MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

PROJECT 2015A

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THIS POWER SALES AGREEMENT is executed by the Massachusetts Municipal Wholesale Electric Company (“MMWEC”), a political subdivision of the Commonwealth of Massachusetts (the “Commonwealth”), and the city or town of the Commonwealth having a municipal light department, which has executed this Power Sales Agreement (the “Participant”).

WHEREAS, MMWEC is duly organized as a body politic and corporate and a political subdivision of the Commonwealth under the laws of the Commonwealth (St. 1975, c. 775, as amended) and is authorized, among other things, jointly or separately to plan, finance, acquire, construct, improve, purchase, operate, maintain, use, share costs of, own, lease, sell, dispose of or otherwise participate in electric power facilities, or portions thereof, within or without the Commonwealth, to sell electric power and energy and other products of electric power facilities to MMWEC member and non-member cities and towns having municipal electric departments established under chapter one hundred and sixty-four of the Massachusetts General Laws or a Massachusetts special act and to other utilities, public and private, within or without the Commonwealth, with whom MMWEC is authorized to contract and, subject to the laws of the Commonwealth, to borrow money by the issue of bonds, notes, or other evidences of indebtedness, for any of its corporate purposes; and

WHEREAS, the Participant owns, operates and maintains one or more plants for the manufacture or distribution of electricity pursuant to G.L. c. 164 and pursuant to St. 1975, c. 775 is authorized to enter into this Agreement with MMWEC; and

WHEREAS, MMWEC proposes to own, design, finance, construct, operate and maintain (or to cause to be designed, constructed, operated and maintained), the electric power facilities described in Exhibit C attached hereto; and

WHEREAS, MMWEC proposes to sell, and the Participant proposes to purchase, its Participant’s Share (hereinafter defined) of Project Capability (hereinafter defined), all as herein after provided:

NOW, THEREFORE, MMWEC and the Participant as the “Parties” (and separately, a “Party”) hereto mutually agree as follows:

ARTICLE 1

Section 1.1 Definitions

The singular of any term defined in this Agreement shall encompass the plural, and the plural the singular, unless the context indicates otherwise.

As used herein:

“Administrative and General Component” means the Administrative and General Component included in the Operating Cost Component of Monthly Power Costs described in the definition of Monthly Power Costs and in Exhibit B.

“Agreement” or “Power Sales Agreement” means this Agreement, with respect to the Participant, and all other Agreements substantially identical to this Agreement entered into by MMWEC and the Participants with respect to the Project.
“Agreement Year” means the 12-month period commencing 2400 hours Local Time (Ludlow, Massachusetts) on December 31 of each year during the term of this Agreement and ending 2400 hours Local Time (Ludlow, Massachusetts) on the December 31 next following, provided, that: (a) the first Agreement Year shall commence at 2400 hours Local Time on the date immediately preceding the earlier of (i) the Date of Commercial Operation of the Facilities, or (ii) the date to which interest is capitalized on the Bonds issued to finance the Cost of Acquisition and Construction of the Project but not later than one year prior to the first principal installment date for such Bonds; and (b) the last Agreement Year shall end at 2400 hours Local Time on the date of termination of this Agreement as provided in Section 19.1 of this Agreement.

“Ancillary Services” means all generation services recognized and paid for under the ISO-NE Rules, including, without limitation, operating reserves, forward reserves, system restoration, voltage support, and automatic generator control services.

“Annual Budget” means the budget adopted by MMWEC pursuant to Section 5.1 of this Agreement which takes into account the provisions of Section 7.2 and which itemizes the estimated Monthly Power Costs of the Project during an Agreement Year and for each month within such Agreement Year, or, in the case of an amended Annual Budget adopted pursuant to Section 5.2, during the remainder of an Agreement Year and for each month therein.

“Billing Statement” means the written or electronic statement prepared monthly by MMWEC and delivered to the Participant, either by mail or electronically, which shows the amounts to be paid for such month to MMWEC by the Participant as the Participant’s Share of the Monthly Power Costs as set forth in an Annual Budget or an amended Annual Budget.

“Bond Resolution” means the Bond Resolution of MMWEC relating to the issuance of Bonds for the Project, as from time to time amended or supplemented by supplemental resolutions.

“Bonds” means any bonds, notes or other evidences of indebtedness, either senior or subordinate including, but not limited to, refunding bonds issued from time to time pursuant to and under authority of the Bond Resolution (i) to pay the Cost of Acquisition and Construction of the Project and (ii) for the purposes authorized by Section 14.1 of this Agreement.

“Business Day” means any day, except a Saturday, Sunday or a Federal Reserve Bank holiday. A Business Day shall commence at 8:00 a.m. Local Time (Ludlow, Massachusetts) and close at 5:00 p.m. Local Time at MMWEC’s principal place of business.

“Capital Contribution” means the amount of funds provided by the Participant to MMWEC in accordance with Section 7.2.

“Capacity” means an electrical rating expressed in megawatts (MW).


“Capital Improvements - Discretionary” means the amount or amounts necessary for renewals, repairs, replacements, modifications, additions and betterments for the Project, which, in the opinion of MMWEC, in accordance with Prudent Utility Practice, are necessary or desirable to improve operating reliability or to reduce Monthly Power Costs.
“Capital Improvements - Extraordinary” means the amount or amounts which may be required by MMWEC, in accordance with Prudent Utility Practice, to pay the costs of: (i) extraordinary repairs, renewals, replacements, modifications, additions and betterments for the Project necessary to achieve design capability or required by any governmental agency or authority; and (ii) extraordinary operation and maintenance costs, including extraordinary costs of fuel, and the cost of preventing or correcting any unusual loss or damage (including major repairs) to the Project or any part thereof, including necessary payments for the termination of the Facilities or the Project, all to the extent that (a) MMWEC is not reimbursed for the payment of the costs set forth in clauses (i) and (ii) from the proceeds of insurance, (b) funds for such payment are not available to MMWEC therefor from any funds set aside with respect to the Project in any fund or account established therefor under the Bond Resolution, or (c) funds for such payment are not provided or to be provided by the issuance of Bonds pursuant to Section 14.1.

“Common Expenses” means all operation, maintenance and supervision labor expenses which are incurred in connection with one or more generating units now located at the Site, and which may be located at the Site in the future, and which are common to such generating units, including Waters River I, Waters River II, (currently located at the Site) and the Facilities, and which are allocated among Waters River I, Waters River II, (or such additional or lessor number of generating units located at the Site in the future) and the Facilities, on the basis of expected operations of each for each Annual Budget and recorded in accordance with the Uniform System of Accounts as an operating expense set forth in Exhibit B.

“Common Facilities” shall mean those facilities, owned by the City of Peabody acting by and through the Peabody Municipal Light Plant in connection with one or more generating units currently located or to be located at the Site, other than the Facilities, which will serve the Facilities and one or more units at the Site, and which Peabody Municipal Light Plant may designate from time to time by notice to MMWEC in accordance with the provisions of the Operating Agreement, including but not limited to designated portions of the Site, common fuel transportation and fuel handling facilities, fuel storage facilities, control facilities, fire systems, shop facilities, substation equipment, switchyard facilities, laboratory facilities, waste processing systems, natural gas pipeline(s) and Site office/administrative facilities, and shall also mean those facilities which will be constructed or renovated and owned by MMWEC as part of the Project and which will serve the Facilities and one or more other generating units at the Site, and which MMWEC may designate from time to time by notice to the Peabody Municipal Light Plant as Common Facilities.

“Common Facilities Capital Costs” means, to the extent not included in Common Facilities Expenses, all capital costs and capitalized expenses associated with Common Facilities including, but not limited to, support charges for assets, property taxes or payments in lieu of taxes ("PILOT"), insurance (property and other), rents, licenses or leases all as allocated to the Facilities on the basis of the percentage of the Facilities’ design capability, expressed in MWs, to the total design capability of all generating units located at the Site expressed in MWs.

