

**SPECIAL CONTRACT**  
**CONTRACT NO. NHPUC 3**  
**CONCORD STEAM CORPORATION**  
**WITH**  
**CONCORD SCHOOL DISTRICT, SAU 8**

<b>Date of Execution:</b>	<b>October 1, 2009</b>
<b>Effective Date:</b>	<b>November 1, 2009 (Subject to NHPUC Approval)</b>
<b>Date of Termination:</b>	<b>Ten Years After Effective Date Unless Terminated Sooner Pursuant to Terms Herein</b>

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

1. The service to be rendered under this Contract (the "Contract") consists of the furnishing of steam service to Concord School District, SAU 8 legal owners of the Rundlett Middle School 144 South Street, Concord, New Hampshire 03301 at a price which takes into account the marginal cost of serving the Rundlett Middle School, the School District's contribution of \$500,000 of installation costs for the service main required to connect the school to the steam system in addition to the School District's contribution towards Concord Steam's fixed costs of serving its other rate payers.
  
2. This Contract has been designed to meet the specific needs of the Rundlett Middle School while at the same time providing benefits for Concord Steam and its other customers. The parties agree that steam supply is a vital element to the Rundlett Middle School mission, in that it is crucial to supply reliable heat from a renewable resource that provides energy at stabilized pricing to the school district as well as to the taxpayers of the City of Concord. Further, the inclusion of the Rundlett Middle School steam load is important to Concord Steam, because it adds a significant increase to Concord Steam's annual steam sales. Thus, this Contract enables the Rundlett Middle School to make use of a local renewable energy source while reducing the pricing risks that inherent with using fossil fuels and also providing a regular revenue stream from the Rundlett Middle School to Concord Steam for services provided. In turn, this will contribute significantly to holding down rates for Concord Steam's other customers by aiding in spreading the fixed cost over a wider base without additional investment in assets.

CONTRACT FOR STEAM SERVICE BETWEEN  
CONCORD STEAM CORPORATION  
AND  
CONCORD SCHOOL DISTRICT, SAU 8  
RUNDLETT MIDDLE SCHOOL 144 SOUTH ST.

Agreement made as of this 7<sup>th</sup> day of ~~October~~ 2009 by and between Concord Steam Corporation ("Concord Steam"), a New Hampshire corporation with a principal place of business of P.O. Box 2520, Concord, New Hampshire 03302 and Concord School District, SAU 8 ("Rundlett Middle School"), a New Hampshire business, with a principal place of business at 144 South Street, Concord, New Hampshire 03301.

WHEREAS, Concord Steam is engaged in business as a public utility in the City of Concord in providing steam service to the public;

WHEREAS, the CONCORD SCHOOL DISTRICT is providing educational services to the public in Concord, New Hampshire. Concord Steam has supplied steam service to the CONCORD SCHOOL DISTRICT for over 30 years;

WHEREAS, the CONCORD SCHOOL DISTRICT is upgrading its mechanical heating and ventilation system and installing a main steam service at RUNDLETT MIDDLE SCHOOL;

WHEREAS, Concord Steam desires to provide steam service to the RUNDLETT MIDDLE SCHOOL upon the terms and conditions set forth in this Contract in order to increase its steam load, for the benefit of all of its customers.

NOW, THEREFORE, Concord Steam and the CONCORD SCHOOL DISTRICT for and in consideration of the mutual covenants and agreements hereinafter set forth do hereby agree as follows:

1. Rate and Usage. CONCORD SCHOOL DISTRICT shall pay Concord Steam a monthly rate that is based on the current cost of energy rate plus five (5) dollars multiplied by the monthly use plus the applicable tariff meter charge (currently \$40). The \$5.00/Mlb base rate shall be increased annually by a mutually acceptable CPI inflator. This base rate shall be no more than 80% of the lowest tier base rate of the Company's tariff.

\$13.48 (as of 6/10/10) x 0.80 = \$10.78 MAX

2. Cost of Energy. The Monthly Rate includes the cost of energy, at an expected initial rate of \$17.36/Mlb. In accordance with Paragraph 1 of this Agreement, the Monthly Rate will be adjusted based on Concord Steam's applicable cost of energy, as approved by the New Hampshire Public Utilities Commission (the "Commission").

3. Payments. All amounts due and payable under this Contract shall be made in accordance with the payment terms and conditions under Concord Steam's tariff then in effect, including the applicable interest rate applied to any unpaid balances.

4. Default. Customer agrees to pay all service connection charges related to the restoring of the steam service and associated cost incurred to supply steam service by CSC if service is discontinued by the customer or by CSC if customer is in default at anytime during the term of this agreement. In addition, the Customer agrees to re-pay any base rate discounts applied to it's account if service is discontinued by the customer or by CSC if customer is in default at anytime during the term of this agreement.

