following 3 load blocks:

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Large	NH	100%	Default Service	11/01/2014 – 1/31/2015
B	Large	NH	100%	Default Service	2/01/2015 – 4/30/2015
C	Small	NH	100%	Default Service	11/01/2014 – 4/30/2015

Respondents may not limit the amount of service that may be purchased for a given load block. Proposals that contain limits on the amount of service provided will be rejected⁴.

The amount of load to be supplied by the winning Supplier will be determined in accordance with the procedure contained in Article 6 of the Master Power Agreement, a copy of which is provided in Appendix B.

⁴ For example, a Respondent offering to supply Block A load must agree to supply 100% of the needs of that load block during every month of the Period (for example, 100% of the total load of the Industrial customer group in the Large NH Load Zone). The Respondent may not offer to serve Block A subject to a maximum or minimum level of demand in any hour.

2.4 Retail Customer Rates

During the term of service covered by this RFP, Liberty Utilities intends, in accordance with the Default Service Settlement Agreement, to establish retail rates for generation service for Default Service customers (“Energy Service Rates”). The Energy Service Rates will reflect Liberty Utilities’ purchase costs for such service due to commitments made as a result of this RFP. The Default Service Settlement Agreement also requires Liberty Utilities to include in its Energy Service Rates a surcharge to account for the administrative costs associated with Default Service. The Energy Service Rates must be approved by the New Hampshire Public Utilities Commission (“NHPUC”).

2.5 Effectiveness of Contracts

Any agreement(s) entered into for the delivery of Default Service pursuant to this solicitation will be subject to the approval by the NHPUC of the retail rates prior to the agreement(s) becoming effective. Section 1 of the New Hampshire Master Power Agreement Form of Confirmation addresses the possibility that the NHPUC may not approve the retail rates.

3. General Provisions

3.1 Terms and Conditions

The winning Supplier will be selected to provide Default Service to the customer groups/load block during the term covered by this RFP. Default Service will be provided by such Supplier to Liberty Utilities in accordance with the terms and conditions of the Master Power Agreement. A copy of the Master Power Agreement for New Hampshire is provided in Appendix B.

All Respondents must have an updated executed Master Power Agreement prior to the indicative bid date.

The winning Supplier will be required to execute a confirmation within two (2) business days of being notified that it has been selected as the winning Supplier.

Under Article 7 of the Master Power Agreement, failure of the winning supplier to deliver Requirements would constitute an event of default under the Master Power Agreement, allowing Liberty Utilities to terminate and recover liquidated damages from the Supplier.

3.2 Proposal Process and Submission Dates

The following table outlines the key dates associated with this procurement process.

Process Step	Date
Issue Request for Proposal	August 15, 2014
Submit Respondent Proposal Information	September 3, 2014– 5pm EPT
Submit Indicative Pricing	September 9, 2014– 10am EPT
Submit Final Pricing	September 16, 2014– 10am EPT
Execute Agreements and Submit solicitation process summary, Agreements and retail rates to NHPUC	No later than three business days after receipt of all executed agreements.
NHPUC Reviews and Approves Default Service Rates	No later than five business days after filing of Default Service Rates
Service Begins	November 1, 2014

One (1) copy of a Respondent's Proposal Information must be submitted by e-mail or mailed to the following address:

Liberty Utilities (Granite State Electric) Corp.
c/o Liberty Energy Utilities (New Hampshire) Corp.
15 Buttrick Rd
Londonderry, NH 03053
603-216-3608 (phone)
603-421-1769 (fax)
Attn: John Warshaw
john.warshaw@libertyutilities.com

In May, Liberty Utilities moved to its New Hampshire headquarters so please update our contact information.

Liberty Utilities is conducting the procurement process in three steps. The first step is for Respondents to provide Liberty Utilities with their background and financial information by 5:00 p.m. EPT on Wednesday, September 3, 2014. Upon receipt, Liberty Utilities will evaluate each Respondent's qualifications and will notify any Respondent that does not qualify by at least one business day before indicative pricing is due.

Liberty Utilities will not evaluate any indicative or final pricing if the Respondent does not have an executed Master Power Agreement. The Master Power Agreement must be executed prior to submitting indicative pricing.

The second step in this process is for Respondents to provide indicative pricing information by 10:00 a.m. EPT on Tuesday, September 9, 2014 at the above address. Liberty Utilities will evaluate the indicative pricing as described above, and if required, Liberty Utilities may seek clarifications from Respondents.

The third step is for Respondents to provide final pricing information by 10:00 a.m. EPT on Tuesday, September 16, 2014 at the above address. Liberty Utilities requests final pricing be valid until **2:00 p.m.** Liberty Utilities intends to evaluate the final pricing and select a Supplier that day by that time. Final pricing shall be binding until execution of a confirmation. Respondents should specify the manner in which they will accept a binding acceptance of their offer by Liberty Utilities prior to receipt of an executed agreement (letter of intent or e-mail) or they will be deemed to be bound by Liberty Utilities' acceptance communicated in any of the preceding manners.

Within three business days of receipt of all executed agreements, Liberty Utilities will file with the NHPUC a confidential summary of the solicitation process, the executed agreement(s) and proposed Energy Service Rates.

Consistent with the Default Service Settlement Agreement, the NHPUC will have five business days to either approve the proposed Energy Service Rates or reject them. If the NHPUC denies Liberty Utilities' request for approval of the retail rates, the agreement(s) will be void and the parties will have no further obligation under the agreements(s).

At any time, Liberty Utilities, at its sole discretion, reserves the right to issue additional instructions or requests for additional information, to extend the due date, to modify any provision in this RFP or any appendix thereto and to withdraw this RFP.

3.3 Contact Person/Questions

All questions regarding this Request for Proposal should be directed to John Warshaw at the address provided in Section 3.2 above.

3.4 Right to Select Supplier

Liberty Utilities shall have the exclusive right to select or reject any and/or all of the proposals submitted at any time, for any reason.

4. Service Features

4.1 Commencement Date of Supply

Service from the winning Supplier to Liberty Utilities shall begin as of HE 0100 EPT on the date specified in the table found in Section 2.3 – Load Blocks.

Service from Liberty Utilities to individual customers, who are taking Default Service in each customer group as of the Commencement Date, if any, will continue with the winning Supplier providing such service to Liberty Utilities as of the Commencement Date.

Service from Liberty Utilities to individual customers taking Default Service as of the Commencement Date shall begin on the customer's meter reading date following notification/determination that a customer will be commencing Default Service or such other date designated by Liberty Utilities consistent with Liberty Utilities' Tariff for the Off Cycle Meter Read for Switch of Supplier Provision, Original Page 92, of Liberty Utilities' *Tariff for Retail Delivery Service, N.H.P.U.C. No. 18*.

Liberty Utilities' procedures provide for customers to be switched from one service option to another (e.g., from Default Service to a competitive supplier, from one competitive supplier to another competitive supplier, from a competitive supplier to Default Service) on their normal cycle meter reading dates. However, there may be circumstances (e.g., default of a competitive supplier) that might require a customer to be switched to Default Service "off-cycle". In such case, the customer will be switched to Default Service on a date designated by Liberty Utilities consistent with Liberty Utilities' Off Cycle Meter Read for Switch of Supplier Provision, Original Page 92, of Liberty Utilities' *Tariff for Retail Delivery Service, N.H.P.U.C. No. 18*.

4.2 Termination Date of Supply

Service from the winning Supplier to Liberty Utilities shall terminate at HE 2400 EPT on the dates specified in the table found in Section 2.3 – Load Blocks.

Individual customers taking Default Service from Liberty Utilities may terminate the service at any time. Terminations may include, but not be limited to, (i) a customer's taking competitive service from a competitive supplier, (ii) disconnection of service by Liberty Utilities in accordance with regulations and procedures approved by the NHPUC, or (iii) closing of a customer's account. Liberty Utilities' procedures provide for customers electing to terminate such service to be switched to their successor service on their normal cycle meter reading date following the date that Liberty Utilities receives notification of such switch. However, there may be circumstances which might require a customer to be terminated "off-cycle". In such a case, the customer will be terminated from Default Service on a date to be determined by Liberty Utilities.

4.3 Delivery Points

The Supplier of Default Service will be responsible for delivering power to the nodes/zones representing the actual locations of the Default Service loads. The Supplier of each of the services will be responsible for any PTF losses allocated by the ISO related to the services. The locations of the Default Service load assets are as follows:

SMD Load Zone	Load Asset	Load Asset Name	Load Block
NH	11437	GRANITE LARGE CG DS SVC LOAD	A
NH	11437	GRANITE LARGE CG DS SVC LOAD	B
NH	11436	GRANITE SMALL CG DS SVC LOAD	C

4.4 Form of Service

The Supplier of the Load Block shall be responsible for meeting the specified service requirements for all of Liberty Utilities' customers in a specific Load Block. These service requirements include the generation and/or market procurement and delivery to the delivery point(s) of the portion of the electric capacity, energy and ancillary services required to meet the needs of Liberty Utilities' ultimate customers taking such service. Liberty Utilities will implement the transfer of these responsibilities to the Supplier by updating the asset registration for each of the above Load Assets. Liberty Utilities will assign to the Supplier the applicable Ownership Share for each Load Asset. Once a Supplier's obligation terminates, Liberty Utilities will terminate the Supplier's Ownership Share of a Load Asset.

The Supplier shall be responsible for all obligations, requirements, and costs associated with the Supplier having the Load Asset Ownership Share which shall include but not be limited to the day-ahead load obligations and real-time load obligations at the nodes/zones of each Load Asset. A more complete description of a Supplier's responsibilities can be found in the Master Power Agreement in Appendix B of this RFP.

The Supplier shall be responsible for all decisions and data submissions associated with any bids into the market system to manage these obligations. The Supplier shall be responsible for all components of any Locational Marginal Prices the Supplier must pay in delivery of the services. These components include, but are not limited to, the day-ahead and real-time energy, marginal losses, and congestion charges. As the supplier of such services, the Supplier will be responsible for all present or future requirements and associated costs (to the extent such charges are not imposed on Liberty Utilities as a transmission charge by NEPOOL or the ISO) associated with the services and any other requirements, market products, expenses or charges imposed by NEPOOL or the ISO, as they may be in effect from time to time.

The Supplier will also be responsible for all transmission and distribution losses associated with delivery of the electricity from the delivery point to the Default Service customer's meter. A description of the estimation process for determining supplier hourly load can be found in Appendix A of the Master Power Agreement, found in Appendix B of this RFP.

Liberty Utilities will make arrangements with the ISO for transmission service over the PTF and non-PTF, from and after the Delivery Point to the Customers' meters. Liberty Utilities will be billed by the ISO and the applicable Participating Transmission Owner(s) for these services. Liberty Utilities will pay these bills and collect the costs, along with Liberty Utilities' distribution costs, from its retail customers through its retail delivery service tariffs. Any other transmission or distribution costs will be the Supplier's responsibility.

4.5 Implementation of the New Hampshire Renewable Portfolio Standards (“NH-RPS”)

In 2007 the State of New Hampshire enacted an Electric Renewable Portfolio Standards law (“NH-RPS Law”) (RSA 362-F) to foster the development of renewable energy sources to meet New Hampshire’s energy needs. The NH-RPS Law requires all retail electricity suppliers to source a minimum portion of their energy needs from a portfolio of renewable energy resources. The NHPUC rules (Chapter PUC 2500) implementing the NH-RPS Law can be found at:

<http://www.puc.state.nh.us/Regulatory/Rules/Puc2500.pdf>

These rules require Liberty Utilities to demonstrate that a portion of its electricity sales are supplied from a mix of renewable energy generation sources. They are:

Class I consists of certain new renewable generators that began operation after January 1, 2006).

Class I Thermal consists of certain new renewable technologies producing useful thermal energy that began operation after January 1, 2013

Class II consists of certain new generators utilizing solar technologies.

Class III consists of existing generators utilizing: 1) biomass technologies with a gross nameplate capacity of 25 MW or less; and 2) methane gas.

Class IV consists of existing qualifying small hydroelectric generators with a gross nameplate capacity of 5 MW or less.

The renewable requirements as a percent of sales are divided into four separate classes and summarized below:

NH RPS Classes	2014	2015
RPS Class I	4.6%	5.4%
RPS Class I Thermal	0.4%	0.6%
RPS Class II	0.3%	0.3%
RPS Class III	3.0%	8.0%
RPS Class IV	1.4%	1.5%
Total	9.7%	15.8%

Liberty Utilities requests Respondents to separately bid the cost of NH-RPS compliance equivalent to 9.7% of sales in 2014 and 15.8% of sales in 2015. Liberty Utilities will have the option to select bids that include or exclude the NH-RPS component.

If Liberty Utilities accepts bids with the NH-RPS components, Liberty Utilities will require the winning Supplier to utilize the NEPOOL Generation Information System (“NEPOOL GIS”) to provide NEPOOL GIS Certificates that comply with the requirements of the NH-RPS rules. Respondents may propose alternate methods for demonstrating compliance. In each monthly invoice for a service that includes the NH-RPS component, Liberty Utilities will take a credit equal to the product of the NH-RPS

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obligation and the applicable Alternative Compliance Payment. Once a Supplier delivers the required number of NEPOOL GIS Certificates, the credit will be returned to the Supplier.

5. Proposal Requirements

5.1 Format of Proposal

The information required by Liberty Utilities to evaluate each proposal is identified in Appendix C. Respondents may simply complete the forms provided in Appendix C in any legible fashion and return them to John Warshaw as provided in Section 3.2. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary.

5.2 Proposed Pricing

Respondents must specify the price at which they will provide Default Service for each Load Block on which they are bidding to serve. Purchases will be made on an “as-delivered” energy basis with prices stated on a fixed \$ per MWh basis. Such prices may vary by calendar month and by customer group, but must be uniform for the entire calendar month and cover the entire term of this Request for Proposals.

Prices which contain demand components, minimum purchase requirements or which vary by time-of-use within a calendar month will be rejected. Prices which exclude one or more market costs (e.g. Capacity, uplift costs, etc.) will be rejected.

Liberty Utilities intends to pay a Supplier based on the billing determinants as defined in the Master Power Agreement. These billing determinants are the loads as reported to and settled by the ISO, which include transmission and distribution losses, and exclude any PTF losses allocated to the Supplier by the ISO during the settlement.