“Common Facilities Expenses” means the costs and expenses associated with operating and maintaining Common Facilities (other than Common Expenses) as set forth in the Operating Agreement as allocated among one or more units located at the Site, including Waters River I, Waters River II, and the Facilities, in accordance with the percentage of each unit’s design capability, expressed in MWs, to the total of the design capability, expressed in MWs for all units located at the Site.
“Cost of Acquisition and Construction” means, to the extent not included in Monthly Power Costs, all costs of planning, engineering, designing, financing, installing, constructing, acquiring and placing into operation or retirement, including any financial assurances or costs that are capitalized as required by ISO-New England, or the Uniform System of Accounts, with respect to the Facilities and Common Facilities and costs contained in the Annual Budget or disposal of the Project, all as contemplated by the term “Cost of Acquisition and Construction” as defined in the Bond Resolution, which shall include, but shall not be limited to, funds for:

1) interest accruing, in whole or in part, on Bonds prior to and during the time period for construction of the Facilities and for such additional time period as MMWEC may reasonably determine to be necessary in accordance with the provisions of the Bond Resolution;

2) the acquisition of fuel for the Project, including land, rights, leases and options therefor and working capital, equipment, structures, facilities or prepayments and reserves therefor;

3) allowance for working capital requirements of the Project in such amounts as shall be deemed reasonably necessary by MMWEC;

4) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution to meet debt service reserve requirements for Bonds;

5) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution as a reserve for any renewals, replacements and contingencies and retirement from service, salvage, discontinuance, sale or disposal of any Facilities of the Project, including restoration of lands with respect thereto, or as a general or other reserve;

6) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any other fund or account established pursuant to the Bond Resolution;

7) all federal, state and local taxes and PILOTs required to be paid or otherwise legally required to be paid in connection with the acquisition and construction of the Project;

8) all costs and expenses relating to claims or judgments arising out of the acquisition or construction and operation of the Project that are not otherwise covered by insurance;

9) all planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal and financing costs (including, but not limited to, broker dealer fees, auction agent fees, remarketing agent fees, tender agent fees and similar fees and premiums under any bond insurance policies, payments under any credit and liquidity facilities or payments in connection with any
Interest Rate Swap Agreements), MMWEC administrative and general costs, payments to other public agencies, payments to ISO-NE (including any required financial assurances), and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

10) all costs incurred or associated with the decommissioning salvage, discontinuance and disposition or sale of properties required to be paid by MMWEC, including all such costs for which MMWEC shall be responsible under any Operating Agreement relating to the Project;

11) the costs and expenses, including but not limited to counsel fees, discounts to the underwriters or other purchasers thereof, if any, incurred in the issuance and sale of Bonds from time to time issued, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued;

12) all other costs incurred in connection with, and properly chargeable to, the acquisition and construction of the Project which constitute Cost of Acquisition and Construction pursuant to the Bond Resolution, including any prepayment of operating or other expenses, and all such costs for which MMWEC shall be responsible; and

13) the payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) on notes or other evidences to indebtedness from time to time issued in anticipation of the issuance of Bonds, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued.

“Date of Commercial Operation” (and words of like import) means the date upon which Facilities are first ready for normal continuous operation as determined by MMWEC in accordance with Prudent Utility Practice, which date shall not precede the date on which MMWEC has met all requirements applicable to it necessary for the Participants to be eligible to receive all payments under the ISO-NE Rules.

“Delivery Point” means the revenue metering and delivery point described in Exhibit F.

“Direct Expenses” means the non-labor related operating, maintenance and supervision expenses incurred by MMWEC directly associated with the operation, maintenance and supervision of the Facilities and directly charged to the Facilities in accordance with the Uniform System of Accounts as set forth in Exhibit B.

“Direct Labor” means the costs of all labor incurred by MMWEC directly associated with the operation, maintenance and supervision charged directly to the Facilities in accordance with the Uniform System of Accounts, as set forth in Exhibit B.

“Dispatch Plan” means the plan developed by MMWEC and revised by MMWEC from time to time for the guidance and direction of bidding the Electricity Products pursuant to the ISO-NE Rules and Prudent Utility Practice, in all cases subject to the then applicable policies and procedures established by the Risk Oversight Committee or the MMWEC Board of Directors, as the case may be.
“Electricity Products” means the electric Capacity, Energy, and other products, such as Ancillary Services, related thereto that the Facilities produce or which are associated with the Facilities and which MMWEC hereby agrees to make available, or sell and deliver, or cause to be sold and delivered to ISO-NE, and the Participant hereby agrees to purchase, as specified in this Agreement, or as developed and incorporated into the ISO-NE Rules as of the Date of Commercial Operation or as thereafter defined by the ISO-NE Rules.

“Energy” means electricity generated by the Facility in the form of 3-phase, 60 hertz, alternating current and otherwise as required by the ISO-NE Rules, expressed in kilowatt hour (kWh) or megawatt hour (mWh).

“Facility” or “Facilities” means the electric power facilities and other facilities described in Exhibit C.

“FERC” means the Federal Energy Regulatory Commission or any successor agency.

“Force Majeure” means any cause beyond the reasonable control of, and not the result of negligence, or the lack of due diligence of MMWEC. Force Majeure shall include, without limitation, strike, stoppage in labor, riot, fire, flood, ice, invasion, civil war, commotion, insurrection, blockades, embargoes, sabotage, epidemics, explosions, acts of terrorism, military or usurped power, order of any court granted in any bona fide adverse legal proceeding or action, order of any civil, military or governmental authority (either de facto or de jure) and including, without limitation, orders of governmental and administrative agencies which conflict with the terms of this Agreement, or acts of God or public enemies.


“Fuel Procurement Plan” means those policies, procedures and protocols, developed by MMWEC and revised by MMWEC from time to time to provide guidance and direction for the acquisition, transportation and/or storage of fuel supplies for the Project and the optimization of the pricing, scheduling or other aspects of the fuel supply agreements and fuel transportation agreements used to supply fuel for the Project, including commodity hedges and other financial or derivative products entered into or procured as part of the cost of fuel, in all cases subject to the then applicable policies and procedures established by the Risk Oversight Committee or the MMWEC Board of Directors, as the case may be.

“Interest Rate Swap Agreement” means, to the extent from time to time permitted by law, and the Bond Resolution with respect to Bonds, any financial arrangement which is entered into by MMWEC which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to the principal amount of such Bonds of MMWEC as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Bonds); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, in each case executed by MMWEC for the purpose of moderating interest rate fluctuations, reducing debt service costs or creating either fixed interest rate Bonds or variable interest rate Bonds on a synthetic basis or otherwise.
“ISO-NE Rules & Procedures” or “ISO Rules” means the rules for the administration of the markets for energy, capacity and certain Ancillary Services within the New England Control Area (“New England Markets”), as amended from time to time, filed with and accepted by the FERC, and the operating guides, manuals, procedures and protocols developed and utilized by the ISO-NE for operating the ISO-NE bulk power system and the New England wholesale electric markets and for planning the ISO-NE bulk power system, all as in effect from time to time.

“ISO-New England” or “ISO-NE” means the Independent System Operator, New England, LLC, a Delaware limited liability corporation responsible for overseeing the operation of the New England bulk power system and for the development and administration of New England’s wholesale electric markets, or any successor entity performing substantially similar functions.

“Massachusetts Department of Public Utilities” means the Massachusetts agency established pursuant to G.L. c. 25 which, among other things, approves the issuance, by MMWEC of Bonds of greater than one year duration as provided in St. 1975, c.775, as amended, or a successor Massachusetts agency performing similar functions.