5. Term. The term of this Contract is ten years commencing on November 1, 2009.

6. Books and Records. During the Term hereof and for a period of at least two years thereafter, Concord Steam shall maintain such books and records (collectively "Records") as are necessary to substantiate that Concord Steam is in compliance with this Contract. CONCORD SCHOOL DISTRICT and its representatives shall have the right at any time during normal business hours, and upon reasonable notice, to examine the Records, make copies and take extracts therefrom and discuss the Records with Concord Steam's officers and employees as CONCORD SCHOOL DISTRICT deems necessary.

7. Regulatory Approval. Concord Steam agrees, upon execution of this Contract, to file the same with the Commission, and to request the required approval. Concord Steam agrees to use all commercially reasonable efforts to secure the regulatory approval of this Contract by the Commission. Concord Steam shall not, however, be liable to CONCORD SCHOOL DISTRICT for any damages, direct or indirect, resulting from its failure to obtain said approval. The performance by Concord Steam of its obligations under this Contract is subject to the condition that Concord Steam shall obtain from the Commission approval of this Contract as required by law.

8. Entire Agreement. This instrument constitutes the entire agreement between the parties and is executed by each without reliance upon any representations made by either to the other during the course of the negotiations with respect thereto; provided, however, that the parties understand and agree that, except to the extent it is inconsistent with this Contract, the terms of Concord Steam's tariff on file with the Commission shall govern the parties' relationship.

9. Successors and Assigns. Insofar as may be legally possible, each party covenants and agrees that the benefits and burdens of this Contract shall be binding upon the successors and assigns of each including any successor in title to all or substantially all of the properties of each.

10. Notices. Except as otherwise provided herein, all notices hereunder shall be in writing and shall be deemed to have been duly given for all purposes (i) when delivered in person, or (ii) three days after the date on which deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or (iii) one day after the same is delivered to an express courier service guaranteeing overnight delivery, or (iv) when sent by telecopy transmission if receipt is confirmed and a copy is sent by regular first class mail, postage prepaid, in each case directed to the party to receive the same (which, in the case of Concord Steam, is the President and in the case of CONCORD SCHOOL DISTRICT is

Superintendent of Schools, 16 Rumford Street, Concord, NH 03301) at its address stated above or at such other address as may be substituted by notice given as herein provided.

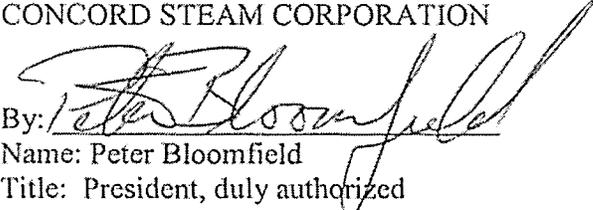
11. Amendment. This Contract may be amended only by written agreement by and between Concord Steam and CONCORD SCHOOL DISTRICT and, if required by applicable law or regulation, only if approved by the Commission. If CONCORD SCHOOL DISTRICT desires to extend the term of this Contract, it shall give notice thereof to Concord Steam not later than September 1, 2019. If Concord Steam is willing to consider such an extension, the parties shall then discuss the terms and conditions thereof and if agreement is reached with respect to such terms and conditions, such agreement shall be evidenced in writing which, if required by applicable law or regulation, shall be submitted to the Commission for its approval.

12. Applicable Law. The parties agree that this Contract shall be governed by the laws of the State of New Hampshire.

13. Headings. The headings in each section of this Agreement are for convenience of reference only, and do not form a part hereof and in no way modify or shall be used to interpret or construe the meaning of this Contract.

IN WITNESS WHEREOF the parties have caused their corporate names to be subscribed by a duly authorized officer.

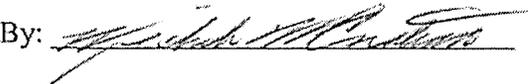
CONCORD STEAM CORPORATION

By: 

Name: Peter Bloomfield

Title: President, duly authorized

CONCORD SCHOOL DISTRICT, SAU 8

By: 

Name: MICHELE CROTEAU

Title: \_\_\_\_\_, duly authorized



I provide the following as a memo for the record:

How it would work is a double pro-rate, i.e. a new customer comes on the system in the second year (year 2 of the contract) which leaves 90% of the original length of the contract remaining. Assume that the customer has a estimated usage 6,000 Mlbs per year, . The new customers added use of 6,000 to the District's existing estimated use of 12,000 make a total load of 18,000 Mlbs on that service line . The districts use is equal to 66% of the total load and the new customer is equal to 34% of the total load. We would therefore give the district a rebate on the line equal to 90% of \$500,000 multiplied by .34 (34%) or \$153,000.



*Mark Sabo* 10/1/07