Liberty Utilities is seeking the following pricing:

- **All-Inclusive Bids:** For Load Blocks A, B and C, a price which includes all costs. Should Liberty Utilities select this option, (1) suppliers would be responsible for all costs including capacity market charges and (2) Suppliers would not be responsible for supplying the RPS component.
- **NH-RPS Compliance:** Price, on a separate \$ per MWh basis in 2013, for Supplier to provide the required NH-RPS component for the load block they are proposing to serve. Should Liberty Utilities select this option, the NH-RPS Compliance Bid prices would be added to the All-Inclusive Bid price and the Supplier would provide the applicable quantity of NEPOOL GIS Certificates (see Section 4.7).

5.3 Terms and Conditions

Service will be provided pursuant to the terms of the Master Power Agreement provided in Appendix B of this RFP.

5.4 New England Market Participation

Each Respondent must indicate whether it has an executed and accepted Market Participant Service Agreement with ISO New England or if it plans to execute an agreement and, if so, at what point it is in the application process and the time frame for completing the process. Respondents must also provide evidence of agreements with a Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.

5.5 Competitive Supplier Registration

The service provided by the Supplier of Default Service to Liberty Utilities is a wholesale transaction between the Supplier and Liberty Utilities; therefore, the Supplier does not have to be licensed or registered suppliers with any state regulatory commission.

5.6 Regulatory Approvals

The Supplier of the services covered by this Request for Proposal must obtain and maintain all necessary regulatory approvals required to enable it to provide the applicable service; such approvals must be obtained prior to November 1, 2014.

6. Retail Customer Relationships

6.1 Customer Billing

All customers taking Default Service covered by this RFP will be retail customers of Liberty Utilities. As the retail provider of such service, Liberty Utilities will bill customers for the Default Service provided.

6.2 Notification of Enrollments and Terminations

Liberty Utilities may provide electronic notification to the Supplier of Default Service customer enrollments and terminations within a customer group. Enrollment information will include account number, rate class and commencement date of service. Termination information will include account number, rate class and termination date of service. Such notifications shall only be provided when a Supplier establishes a an Electronic Data Interchange (EDI) account with Liberty Utilities.

6.3 Customer Service

Liberty Utilities, as the retail provider of Default Service, will provide customer service to all customers receiving Default Service.

7. Selection Process

The principal criteria to be used in evaluating proposals will include:

- Lowest evaluated bid price by Load Block;
- Respondent's ability to meet the credit requirements established in the Master Power Agreement provided in Appendix B;
- Firmness of delivery;
- The supplier's past experience in providing similar services to Liberty Utilities;
- The supplier's past experience in providing similar services to other companies in New England;
- The supplier's past experience in providing similar services to other companies in other regions;
- The supplier's demonstrated understanding of its obligations under the Master Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the supplier's ability to provide the requirements to Liberty Utilities' Default Service customers.

Liberty Utilities will evaluate the RPS Compliance bids only for the Load Block winning Respondents. Liberty Utilities will accept the RPS Compliance bid if it is at or less than the available market prices.

8. Credit Requirements

In order to protect Liberty Utilities' Default Service customers from the risk of Supplier default, a winning Supplier must be able to demonstrate it has the financial resources to perform during the term of the agreement. As reflected in the attached Master Power Agreement (Appendix B to this RFP), Liberty Utilities will require Supplier(s) to provide some form of security when entering into a Confirmation. The security arrangement will be based on the expected volume of load for the bid block and a mark-to-market margining clause. As forward market prices change, the Supplier will be required to post security for those incremental changes. Additionally, Suppliers that are rated at or below BBB-/Baa3 will be required to post an Independent Amount equal to 10% of the notional value of each Load Block awarded. The Supplier shall provide security in one of the following forms:

- Unsecured line of credit for a rated counterparty
- Parental Guaranty
- Letter of Credit
- Cash deposit with Liberty Utilities

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Respondents that are rated by a major credit rating agency must provide the ratings assigned by such agencies. Respondents that are not rated by a major credit rating agency must provide the following information to enable Liberty Utilities to evaluate a Respondent's financial strength:

- Respondent's organizational history
- Date of establishment
- Initial (if founded within the last ten years) and current capitalization
- Certified financial statements, including balance sheets and statements of income and cash flow with respect to the two previous fiscal years and the most recent interim period
- Forms 10-K and 10-Q, submitted to the United States Securities and Exchange Commission for the two previous fiscal years, if applicable;
- Short-term and long-term debt ratings from Moody's Investor Service or Standard & Poor's Corporation
- Corporate affiliates or joint venture partners including any details regarding financial limitations between partners or affiliates.

If a Respondent has provided this information to Liberty Utilities or an affiliate in a response to a previous RFP, then the Respondent needs only to identify the date and to whom the information was submitted and update the previously provided information.

9. General Requirements

Liberty Utilities may withdraw and terminate this RFP at any time without any liability. Liberty Utilities reserves the right to accept or reject, in whole or in part, any and all proposals. Liberty Utilities will not be responsible to any Respondent or any other party for failure to execute a Master Power Agreement or Confirmation.

Liberty Utilities shall reject proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of the RFP, or are submitted beyond the deadline for submission. All proposals submitted by Respondents in response to the RFP will become the exclusive property of Liberty Utilities.

If any information provided by the Respondent changes or fails to remain valid, it is the sole responsibility of the Respondent to notify Liberty Utilities of such change. Failing to do so may result in disqualification of the Respondent and its proposal for the solicitation.

Respondents shall, at their own cost and expense, defend, indemnify and hold harmless Liberty Utilities, its parent, subsidiaries and affiliates and their officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions proceeding or allegations of any kind which in

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any manner relate to arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in its proposal, or breach of any covenant by the Respondent set forth herein.

Liberty Utilities agrees that it will treat the information it receives from Respondents in a confidential manner and will not, except as required by law or regulatory authority, disclose such information to any third party or use such information for any purpose other than in connection with this RFP. .

APPENDIX A
DESCRIPTION OF SERVICES

Liberty Utilities (Granite State Electric) Corp.	
Default (Energy) Service	
Description	Service provided to retail customers who are not taking service from a competitive energy supplier.
Eligibility Requirements	<p>Service to customers is initiated by:</p> <ul style="list-style-type: none"> a) A customer notifying Liberty Utilities that it wishes to terminate service from its competitive energy supplier and commence Default Service. b) A competitive energy supplier notifying Liberty Utilities that it is terminating service to a customer. c) A competitive energy supplier ceasing to provide service to a customer without notifying Liberty Utilities. d) A customer moves into Liberty Utilities' service territory and does not affirmatively choose a competitive energy supplier.
Aggregate Number of Customers Taking Service and Historical Load Profiles	<p>Note: Historic customer count data and historical hourly load profiles are available at Liberty Utilities' procurement website under:</p> <p style="text-align: center;">http://www.libertyutilities.com/nh/electricsupply/index.html</p>

APPENDIX B

NEW HAMPSHIRE MASTER POWER AGREEMENT

APPENDIX C

REQUIRED PROPOSAL INFORMATION

RESPONDENT: _____

1. General Information

Name of Respondent	
Principal contact person < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Secondary contact person (if any) < Name < Title < Company < Mailing address < Telephone number (office) < Telephone number (cell) < Fax number < E-mail address	
Legal form of business organization of Respondent (e.g., sole proprietorship, partnership, limited partnership, joint venture, or corporation)	
State(s) of incorporation, residency and organization Indicate whether Respondent is in good standing in all states in which Respondent is authorized to do business and, if not, which states and the reason it is not.	
If Respondent is a partnership, the names of all general and limited partners. If Respondent is a limited liability company, the names of all direct owners.	
Description of Respondent and all affiliated entities and joint ventures transacting business in the energy sector	

RESPONDENT: _____

2. Financial Information

Current debt rating for Respondent (include ratings and names of rating agencies).	
Date Respondent's last fiscal year ended.	
Total revenue for Respondent for the most recent fiscal year.	
Total net income for Respondent for the most recent fiscal year.	
Total assets for Respondent as of the close of the previous fiscal year.	
Copy of the Respondent's most recent balance sheet, income statement and cash flow statement.	
Copy of the Respondent's most recent audited balance sheet, income statement and cash flow statement.	

3. Defaults and Adverse Situations

<p>Describe, in detail, any situation in which Respondent (either individually or as part of a consortium, joint venture or other group), or an affiliate of Respondent, defaulted or was deemed to be in noncompliance of its contractual obligations to transact business in the energy sector within the past five years including, without limitation, to purchase or deliver energy, capacity or other market products at retail or wholesale, or for the purchase or sale of electricity or natural gas, and including any financing agreements or financing provisions of any agreement.</p> <p>Explain the situation, its outcome and all other relevant facts associated with the event.</p> <p>If there was litigation, provide the case caption, index number and court.</p> <p>Identify the name, title and telephone number of the principal manager of the customer/client who asserted the event of default or noncompliance.</p>	
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RESPONDENT: _____

Has Respondent, or any affiliate of Respondent, in the last five years, (a) consented to the appointment of, or was taken in possession by, a receiver, trustee, custodian or liquidator of a substantial part of its assets, (b) filed a bankruptcy petition in any bankruptcy court proceeding, (c) answered, consented or sought relief under any bankruptcy or similar law or failed to obtain a dismissal of an involuntary petition, (d) admitted in writing of its inability to pay its debts when due, (e) made a general assignment for the benefit of creditors, (f) was the subject of an involuntary proceeding seeking to adjudicate that Party bankrupt or insolvent, (g) sought reorganization, arrangement, adjustment, or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors.	
Describe any facts presently known to Respondent that might adversely affect its ability to provide the service(s) bid herein as provided for in the RFP	

4. NEPOOL AND POWER SUPPLY EXPERIENCE

Is Respondent a member of NEPOOL?	
Does Respondent have an executed and accepted Market Participant Service Agreement with ISO New England?	
Name of Market Participant if Respondent will have another Market Participant be responsible for its market settlement obligations.	
Describe Respondent's experience and record of performance in the areas of power marketing, brokering, sales, and/or contracting, for the last five years within NEPOOL and/or the New England region.	
Provide three references (name, title and contact information) who have contracted with the Respondent for similar load following services within the last 2 years.	

RESPONDENT: _____

5. CONFLICTS OF INTEREST

Briefly describe any known conflicts of interest between Respondent or an affiliate of Respondent and Liberty Utilities, Liberty Utilities or any affiliates of the foregoing.	
Enumerate any litigation, claims or complaints asserted by Respondent or an affiliate of Respondent, against Liberty Utilities, Liberty Utilities or an affiliate of any of the foregoing.	
Enumerate any litigation, claims or complaints asserted against Respondent or an affiliate of Respondent by Liberty Utilities, Liberty Utilities or an affiliate of any of the foregoing.	

6. SCOPE OF BID AND TERMS OF SALE

Will Respondent execute a contract substantially similar to the Master Power Agreement contained in Appendix B? Explain any proposed modifications.	
List all regulatory approvals required before service can commence.	

RESPONDENT: _____

7. Proposed Pricing

(Respondent required to use bidding spreadsheet included on procurement website)

SCHEDULE JDW – 2

Energy Service Procurement Summary

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ENERGY SERVICE PROCUREMENT SUMMARY
FOR
LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.
FOR THE PERIOD
NOVEMBER 2014 – APRIL 2015

1. RFP Issued

Liberty Utilities (Granite State Electric) Corp. (“Liberty Utilities”) issued its Request for Power Supply Proposals (“RFP”) on February 10, 2014 to approximately 25 suppliers for the service period November 2014 through April 2015.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on Liberty Utilities’ energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with applicable New Hampshire rules and regulations including Liberty Utilities’ Second Amended Restructuring Settlement Agreement (“Restructuring Settlement”), RSA 374-F (“New Hampshire Act”) and Granite State Electric Company Post-Transition Service Energy Service Proposal Settlement Agreement (“New Hampshire Settlement Agreement”) approved by the New Hampshire Public Utilities Commission on January 13, 2006 in Order No. 24,577.

Liberty Utilities’ RFP requested all-inclusive pricing for:

- 100% of the Large Customer Group Energy Service requirements for the period November 1, 2014 through April 30, 2015.
- 100% of the Small Customer Group Energy Service requirements for the period November 1, 2014 through April 30, 2015.

A description of these load blocks are provided in Exhibit 1.

2. Key RFP Dates

- The RFP was issued on August 15, 2014.
- Supplier information was received on September 3, 2014.
- Indicative bids were received on September 9, 2014.
- Final bids were received on September 16, 2014.

3. Contract Submissions

All bidders had previously executed Master Power Agreements with Liberty Utilities.

4. Indicative Bids

Indicative bids were received on September 9, 2014 from [REDACTED] bidders. The indicative bids were evaluated and ranked (see Exhibits 2 and 3). Indicative pricing was used only to determine current market prices, to prepare an initial ranking of bids and to identify any bidding anomalies. The retail prices in Exhibit 3 were calculated by adjusting the wholesale prices in Exhibit 2 by the ratio of wholesale purchases to retail deliveries.

The lowest indicative bids for each load block were compared to Liberty Utilities' estimate of expected indicative bids. We calculated the expected bid prices by comparing the historical relationship of bid prices to the market components that comprise those bid prices (see Exhibit 4). This method utilizes a detailed on-peak and off-peak calculation and incorporates all bid components: energy, capacity, and ancillary services.

In evaluating the bid prices, Liberty Utilities compared the expected bid price for each block, as derived above, to the lowest average indicative bid price for the block.

In addition to evaluating the bid price and ability to meet credit requirements, Liberty Utilities also performed a qualitative review of each bidder's ability to provide Energy Service during the service period based on the following:

- The bidder's past experience in providing similar services to Liberty Utilities or its affiliates;
- The bidder's past experience in providing similar services to other companies in New England;
- The bidder's past experience in providing similar services to other companies in other regions;
- The bidder's demonstrated understanding of the market rules related to the provision of Energy Service;
- The bidder's demonstrated understanding of its obligations under the proposed Master Power Agreement; and
- Whether there have been any past or are any present events that are known that may adversely affect the bidder's ability to provide Energy Service.

Liberty Utilities concluded that all bidders were qualified to provide Energy Service and would be capable of providing any required contract security.

5. Regulatory Communication

Liberty Utilities contacted the NHPUC Staff to inform them of the level of participation in the RFP. Staff asked to be kept informed of final bidding.

6. Final Bids

Final bids were received on September 16, 2014 from [REDACTED] bidders. The final bids were evaluated and ranked (see Exhibits 5 and 6). The retail prices in Exhibit 6 were calculated by adjusting the wholesale prices in Exhibit 5 by the ratio of wholesale purchases to retail deliveries.