“Monthly Power Costs” means, for any month in any Agreement Year, except in the case of the Fuel Cost Component, one-twelfth or such other allocation, including, but not limited to an allocation taking into account the provisions of Section 7.2, as is set forth in the Annual Budget, or any amended Annual Budget, of all of MMWEC’s costs resulting from the ownership, operation, maintenance and termination and retirement from service of, and repairs, renewals, replacements, improvements, betterments, additions and modifications to the Project during such Agreement Year, to the extent not included in Cost of Acquisition and Construction and not paid from the proceeds of the Bonds or from the proceeds of insurance. The Annual Budget will contain the Fuel Cost Component of the Monthly Power Costs, however the Fuel Cost Component shall be billed as set forth in Section 5.3. In the event any Agreement Year shall consist of fewer than twelve months, the fraction set forth in this definition of Monthly Power Costs shall be adjusted accordingly and, in the event of any amendment of the Annual Budget pursuant to Section 5.2 after the commencement of any Agreement Year, the amount determined pursuant to this definition of Monthly Power Costs shall be adjusted appropriately so that any increase or decrease in that portion of the Annual Budget shall be evenly apportioned over the remaining months of such Agreement Year. Monthly Power Costs shall consist of: (i) a Capital Cost Component; (ii) a Fuel Cost Component; and (iii) an Operating Cost Component; and shall include the items of cost and expense more fully described below.

1. **Capital Cost Component.** The Capital Cost Component of total Monthly Power Costs, taking into account the provisions of Section 7.2, shall consist of the amount which MMWEC is required under the Bond Resolution and the Annual Budget or amended Annual Budget to pay or deposit, during such Agreement Year, into any funds or accounts established by the Bond Resolution for: (i) the amounts to be booked by MMWEC, less any credits, with respect to the Project to (a) FERC Account 239, Matured Long Term Debt, (b) FERC Account 419, Interest and Dividend Income, (c) FERC Account 427, Interest on Long Term Debt, including in the case of indebtedness bearing interest at a variable rate, an amount for interest based on an estimate of such variable rate interest, and (d) FERC Account 431, Other Interest Expense, including costs for Interest Rate Swap Agreements, and credit and liquidity support; and (ii) any reserve requirements for Bonds or reserve requirements established by MMWEC’s Board of Directors, including replenishment (the timing of which shall be in accordance with the
provisions of this Agreement and the Bond Resolution) of any reserves drawn down as a result of a failure of a Participant to pay all or any portion of its share of Monthly Power Costs; plus

The amounts, if any (not otherwise included under any item in this definition of Monthly Power Costs), which MMWEC is required under the Bond Resolution to pay or deposit during such Agreement Year into any other fund or account established by the Bond Resolution, and shall include, without limitation, any amounts required to make up a deficiency (the timing of which shall be in accordance with the provisions of this Agreement and the Bond Resolution, in any fund or account required or permitted by the Bond Resolution whether or not resulting from a default in payments by any Participant of amounts due under the Agreement entered into by such Participant; plus

The amounts, if any (not otherwise included under any item in this definition of Monthly Power Costs), which MMWEC is required, under a contract, to pay during such Agreement Year for the costs of Capital Improvements-Discretionary or Capital Improvements-Extraordinary which are not funded from the proceeds of Bonds or insurance; plus

Working Capital, in such amounts, as calculated in accordance with this Agreement; plus

Acquisition of land, land rights, leases and options therefor, equipment, structures, facilities or prepayment and reserves therefor; plus

Any federal, state and local taxes and PILOTs required to be paid in connection with the acquisition and construction of the Project; plus

All costs and expenses related to damage claims or judgments arising out of the acquisition or construction and operation of the Project that are not otherwise covered by insurance; plus

All costs related to preliminary surveys, investigation and development costs, engineering, contractor’s fees, permits, licenses, approvals, leases, labor, material, equipment, land, rights of way, easements or other interests in land, utility services, supplies, payments to public agencies, training and testing costs, insurance premiums, fees and expenses of trustees and paying agents and all other costs incurred by MMWEC and properly allocable to the acquisition and construction of the Project and carrying out and placing the same into operation on the Date of Commercial Operation; plus

The payment of principal of and premium, if any, and interest on notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for the payment of the Cost of Acquisition and Construction or for the purposes specified in Section 14.1 of this Agreement; plus

Any payment required by the ISO-NE Rules & Procedures to be made to ISO-NE, in the nature of required financial assurances or the like; plus

Any additional amount not specified in the other items in this definition which must be paid by MMWEC during such Agreement Year under any Operating Agreement relating to the Project; plus
At the option of MMWEC, in the event the Date of Commercial Operation of the Facilities occurs prior to the date to which interest is capitalized on any Bonds issued to finance the Cost of Acquisition and Construction of the Project, an amount not to exceed the interest accruing from such Date of Commercial Operation to such date to which such interest is capitalized shall be applied, subject to the provisions of the Bond Resolution, as soon as practicable to payment of the Cost of Acquisition and Construction or to the purchase or the redemption of Bonds issued for the Project.

The Capital Cost Component of the Monthly Power Costs shall be calculated in the Annual Budget or amended Annual Budget, but shall be allocated to Participants in accordance with the allocations set forth in Exhibit A, taking into account the procedures set forth in Section 7.2.

2. **Fuel Cost Component.** The Fuel Cost Component of total Monthly Power Costs for any Agreement Year shall consist of the cost of fuel budgeted for FERC Account 547, Fuel, for such Agreement Year as set forth in the fuel cost budget included in the Annual Budget and not otherwise included under this definition of Monthly Power Costs, including, without limitation, costs relating to commodity hedges or other derivative products, including financial products, entered into or procured as part of the cost of fuel.

3. **Operating Cost Component.** The Operating Cost Component of the Monthly Power Costs shall consist of: the costs (other than amounts included in the Fuel Cost Component) incurred by MMWEC with respect to producing and delivering Capacity and Energy, Ancillary Services and Electricity Products, if any, during any Agreement Year, including, but not limited to: (i) ordinary operation and maintenance costs, costs of repairs, replacements and reconstruction of the Facilities or the Project that do not entail Capital Improvements-Discretionary or Capital Improvements-Extraordinary, the retirement from service, decommissioning and termination of the Facilities or the Project; the Administrative and General Component, costs relating to litigation and other adversarial proceedings (including attorneys’ fees and disbursements and other amounts paid as a result thereof), insurance costs (including, but not limited to, amounts to fund any self-insurance program and outage insurance), overhead costs, taxes (including, but not limited to, amounts to fund any self-insurance program and outage insurance), insurance costs (including, but not limited to, amounts to fund any self-insurance program and outage insurance), overhead costs, taxes (including PILOTs) and any other governmental charges required to be paid by MMWEC with respect to the Project, and any other costs payable in connection with the output of the Project, (ii) all costs related to the conducting of the business of MMWEC with respect to the Project, including the applicable portion of salaries, fees for legal, engineering, financial and other services and all other expenses properly related to the conduct of such affairs of MMWEC, including the Administrative and General Component, (iii) any costs relating to the Project, including without limitation any costs relating to funding or maintaining Working Capital or similar reserves incurred by MMWEC prior to any termination of the Project pursuant to Section 19.1, and (iv) costs incurred by MMWEC pursuant to the Operating Agreement. The FERC Accounts comprising the Operating Cost Component, including the Administrative and General Component, are set forth in Exhibit B.

“**NEPOOL Agreement**” means the New England Power Pool Second Restated NEPOOL Agreement, as amended from time to time, or any other agreement fulfilling the functions and requirements described in Massachusetts G.L. c. 164A.

“**Operating Agreement**” means the agreement entered into between MMWEC and the Peabody Municipal Light Plant, or any other entity from time to time, for the operation of the Facilities pursuant to the terms as set forth in such Operating Agreement.
“Operating Cost Component” means the Operating Cost Component of Monthly Power Costs described in the definition of Monthly Power Costs and in Exhibit B.

“Participants” means those entities which are specified in Exhibit A attached hereto and which enter into a Power Sales Agreement.

“Participant's Share” means the percentage of Project Capability set forth opposite the name of the Participant in Exhibit A attached hereto, adjusted as provided for in Sections 2.2 and 9.1 of this Agreement.

“Project” means Project 2015A, the Facilities of which are further described in Exhibit C including MMWEC’s ownership interest in the Facilities.

“Project Capability” means the amounts of electric Capacity and Energy and Ancillary Services and Electricity Products, if any, which the Project is capable of producing at any particular time (including times when the Project is not operable or operating or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part for any reason whatsoever), less Project station use and losses, and shall be determined in accordance with the ISO-NE Rules & Procedures and otherwise in accordance with Prudent Utility Practice.

