

NSPI

Open Access Transmission Tariff

ATTACHMENT G

Network Operating Agreement

Applicability

The Network Operating Agreement applies to Network (and Point-to-Point) Loads that are physically connected to the NSPI transmission system.

Network Customers that are not physically connected to the NSPI transmission system will be governed by the interconnection agreement between NSPI and the transmission owner to which the Network Customer is physically connected.

NSPI

Open Access Transmission Tariff

NETWORK OPERATING AGREEMENT

Between

NOVA SCOTIA POWER INCORPORATED

And

(Insert Customer Name)

(Date)

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NETWORK OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____, 20_____.

BETWEEN: NOVA SCOTIA POWER INCORPORATED

a body corporate, with head office at Halifax, Province of Nova Scotia, hereinafter referred to as "NSPI";

- and -

_____,

and Eligible Customer, in accordance with Section 1.11 of NSPI's Open Access Transmission Tariff, having its head office in _____, hereinafter referred to as "the Customer",

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

WHEREAS the Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Nova Scotia (the "Customer's premises"), and requires a supply of power and energy for its operation;

AND WHEREAS NSPI has agreed to deliver and the Customer has agreed to purchase from NSPI transmission services for aforesaid Customer premises pursuant to the terms and conditions of this Agreement.

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

1.0 DEFINITIONS

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

NSPI Facilities

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

Customer Facilities

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

Without limiting the generality of the foregoing, these facilities include

Delivery Point

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

Good Utility Practice

Good Utility Practice is a practice consistent with the reasonable and practicable operation of electric utilities in Canada.

Metering Equipment

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

Metering Point

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

Rental Facilities

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

Without limiting the generality of the foregoing, these facilities include

2.0 CHARACTERISTICS OF SUPPLY

2.1 Characteristics of Supply

Subject to Article 3.1 hereof the power and energy supplied to the Customer at the Delivery

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

2.2 Metering

Metering shall be in accordance with NSPI's "Metering Standards" and Section 4 "Metering" of NSPI's "Rates / Regulations and Procedures". Meter reading and billing shall be in accordance with Section 5 "Meter Reading and Billing" of NSPI's "Rates / Regulations and Procedures".

NSPI shall provide, own and maintain the Metering Equipment. If requested by NSPI, the Customer shall provide at the Customer's expense adequate space and facilities on the Customer's premises satisfactory to NSPI for the installation and maintenance of the Metering Equipment.

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

If, for any period, the Metering Equipment or any part thereof is not in service, the power and energy supplied during such period shall be determined by NSPI, after consultation with the Customer, from the best information available. In the event that the Parties are unable to reach agreement on the determination of the power and energy supplied to the Customer, the decision of NSPI shall be deemed to be conclusive.

The Customer may request NSPI to verify the accuracy of the Metering Equipment more often than once a year. If the Customer is not satisfied with NSPI's results the Customer may request that further verification be made by Measurement Canada. In either case, if the Metering Equipment is accurate within the limits specified by Measurement Canada, the Customer shall pay the cost of performing such verification. If the Metering Equipment is

inaccurate by more than the limits specified by Measurement Canada, an adjustment based on the full error of the Metering Equipment shall be made in the Customer's bills for any known or agreed period of inaccuracy.

If, at any time, the Metering Equipment is found to be inaccurate by more than the limits specified by Measurement Canada, the Metering Equipment or any faulty components thereof shall be promptly replaced, repaired or readjusted by NSPI at NSPI's expense.

NSPI may modify or replace the Metering Equipment from time to time.

3.0 GENERAL OBLIGATIONS OF THE CUSTOMER

3.1 Customer's Equipment

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

The Customer agrees that all motors, transformers and other equipment utilized in its installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce detrimental effects on NSPI Facilities which could adversely affect the adequacy of service to the Customer and other customers.

3.2 Electrical Harmonics

Electrical harmonics shall be considered as components of current or voltage whose frequency is some multiple of the 60-hertz fundamental frequency. The Customer shall assume the responsibility of direct loss by reason of damages to NSPI Facilities caused by electrical harmonics produced in the Customer Facilities provided that such liability shall be restricted to the repair or, if necessary, the replacement or modification of such NSPI

Facilities which have been damaged or made necessary by reason of electrical harmonics produced in the Customer Facilities. The Customer agrees to take all reasonable steps to limit the effects of any electrical harmonics that may be produced in the Customer Facilities to a level tolerable to NSPI. NSPI shall cooperate with the Customer in the investigation of any harmonic problems and the analysis of corrective measures. NSPI reserves the right to discontinue the supply of power and energy where in its opinion the reliability of NSPI Facilities is threatened by the presence of electrical harmonics.