A summary of the number of conforming bids per block is provided in the following table:

Customer Group	Block - # Bids
Large	A [REDACTED]
Large	B [REDACTED]
Small	C [REDACTED]

7. Analysis and Award

In both cases the lowest final bids were compared to Liberty Utilities' expected bids. The calculations of these expected prices can be found in Exhibit 7.

[REDACTED]

Exhibit 8 provides a summary of the winning suppliers and the basis for the award. Exhibit 9 provides a bidder key to help identify bidders.

8. New Hampshire Electric Renewable Energy Portfolio Standard

The load covered by this RFP is subject to the following Renewable Portfolio Standard ("RPS") requirement:

NH-RPS Classes	2014	2015
RPS Class I	4.6%	5.4%
RPS Class I Thermal	0.4%	0.6%
RPS Class II	0.3%	0.3%
RPS Class III	3.0%	8.0%
RPS Class IV	1.4%	1.5%
Total	9.7%	15.8%

Liberty Utilities had also issued a Request for Proposals to Provide NEPOOL-GIS Certificates in Compliance With the New Hampshire Electric Renewable Portfolio Standards ("RECs") on August 15, 2014. Bids were received from [REDACTED] bidders on or before September 12, 2014. Exhibit 10 provides an initial analysis of the REC bids received. While the responses are still under review by Liberty Utilities, the prices in the bids were used in developing the current

REDACTED

market price of RECs for this RFP by utilizing the either the REC bid price or applicable ACP as specified in the RPS regulations. Exhibit 11 provides a calculation of the cost adder to include these costs.

Two Energy service bidders, who were not the lowest cost bidders, provided a RPS cost adder in their bids, a summary of the adders is found in Exhibit 12. The cost adder was higher than the market price calculated in Exhibit 11, and thus would not have been accepted if the bidders had been the lowest cost bidders in this RFP.

9. Retail Rate

The expected retail rates, excluding administrative cost adders, were based on the winning wholesale costs. The retail prices in Exhibit 6 were calculated by adjusting the wholesale prices in Exhibit 5 by the ratio of wholesale purchases to retail deliveries.

A summary of the estimated retail rates is provided in Exhibit 13. The Energy Service retail rates were adjusted to include the average cost of RPS certificates that could be purchased in the open market.

EXHIBIT 1
LOAD BLOCK DESCRIPTIONS

Load Block	Customer Group	SMD Load Zone	Load Share	Type of Service	Period
A	Large	NH	100%	Default Service	11/01/2014 – 01/31/15
B	Large	NH	100%	Default Service	02/01/2015 – 04/30/15
C	Small	NH	100%	Default Service	11/01/2014 – 04/30/15

EXHIBIT 2
INDICATIVE BID RANKING AT WHOLESALE

September 9, 2014 Initial Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance																
			100 % of NH Load Obligations													
Monthly Weighting																
			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	Expected Bid based on Electric Forecast		2014/2015 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min
Block A	NH Large Default	Bidder A														
		Bidder B														
		Bidder C														
		Bidder D														
		Bidder E														
		Bidder F														
		Bidder G														
		Bidder H														
		Bidder I														
		Bidder J														
		Bidder K														
		Bidder L														
		Bidder M														
		Bidder N														
		Bidder O														
Monthly Weighting																
Block B	NH Large Default	Bidder A														
		Bidder B														
		Bidder C														
		Bidder D														
		Bidder E														
		Bidder F														
		Bidder G														
		Bidder H														
		Bidder I														
		Bidder J														
		Bidder K														
		Bidder L														
		Bidder M														
		Bidder N														
		Bidder O														
Monthly Weighting																
Block C	NH Small Default	Bidder A														
		Bidder B														
		Bidder C														
		Bidder D														
		Bidder E														
		Bidder F														
		Bidder G														
		Bidder H														
		Bidder I														
		Bidder J														
		Bidder K														
		Bidder L														
		Bidder M														
		Bidder N														
		Bidder O														

EXHIBIT 3
INDICATIVE BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)

September 9, 2014 Initial Bid Prices (¢ / kWh) at Retail Customer Meter, Excluding RPS Compliance											
			100 % of NH Load Obligations								
Monthly Weighting											
			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block A	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											
Block A	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											
Block B	NH Small Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											
Notes:											
						per Load Data Services data was:					

EXHIBIT 4
ESTIMATED INDICATIVE PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
NOVEMBER 2014 – APRIL 2015 PERIOD

			Nov-2014	Dec-2014	Jan-2015	Feb-2015	Mar-2015	Apr-2015	Average
(A)	Electric Futures Price (\$/MWh)	On-Peak	63.75	143.00	183.00	172.75	105.50	52.50	120.08
		Off-Peak	47.58	110.92	138.55	129.80	80.00	40.50	91.23
(B)	Premium Bid Factor	NH Large							
		NH Large							
		NH Small							
(C)	FCM Price (\$/kw)	Capacity							
(D)	Ancillary Price (\$/MWh)	All Zones							
(E)	On-Peak Days #								
(F)	ICAP Load Factor	NH Large							
		NH Large							
		NH Small							
(G)	Monthly On-Peak Factor	NH Large							
		NH Large							
		NH Small							
(H)	Expected Bid Price (\$/MWh)	NH Large							
		NH Large							
		NH Small							
(I)	Expected Retail Price (¢/kWh)	NH ES Large							
		NH ES Large							
		NH ES Small							

EXHIBIT 5
FINAL BID RANKING AT WHOLESALE

September 16, 2014 Final Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance																		
			100 % of NH Load Obligations															
Monthly Weighting																		
			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Average Price	Weighted Average Price	Weighted Avg Price vs. Min	% Change From Indicative	Expected Bid based on Electric Forecast		2014/2015 RPS Adder	Weighted Average Price with RPS	Weighted Average Price with RPS vs Min	
Block A	NH Large Default	Bidder A																
		Bidder B																
		Bidder C																
		Bidder D																
		Bidder E																
		Bidder F																
		Bidder G																
		Bidder H																
		Bidder I																
		Bidder J																
		Bidder K																
		Bidder L																
		Bidder M																
		Bidder N																
		Bidder O																
Monthly Weighting																		
Block B	NH Large Default	Bidder A																
		Bidder B																
		Bidder C																
		Bidder D																
		Bidder E																
		Bidder F																
		Bidder G																
		Bidder H																
		Bidder I																
		Bidder J																
		Bidder K																
		Bidder L																
		Bidder M																
		Bidder N																
		Bidder O																
Monthly Weighting																		
Block C	NH Small Default	Bidder A																
		Bidder B																
		Bidder C																
		Bidder D																
		Bidder E																
		Bidder F																
		Bidder G																
		Bidder H																
		Bidder I																
		Bidder J																
		Bidder K																
		Bidder L																
		Bidder M																
		Bidder N																
		Bidder O																

EXHIBIT 6
FINAL BID RANKING AT RETAIL
WITHOUT RPS (¢/kWh)

September 16, 2014 Final Bid Prices (¢ / kWh) at Retail Customer Meter, Excluding RPS Compliance											
			100 % of NH Load Obligations								
Monthly Weighting											
			Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	Average Price	Weighted Average Price	Weighted Avg Price vs. Min
Block A	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Block B	NH Large Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											
Block C	NH Small Default	Bidder A									
		Bidder B									
		Bidder C									
		Bidder D									
		Bidder E									
		Bidder F									
		Bidder G									
		Bidder H									
		Bidder I									
		Bidder J									
		Bidder K									
		Bidder L									
		Bidder M									
		Bidder N									
		Bidder O									
Monthly Weighting											

EXHIBIT 7
ESTIMATED FINAL PRICES
FORECAST BASED ON NYMEX ELECTRICITY FUTURES
NOVEMBER 2014 – APRIL 2015 PERIOD

			Nov-2014	Dec-2014	Jan-2015	Feb-2015	Mar-2015	Apr-2015	Average
(A)	Electric Futures Price (\$/MWh)	On-Peak	63.37	140.50	181.00	170.75	103.50	53.00	118.69
		Off-Peak	47.50	110.38	137.00	128.35	79.25	41.75	90.71
(B)	Premium Bid Factor	NH Large							
		NH Large							
		NH Small							
(C)	FCM Price (\$/kw)	Capacity							
(D)	Ancillary Price (\$/MWh)	All Zones							
(E)	On-Peak Days #								
(F)	ICAP Load Factor	NH Large							
		NH Large							
		NH Small							
(G)	Monthly On-Peak Factor	NH Large							
		NH Large							
		NH Small							
(H)	Expected Bid Price (\$/MWh)	NH Large							
		NH Large							
		NH Small							
(I)	Expected Retail Price (¢/kWh)	NH ES Large							
		NH ES Large							
		NH ES Small							

EXHIBIT 8
SUMMARY OF LOAD BLOCK AWARDS

Load Block	Customer Group	SM Load Zone	Supplier	Basis for Award
A	Large	NH	NextEra Energy Power Marketing, LLC	Lowest bidder for block
B	Large	NH	NextEra Energy Power Marketing, LLC	Lowest bidder for block
C	Small	NH	Energy America, LLC	Lowest bidder for block

EXHIBIT 9
BIDDER KEY

Bidder	Name
Bidder A	
Bidder B	
Bidder C	
Bidder D	
Bidder E	
Bidder F	
Bidder G	
Bidder H	
Bidder I	
Bidder J	
Bidder K	
Bidder L	
Bidder M	
Bidder N	
Bidder O	
Bidder P	

ANAYLSIS OF RPS BIDS

Bid Recommendation	Respondent	Vintage	Class	Price	Quantity	Delivery Type	Comments	Total Cost

EXHIBIT 11 **RPS COST ADDER CALCULATION**

						YEAR			
						2014	2015	2014	2015
						ACP		Market	
<u>Section 1A: Calculation of Class I Renewable Energy Resource Charge</u>									
(1)	Class I Alternative Compliance Payment or Market Price					\$55.37	\$55.74		
(2)	Class I Renewable Energy Resource Obligation					4.60%	5.40%	4.60%	5.40%
(3)	Incremental Cost - \$/MWh					\$2.55	\$3.01		
<u>Section 1B: Calculation of Class I Thermal Energy Resource Charge</u>									
(1)	Class I Alternative Compliance Payment or Market Price					\$25.17	\$25.34		
(2)	Class I Renewable Energy Resource Obligation					0.40%	0.60%	0.40%	0.60%
(3)	Incremental Cost - \$/MWh					\$0.10	\$0.15		
<u>Section 2: Calculation of Class II Renewable Energy Resource Charge</u>									
(1)	Class II Alternative Compliance Payment or Market Price					\$55.37	\$55.75		
(2)	Class II Renewable Energy Resource Obligation					0.30%	0.30%	0.30%	0.30%
(3)	Incremental Cost - \$/MWh					\$0.17	\$0.17		
<u>Section 3: Calculation of Class III Renewable Energy Resource Charge</u>									
(1)	Class III Alternative Compliance Payment or Market Price					\$31.93	\$32.36		
(2)	Class III Renewable Energy Resource Obligation					3.00%	8.00%	3.00%	8.00%
(3)	Incremental Cost - \$/MWh					\$0.96	\$2.59		
<u>Section 4: Calculation of Class IV Renewable Energy Resource Charge</u>									
(1)	Class IV Alternative Compliance Payment or Market Price					\$26.86	\$27.23		
(2)	Class IV Renewable Energy Resource Obligation					1.40%	1.50%	1.40%	1.50%
(3)	Incremental Cost - \$/MWh					\$0.38	\$0.41		
<u>Section 5: Calculation of Renewable Portfolio Standard Adder</u>									
(4)	Sum of Class I, II, III and Class IV Incremental Costs - \$/MWh					\$4.16	\$6.33		
(5)	Renewable Portfolio Standard Adder to be included in Retail Rates - \$/kWh					\$ 0.00416	\$ 0.00633	\$ 0.00398	\$ 0.00595
(6)	Total RPS Obligation %					9.70%	15.80%	9.70%	15.80%
(7)	Obligation Weighted cost					\$42.89	\$40.06		

EXHIBIT 12
SUMMARY OF RPS ADDERS

INDICATIVE				
	NH RPS Adder \$/MWh		NH RPS REC COST \$/REC	
	NH-RPS- 2014	NH-RPS- 2015	2014	2015
Avg Market Cost				
ACP Value	\$ 4.16	\$ 6.33	\$ 42.89	\$ 40.06
Bidder A				
Bidder B				
Bidder C				
Bidder D				
Bidder E				
Bidder F				
Bidder G				
Bidder H				
Bidder I				
Bidder J				
Bidder K				
Bidder L				
Bidder M				
Bidder N				
Bidder O				
min				
max				
FINAL				
	NH RPS Adder \$/MWh		NH RPS REC COST \$/REC	
	NH-RPS- 2014	NH-RPS- 2015	2014	2015
Avg Market Cost				
ACP Value	\$ 4.16	\$ 6.33	\$ 42.89	\$ 40.06
Bidder A				
Bidder B				
Bidder C				
Bidder D				
Bidder E				
Bidder F				
Bidder G				
Bidder H				
Bidder I				
Bidder J				
Bidder K				
Bidder L				
Bidder M				
Bidder N				
Bidder O				
min				
max				

EXHIBIT 13
RETAIL RATES BASED ON FINAL BID PRICES

September 16, 2014 Final Bid Prices (\$ / MWh) at Wholesale Delivery Point, Excluding cost of RPS Compliance							
100 % of NH Load Obligations							Average Price
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	
NH Large DS							
NH Large DS							
NH Small DS							
September 16, 2014 Final Bid Prices (¢ / kWh) at Retail Customer Meter, Including RPS Compliance							
100 % of NH Load Obligations							Weighted Average Price
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	
NH Large DS	8.453	17.502	21.900				16.087
NH Large DS				21.171	12.733	7.642	13.754
NH Small DS	8.738	17.386	21.546	20.711	13.297	8.134	15.487

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SCHEDULE JDW – 3

**Comparison of Change in Futures Prices to
Change in Procurement Costs**

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Liberty Utilities (Granite State Electric) Corp.