“Prudent Utility Practice” at a particular time means any of the practices, methods and acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) which, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, or facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. The operation of the Facilities included in the Project in accordance with Prudent Utility Practice shall include, but not be limited to, the employment and supervision of the personnel necessary for performance of the Facilities including responsibility for: all operating personnel matters, including labor contract negotiations, hiring, compensation, disciplining, employee grievances and claims, discharging, training and promoting; operation and maintenance of the Facilities in a manner consistent with appropriate safety procedures and the Annual Budget; maintenance of the Project in a good, clean and orderly condition; performance of all necessary repairs and replacements of equipment and parts; procurement, contracting for, and furnishing the services and materials, including equipment, apparatus, machinery, spare parts, tools and supplies necessary for the performance of the Facilities, and the administration and compliance with all relevant contracts; procurement and administration of all fuel supply and fuel transportation contracts applicable to the Project; including arrangements to receive, handle and store all fuel delivered for the Project; procurement of all water resources required to operate and maintain the Project; establishment and maintenance of an information system to manage operating data for the Project; operation, scheduling maintenance for, and dispatch of the Facilities in accordance with ISO-NE Rules & Procedures applicable to the Project for the delivery of Capacity and Energy, Ancillary Services and Electricity Products from the Project as may be established from time to time; procurement of such auxiliary services, including startup and auxiliary power and water, as are required from time to time in connection with the operation of the Project; and maintenance
of the necessary metering equipment to determine the output of Capacity and Energy, Ancillary Services and Electricity Products from the Project and the consumption of station service by the Project. In evaluating whether any matter conforms to Prudent Utility Practice, the Parties shall take into account (i) the fact that MMWEC is a body politic and corporate and a political subdivision under the laws of the Commonwealth of Massachusetts, with the statutory duties and responsibilities thereof, (ii) the NEPOOL Agreement and the ISO-NE Rules & Procedures applicable to the Project, and (iii) in the case of any Facility jointly owned, the applicable ownership agreement among the owners of the Facility.

“Risk Oversight Committee” means the committee, or such committee which succeeds to the responsibilities of the Risk Oversight Committee, created by the MMWEC Board of Directors and charged with overseeing the administration of any risk policies adopted by the MMWEC Board of Directors and the procedures relating to transaction execution and risk management of those risk policies.

“Site” means the land described in Exhibit C hereto located at the Waters River site, 58 Pulaski Street, Peabody, Massachusetts, which includes the land which has been leased to MMWEC and any land rights obtained by MMWEC including, but not limited to land rights associated with the Peabody Municipal Light Plant’s substation, high pressure gas pipeline and other Common Facilities located at the Waters River site in the City of Peabody, Massachusetts.

“Transmission Facilities” means any electrical facilities of 69 KV and above which are owned (jointly or exclusively) by MMWEC, leased, shared or in which MMWEC has rights associated with the Project.

“Uniform System of Accounts” means the FERC (or its successor agency) system of accounts for Class A and Class B public utilities, as the same may be modified, amended, or changed from time to time.

“Waters River I” means the simple cycle combustion turbine generator of a total net capability of approximately 23 MW winter rating including structures, equipment, environmental controls and accessories, incident thereto, the transformers, associated bus ducts and the 23 kV generator leads.

“Waters River II” means the simple cycle combustion turbine generator of a total net capability of approximately 40 MW winter rate including the structures, equipment, environmental controls and accessories, incident thereto, the transformers, associated bus ducts and the 115 kV generator lead consisting of poles and conductors from said transformers to the 115 kV circuit breakers located at the substation, all as located on the Site.

“Working Capital” means funds held by MMWEC to enable it to make timely payments of all of its costs, and to meet its obligations owing or potentially owing, in carrying out the provisions of this Agreement, including without limitation, the financing, planning, engineering, design, acquisition, construction, operation and maintenance of the Project. MMWEC shall determine, from time to time, the amount of working capital to be held for purposes of this Agreement. MMWEC may fund, or finance working capital, in whole or part through Monthly Power Costs or other assessments, prepayments, notes, temporary notes, Bonds, loans, or other evidence of indebtedness, and may commingle the funds with other funds held by MMWEC for investment purposes and allocate the interest earned on funds so invested; all as determined by the MMWEC Board of Directors or the Bond Resolution, as the case may be.
ARTICLE 2

Section 2.1 Term

This Agreement shall be effective upon execution and delivery of Power Sales Agreements by MMWEC and Participants whose Participants’ Shares total 100.0% of MMWEC’s ownership in the Project as set forth in Exhibit A, (the “Effective Date”). MMWEC shall notify all Participants upon its receipt of executed Agreements totaling 100% of MMWEC’s ownership in the Project. This Agreement shall terminate when: (a) all of the Facilities have been terminated, as provided for in Section 19.1 of this Agreement; (b) the principal of and premium, if any, and interest on all of the Bonds have been paid, or funds irrevocably set aside for the payment or retirement thereof in accordance with the Bond Resolution; and (c) all other obligations and liabilities under the Bond Resolution and under this Agreement, including decommissioning costs, have been paid or irrevocably provided for.

Section 2.2 Enforceability

Notwithstanding the foregoing, in the event it is ultimately determined that any other Participant failed to duly and validly execute and deliver its Power Sales Agreement, or if any other Power Sales Agreement, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such fact in no way shall affect the commencement, term or enforceability of this Power Sales Agreement or the Participant’s obligations hereunder. If any other Power Sales Agreement shall be deemed invalid or unenforceable, such event shall be treated as a failure to make a payment under such Power Sales Agreement for purposes of Section 9.1 hereof.

ARTICLE 3

Section 3.1 Finance, Design, Acquisition, Construction, Operation and Maintenance of the Project

(a) MMWEC, in good faith and in accordance with Prudent Utility Practice, shall use its best efforts to: (i) arrange for the financing, planning, engineering, design, acquisition, construction, operation and maintenance of the Project; (ii) obtain, or arrange for obtaining, permits and other rights and regulatory approvals necessary for the financing, planning, engineering, design, acquisition, construction, operation and maintenance of the Project; and (iii) issue and sell Bonds or otherwise hold and disperse funds pursuant to Section 7.2 necessary to finance and pay for the Costs of Acquisition and Construction of the Project, and to finance the costs of any Capital Improvements-Discretionary or Capital Improvements- Extraordinary, and betterments for the Project, not otherwise provided for, provided, that in each such case Bonds may then be legally issued and sold.

(b) In order to enable MMWEC to issue and sell Bonds to finance the Cost of Acquisition and Construction of the Project, MMWEC may, from time to time, request from the Participant such information or documents as MMWEC deems to be required so as to enable Bonds to be issued on such issuance date as shall be specified by MMWEC concurrently with the request. The Participant further agrees to supply to MMWEC, upon request, such additional information and documentation, including opinions of counsel for the Participant, as MMWEC shall reasonably determine to be necessary or desirable to facilitate the issuance or remarketing of Bonds from time to time and to comply with continuing disclosure requirements, including, but
not limited to, requirements under Rule 15c2-12 of the Securities and Exchange Commission now and as it may be amended. MMWEC will provide assistance to the Participant in obtaining such information and documents. The Participant shall deliver to MMWEC all such information and documents by no later than thirty (30) days after the date of such request. If MMWEC finds that Participant is unwilling or unable to provide such information and documents, then in such event MMWEC may suspend the Participant’s right to receive its Participant’s Share until such time as the Participant provides such information and documents, and in such case the Participant shall remain obligated to pay Monthly Power Costs.