3.3 Load Balance

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

3.4 Right-of-Way

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

3.5 Right of Access

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

3.6 Preparation for the Receipt of Transmission Service

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

In addition to the foregoing, the Customer agrees to provide, own and maintain beyond the Delivery Point any equipment that NSPI deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of NSPI Facilities in accordance with Good Utility Practice. All the said equipment of the Customer shall be subject to the approval of NSPI and shall be installed, maintained and operated in a manner satisfactory to NSPI.

3.7 Customer's Responsibility for NSPI Facilities on its Premises

All NSPI Facilities and Rental Facilities furnished and installed on the Customer's premises shall remain the property of NSPI and should such NSPI Facilities or Rental Facilities be destroyed or damaged from any cause due to the Customer, or from any peril originating on

the Customer's premises, the Customer shall reimburse NSPI for the full cost of repair or replacement.

3.8 Insulation Contamination

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

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

4.0 GENERAL RIGHTS AND OBLIGATIONS OF NSPI

4.1 Interruption of Supply

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

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

4.2 Special or Consequential Damages

Notwithstanding any other provision in this contract, NSPI shall not be liable to the Customer for special or consequential damages, or damages for loss of use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

4.3 Removal of Equipment at Termination

NSPI shall, at the termination of this Agreement, or within six months thereafter, remove from the Customer's premises the appropriate NSPI Facilities and Rental Facilities which may have been installed by NSPI for the supply of power and energy under this Agreement. Notwithstanding the termination of this Agreement, until such time as the NSPI Facilities and Rental Facilities are removed, they remain the risk of the Customer, but after the expiration of said six months period all such NSPI Facilities and Rental Facilities shall be at the risk of NSPI.

5.0 ENVIRONMENTAL CONTAMINATION

5.1 Environmental Contamination

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

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

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

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

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

6.0 FORCE MAJEURE

6.1 Force Majeure

Force Majeure is any cause beyond the reasonable control of NSPI including, without limiting the generality of the foregoing, failure of facilities, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot, civil disturbance, labour trouble, strike, sabotage and restraint by court or public authority which by exercise of Good Utility Practice NSPI could not be expected to avoid. If NSPI is rendered unable to fulfill any obligations by

reason of Force Majeure, it shall be excused from performing to the extent it is prevented from so doing but it shall exercise Good Utility Practice to correct such inability with all reasonable dispatch, and it shall not be liable for injury, damage or loss resulting from such inability. However, settlement of strikes and labour disturbances shall be wholly within the discretion of NSPI.

7.0 INDEMNITY

7.1 Indemnity by the Customer

The Customer shall indemnify and save harmless NSPI from all loss, damage or injury to persons or property sustained by any third person or persons, including employees of NSPI and the Customer, arising from the operation and maintenance of the Customer Facilities, unless such loss, damage or injury results from negligence or willful misconduct of NSPI, its agents, servants or employees, provided that the Customer shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of NSPI in such defense.

7.2 Indemnity by NSPI

NSPI shall indemnify and save harmless the Customer from all loss, damage or injury to persons or property sustained by any third person, or persons, including employees of the Customer and NSPI, arising from the operation and maintenance of NSPI Facilities, unless such loss, damage or injury results from negligence or willful misconduct of the Customer, its agents, servants or employees, provided that NSPI shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of the Customer in such defense.

8.0 TERM OF AGREEMENT

8.1 Term of Agreement

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

9.0. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written, of the parties and there are not warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10.0 SUCCESSORS OF PARTIES

10.1 Successors and Assigns

This Agreement shall extend to and be binding upon and endure to the benefit of the Parties hereto and their respective successors and permitted assigns. The obligations under and the

benefit of this Agreement shall not be assignable by either party without the consent in writing of the other party. Such consent shall not be unreasonably withheld.

11.0 MODE OF DELIVERY

11.1 Mode of Delivery

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

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

Attention:

- b) In the case of NSPI, to:

Nova Scotia Power Incorporated

P.O. Box 910

Halifax, NS B3J 2W5

Attention: Secretary and General Counsel

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

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

12.0 ADMENDMENT

12.1 Amendment

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

13.0 SEVERANCE

13.1 Severance

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

14.0 GOVERNING LAW

14.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nova Scotia and any applicable Federal laws.

NSPI

Open Access Transmission Tariff

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

NOVA SCOTIA POWER INCORPORATED

(CUSTOMER)

Date: _____

Date: _____