Comparison of Change in Futures Prices to Change in Procurement Costs

Winter Period (November - April)									Summer Period (May - October)									Percent Change (Summer to Winter)	Percent Change (Winter to Winter)
		Nov	Dec	Jan	Feb	Mar	Apr	Average	Hourly Weighted Average	May	Jun	Jul	Aug	Sep	Oct	Average	Hourly Weighted Average		
Electric Futures Price September 10, 2013 (\$/MWh)	On-Peak	47.48	74.95	96.00	96.00	55.50	42.13	68.68	59.90										
	Off-Peak	36.98	59.33	75.00	75.00	41.60	33.35	53.54											
Electric Futures Price March 18, 2014 (\$/MWh)	On-Peak									52.38	71.81	69.90	69.90	49.70	50.00	60.62	50.00		
	Off-Peak									38.97	50.57	45.00	45.00	37.00	37.33	42.31			
Electric Futures Price September 15, 2014 (\$/MWh)	On-Peak	63.37	140.50	181.00	170.75	103.50	53.00	118.69	102.46									104.9%	71.0%
	Off-Peak	47.50	110.38	137.00	128.35	79.25	41.75	90.71											
NYMEX Natural Gas Price September 10, 2013 (\$/mmBtu)		3.681	3.838	3.921	3.922	3.885	3.816	3.844											
NYMEX Natural Gas Price March 18, 2014 (\$/mmBtu)										4.225	4.203	4.125	4.131	4.151	4.178	4.169			
NYMEX Natural Gas Price September 15, 2014 (\$/mmBtu)		3.910	3.991	4.059	4.054	3.992	3.780	3.964										-4.9%	3.1%
Final Small Customer Group Purchase Price 9/10/2013		5.942	8.728	11.123	10.981	6.741	5.591	8.184											
Final Small Customer Group Purchase Price 3/18/2014										6.707	8.673	8.098	8.250	6.697	6.610	7.506			
Final Small Customer Group Purchase Price 9/15/2014		8.446	17.093	21.057	20.222	12.808	7.645	14.545										93.8%	77.7%

Notes:

1) Hourly weighted average = 42% On Peak + 58% Off-Peak prices

2) Final Price does not include Default Service Reconciliation Adjustment Factor or Default Service Cost Reclassification Adjustment Factor.

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SCHEDULE JDW – 4

Energy Service Contract for the Large Customer Group

November 1, 2014 through April 30, 2015

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MASTER POWER AGREEMENT TRANSACTION CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of **September 16, 2014**, between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”)¹, a New Hampshire corporation and **NEXTERA ENERGY POWER MARKETING, LLC** (formerly known as FPL ENERGY POWER MARKETING, INC.), a Delaware limited liability company (“**Seller**”), a Delaware corporation, regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated October 18, 2006 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
A	Large	NH	100%	11/01/14	01/31/15
B	Large	NH	100%	02/01/15	04/30/15

3. Contract Rate - \$/MWh

Award Block	Customer Group	Load Zone	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015
A	Large	NH						
B	Large	NH						

¹ Effective January 14, 2014, Granite State Electric Company changed its name to Liberty Utilities (Granite State Electric) Corp.

4. Load Asset Designation within the ISO Settlement Market System

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
A	Large	NH	11437	GSECO-DEF SVC LARGE CG LOAD

5. Renewable Portfolio Requirement

Renewable Portfolio Requirement shall mean, for each calendar month during the term of this Transaction, zero.

6. Amount Payable

The amount payable by the Buyer to Seller in a month shall be;

- (i) The product of (a) the Delivered Energy for Default Service to the Large Customer Group and (b) Large Customer Group Contract Rate in the month.

7. Modifications to the Master Power Agreement

Replace all references to Granite State Electric Company with Liberty Utilities (Granite State Electric) Corp.

8. Security**8.1 Calculation of Exposure**

Exposure shall be calculated in accordance with Paragraph 3 of the CSA, subject to the conditions and definitions below.

Seller Collateral Requirement means [REDACTED]

Expected Daily Load means the average daily load based upon one year of available actual loads for a given month, as specified in the following table:

Award Block	Customer Group	Load Zone	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015
A	Large	NH	590	590	610			
B	Large	NH				640	570	620

Adjustment Factor is 0.85.

Reference New England Internal Hub Price means the prices as specified in the following table:

ISO New England Internal Hub Price	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015
Off-Peak	47.50	110.38	137.00	128.35	79.25	41.75
Peak	63.37	140.50	181.00	170.75	103.50	53.00
Reference New England Internal Hub Price**	54.21	124.63	156.87	148.54	90.71	47.25

**The Reference New England Internal Hub price shall be calculated as ((Peak Price x number of Peak Hours in the Month) + (Off-Peak Price x number of Off-Peak Hours in the Month))/(Total Hours in the Month)), as applicable.

8.2 Delivery of Collateral

Within five (5) Business Days after the execution of this Confirmation, Seller shall provide Collateral in accordance with Paragraph 3(a) of the Credit Support Annex of the Master Power Agreement, and in any of the forms specified in Paragraph 6 of the Credit Support Annex of the Master Power Agreement.

9. Confidentiality

Article 3 of this Confirmation is Confidential Terms within the meaning of Article 23 of the Master Power Agreement and shall be subject to confidential treatment until such time such information is published by the Federal Energy Regulatory Commission. Notwithstanding the foregoing, it is understood and agreed that National Grid USA, pursuant to the terms of a transition service agreement, will provide services to Granite including matters covered by the Master Power Agreement. Seller agrees that Confidential Terms may be disclosed to National Grid USA solely for purposes of providing these transition services to Granite.

10. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

11. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.


[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.

Name: Ian Robertson
Title: Chief Executive Officer

NEXTERA ENERGY POWER MARKETING, LLC



Name (print): _____ Mark Palanchian
Title: _____ Vice President
Asst. Secretary
Nextera Energy
Power Marketing, LLC



IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.



Name: Ian Robertson

Title: Director

NEXTERA ENERGY POWER MARKETING, LLC

Name (print): _____

Title: _____

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SCHEDULE JDW – 5

Energy Service Contract for the Small Customer Group

November 1, 2014 through April 30, 2015

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MASTER POWER AGREEMENT FORM OF CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of **September 16, 2014**, between **LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.** (“Liberty Utilities” or “Buyer”)¹, a New Hampshire corporation and **ENERGY AMERICA LLC**, a Delaware corporation (“Seller”), regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated March 9, 2007 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
C	Small	NH	100%	11/01/14	04/30/15

3. Contract Rate - \$/MWh

Award Block	Customer Group	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015
C	Small						

4. Load Asset Designation within the ISO Settlement Market System

¹ Effective January 14, 2014, Granite State Electric Company changed its name to Liberty Utilities (Granite State Electric) Corp.

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
C	Small	NH	11436	GSECO-DEF SVC SMALL CG LOAD

5. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

- (i) The product of (a) the Delivered Energy for Default Service to the Small Customer Group and (b) Small Customer Group Contract Rate in the month.

6. Security

[REDACTED]

7. Confidentiality

Articles 3 and 6 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

8. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

9. Modifications to the Master Power Agreement

Replace all references to Granite State Electric Company with Liberty Utilities (Granite State Electric) Corp.

10. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

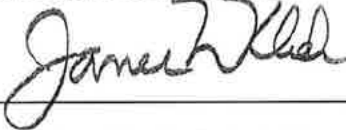
This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.

Name: Ian Robertson
Title: Director

ENERGY AMERICA LLC

88 _____


Senior Director, Market Risk Management

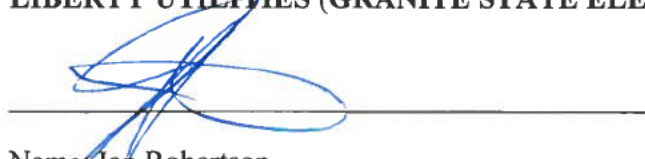
Name (print): James Kloehr
Title: Sr. Director, Market Risk

DZ

EXECUTION COPY

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

LIBERTY UTILITIES (GRANITE STATE ELECTRIC) CORP.



Name: Ian Robertson
Title: Director

ENERGY AMERICA LLC

Name (print): James Kloehr
Title: Sr. Director, Market Risk

EXECUTION COPY

NEW HAMPSHIRE MASTER POWER AGREEMENT

This **MASTER POWER AGREEMENT** (“Master Power Agreement”) is dated as of **March 9, 2007** and is by and between **GRANITE STATE ELECTRIC COMPANY** (“Granite” or “Buyer”), a New Hampshire corporation, and **ENERGY AMERICA LLC**, a Delaware corporation (“**Seller**”) This Master Power Agreement provides for the sale by Seller of Default Service, as defined herein, to the Buyer. Buyer and Seller are referred to herein individually as a “Party” and collectively as the “Parties”.

ARTICLE 1. BASIC UNDERSTANDINGS

Seller and Buyer have agreed to execute this Master Power Agreement in order to establish the basic terms of Seller’s provision and sale of, and Buyer’s acceptance and purchase of, Default Service. This Master Power Agreement, together with the Appendices and written supplements (including any Confirmations) hereto, and any designated collateral, credit support or margin agreement or similar arrangement between the Parties regarding the Transactions (as defined in Article 2), shall be referred to as the “Agreement” and shall constitute the entire agreement between the Parties relating to the subject matter hereof and supersedes any other agreements, written or oral, between the Parties concerning such subject matter but specifically excluding written agreements executed by the Parties prior to the Effective Date.

ARTICLE 2. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings specified in this Article. In addition, except as otherwise expressly provided, terms with initial capitalization used in this Agreement and not defined herein shall have the meaning as defined in the NEPOOL Rules.

Affiliate means, with respect to any Party, any entity (other than a person) that, directly or indirectly, controls, or is controlled by, or is under common control with, such Party. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

Award Block means the numerical designation, for administrative purposes only, as may be set forth on a Confirmation to identify Customer Groups to be served from and including the Commencement Date through the Conclusion Date, in a specified Load Zone, and the associated Load Asset Number and Load Asset Name, or other information as may be associated therewith in a Confirmation.

Business Day means a 24-hour period ending at 5:00 p.m. EPT, other than Saturday, Sunday and any day which is a legal holiday or a day on which banking institutions in Boston, Massachusetts are authorized by law or other governmental action to close.

Buyer has the meaning set forth in the preamble of this Master Power Agreement, along with any successors, assigns, employees, agents and authorized representatives thereof.

Buyer’s System means the electrical transmission and distribution system of the Buyer and the electrical transmission and distribution system of any Affiliate of the Buyer.

Buyer's Service Territory means the geographic area served by Granite State Electric Company.

Commencement Date means the period at HE 0100 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

Commission means the Federal Energy Regulatory Commission, or its successor.

Competitive Supplier Terms means NHPUC's PUC 2000 Competitive Electric Power Supplier Rules, as may be amended from time to time.

Conclusion Date means the period at HE 2400 EPT on the date set forth for each Customer Group in the Confirmation for the applicable Transaction.

Confirmation means a confirmation that is mutually agreed to and executed by the Parties, which may be in the form set forth in Appendix B or in a form otherwise agreed to by the Parties, such document to serve as a supplement or modification of this Master Power Agreement with respect to a specific Transaction.

Confirmation Term means, for the applicable Transaction, the period beginning as of the effective date set forth on a Confirmation and continuing through to the date both Parties have fulfilled all of their obligations with respect to such Transaction.

Contract Rate has the meaning set forth in the Confirmation for the applicable Transaction.

Credit Rating means (i) the lower of the ratings assigned to an entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) by S&P and Moody's, (ii) in the event the entity does not have a rating for its senior unsecured long-term debt, the lower of the rating assigned to the entity as an issuer rating by S&P and Moody's, or the rating assigned to the entity as an issuer rating by any other rating agency agreed to by both Parties in each Party's sole and exclusive judgment.

Customer Disconnection Date means the date when a Default Service Customer is disconnected from service, as determined by the Buyer in accordance with the Distribution Service Terms.

Customer Group means Buyer's customers who receive Default Service in the Large Customer Group and/or Small Customer Group as specified on the Confirmation for the applicable Transaction.

Customer Termination Date means the date when a Default Service Customer ceases to take service under the Default Service Tariff, each date as determined by the Buyer in accordance with the Distribution Service Terms.

Default Service means the provision of Requirements by Seller at the Delivery Point to the Buyer to meet all needs of Default Service Customers.

Default Service Customer(s) means, for a specific Transaction, the customers in each Customer Group set forth in the applicable Confirmation, taking service pursuant to the Default Service Tariff during the applicable Delivery Term.

Default Service Tariff means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17,, as may be amended from time to time and approved by the NHPUC.

Delivered Energy means the quantity of energy, expressed in megawatt-hours, provided by Seller with respect to a specific Transaction. This quantity shall be the sum of the quantity of energy reported to the ISO by the Buyer for each of the Load Assets identified in a specific Transaction, with such quantity determined by the Buyer in accordance with Section 6.3 of this Master Power Agreement. Such quantity shall not include any allocation of PTF losses (which the ISO may assess to Seller in relation to such energy), but shall include transmission and distribution losses on the Buyer's System from the Delivery Point to the meters of Default Service Customers.

Delivery Point means, for each Load Asset (x) identified in or in accordance with a specific Transaction and (y) as set forth in the Confirmation related to a specific Transaction (i) the Nodes at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the registered Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads With Nodes"), for any period and in any location in which there are Loads With Nodes and the ISO requires use of Nodes for Real-Time Load Obligations, or (ii) the Load Zones at which the Real-Time Load Obligations are established in the ISO Settlement Power System Model for the Load Assets representing the physical loads of Default Service Customers for the Delivery Term for such customers, identified by the Load Asset ("Loads with Zones") if (a) the ISO does not require use of Nodes for Real-Time Load Obligations and (b) the use of Loads with Zones in a calculation of ISO settlement charges and costs yields the same mathematical result as a calculation thereof using Loads with Nodes; or (iii) in the event of neither (i) nor (ii), Loads with Nodes and, in any location in which there are no Loads with Nodes, Loads with Zones.

Delivery Term(s) means the period(s) set forth in the Confirmation for a particular Transaction for the respective Default Service designations, beginning at the top of the HE 01:00 EPT on the Commencement Date (set forth in the applicable Confirmation) and continuing through and including the end of HE 24:00 EPT on the Conclusion Date).

Distribution Service Terms means Buyer's Tariff for Retail Delivery Service for the Period after New England Power Company Divests Substantially all of its Non-nuclear Generation, N.H.P.U.C. No. 17, as may be amended from time to time and approved by the NHPUC.

Effective Date means the date that this Master Power Agreement is executed by all Parties.

EPT means Eastern Prevailing Time.