(c) The Participant hereby acknowledges receipt of and accepts MMWEC’s estimate of the Cost of Acquisition and Construction of the Project as of the Effective Date, a copy of which estimate is attached hereto as Exhibit E and provided simultaneously with the executed copy of this Agreement. MMWEC shall deliver revised estimates of the Cost of Acquisition and Construction of the Project to the Participants from time to time to reflect changes in construction schedules, plans, specifications, or costs. Additionally, if the Cost of Acquisition and Construction is estimated to be at least five (5) percent more than the original estimate of the Cost of Acquisition and Construction provided to each Participant pursuant to this Section 3.1, then MMWEC is obligated to call a meeting of the Participants, at which meeting the revised estimate of the Cost of Acquisition and Construction shall be discussed and a vote taken by the Participants in the manner provided in the Agreement to recommend or not recommend such revised estimate of the Cost of Acquisition and Construction to the MMWEC Board of Directors. In any event, the MMWEC Board of Directors may or may not adopt any Participant’s recommendation with respect to such revised estimate of the Cost of Acquisition and Construction, but retains all of its rights and obligations under Section 19.1.

ARTICLE 4

Section 4.1 Sale and Purchase of Participant’s Share

MMWEC hereby sells, and the Participant hereby purchases its Participant’s Share. The amounts to be paid for each Agreement Year by the Participant to MMWEC for its Participant’s Share shall be its Participant’s Share of the Monthly Power Costs for such Agreement Year as provided for in this Agreement.

Section 4.2 Sale of Electricity Products

MMWEC shall use its best efforts to sell the Electricity Products associated with the Participant’s Share on behalf of the Participant in accordance with ISO-NE Rules & Procedures or otherwise (other than pursuant to Section 12.1 of this Agreement).

ARTICLE 5

Section 5.1 Annual Budget

On or before sixty (60) days prior to the estimated commencement of the first Agreement Year and on or before sixty (60) days prior to the beginning of each Agreement Year thereafter, solely for purposes of review and discussion, MMWEC shall prepare and send, either by mail or electronic means, to the Participants an Annual Budget, or an amended Annual Budget (as the case may be), for the Project developed in accordance with the provisions of this Agreement, showing an annual estimate of Monthly Power Costs for the following Agreement Year, or any
portion thereof as the case may be, and the Participant’s Share thereof, along with a monthly allocation of such Monthly Power Costs. Only the MMWEC Board of Directors shall have the right to approve the Annual Budget (or amended Annual Budget) in accordance with Section 5.2.

Section 5.2 Approval of the Annual Budget

In preparing the Annual Budget or any amendments thereto, MMWEC shall estimate annual Monthly Power Costs, and in the case of Operating Costs by account and component as set forth in Exhibit B, for the Agreement Year or remainder of an Agreement Year, as the case may be, and provide, in the case of the Annual Budget, the Annual Budget to the MMWEC Board of Directors for its approval forty-five (45) days prior to the commencement of the Agreement Year. Any Annual Budget or amended Annual Budget shall be provided to the MMWEC Board of Directors for its approval. Any Annual Budget or any amended Annual Budget approved by the MMWEC Board of Directors shall be sent to the Participants either by mail or electronic means.

Section 5.3 Billing Statement

On or before the twentieth (20th) day of each month of each Agreement Year, MMWEC shall prepare and deliver to the Participant a Billing Statement showing the amount payable by the Participant as the Participant’s Share of the Monthly Power Costs, as shown in the Annual Budget for such Agreement Year or in an amended Annual Budget for the remainder of such Agreement Year for all amounts other than the Fuel Cost Component, which shall be billed based upon the actual cost of fuel used during the preceding month (notwithstanding the budgeted Fuel Cost Component contained in the Monthly Power Costs). The amounts shown in the Billing Statement to be paid to MMWEC by the Participant shall be due and payable on the twentieth (20th) day of the succeeding month, and any amounts due and not paid by the Participant on or before the close of business on the 20th day of the succeeding month shall bear interest until paid at the rate equal to the rate at which MMWEC is able to borrow funds for the Project on a less than one year basis. Remittances received by mail will be accepted without assessment of said charges, provided that the postmark indicates that the payment was mailed on or before such due day. If the twentieth (20th) day of the month is a Sunday or other non-Business Day of the Participant, the next following Business Day shall be the last day on which payment may be mailed without addition of said charges.

Section 5.4 Unconditional Payment Obligation

The Participant shall make all payments to be made to MMWEC under this Agreement, including the Cost of Acquisition and Construction or the Monthly Power Costs, as the case may be, for its Participant’s Share as calculated pursuant to the Agreement, whether or not the Project in whole or in part is completed, or is operating, or operable, and whether or not its output is suspended, interrupted, interfered with, reduced, or curtailed or terminated in whole or in part, and all such payments shall not be subject to reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance by any party of any agreement or instrument for any cause whatsoever, remedy for any non-performance being limited to mandamus, specific performance or other equitable remedy.
Section 5.5 Source of Payments

The Participant shall not be required to make any payments to MMWEC under this Agreement except from the revenues and other moneys derived by the Participant from its electric department or system. The Participant hereby agrees that amounts payable by the Participant under this Agreement shall be paid by the Participant as an operating expense of the Participant’s electric department or system.

Section 5.6 Rates

The Participant shall establish, maintain, fix, revise, charge and collect rates, charges or fees for electric power and energy or service or facilities and commodities sold, furnished or supplied by it to its customers, at least sufficient to provide revenues adequate to meet its obligations under this Agreement and agrees that such rates, charges or fees shall provide revenues which, together with other funds available will be sufficient to meet the Participant’s obligations to MMWEC under this Agreement, to pay all other operating expenses of the Participant’s electric system and to provide revenues sufficient to pay all obligations of the Participant payable from, or constituting a charge or lien on, the revenues of its electric system and, to the extent legally or contractually required to be paid from the revenues of its electric system, any general obligation bonds of the Participant now or hereafter outstanding.

Section 5.7 Challenges to Billing Statements

(a) Either MMWEC or the Participant may challenge, in writing stating the reasons for such challenge, the accuracy of any original or adjusted Billing Statement, provided that no adjustment to any Billing Statement or payment will be made unless the challenge to the accuracy thereof was made prior to the lapse of twenty-four (24) months from the date thereof; if no challenge to the accuracy of an original or adjusted Billing Statement is made within such twenty-four (24) month period, such original or adjusted Billing Statement shall be binding and not subject to challenge.

(b) Subject to the limitations contained in Section 5.7(a), each Billing Statement shall be subject to adjustment for true-up from estimated costs to actual costs, errors in arithmetic, computation or estimating, or adjustments related to ISO-NE settlement, or otherwise. MMWEC may make adjustments to any original or adjusted Billing Statement for a period of up to twenty-four (24) months from the date it rendered such original or adjusted Billing Statement in order to reflect differences from amounts invoiced based upon MMWEC’s receipt of more current data.

(c) MMWEC and the Participant shall use good faith efforts to resolve any billing and payment disputes promptly. In case of a dispute as to all or any portion of any Billing Statement, the amount of the Billing Statement, including any portion in dispute, shall be paid in full; the pendency of any alternative dispute resolution proceedings or other proceedings to resolve any billing or payment dispute shall not affect, in any way, the Participant’s obligation to pay any amounts due hereunder at the time required. Upon final determination of the Billing Statement amount, any necessary adjustments in such Billing Statement and the payment thereof shall be made in the Billing Statement submitted in the month following such determination. Participant’s payment of a Billing Statement (whether or not under protest) shall not affect any legal or equitable rights MMWEC or the Participant may have to challenge the Billing Statement within the time limits specified in Section 5.7(a).
Section 5.8 Agreement of Participant

The Participant shall not issue or cause to be issued on its behalf, bonds, notes or other evidences of indebtedness payable from and secured by a lien on the revenues derived from the ownership or operation of its electric system without providing for the payment of operating expenses, including Monthly Power Costs under this Agreement, from such revenues ahead of debt service on such bonds, notes or other evidences of indebtedness unless an independent consulting engineer or engineering firm or corporation having a national and favorable reputation for special skill, knowledge and experience in analyzing the operations of electric utility systems certifies that the facilities for the financing of which the bonds, notes or other evidences of indebtedness are being issued are (or were when the Participant committed itself to them by contract or financing) reasonably expected to properly and advantageously contribute to the conduct of the business of the electric system of the Participant in an efficient and economical manner consistent with prudent management. This Section 5.8 shall not apply to bonds, notes or other evidence of indebtedness issued to meet obligations under joint ownership agreements to which the Participant is a party on the date hereof, or to refund bonds, notes or other evidences of indebtedness heretofore issued, or hereafter issued in compliance herewith, payable from and secured by a lien on revenues in priority to operating expenses.