Governing Documents means, with respect to any particular entity, (a) if a corporation, the (i) articles of organization, articles of incorporation or certificate of incorporation and (ii) the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles or certificate of organization or

formation and operating agreement; (e) if another type of entity, any other charter or similar document adopted or filed in connection with the creation, formation or organization of such entity; (f) all equity holders' agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any entity or relating to the rights, duties and obligations of the equity holders of any entity; and (g) any amendment or supplement to any of the foregoing.

Initiation Date means the date a retail customer of the Buyer begins taking service pursuant to the Default Service Tariff as determined by the Buyer in accordance with the Distribution Service Terms.

Interest Rate means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under "Money Rates" on such day (or if not published on such day, on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

Investment Grade means (i) if any entity has a Credit Rating from both S&P and Moody's then, a Credit Rating from S&P equal to "BBB-" and a Credit Rating from Moody's equal to "Baa3"; or (ii) if an entity has a Credit Rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to "BBB-" or a Credit Rating from Moody's equal to "Baa3 or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then a credit rating equal to that mutually agreed to by the Parties in each Party's sole and exclusive judgment.

ISO means ISO New England Inc., authorized by the Commission to exercise for New England the functions required pursuant to the Commission's Order No. 2000 (and its progeny) and the Commission's regulations, and any successor organization (including but not limited to a Regional Transmission Organization).

ISO Tariff means the ISO New England Inc. Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended, modified, superseded and supplemented from time to time, and including the Market Rules and Procedures.

ISO New England Operating Documents means the ISO Tariff and the ISO New England Operating Procedures, as amended, modified, superseded and supplemented from time to time.

Large Customer Group Contract Rate means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Large Customer Group means the Buyer's customers in the Rate G-1 and G-2 retail rate classes (the "Large Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Large Rate Classes shall be comprised of customers previously in one of the Large Rate Classes or such customer would have qualified for one of the Large Rate Classes.

Locational Marginal Pricing means as set forth in the Market Rules and Procedures.

Market Rules and Procedures means the Market Rules, Manuals and Procedures adopted by the ISO and/or NEPOOL, as may be amended from time to time, and as administered by the ISO to govern the operation of the NEPOOL markets.

Material Adverse Effect means, with respect to a Party, any change in or effect on such Party after the date of this Agreement that is materially adverse to the transactions contemplated hereby, excluding any change or effect resulting from (a) changes in the international, national, regional or local wholesale or retail markets for electric power; (b) changes in the international, national, regional or local markets for any fuel; (c) changes in the North American, national, regional or local electric transmission or distribution systems; and (d) any action or inaction by a governmental authority, but in any such case not affecting the Parties or the transactions contemplated hereby in any manner or degree significantly different from others in the industry as a whole.

Moody's means Moody's Investors Service, its successors and assigns.

MWh means Megawatt-hour.

NEPOOL-GIS means the NEPOOL Generation Information System, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity consumed within New England.

NEPOOL-GIS Certificates means a document produced by the NEPOOL-GIS that identifies the relevant generation attributes of each MWh accounted for in the NEPOOL-GIS from a generation unit.

NEPOOL means the New England Power Pool, or its successor.

NEPOOL Agreement means the Second Restated New England Power Pool Agreement dated as of February 1, 2005, as amended or accepted by the Commission and as may be amended, modified, superseded, supplemented and/or restated from time to time.

NEPOOL Rules means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.

NH Load Zone means the New Hampshire Reliability Region as defined in the NEPOOL Rules.

NHPUC means the New Hampshire Public Utilities Commission.

PTF means facilities categorized as Pool Transmission Facilities under the ISO Tariff.

Requirements means all electric generation and/or market purchases and delivery, to the Delivery Point, of the electric capacity, energy, ancillary services, operating reserves (including forward reserves) and all other market products required by the Buyer to provide kilowatt-hours

to meet the needs of Default Service Customers during the Delivery Term.

Small Customer Group Contract Rate means the value as set forth in the Confirmation for the applicable Transaction as applicable to a month in the Delivery Term.

Small Customer Group means the Buyer's customers in the Rate D, D-10, G-3, M, T and V retail rate classes (the "Small Rate Classes"), or such other rate classes as may be added from time to time during the Delivery Term, provided that such Small Rate Classes shall be comprised of customers previously in one of the Small Rate Classes or such customer would have qualified for one of the Small Rate Classes.

S&P means Standard & Poor's Rating Group, its successors and assigns.

Term means as defined in Section 3.1.

Transaction means a particular transaction agreed to by Buyer and Seller relating to the purchase and sale of Default Service pursuant to this Agreement, as evidenced by the execution of a written Confirmation by Buyer and Seller setting forth the specific terms and conditions thereof.

ARTICLE 3. TERM, SERVICE PROVISIONS AND REGISTRATION REQUIREMENTS

Section 3.1 Term

The term of this Master Power Agreement (the "Term") shall commence on the Effective Date and shall continue in effect until the earlier of (i) its termination by any Party upon thirty (30) days' prior written notice and (ii) its termination in accordance with Subsection 7.2(a); provided, however, that such termination shall not affect or excuse the performance of any Party under any provision of this Master Power Agreement that by its terms or operation survives any such termination and, provided further, that this Master Power Agreement and any other documents executed and delivered hereunder shall remain in effect with respect to the Transaction(s) entered into prior to the effective date of such termination until both Parties have fulfilled all of their obligations with respect to such Transaction(s). As of the termination of this Master Power Agreement, subject to the immediately foregoing sentence, and subject to any time limits specifically set forth in this Master Power Agreement or in a Confirmation, the Parties shall no longer be bound by the terms and provisions hereof, except to the extent necessary to enforce the rights and obligations of the Parties arising under this Master Power Agreement before such expiration or termination or (b) that such terms and provisions expressly or by their operation survive the termination or expiration of this Master Power Agreement.

Section 3.2 Commencement of Supply

(a) Beginning as of the Commencement Date for each specific Customer Group in a specific Transaction, Seller shall provide Requirements to the Buyer. For purposes of certainty: Seller's obligations on the Commencement Date shall be to provide Requirements for all Default Service Customers identified in the related Confirmation taking service as of and including the Commencement Date.

(b) With respect to each person or entity that becomes a Default Service Customer subsequent to the applicable Commencement Date, Seller shall provide Requirements to the Buyer to meet the needs of the Default Service Customer(s) as of and including the Initiation Date for such customer initiating such service during the applicable Delivery Term.

(c) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Initiation Date via electronic file transfer and in a format specified by the Buyer. Each notice of Initiation Date shall include the account number, the date Seller's service to the Buyer is to begin for a Default Service Customer and the customer's rate class.

Section 3.3 Termination and Conclusion of Supply

(a) With respect to each Default Service Customer that terminates Default Service during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Termination Date but shall not provide Requirements for such customer after the Customer Termination Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, the Buyer shall provide to Seller a notice of Customer Termination Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Termination Date shall include the account number, the Customer Termination Date and the customer's rate class.

(c) Seller's obligation to provide Requirements with respect to each specific Customer Group in a specific Transaction shall cease at the applicable Conclusion Date.

Section 3.4 Customer Disconnection Date

(a) With respect to each Default Service Customer whose Default Service is disconnected during the applicable Delivery Term, Seller shall provide Requirements to the Buyer for such customer on the Customer Disconnection Date but shall not provide Requirements for such customer after the Customer Disconnection Date.

(b) If Seller elects to receive electronic notification as provided in Section 3.7, The Buyer shall provide to Seller a notice of Customer Disconnection Date via electronic file transfer and in a format specified by the Buyer. Each notice of Customer Disconnection Date shall include the account number, the Customer Disconnection Date and the customer's rate class.

Section 3.5 Distribution Service Interruptions

Seller acknowledges that interruptions in distribution service occur and may reduce the load served hereunder. Seller further acknowledges and agrees that the Buyer may interrupt distribution service to customers consistent with the Distribution Service Terms and the Competitive Supplier Terms. In no event shall a Party have any liability or obligation to the other Party in respect of any such interruptions in distribution service.

Section 3.6 Release of Customer Information

The Buyer will not issue any customer information to Seller unless Seller has first obtained the necessary authorization in accordance with the provisions of the Competitive Supplier Terms.

Section 3.7 Electronic Notification

At Seller's election, the Buyer shall provide notices contemplated by Sections 3.2, 3.3 and 3.4 via electronic file transfer. Such election shall only be effective when Seller (i) establishes an account on the Advantis Value Added Network ("VAN"), and (ii) verifies its ability to transfer files to and receive files from the Buyer at least fourteen (14) days prior to the day on which Seller desires to commence electronic receipt. Seller shall bear all costs to establish an account and all costs of Seller and the Buyer to use the VAN. If Seller fails to pay all VAN costs and charges when due and payable, Seller's election shall not be valid and the Buyer shall no longer be obligated to provide electronic notification.

Section 3.8 Change in Supply; No Prohibition on Programs

(a) Seller acknowledges and agrees that the number of customers and the Requirements to meet the needs of such customers will fluctuate throughout the Delivery Term and may equal zero. The Buyer shall not be liable to Seller for any losses Seller may incur, including but not limited to lost revenues, and losses that may result from any change in Requirements, number or location of customers taking service, the location of the Delivery Point(s), the composition or components of market products or Requirements, or the market for electricity, or change in the Distribution Service Terms or the Default Service Tariff. Seller further acknowledges and agrees that there is no limit on the number of Customer Initiation Dates, Customer Termination Dates and Customer Disconnection Dates.

(b) Seller acknowledges and agrees that the Buyer has the right but not the obligation to continue, initiate, support or participate in any programs, promotions, or initiatives designed to or with the effect of encouraging customers to leave Default Service for any reason ("Programs"). Nothing in this Agreement shall be construed to require notice to or approval of Seller in order for the Buyer to take any action in relation to Programs.

(c) Seller acknowledges and agrees that the Buyer and Affiliates of the Buyer will not provide Seller preferential access to or use of the Buyer's System and that Seller's sole and exclusive rights and remedies with regard to access to, use or availability of the Buyer's System, and the Buyer's or Affiliates of the Buyer's obligation to transmit electricity are those rights, remedies and obligations provided under the Distribution Service Terms or the NEPOOL Rules.

Section 3.9 Uniform Disclosure Requirements

Seller shall provide the Buyer information reasonably ascertainable by Seller pertaining to power plant emissions, fuel types, labor information and any other information required by the Buyer to comply with any disclosure regulations which may be imposed upon the Buyer during the term of this Agreement, as such disclosure requirements apply to Default Service provided by Seller pursuant to this Agreement.

Seller shall utilize the NEPOOL-GIS to transfer Load Obligations or NEPOOL-GIS Certificates, as applicable, to the Buyer's certificate account in the number equal to the Delivered Energy for Default Service in a month during the term of a Transaction. Such Load Obligations

or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller at least five (5) Business Days prior to the close of the applicable Trading Period. The Load Obligations or NEPOOL-GIS Certificates, as applicable, shall be delivered by Seller to an account within the NEPOOL-GIS designated by the Buyer.

ARTICLE 4. SALE AND PURCHASE

Section 4.1 Provision Delivery and Receipt

With respect to each Transaction, Seller shall provide and deliver to the Delivery Point and the Buyer shall receive at the Delivery Point the percent of the Requirements applicable to each Customer Group during the Delivery Term, all as set forth in the Confirmation related to such Transaction.

Section 4.2 Responsibilities

(a) The Buyer shall arrange with the ISO for transmission service over the PTF and non-PTF from and after the Delivery Point to the customers' meters. The Buyer shall be responsible for all transmission costs over the PTF and non-PTF from the Delivery Point to the meters of the Buyer's customers. Seller shall be responsible for all transmission and distribution costs associated with the delivery of Requirements to and including the Delivery Point except the transmission costs otherwise provided for in this paragraph.

(b) Seller shall be responsible for all decisions and data submissions associated with the Ownership Share of the Load Assets in ARTICLE 6, Section 6.4 including any bids into the market system to manage these obligations.

(c) Seller shall be responsible for all present and future obligations, requirements, and costs associated with the Requirements and/or Seller's provision thereof, whether system wide or locational based, including, but not limited to, the real-time load obligations, capacity obligations and/or charges (including, but not limited to, installed capacity, unforced capacity, locational installed capacity, locational unforced capacity, forward capacity market obligations, forward capacity market transition payment obligations), regulation obligations and/or charges (including any regulation opportunity costs), operating reserve obligations and/or charges (including, but not limited to, (w) any real-time reserve charges, (x) any forward reserve charges, (y) any charges associated with reserve constraint penalty factors, and (z) net commitment period compensation (NCPC) charges (other than monthly fixed-cost charges paid to resources pursuant to reliability agreements negotiated under Market Rule 1 Appendix A, Section III.A.6 and Exhibit 2), emergency energy charges, inadvertent energy revenue charges, ISO Schedule 1 charges (other than ISO Schedule 1 charges that are both (i) associated with the Buyer's Regional Network Service and (ii) allocated on the basis of Regional Network Load), ISO Schedule 2 charges, ISO Schedule 3 charges, day-ahead energy market charges, and real-time energy market charges at the nodes, if any, and if none, the zones representing the actual locations of the meters of the Default Service Customers, and any other requirements, market products, expenses and charges imposed by NEPOOL or the ISO, as they may be in effect from time to time related to the provision and/or delivery of Requirements to and including the Delivery Point. Except as otherwise specifically excluded in this paragraph, Seller's responsibility for costs and charges shall be without regard to the manner in which they are allocated by NEPOOL or the ISO.

(d) Seller shall be responsible for all costs and components thereof of any Locational Marginal Prices to provide Default Service (during the applicable Delivery Term), including its delivery to the Delivery Point. These components include the energy component, loss component, and congestion component.

(e) Seller shall be responsible for all congestion charges for delivery to the actual meters of Default Service Customers (during the applicable Delivery Term).

(f) Seller shall notify Buyer within one Business Day of receipt of notice of termination from the ISO or event of default or similar occurrence under the Market Participant Service Agreement.

ARTICLE 5. AMOUNT, BILLING and PAYMENT

Section 5.1 Amount

The amount payable by the Buyer to Seller shall be the sum of the amounts due under all applicable Transactions.