Section 5.9 Credits Against Monthly Power Costs

MMWEC shall apply, as a credit against Monthly Power Costs, all available receipts, revenues, and other moneys, other than amounts described in Section 4.2 of this Agreement, received by it from insurance proceeds, the sale of surplus Project equipment, materials and supplies, interest earned on investments if and to the extent not credited against the Cost of Acquisition and Construction, Capital Costs-Discretionary or Capital Costs-Extraordinary or otherwise required to be applied pursuant to the Bond Resolution, and any other moneys to be credited thereto pursuant to the Bond Resolution.

Section 5.10 Annual True-ups

On or before one hundred twenty (120) days after the end of each Agreement Year, MMWEC shall submit to each Participant a statement of the actual aggregate Monthly Power Costs for such Agreement Year. If the Participant’s Share of such actual aggregate Monthly Power Costs and any other amounts payable for such Agreement Year exceed the amounts on the basis of which Participant has been billed, the deficiency shall be added to the next succeeding Billing Statement or, at MMWEC’s discretion, spread over the remainder of the then current Agreement Year. If the Participant’s Share of such actual aggregate Monthly Power Costs and any other amounts payable for such Agreement Year are less than the amounts on the basis of which Participant has been billed, MMWEC shall credit such balance on the next succeeding Billing Statement or, upon agreement of MMWEC and the Participant, on the Billing Statements delivered to the Participant for the remainder of the then current Agreement Year.

ARTICLE 6

Section 6.1 Accounting

MMWEC agrees that it will keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction and Monthly Power Costs in accordance with the requirements of the Agreement, the Bond Resolution and the Uniform System of Accounts, separate and distinct from its other records and accounts. Said accounts, as part of MMWEC’s annual audit, shall be audited annually by a firm of certified public accountants, experienced in
public finance and electric utility accounting to be employed by MMWEC. A copy of each annual audit, including all written comments and recommendation of such accountants, shall be furnished by MMWEC to the Participant not later than one hundred eighty (180) days after the end of each Agreement Year.

**ARTICLE 7**

**Section 7.1 Prepayment of Monthly Power Costs**

The Participant may, at any time, pay monies to MMWEC or utilize any credits due or amounts owed by MMWEC to the Participant under this Agreement for the purpose of prepaying its Participant’s Share of Monthly Power Costs. Such moneys and amounts shall be held under the Bond Resolution and shall be deposited into a fund or an account established by, or at the direction of, MMWEC under the Bond Resolution; consistent with the Bond Resolution and MMWEC’s investment policy, moneys in such account shall be invested and all investment income shall be credited to such fund or account. Payment of the amount of any Monthly Billing Statement shall be made from moneys available in such account to the extent set forth in written directions from MMWEC to the Participant received at least five (5) Business Days prior to the due date of such payment. Any credit or prepayment with respect to its monthly Billing Statement shall not relieve or reduce the Participant’s obligations under this Agreement to make payments with respect to amounts due as provided in Article 5 hereof until actually applied to such payment.

**Section 7.2 Capital Contributions**

(a) Capital Contribution is defined as the funds paid, as calculated below, to MMWEC by a Participant, which funds are to be used to pay all, or a portion of the Cost of Acquisition and Construction associated with the Participant’s Share, that otherwise would be funded through the proceeds of Bonds issued by MMWEC.

A Participant shall be responsible for paying its allocated Capital Cost Component of Monthly Power Costs as set forth in Exhibit A as calculated by MMWEC in accordance with this Section 7.2.

In connection with any proposed issuance of Bonds, other than Bonds issued for the purposes of refunding Bonds, following issuance by the Massachusetts Department of Public Utilities of any required final, non-appealable order authorizing MMWEC to issue Bonds , no later than one hundred and twenty (120) Business Days prior to the date on which such Bonds are proposed to be issued, MMWEC shall give written notice to the Participant of the:

(1) Participant’s right to elect to make a Capital Contribution;

(2) date (which shall be not earlier than thirty (30) Business Days after the date of such notice) by which the Participant must notify MMWEC of its election;

(3) final (or substantially final) Cost of Acquisition and Construction and MMWEC’s calculation of the cost of the Facilities; and
(4) product of the cost of the Facilities and the Participant’s Share, being the maximum amount of the Participant’s Capital Contribution.

(b) The Participant’s election to make a Capital Contribution shall be made by written notice to MMWEC pursuant to a resolution adopted by the Participant’s governing body, shall state the amount of the Capital Contribution, and which resolution shall be substantially in the form approved by the MMWEC Board of Directors as provided to the Participant with MMWEC’s written notice set forth in Section 7.2 (a). A certified original or copy of such resolution shall be submitted to MMWEC together with the Participant’s notice of its election to make a Capital Contribution. In the event that the Participant does not notify MMWEC in a writing of the determination of its governing body by the date specified in the notice provided by MMWEC, the Participant shall be deemed conclusively to have elected not to make a Capital Contribution.

(c) Following receipt of the Participant’s election to make a Capital Contribution as provided for in Section 7.2 (b), MMWEC shall provide the Participant with notice of the:

(1) date (which shall be not earlier than thirty (30) Business Days after the date of such notice) by which the Participant must pay to MMWEC the Capital Contribution; and

(2) instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established by MMWEC.

The Capital Contribution shall be held by MMWEC and may be co-mingled with the Capital Contributions of other Participants, in a separate fund segregated from all other funds held by MMWEC and shall be invested and re-invested by MMWEC in accordance with the investment provisions of the Bond Resolution. Each Participant’s Capital Contribution shall be held for the benefit of such Participant and together with any earnings thereon shall be used exclusively by MMWEC from time to time to pay for all or a portion of the Participant’s Share of the Cost of Acquisition and Construction. All funds so held by MMWEC shall be accounted for separately by MMWEC together with the investment and re-investment interest earnings of the Capital Contribution, the crediting of any interest earnings thereon from the date such Capital Contribution is received by MMWEC until the date of payment by MMWEC for all or a portion of the Participant’s Share of the Cost of Acquisition and Construction. Any funds so held by MMWEC in excess of the funds needed to pay for all or a portion of the Participant’s Share of the Cost of Acquisition and Construction shall be returned to the Participant no sooner than sixty (60) Business Days after the Date of Commercial Operation.

(d) After Capital Contributions have been made by all so electing Participants, MMWEC shall complete (or revise, as applicable) Exhibit A and provide a copy of the completed or revised Exhibit A to each of the Participants, which revised Exhibit A shall be so noted, dated and made a part of each Agreement as set forth in Section 10.2(c).

With respect to all Participants who have elected not to make a Capital Contribution or have made a Capital Contribution for less than all of their Capital Cost Component of Monthly Power Costs, Exhibit A shall show their respective share of the Capital Cost Component of the Monthly Power Costs.
With respect to all Participants who have elected to make a Capital Contribution for all or a portion of their Capital Cost Component of Monthly Power Costs, Exhibit A shall show their respective share of the Capital Cost Component of Monthly Power Costs.

(e) The Participant hereby acknowledges and agrees with MMWEC that:

1) its election to make a Capital Contribution shall be irrevocable and, except as otherwise expressly provided in Section 7.2(f) hereof, under no circumstances whatsoever shall the Participant be entitled to a return or rebate of all or any portion of any Capital Contribution, including without limitation, Force Majeure or other circumstances that result in the suspension, interruption, interference, reduction, curtailment or termination of the Project;

2) the Capital Contribution shall not be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any investment earnings or rate of return on the Capital Contribution, except as provided for in Section 7.2 (c); and

3) any Capital Contribution made by the Participant shall not change or affect MMWEC’s ownership in the Project or any of the rights and obligations of MMWEC and the Participant under this Agreement, except as specifically provided herein.

(f) Unless a later date is agreed to in writing by each Participant who has made a Capital Contribution, in the event that the proposed Bonds to which a Capital Contribution relates are not issued and the Project is terminated by MMWEC pursuant to Section 19.1 as soon as practicable after such cancellation, MMWEC shall return such Capital Contribution to each Participant who made a Capital Contribution plus all interest and earnings actually earned thereon.

ARTICLE 8

Section 8.1 Insurance

MMWEC shall maintain in force, for the benefit of the Project such insurance as will satisfy the requirements of the Bond Resolution and applicable statutes and regulations thereunder, and such other insurance as MMWEC may deem desirable, the cost of which shall be included in either a Cost of Acquisition and Construction or Monthly Power Costs, as deemed appropriate by MMWEC. Subject to Section 19.1 of this Agreement and the provisions of the Bond Resolution, any proceeds of such insurance received by MMWEC for loss or damage to the Facilities shall be used to repair the Facilities.

ARTICLE 9

Section 9.1 Obligations in the Event of Default

(a) Upon failure of the Participant to make any payment in full when due under this Agreement or to perform any obligation herein, MMWEC shall make demand upon the Participant, and if said failure is not cured within twenty (20) days from the date of such demand it shall constitute a default at the expiration of such period. Notice of such demand shall be provided to the other Participants by MMWEC.
(b) If the Participant in good faith disputes the legal validity of said demand, it shall make such payment or perform such obligation within said twenty (20) day period under written protest directed to MMWEC. Such protest shall specify the reasons upon which the protest is based.

(c) Upon the failure of any Participant to make any payment, which failure constitutes a default under this Agreement, MMWEC shall use its best efforts to sell and transfer all or a portion of such Participant’s Share for all or a portion of the remainder of the term of this Agreement as set forth below:

(i) Within five (5) Business Days of a default pursuant to this Section 9.1, MMWEC shall first offer to transfer in writing to all other non-defaulting Participants a pro rata portion of the defaulting Participant’s Share which shall have been discontinued by reason of such default. Any part of such Participant’s Share of a defaulting Participant shall be accepted or declined by any non-defaulting Participant in writing to MMWEC within ten (10) Business Days of receipt of MMWEC’s written offer. Any portion of the defaulting Participant’s Share declined by any non-defaulting Participant shall be reoffered pro rata to the non-defaulting Participants which have accepted the first such offer; provided that such reoffering shall be made by MMWEC in writing within five (5) Business Days from the tenth (10th) Business Day provided for in the immediately preceding sentence. This offering shall be repeated until such defaulting Participant’s Share has been reallocated in full or until all non-defaulting Participants have declined to take any portion or additional portion of such defaulting Participant’s Share.

(ii) In the event less than all of a defaulting Participant’s Share shall be accepted by the other non-defaulting Participants pursuant to clause (i), MMWEC shall, to the extent permitted by law, use its reasonable best efforts to sell the remaining portion of a defaulting Participant’s Share for the remaining term of such defaulting Participant’s Agreement with MMWEC. The agreement for such sale shall contain such terms and conditions as will not adversely affect the security for the Bonds afforded by the Agreement of such defaulting Participant, including provisions for discontinuance of service upon default, and as are otherwise acceptable to MMWEC; in the event of default and discontinuance of service under such agreement, the Participant’s Share sold pursuant to such agreement shall be offered and transferred as provided for the defaulting Participants in this Section 9.1.

(iii) In the event less than all of a defaulting Participant’s Share shall be accepted by the non-defaulting Participants pursuant to clause (i) or sold pursuant to clause (ii) of this Section 9.1(c), MMWEC shall transfer, on a pro rata basis (based on original Participant’s Share), to all other Participants which are not in default, the remaining portion of such defaulting Participant’s Share; provided, however, that, in no event, shall any such transfer of any part of a defaulting Participant’s Share pursuant to clause (iii) of this Section 9.1(c) result in a transferee Participant having a Participant’s Share (including transfers to such transferee Participant pursuant to clause (i) of this Section) in excess of 125% of its original Participant’s Share as shown on Exhibit A.

(iv) Any portion of the Participant’s Share of a defaulting Participant transferred pursuant to this Section 9.1(c) to a non-defaulting Participant shall become a part of and shall be added to the Participant’s Share of each transferee Participant, and the transferee Participant shall be obligated to pay for its Participant’s Share increased as aforesaid, as if the
Participant’s Share of the transferee Participant, increased as aforesaid, had been stated originally as the Participant’s Share of the transferee Participant in its Agreement with MMWEC.

(v) In the event less than all of a defaulting Participant’s Share shall be sold or transferred pursuant to the foregoing clauses of this Section 9.1(c), MMWEC, to the extent permitted by law, shall use its reasonable best efforts to sell the remaining portion of a defaulting Participant's Share or the Electricity Products or the Capacity and Energy and Ancillary Services associated therewith on such terms and conditions as are acceptable to MMWEC.

(vi) The other Participants shall have the first right to accept each such sale or transfer pro rata among those exercising such right before a transfer is made to an electric utility or other entity which is not a Participant. If all or any portion of the Participant’s Share is transferred pursuant to this Section 9.1 (c), the defaulting Participant’s Share shall not be reduced, and the defaulting Participant shall remain liable to MMWEC to pay the full amount of its Participant’s Share of Monthly Power Costs as if such sale had not been made, except that such liability shall be discharged to the extent that MMWEC shall receive payment from the purchaser or purchasers thereof and provided that the defaulting Participant shall have no right to receive any portion of such payment received by MMWEC in excess of such liability.

(d) If the Participant shall fail or refuse to pay any amounts due to MMWEC hereunder, the fact that other Participants have assumed the obligation to make such payments shall not relieve the defaulting Participant of its liability for such payments, and any Participants assuming such obligation, either individually or as a member of a group, shall have the right of recovery from the defaulting Participant (diminished to the extent such Participants have received value from the concomitant rights and interests). MMWEC or any Participant as its interest may appear, jointly or severally, may commence such suits, actions or proceedings, at law or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of this Agreement against the defaulting Participant.

(e) During the pendency of any default, or during such time as a default is being adjudicated, or during the pendency of MMWEC’s best efforts pursuant to Section 9.1(c), MMWEC shall use its best efforts to sell any Electricity Products or Capacity and Energy and Ancillary Services associated with such defaulting Participant's Share.

ARTICLE 10

Section 10.1 Operation and Maintenance of Project

Subject to the provisions of any Operating Agreement relating to the Project, MMWEC covenants and agrees that it will use its best efforts to operate, maintain and manage the Project or cause the same to be operated, maintained and managed in an efficient and economical manner for the benefit of the Participants and in accordance with the Power Sales Agreement, the Bond Resolution, applicable laws and Prudent Utility Practice and without adverse distinction as between and among Participants.

Section 10.2 Modification and Uniformity of Agreements

(a) Except as provided in Section 19.1, this Agreement shall not be subject to termination by any Party under any circumstances, whether based upon the default of any other
Party under this Agreement, or any other instrument, or otherwise, except as specifically provided in this Agreement.

(b) This Agreement shall not be terminated, amended, modified, or otherwise altered in any manner that will materially and adversely affect the security for the Bonds afforded by the provisions of this Agreement upon which the owners (from time to time) of the Bonds shall have relied as an inducement to purchase and hold the Bonds. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Bond Resolution, this Agreement shall not be terminated, amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(c) Except as stated in this Section 10.2(c), no Agreement entered into by MMWEC and another Participant may be amended so as to provide terms and conditions different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Agreement of any other Participants requesting such amendment after receipt by such Participants of notice of such amendment. Notwithstanding the foregoing, Exhibits A, C, E and F to the Agreement may be amended by MMWEC without written consent of, or waiver by, any Participant. MMWEC shall provide copies of any amendments to Exhibits A, C, E or F to each Participant.