Section 5.2 Billing and Payment

(a) On or before the tenth (10th) day of each month during the Term, Seller shall calculate the amount due and payable to Seller pursuant to Section 5.1 with respect to the preceding month (the "Calculation"). Seller shall provide the Calculation to the Buyer and such Calculation shall include sufficient detail for the Buyer to verify its formulation and computation. Calculations under this paragraph shall be subject to recalculation in accordance with Article 6 and shall be subject to adjustment (positive or negative) based upon such recalculation (a "Reconciliation Adjustment"). Seller shall promptly calculate the Reconciliation Adjustment upon receiving data described in Section 6.3 and shall include the adjustment, if any, in the next month's Invoice. A Reconciliation Adjustment based upon a change in the quantity for an earlier month shall be calculated using the applicable Contract Rate for the month in which the Delivered Energy was received.

(b)



(c) Each Party shall notify the other Party upon becoming aware of an error in an Invoice, Calculation or Reconciliation Adjustment (whether the amount is paid or not) and Seller shall promptly issue a corrected Invoice. Overpayments shall be returned by the receiving Party upon request or deducted by the receiving Party from subsequent invoices, with interest accrued

at the Interest Rate from the date of the receipt of the overpayment until the date paid or deducted.

Section 5.3 Challenge to Invoices

Unless otherwise agreed: (i) either Party may challenge, in writing, the accuracy of Calculations, Invoices or Reconciliation Adjustments (or the data utilized in the forgoing) no later than twenty-four (24) months after the Due Date of the Invoice in which the disputed information is contained; (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such Invoice shall be binding upon that Party and shall not be subject to challenge. If an Invoice is paid and thereafter the payment or the Invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other Party, it shall be paid or returned (as the case may be) to the other Party within three (3) Business Days of such determination along with interest accrued at the Interest Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned.

Section 5.4 Taxes, Fees and Levies

Seller shall be obligated to pay all present and future taxes, fees and levies ("Taxes") which may be assessed by any entity upon the Seller's performance under this Agreement including but not limited to the purchase and sale of Requirements to the Buyer associated with the Delivery of the Requirements up to and at the Delivery Point. The Buyer will pay all Taxes with respect to the Requirements after the Delivery Point. All Requirements, including electricity and other related market products delivered hereunder by Seller to the Buyer shall be sales for resale with the Buyer reselling such electricity and products.

Section 5.5 Netting and Setoff

Except for security provided pursuant to this Agreement (which shall not be considered for purposes of this Section 5.5) and unless otherwise specified in another agreement between the Parties, if the Parties are required to pay an amount on the same date each to the other under this Agreement or any other agreement between the Parties, or if any costs that are a Party's responsibility under this Agreement are incorrectly or inappropriately charged to the Party by the ISO, such amounts shall be netted, and the Party owing the greater aggregate amount shall pay to the other Party any difference between the amounts owed. Each Party reserves all rights, setoffs, counterclaims and other remedies and defenses (to the extent not expressly herein or therein waived or denied) that such Party has or to which such Party may be entitled arising from or out of this Agreement or the other agreement. Further, if the Buyer incurs any costs or charges that are the responsibility of Seller under this Agreement, such costs or charges may, at the Buyer's election, be netted against any amount due to Seller under this Agreement. All outstanding obligations to make payment under this Agreement or any other agreement between the Parties may be netted against each other, set off or recouped therefrom, or otherwise adjusted.

ARTICLE 6. QUALITY; LOSSES and QUANTITIES REQUIRED; DETERMINATION AND REPORTING OF HOURLY LOADS

Section 6.1 Quality

All electricity shall be delivered to the Buyer in the form of three-phase sixty-hertz alternating current at the Delivery Point.

Section 6.2 Losses

Seller shall be responsible for all transmission and distribution losses and the costs related to such losses and associated with the Requirements, namely, losses from the Delivery Point to the meters of the Default Service Customers. Seller shall provide to the Buyer at the Delivery Point quantities of electricity and ancillary services, capacity and all other market products related thereto to cover such losses from the Delivery Point to the meters of Default Service Customers. The quantities required for this purpose in each hour of a billing period shall be determined in accordance with ISO's and the Buyer's procedures for loss determination.

Section 6.3 Determination and Reporting of Hourly Loads

(a) The Buyer will estimate the Delivered Energy for Default Service provided by Seller pursuant to each Transaction based upon average load profiles developed for each of the Buyer's customer classes and the Buyer's actual total hourly load. The Buyer shall report to the ISO and Seller, the estimated Delivered Energy for each Transaction. The Buyer will normally report to the ISO and to Seller Seller's estimated Delivered Energy by 1:00 P.M. EPT of the second following Business Day. Appendix A provides a general description of the estimation process that the Buyer will initially employ (the "Estimation Process"). The Buyer shall have the right but not the obligation, in its sole and exclusive judgment, to modify the Estimation Process from time to time, provided that any such modification is designed with the objective of improving the accuracy of the Estimation Process.

Each month, the Buyer shall reconcile the Buyer's estimate of the Delivered Energy for each Transaction based upon the Buyer's meter reads (such meter reads as provided for in the Distribution Service Terms). The reconciliation, including all losses, shall be the adjusted Delivered Energy. The Buyer will normally notify the ISO of any resulting adjustment (debit or credit) to Seller's account for the Load Assets (set forth in a specific Confirmation) no later than the last day of the third month following the billing month. Appendix A provides a general description of this reconciliation process, which process may be changed by the Buyer from time to time in its sole and exclusive discretion.

Section 6.4 ISO Settlement Market System Implementation

As soon as possible after the execution of a Confirmation related to a specific Transaction and before the applicable Commencement Date, the Buyer shall assign to Seller, and Seller shall accept assignment of an Ownership Share for each Load Asset in such Confirmation. Such assignment shall be effective beginning on the applicable Commencement Date. Seller shall maintain such ownership until the Conclusion Date (or, if earlier, the termination date established in accordance with 7.2(a)). Seller shall take any and all actions necessary to effectuate such assignment and, if applicable in accordance with the foregoing, transfer, including executing documents required by the ISO. Once Seller's provision of Default Service terminates (effective as of the minute after the Conclusion Date or, if earlier, the termination date

established in accordance with 7.2(a)), the Buyer will terminate Seller's Ownership Shares of the aforementioned Load Assets

The Buyer shall have the right to change the Load Asset designations from time to time, consistent with the definition and provision of Default Service. If and to the extent such designations change, the Buyer and Seller shall cooperate to timely put into effect the necessary ISO Settlement Market System contracts that may be necessary to implement the new designations and terminate the prior designations.

ARTICLE 7. DEFAULT AND TERMINATION

[REDACTED]

[REDACTED]

[Redacted Signature]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Section 8.1 Notices

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing. It shall either be sent by facsimile (with receipt confirmed by telephone and electronic transmittal receipt), courier, personally delivered (including overnight delivery service) or mailed, postage prepaid, to the representative of the other Party designated in accordance with this Article. Any such notice, demand, or request shall be deemed to be given (i) when sent by facsimile confirmed by telephone and electronic

transmittal receipt, (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service) or (iii) seven (7) days after deposit in the United States mail, if sent by first class mail return receipt requested.

Notices and other communications by Seller to the Buyer shall be addressed to:

Mr. Michael J. Hager
Vice President, Energy Supply – New England
National Grid
55 Bearfoot Road
Northborough, MA 01532
(508) 421-7350 (phone)
(508) 421-7335 (fax)

and

Notices concerning Article 7 shall also be sent to:

General Counsel
National Grid
25 Research Drive
Westborough, MA 01582
(508) 389-9000 (phone)
(508) 389-2605 (fax)

Notices and other communications by the Buyer to Seller shall be addressed to:

Legal Department
Energy America LLC c/o Direct Energy Marketing Limited
111-5th Avenue, S.W., Suite 1000
Calgary, AB, Canada T2P 3Y6
(403) 290 6726 (Phone)(403) 290 6780 (fax)

Any Party may change its representative or address for notices by written notice to the other Party; however such notice shall not be effective until it is received by the other Party.

Section 8.2 Authority of Representative

The Parties' representatives shall have full authority to act for their respective Party in all matters relating to the performance of this Agreement. Notwithstanding the foregoing, a Party's representative shall not have the authority to amend, modify, or waive any provision of this Agreement unless they are duly authorized officers of their respective entities and such amendment, modification or waiver is made in accordance with Article 17.

ARTICLE 9. LIABILITY; INDEMNIFICATION; RELATIONSHIP OF PARTIES

Section 9.1 Limitation on Consequential, Incidental and Indirect Damages

EXCEPT AS EXPRESSLY PROVIDED IN SECTION 9.2, TO THE FULLEST EXTENT PERMISSIBLE BY LAW, NEITHER THE BUYER NOR SELLER, NOR THEIR

RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, PARENT OR AFFILIATES, SUCCESSOR OR ASSIGNS, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, OR EMPLOYEES, SUCCESSORS, OR ASSIGNS, SHALL BE LIABLE TO THE OTHER PARTY OR ITS PARENT, SUBSIDIARIES, AFFILIATES, OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS OR ASSIGNS, FOR CLAIMS, SUITS, ACTIONS OR CAUSES OF ACTION FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, MULTIPLE OR CONSEQUENTIAL DAMAGES (INCLUDING ATTORNEY'S FEES OR LITIGATION COSTS EXCEPT AS EXPRESSLY PROVIDED IN SECTION 15.2 AND IN ACCORDANCE WITH THE LIMITATION THEREUNDER) CONNECTED WITH OR RESULTING FROM PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT, OR ANY ACTIONS UNDERTAKEN IN CONNECTION WITH OR RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY SUCH DAMAGES WHICH ARE BASED UPON CAUSES OF ACTION FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND MISREPRESENTATION), BREACH OF WARRANTY, STRICT LIABILITY, STATUTE, OPERATION OF LAW, OR ANY OTHER THEORY OF RECOVERY. THE PROVISIONS OF THIS SECTION SHALL APPLY REGARDLESS OF FAULT AND SHALL SURVIVE TERMINATION, CANCELLATION, SUSPENSION, COMPLETION OR EXPIRATION OF THIS AGREEMENT.

Section 9.2 Indemnification

(a) Seller agrees to defend, indemnify and save the Buyer, its officers, directors, employees, agents, successors assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by Seller, (b) any violation of applicable law, regulation or order by Seller, (c) any act or omission by Seller with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or Affiliate of the Buyer or its respective successors or assigns.

(b) The Buyer agrees to defend, indemnify and save Seller, its officers, directors, employees, agents, successor, assigns, and Affiliates and their officers, directors, employees and agents harmless from and against any and all third-party claims, suits, actions or causes of action and any resulting losses, damages, charges, costs or expenses, (including reasonable attorneys' fees and court costs), arising from or in connection with any (a) breach of representation or warranty or failure to perform any covenant or agreement in this Agreement by said Buyer, (b) any violation of applicable law, regulation or order by Buyer, (c) any act or omission by the Buyer, with respect to this Agreement first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee or Affiliate of Seller or its respective successors or assigns.

(c) If any Party intends to seek indemnification under this Section from the other Party with respect to any action or claim, the Party seeking indemnification shall give the other

Party notice of such claim or action within thirty (30) days of the later of the commencement of, or actual knowledge of, such claim or action; provided, however, that in the event such notice is delivered more than thirty (30) days after the Party seeking indemnification knows of such claim or action, the indemnifying Party shall be relieved of its indemnity hereunder only if and to the extent such indemnifying Party was actually prejudiced by such delay. The Party seeking indemnification shall have the right, at its sole cost and expense, to participate in the defense of any such claim or action. The Party seeking indemnification shall not compromise or settle any such claim or action without the prior consent of the other Party, which consent shall not be unreasonably withheld.

Section 9.3 Independent Contractor Status

Nothing in this Agreement shall be construed as creating any relationship between the Buyer and Seller other than that of independent contractors for the sale and delivery of Requirements for Default Service.

ARTICLE 10. ASSIGNMENT

Section 10.1 General Prohibition Against Assignments

Except as provided in Section 10.2, neither Party shall assign, pledge or otherwise transfer this Agreement or any right or obligation under this Agreement without first obtaining the other Party's written consent, which consent shall not be unreasonably withheld.

Section 10.2 Exceptions to Prohibition Against Assignments

(a) Seller may, without the Buyer's prior written consent, collaterally assign this Agreement in connection with financing arrangements provided that any such collateral assignment that provides for the Buyer to direct payments to the collateral agent (i) shall be in writing, (ii) shall not be altered or amended without prior written notice to the Buyer from both Seller and the collateral agent, and (iii) provided that any payment made by the Buyer to the collateral agent shall discharge the Buyer's obligation as fully and to the same extent as if it had been made to the Seller. Seller must provide the Buyer at least ten (10) days advance written notice of collateral assignment and provide copies of any such assignment and relevant agreements or writings.

(b) The Buyer may assign all or a portion of its rights and obligations under this Agreement to any Affiliate of the Buyer without consent of Seller. Either Party may, upon written notice, assign its rights and obligations hereunder, or transfer such rights and obligations by operation of law, to any entity with which or into which such Party shall merge or consolidate or to which such Party shall transfer all or substantially all of its assets, provided that such other entity agrees to be bound by the terms hereof and provided further, that such other entity's creditworthiness is comparable to or higher than that of such Party at the time this Agreement was executed and such Party is not relieved of any obligation or liability hereunder as a result of such assignment

ARTICLE 11. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

ARTICLE 12. FORCE MAJEURE

(a) Force Majeure shall include but not be limited to acts of God, earthquakes, fires, floods, storms, strikes, labor disputes, riots, insurrections, acts of war (whether declared or otherwise), terrorism, acts of terrorism, acts of governmental, regulatory or judicial bodies, but if and only to the extent that such event or circumstance (i) directly affects the availability of the transmission or distribution facilities of the New England Transmission System, the Buyer or an Affiliate of the Buyer necessary to provide service to the Buyer's customers which are taking service pursuant to the Default Service Tariff and (ii) it is not within the reasonable control of, or the result of the negligence of, the claiming Party, and which, by the exercise of due diligence, the claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (A) fluctuations in Default Service, (B) the cost to a Party to overcome or avoid, or cause to be avoided, the event or circumstance affecting such Party's performance or (C) events affecting the availability or cost of operating any generating facility.

(b) To the extent that either Party is prevented by Force Majeure from carrying out, in whole or in part, its obligations hereunder and (i) such Party gives notice and detail of the Force Majeure to the other Party as soon as practicable after the onset of the Force Majeure, including an estimate of its expected duration and the probable impact on the performance of its obligations hereunder; (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure, and (iii) the Party claiming Force Majeure uses commercially reasonable efforts to remedy or remove the inability to perform caused by Force Majeure, then the affected Party shall be excused from the performance of its obligations prevented by Force Majeure. However, neither Party shall be required to pay for any obligation the performance of which is excused by Force Majeure. This paragraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the dispute.

(c) No obligations of either Party which arose before the Force Majeure occurrence causing the suspension of performance shall be excused as a result of the event of Force Majeure.

(d) Prior to the resumption of performance suspended as a result of a Force Majeure occurrence, the Party claiming the Force Majeure shall give the other Party written notice of such resumption.

ARTICLE 13. WAIVERS

No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. The waiver of any single breach or default of any term or condition of this Agreement shall not

be deemed to constitute the waiver of any other prior or subsequent breach or default of the Agreement or any other term or condition.

ARTICLE 14. LAWS AND REGULATIONS

(a) This Agreement and all rights, obligations, and performances of the Parties hereunder, are subject to all applicable federal and state laws, and to all duly promulgated orders and other duly authorized action of governmental authorities having jurisdiction hereof.

(b) The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 of the Federal Power Act as that section may be amended or superseded, absent the mutual written agreement of the Parties. Each Party irrevocably waives its rights, including its rights under §§ 205-206 of the Federal Power Act, unilaterally to seek or support a change in the rate(s), charges, classifications, terms or conditions of this Agreement or any other agreements entered into in connection with this Agreement. By this provision, each Party expressly waives its right to seek or support: (i) an order from the Commission finding that the market-based rate(s), charges, classifications, terms or conditions agreed to by the Parties in the Agreement are unjust and unreasonable; or (ii) any refund with respect thereto. Each Party agrees not to make or support such a filing or request, and that these covenants and waivers shall be binding notwithstanding any regulatory or market changes that may occur hereafter and (z) that it shall not challenge or support a challenge to the enforceability of the waiver in this Section (b).

(c) Absent the agreement of all Parties to a proposed change, the standard of review for changes to this Agreement proposed by a non-party or the Commission acting sua sponte shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the "Mobile-Sierra" doctrine).

(d) The Parties agree that, if and to the extent that the Commission adopts a final rule or order which requires that, in order to exclude application of the just and reasonable standard of review and to mandate application of the public interest standard of review under the Mobile-Sierra doctrine for a proposed change to this Agreement which is not agreed to by all Parties, the Parties must agree to language which varies from that set forth in Article 14(c) then, without further action of either Party, Article 14(c) will be deemed amended to incorporate the specific language required by such final rule or order as is necessary to have the public interest standard of review under the Mobile-Sierra doctrine apply to any proposed change to this Agreement to which all Parties do not agree.

(e) Nothing in this Article 14 is intended to modify any Party's right to enforce the terms of this Agreement as written.

ARTICLE 15. INTERPRETATION, DISPUTE RESOLUTION

Section 15.1 Governing Law

The Agreement shall be governed by and construed and performed in accordance with and the laws of the State of New Hampshire, without giving effect to its conflict of laws principles.

Section 15.2 Dispute Resolution

All disputes between the Buyer and Seller under this Agreement shall be referred, upon notice by one Party to the other Party, to a senior manager of Seller designated by Seller, and a senior manager of the Buyer designated by the Buyer, for resolution on an informal basis as promptly as practicable. In the event the designated senior managers are unable to resolve the dispute within ten (10) days of receipt of the notice, or such other period to which the Parties may jointly agree, such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in this Section. The arbitration shall be conducted in Boston, Massachusetts before a single neutral arbitrator mutually agreed to and appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, Seller and the Buyer shall each choose one arbitrator, who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to act as chairman of the arbitration panel. In either case, the arbitrator(s) shall be knowledgeable and have at least two (2) years experience in electric utility matters, including wholesale power transactions and power market issues, and shall not have any current or past material business or financial relationships with either Party or a witness for either Party and shall not have a direct or indirect interest in any Party or the subject matter of the arbitration. If a panel of arbitrators, all of their decisions shall be by majority vote. The arbitrator(s) shall afford each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then-current arbitration rules of the CPR Institute for Dispute Resolution (formerly known as the Center for Public Resources), unless otherwise mutually agreed by the Parties. There shall be no formal discovery conducted in connection with the arbitration unless otherwise mutually agreed by the Parties; provided, however, that the Parties shall exchange witness lists and copies of any exhibits that they intend to utilize in their direct presentations at any hearing before the arbitrator(s) at least ten (10) days prior to such hearing, along with any other information or documents specifically requested by the arbitrator(s) prior to the hearing. Any offer made and the details of any negotiations to resolve the dispute shall not be admissible in the arbitration or otherwise. Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of his, her or their appointment and shall notify the Parties in writing of such decision and the reasons therefore, and shall make an award apportioning the payment of the costs and expenses of arbitration among the Parties; provided, however, that each Party shall bear the costs and expenses of its own attorneys, expert witnesses and consultants unless the arbitrator(s), based upon a determination of good cause, awards attorneys fees and legal and other costs to the prevailing Party. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change the Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction, subject expressly to Section 15.3. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. Nothing in this paragraph shall impair the ability of a Party to exercise any right or remedy it has under this Agreement, including those in Article 7. To the fullest extent permitted by law, any arbitration proceeding and the arbitrator's award shall be maintained in confidence by the Parties; provided, however, that either Party, or any of its Affiliates, may provide information regarding the arbitration without limitation to any regulatory agency requesting or requiring such information or to a court in a proceeding to confirm, appeal (as such appeal is limited hereby) or enforce the award; provided, further, that any such provision of information must include a request for confidential treatment.

Section 15.3 Venue; Waiver of Jury Trial

Each Party hereto irrevocably (i) submits to the exclusive jurisdiction of the federal and state courts located in the State of New Hampshire; (ii) waives any objection which it may have to the laying of venue of any proceedings brought in any such court; and (iii) waives any claim that such proceedings have been brought in an inconvenient forum. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT.

ARTICLE 16. SEVERABILITY

Any provision declared or rendered unlawful by any applicable court of law or regulatory agency or deemed unlawful because of a statutory change will not otherwise affect the remaining provisions and lawful obligations that arise under this Agreement. If any provision of this Agreement, or the application thereof to any Party or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, and (b) the remainder of this Agreement and the application of such provision or circumstances shall not be affected by such invalidity or unenforceability.

ARTICLE 17. MODIFICATIONS

No modification or amendment of this Agreement will be binding on any Party unless it is in writing and signed by both Parties.

ARTICLE 18. ENTIRE AGREEMENT

This Master Power Agreement, including the Appendices, any Confirmations relating to specific Transactions, the tariffs and agreements referred to herein or therein, embody the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or therein. It is expressly acknowledged and agreed that there are no restrictions, promises, representations, warranties, covenants or undertakings contained in any material provided or otherwise made available by the Seller or the Buyer to each other. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated hereby and specifically excludes written agreements executed by the Parties prior to the Effective Date.

ARTICLE 19. COUNTERPARTS

This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

ARTICLE 20. INTERPRETATION; CONSTRUCTION

The article and section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. For purposes of this Agreement, the term "including" shall mean "including, without limitation". The Parties acknowledge that, each Party and its counsel have reviewed and or revised this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement, and it is the result of joint discussion and negotiation.

ARTICLE 21. REPRESENTATIONS; WARRANTIES AND COVENANTS

Each Party represents to the other Parties, upon execution and continuing throughout the term of this Agreement, as follows:

(a) It is duly organized in the form of business entity set forth in the first paragraph of this Agreement, validly existing and in good standing under the laws of its state of its organization and has all requisite power and authority to carry on its business as is now being conducted, including all regulatory authorizations as necessary for it to legally perform its obligations hereunder.

(b) It has full power and authority to execute and deliver this Master Power Agreement and any and all Confirmations related to Transactions and to consummate and perform the transactions contemplated hereby. This Master Power Agreement has been, and any Confirmation will be, duly and validly executed and delivered by it, and, assuming that this Master Power Agreement, together with any and all Confirmations, constitutes a valid and binding agreement of the other Parties, constitute together its valid and binding agreement, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(c) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, or the terms of any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, concession, contract, lease or other instrument to which it is bound, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.

(d) No declaration, filing with, notice to, or authorization, permit, consent or approval of any governmental authority is required for the execution and delivery of this Master Power Agreement or any and all Confirmations related to a Transaction by it or the performance by it of its obligations hereunder and thereunder, other than such declarations, filings, registrations, notices, authorizations, permits, consents or approvals which, if not obtained or made, will not, in the aggregate, have a Material Adverse Effect.

(e) Neither the execution and delivery of this Master Power Agreement or any and all Confirmations by it, nor the performance by it of its obligations under this Master Power Agreement and any and all Confirmations related to Transactions, will or does (i) conflict with or result in any breach of any provision of its Governing Documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions

or provisions of any note, bond, mortgage, indenture, license, agreement or other instrument or obligation to which it or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound, except for such defaults (or rights of termination, cancellation or acceleration) as to which requisite waivers or consents have been obtained or which, in the aggregate, would not have a Material Adverse Effect; or (iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it, which violation would have a Material Adverse Effect.

(f) There are no claims, actions, proceedings or investigations pending or, to its knowledge, threatened against or relating to it before any governmental authority acting in an adjudicative capacity relating to the transactions contemplated hereby that could have a Material Adverse Effect. It is not subject to any outstanding judgment, rule, order, writ, injunction or decree of any court or governmental authority which, individually or in the aggregate, would create a Material Adverse Effect.

(g) There are no bankruptcy, insolvency, reorganization, receivership or other similar proceedings pending or being contemplated by it, or of its knowledge threatened against it.

(h) With respect to Seller, (i) it and the ISO have fully executed a Market Participant Service Agreement (“Seller’s MPSA”), and it has been approved by the Commission in accordance with Subsection 7.1 of the MPSA with the ISO and (ii) the ISO has not filed with the Commission a notice of termination of Seller’s MPSA.

(i) It is acting for its own account, has made its own independent decision to enter into this Master Power Agreement and any and all Confirmations related to a Transaction and as to whether this Master Power Agreement and any such Confirmation is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party hereto, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Master Power Agreement and any such Confirmation or Transaction.

ARTICLE 22. CONSENTS AND APPROVALS

The Parties shall cooperate so that each Party may take such actions as necessary and required for the other Party to effectuate and comply with this Agreement including to (i) promptly prepare and file all necessary documentation, (ii) effect all necessary applications, notices, petitions and filings and execute all agreements and documents, and (iii) use all commercially reasonable efforts to obtain all necessary consents, approvals and authorizations of all other entities, in the case of each of the foregoing clauses (i), (ii) and (iii), necessary or advisable to consummate the transactions contemplated by this Agreement. The Buyer shall have the right to review and approve in advance all characterizations of the information relating to the transactions contemplated by this Agreement which appear in any filing, press release or public announcement made in connection with the transactions contemplated hereby.

ARTICLE 23. CONFIDENTIALITY

Neither Seller nor the Buyer shall provide copies of or disclose the contents or terms of Section 5.2(b) and 7, Appendix C of the Master Power Agreement (the “Confidential Terms”) to any third party without the prior written consent of the other Party; provided, however, that either Party may provide a copy of the Confidential Terms, in whole or in part to (1) any

regulatory agency or governmental authority with jurisdictional interest requesting and/or requiring such Confidential Terms, or in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, provided that in the case of a disclosure pursuant to the foregoing, such disclosure must include a request for confidential treatment of the Confidential Terms, and (2) an Affiliate if related to the Party's performance of its obligations hereunder, provided that such Affiliate agrees to treat the Confidential Terms as confidential in accordance with this clause.

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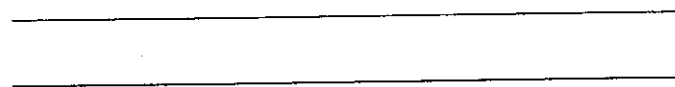
IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

A handwritten signature in black ink, appearing to read "Michael J. Hager", is written over a horizontal line.

Name : Michael J. Hager
Title: Authorized Signatory

ENERGY AMERICA LLC

Two parallel horizontal lines, intended for a signature, are drawn in black ink.

Name (print): _____
Title: _____

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Master Power Agreement on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

Name : Michael J. Hager
Title: Authorized Signatory

ENERGY AMERICA LLC



Name: David Hsu
Title: VP- Market Risk Management (US)

APPENDIX A

ESTIMATION OF SELLER HOURLY LOADS

Overview

Generating units operated by suppliers are dispatched by the power pool to meet the region's electrical requirements reliably, and at the lowest possible cost. As a result, a supplier's electricity production may not match the demand of its customers. In each hour some suppliers with low cost production units or that contract for the output of such units are net sellers of electricity to the pool, while other suppliers are purchasing power from the pool to meet the demand of their customers. To determine the extent to which suppliers are net buyers or sellers on an hourly basis, it is necessary to estimate the hourly aggregate demand for all of the customers served by each supplier. The Buyer will estimate Seller's Default Service load obligations within the Buyer's service territory and report the hourly results to the ISO on a daily basis.

The estimation process is a cost-effective approach to producing results that are reliable, unbiased and reasonably accurate. The hourly load estimates will be based on rate class load profiles, which will be developed from statistically designed samples. Each day, the class load shapes will be scaled to the population of customers served by each supplier. In cases where telemetered data on individual customers is available, it will be used in place of the estimated shapes. On a monthly basis, the estimates will be refined by incorporating actual usage data obtained from meter readings. In both processes, the sum of all suppliers' estimated loads will match the total load delivered into the distribution system. A description of the estimation process follows.

Daily Estimation of Suppliers' Own Load

The daily process estimates the hourly load for each supplier for the previous day. The following is an outline of this process:

- Select a proxy date from the previous year with characteristics which best match the day for which the hourly demand estimates are being produced. Extract class load shapes for the selected proxy date from the load research database.
- Scale the class load shapes appropriately for each individual customer based on the usage level of the customer relative to the class average usage level.
- Calculate a factor for each customer which reflects their relative usage level and includes an adjustment for losses ("load adjustment factor"). Aggregate the load adjustment factors across the customers served by each supplier in each class.
- Produce a preliminary estimate of each supplier's hourly loads by combining the proxy day class load shapes with the supplier's total load adjustment factors. Aggregate the loads across the classes for each supplier.

- Adjust the preliminary hourly supplier estimates so that their sum is equal to the Buyer's actual hourly metered loads (as metered at the point of delivery to the distribution system) by allocating any differences to suppliers in proportion to their estimated load.
- Adjust the hourly supplier estimates to include transmission losses within the Buyer's transmission system.
- Submit the hourly loads to the ISO.

After the Buyer has submitted the supplier hourly loads, the ISO will allocate PTF losses to the supplier's account during the settlement process.

Monthly Reconciliation Process

The monthly process will improve the estimates of supplier loads by incorporating the most recent customer usage information, which will be available after the monthly meter readings are processed. The actual customer meter readings, as well as actual interval data for the largest customers, are used to re-estimate all of the days in the calendar month being reconciled. Updates to customers' account status and supplier assignments that may have been missed during the daily processing (due to timing) are included. The resulting hourly supplier load estimates for all the days in the month are reported and used by the ISO as the basis for the monthly resettlement.

APPENDIX B
MASTER POWER AGREEMENT
FORM OF CONFIRMATION

This Confirmation shall confirm the Transaction agreed to on, and effective as of _____, between **GRANITE STATE ELECTRIC COMPANY** (“Granite” or “Buyer”), a New Hampshire corporation and **ENERGY AMERICA LLC**, a Delaware corporation (“Seller”), regarding the sale/purchase of Default Service specified herein under the terms and conditions under the Master Power Agreement, dated March 9, 2007 (the “Master Power Agreement”) between Buyer and Seller, as specified and modified herein. Terms used but not defined herein shall have the meanings ascribed to them in the Master Power Agreement.

1. Confirmation Effective Date; Condition Precedent; Filing Obligation; Term

This Confirmation shall be binding on the Parties upon execution by both Parties (such date the “Confirmation Effective Date”). Promptly after execution by both Parties, Buyer shall submit the Default Service retail rates to the NHPUC for its approval. The Parties performance of Sections 3.2 through 6.4 of the Master Power Agreement are subject to the occurrence, on or before the fifth Business Day after (but not including) the Buyer’s submission of the Default Service retail rates to the NHPUC (the “Fifth Day”), for the approval by the NHPUC. If the NHPUC does not issue a decision approving Buyer’s request to approve the Default Service retail rates as filed on or before the Fifth Day (a “NHPUC Denial”), then this Confirmation shall be null and void and of no further force and effect, and neither Party shall have any obligation whatsoever to the other Party, and such a voiding of the Confirmation and the NHPUC Denial shall not be a default or constitute an Event of Default by either Party; provided, however, that neither Party shall undertake any action with the NHPUC or otherwise in opposition of approval by the NHPUC of the Master Power Agreement or the Confirmation as executed.

2. Default Service Requirements Matrix

Award Block	Customer Group	Load Zone	Load Responsibility	Commencement Date	Conclusion Date
TBD	TBD	NH	100%	TBD	TBD

3. Contract Rate - \$/MWh

Contract Rate	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
TBD	TBD	TBD	TBD	TBD	TBD	TBD

4. Load Asset Designation within the ISO Settlement Market System

Award Block	Customer Group	Load Zone	Load Asset Number	Load Asset Name
TBD	TBD	NH	TBD	TBD

5. Amount Payable

The amount payable by the Buyer to Seller in a month shall be:

[To be determined for each transaction]

6. Security

[To be determined for each transaction]

7. Confidentiality

Articles 2, 3 and 4 of this Confirmation are Confidential Terms within the meaning of Article 23 of the Master Power Agreement.

8. Ratification of the Terms and Conditions of the Agreement

(a) Except as expressly amended or waived by this Confirmation, the terms, conditions, covenants, agreements, warranties and representations contained in the Master Power Agreement are in all respects ratified, confirmed and remade as of the date hereof and, except as amended or waived hereby, shall continue in full force and effect.

(b) Nothing in this Confirmation shall, or shall be construed to, alter or amend any other Confirmation.

9. Counterparts

This Confirmation may be executed in counterparts, all of which together shall constitute one and the same instrument.

This Confirmation constitutes part of and is subject to the terms and provisions of such Master Power Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Confirmation on their behalf as of the date first above written.

GRANITE STATE ELECTRIC COMPANY

Name (print): _____

Title: _____

Name (print):_____
Title: _____

APPENDIX C

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SCHEDULE JDW – 6

Summary of November 2013 RPS Solicitation

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Analysis of Bids Received

	Year	Class I	Class II Thermal	Class II	Class III	Class IV
RECS Required:	2013	20,000		1,000	8,000	7,000
RECS Required:	2014	13,000	2,000	1,000	13,000	6,000
ACP	2013	55.00	n/a	55.00	31.50	26.50
ACP	2014	55.37	25.17	55.37	31.93	26.86
Market	2013					
Market	2014					

Bid Recommendation	Respondent	Vintage	Class	Price	Quantity	Delivery Type	Comments	Total Cost

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SCHEDULE JDW – 7

Energy Service Loss Factor Investigation Update – September 22, 2014

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THE STATE OF NEW HAMPSHIRE
Before the
PUBLIC UTILITIES COMMISSION
DE 14-031

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

Default Service Loss Factor Investigation Update

September 22, 2014

1. Background

In Order 25,416 issued on September 21, 2012, the Commission instructed Granite State Electric Company (“Liberty Utilities” or the “Company”) to provide the Commission with a report no later than March 21, 2013, and every six months thereafter, that “describe[s] the steps that the Company has taken and the progress it has made in addressing the Massachusetts border customer issues, the metering issues and in developing its own metering domain as well as what corrective actions still need to be implemented and a schedule for doing such.” Order 25,416 at 12-13. The purpose of this report is to provide an update to the Commission on the status of the borderline and metering issues.

2. Payment for Borderline Sales

a. Update

Liberty Utilities entered into a settlement agreement on April 11, 2014 with Massachusetts Electric Company (“MECo”) in which MECo agreed to pay Liberty Utilities for borderline sales from on or around June 2006 (when the Granite State borderline tariff filed at FERC took effect) through September 30, 2012 (just prior to the October 1, 2012 execution of the Service Agreement for MECo-Granite State borderline sales). MECo agreed to pay Liberty Utilities \$723,890 which was received on April 29, 2014. Liberty Utilities will distribute the payment to its customers as credits in the next transmission and purchased power reconciliations. Liberty Utilities agreed to file the settlement with the FERC and upon FERC acceptance or approval, MECo would pay Liberty Utilities the sum of \$125,000. FERC approved the settlement on August 14, 2014. The Company received the payment from MECo on September 2, 2014, thus bringing to conclusion all outstanding issues under the settlement agreement.

b. Corrective Actions That Need to be Taken

None. The matter is now resolved.

c. Schedule for Corrective Actions

The Company will include the payment received from MECo of \$723,890.00 as credits in its annual Retail Rate filing (scheduled for November 2014) and its annual Default (Energy) Service Adjustment Provision (scheduled for March 2015). No further actions will be required and this concludes this issue.

3. **Massachusetts Electric Service to Borderline Customers**

a. Update

In September 2012, Liberty Utilities and National Grid identified 187 customers that are served across state lines. Liberty Utilities serves 186 MECo customers in Methuen, Massachusetts. Liberty Utilities and MECo executed a borderline service agreement on October 1, 2012 to serve the MECo customers in Massachusetts.

MECo is currently serving 1 customer in Pelham, New Hampshire. MECo owns all of the assets used to serve the customer, including up to the service drop to the house. From the date of inception of service to this customer, MECo has been providing service to and billing this customer in New Hampshire.

b. Corrective Actions That Need to be Taken

Liberty Utilities and MECo continue to discuss how to serve this customer, including whether the customer should be metered and billed by Liberty Utilities or whether the customer should remain a customer of MECo.

c. Schedule for Corrective Actions

Liberty Utilities and MECo are in active discussions regarding resolution of service to the Pelham customer.

4. **New England Power Meter Installation**

a. Update

The Metering and Settlement Agreement between NEP and Liberty Utilities identified 3 unmetered locations where energy can flow between Liberty Utilities and NEP. Two locations are on the Massachusetts/New Hampshire border in Haverhill and Methuen and the third is at the Charlestown, New Hampshire substation.

b. Corrective Actions That Need to be Taken

None.

c. Schedule for Corrective Actions

Metering was installed at the Haverhill and Methuen locations in November 2013, thus resolving the issue. An agreement between Liberty Utilities and MECo was reached on the corrective action at Charlestown which is documented in an amendment to the Metering and

Settlement Agreement which was filed with the Commission on June 2, 2014. In the amendment, Liberty Utilities and MECo determined that primary metering on the 8L2 circuit to back up the 8L1 circuit would not be needed. Instead a manual operation was implemented if the 8L1 circuit is taken out of service and service is provided by the 8L2 circuit. This concludes this issue.

5. New Meter Domain

a. Update

Liberty Utilities, working with NEP and ISO-New England, implemented a Liberty Utilities meter domain, which contains all GSE customers. Wholesale meters are installed at any location where energy can flow between NEP, Liberty Utilities' transmission provider, and the Liberty Utilities distribution system. These meters are used to determine the wholesale energy delivered to Liberty Utilities and the transmission cost for energy delivered to Liberty Utilities customers on a monthly basis and also used to calculate the supplier load settlement with the ISO-New England. The meters are located at energy delivery points including Liberty Utilities' substations, distribution tie lines, and small generator interconnection points.

b. Corrective Actions That Need to be Taken

Liberty Utilities has implemented metering systems that are being used for electric billing and reporting requirements with ISO-New England. These metering systems which include an interval and non-interval data collection system, an electric supplier load estimation system and a load research system went live on July 28, 2014. Correspondingly, the Amended and Restated Transition Services Agreement by which National Grid performs all metering functions required to monitor the meter domain and perform billing functions ceased as of August 15, 2014.

c. Schedule for Corrective Actions

The vendor providing the metering and estimation systems, CGI Logica, has successfully begun its Load Estimation and Reconciliation System (LERS) duties as of July 28, 2014. The data needed to feed the Oracle based load estimation system is currently being collected by Liberty Utilities Load Data Services in preparation for production of load profiles. This concludes this issue.

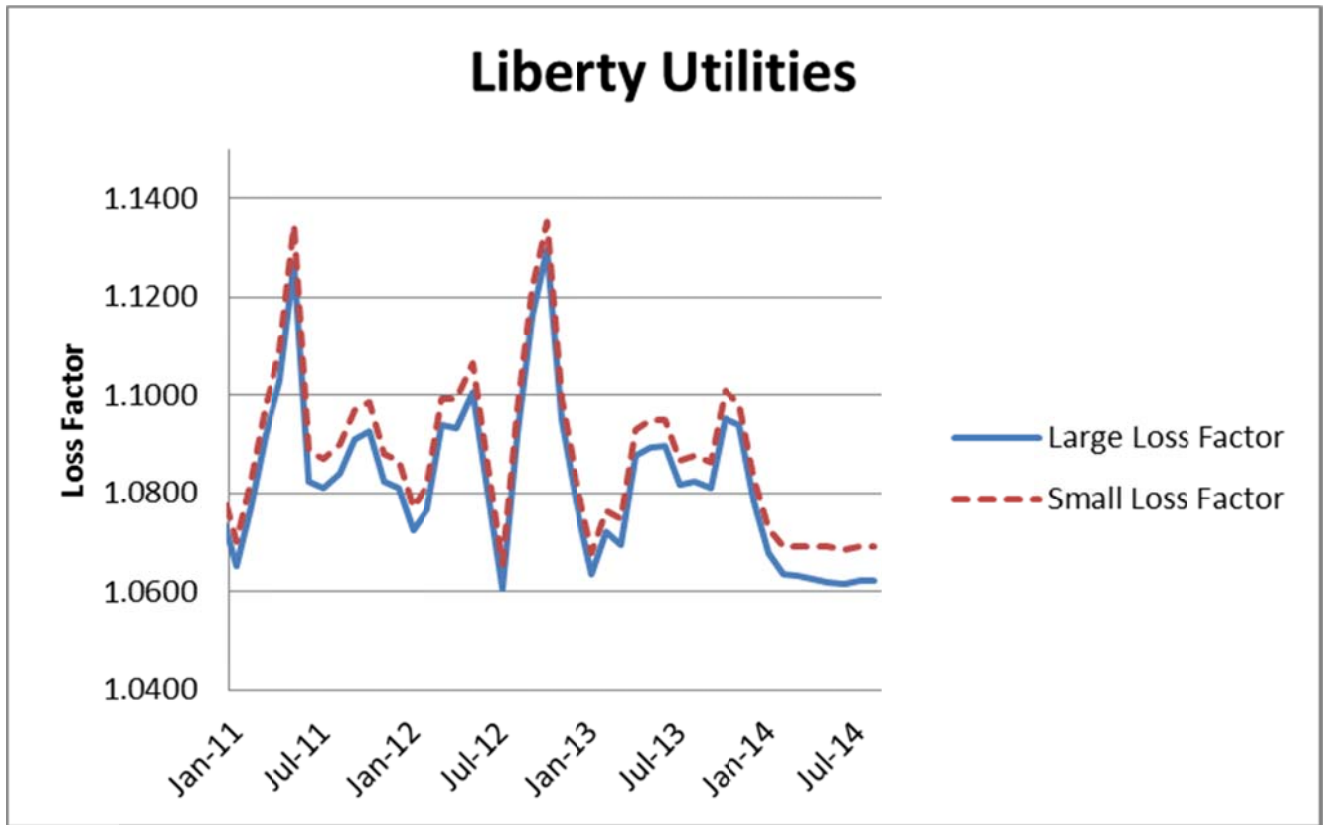
6. Conclusion

Liberty Utilities believes that the actions it has taken since purchasing the Company from National Grid has resolved the loss factor issue. As shown in Attachment 1, the extreme volatility of the loss factors since January 2011 has been eliminated in 2014.

Liberty Utilities, NEP and ISO-New England have identified and implemented new metering points required for market settlement with ISO-New England. The new metering points have established the new Liberty Utilities meter domain by monitoring all substations, generators and tie lines within its meter domain and adjacent to other meter domains. This

change has moved the meter locations to more accurately measure the total wholesale load delivered to Liberty Utility customers which has resulted in a decrease to the loss factor since its implementation in February 2014. In addition, three new wholesale metering points have been established as outlined in Section 4 above which will improve the accuracy of the total load delivered. These actions taken together with the findings filed in its first report to the Commission on August 31, 2012 in Docket DE 12- 023 leads us to respectfully request the Commission to find that this concludes the loss factor investigation.

EXHIBIT 1



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