ARTICLE 11

Section 11.1 Assignment of Agreement

This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the Parties to this Agreement; provided, that neither this Agreement, nor any interest in Project Capability, shall be transferred or sold by the Participant, except as provided herein, without the prior written consent of MMWEC, which consent shall not be unreasonably withheld nor if in the opinion of counsel to MMWEC such transfer or sale would adversely affect the exemption from Federal income taxation of the interest on the Bonds. No such transfer or sale shall relieve the Participant of any obligation hereunder, unless such transfer or sale complies with the provisions of the Bond Resolution.

ARTICLE 12

Section 12.1 Sale of Project Capability

Except as otherwise provided in Section 4.2, no Participant may sell or transfer directly to any entity or person, all or any part of its Participant’s Share. Upon the written request of a Participant to MMWEC to sell or transfer all or a portion of its Project Capability MMWEC shall use its best efforts to sell and transfer all or a portion of aParticipant’s Share on behalf of such Participant for any period of time to such other Participant or Participants or any other eligible entity as shall agree to purchase such Project Capability at such prices as may be agreed to, provided, however, that, in the event MMWEC is unable to sell all of the Participant’s Share, the Participant shall remain liable to MMWEC for any Monthly Power Costs or other amounts due from the Participant as reduced by that portion of the Participant’s Share that was sold by MMWEC. The Participant’s liability for that portion of its Participant’s Share that MMWEC did sell shall be discharged to the extent that MMWEC shall receive payment for the same from the
purchaser or purchasers thereof and any amounts received by MMWEC as payment for the
same which is greater than the liability owed by the Participant to MMWEC in respect of the
same shall be promptly paid by MMWEC to the Participant. Any proceeds of any sale of all or a
portion of the Participant’s Share shall be applied to the payment of the Capital Cost
Component of Monthly Power Costs in accordance with any requirements of the Bonds or the
Bond Resolution and the Project Capability provided in Exhibit A shall be amended by MMWEC
to reflect any sale of Project Capability.

ARTICLE 13

Section 13.1 Bonds

MMWEC may issue Bonds from time to time to finance, acquire and own the Project or
participate in the Project, except to the extent that the Cost of Acquisition and Construction
thereof is paid with Capital Contributions as permitted by Section 7.2 of this Agreement.

ARTICLE 14

Section 14.1 Issuance of Bonds for Capital Improvements and for Refunding

(a) In addition to the issuance of Bonds to pay the Cost of Acquisition and
Construction as provided in Section 3.1 of this Agreement, and giving effect to any Capital
Contributions in accordance with Section 7.2, MMWEC may issue Bonds, at any time, and from
time to time, in the event funds are required to pay the costs of Capital Improvements-
Discretionary or Capital Improvements-Extraordinary or to pay any Interest Rate Swap
Agreement termination fees. The Annual Budget delivered to the Participant for the Agreement
Year in which such Bonds are issued, or an amended Annual Budget for such Agreement Year,
shall also set forth the financing plan and budget of expenditures with respect to such Bonds
and the proceeds thereof.

(b) Bonds may also be issued to refund any Bonds in order to reduce the Monthly
Power Costs or in the event, in the opinion of MMWEC, it may otherwise be advantageous.

ARTICLE 15

Section 15.1 Participants Committee

A Participants Committee is hereby established in order to provide for effective
cooperation and interchange of information and to provide coordination on a prompt and orderly
basis among the Participants and MMWEC, in connection with the various financial,
administrative and technical matters which may arise from time to time in connection with
construction and operation of the Project. The Participants Committee shall consist of one
representative from each Participant as set forth in Section 15.2.

Section 15.2 Meetings of the Participants Committee

(a) MMWEC shall call Participants Committee meetings at least once per calendar
year at dates to be set by a vote of the Participants Committee or if the Participants Committee
so decides, the requirement of a once per calendar year Participants Committee meeting may
be waived. The first Participants Committee meeting shall be called by MMWEC within thirty
(30) days of the date calculated pursuant to the first sentence of Section 2.1 of this Agreement.
A special meeting of the Participants Committee may be scheduled by MMWEC, or upon the written request of any five Participants, on no more than ten (10) and no less than two (2) Business Days’ notice. Except as specifically provided for in this Agreement, neither any one Participant nor any Participants, nor the Participants Committee shall have any power to alter the terms and conditions of this or any Agreement, the services to be provided by MMWEC pursuant to any Agreement, and the costs and billing therefor, or any other Agreements or agreements between MMWEC and any other entity with respect to the Project.

(b) Each Participant shall name a designated voting representative who shall be an employee of the Participant and who shall be either the manager of the Participant or his/her designee. Such voting representative shall be named by the Participant, in a writing, filed with MMWEC at least ten (10) Business Days prior to the first meeting of the Participants Committee to be called pursuant to Section 15.2(a) hereof. All Participant votes to be taken pursuant to the Agreement shall be cast only by a designated voting representative. A procedure for changes in voting representative may be adopted by the Participants at the first meeting of the Participants Committee or any meeting thereafter. A majority of Participant designated voting representatives constitutes a quorum for a Participants Committee meeting. Fifty-one percent (51%) of designated Participant voting representatives present and voting at the meeting, plus designated Participant voting representatives present and voting at the meeting having Participants’ Shares totaling sixty-six and two-thirds percent (66 2/3%) of all Participant Shares at the meeting shall decide a question.

(c) The agenda for any Participants Committee meetings may include a review of reports required to be produced by this Agreement, reports on significant developments affecting the Project, a review of MMWEC’s costs and Annual Budget, or amended Annual Budget and the discussion or preparation of appropriate recommendations to MMWEC. A Participants Committee Chairperson, who will chair all Participants Committee meetings shall be designated in accordance with Section 15.2(d) hereof; and

(d) MMWEC, on its own, or at the request of at least five Participants in accordance with Section 15.2(a) shall: (i) make arrangements for posting Participants Committee meetings in accordance with the Massachusetts Open Meeting Laws, (ii) notify all Participants of the time, place, and date of each such meeting; and (iii) prepare minutes of all such meetings. After Participants Committee approval, all such minutes shall be provided to all Participants. The Chairperson of the Participants Committee shall be a manager of a Participant and shall be elected to serve a two (2) year term. A Chairperson shall be elected at the first meeting of the Participants Committee. No manager may serve as Chairperson of the Participants Committee while simultaneously serving on the MMWEC Board of Directors. The Chairperson, or, in the Chairperson’s absence, any Vice Chairperson, who may be elected by the Participants Committee, shall be responsible for presiding over meetings of the Participants Committee.

(e) All actions, resolutions, determinations and reports made by the Participants Committee or any other committee as required or established by this Agreement shall be set forth in a written record and its minutes and all meetings of the Participants Committee shall be called and conducted in accordance with the Massachusetts Open Meeting Laws and to the extent applicable, the Massachusetts Public Records Laws.
ARTICLE 16

Section 16.1 Periodic Audits

To the extent requested by the Participants Committee and at the sole expense of the Participants Committee, MMWEC shall arrange for audits by certified accountants, selected by the Participants Committee, of the books and accounting records of MMWEC associated with the Project, and any cost reimbursable consultant or cost reimbursable contractor relevant to the construction and operation of the Project, and such audit shall be completed and submitted to MMWEC as soon as reasonably practicable after the close of the audit. The Participants Committee shall furnish promptly to all Participants copies of any such audits. No more frequently than once every calendar year, a Participant may, at its sole cost and expense, audit or cause to be audited the books and cost records of MMWEC with respect to the Project, and any cost reimbursable consultant or cost reimbursable contractor relevant to the construction and operation of the Project.

ARTICLE 17

Section 17.1 Compliance with Other Documents

It is recognized by MMWEC and the Participants that the planning, financing, construction, acquisition, operation and maintenance of the Project must comply, in all respects, with requirements of the Agreement, the Bond Resolution, the Operating Agreement, and all licenses, permits and regulatory provisions necessary for such planning, financing, construction, acquisition, operation and maintenance of the Project and it is therefore agreed that, notwithstanding any other provision of this Agreement, (i) no action by any Participant or the Participants Committee shall require MMWEC to act in any manner inconsistent with any such requirements or to refrain from acting as thereby required; and (ii) if the Participants Committee shall fail to make recommendations or act with respect to any matter in connection with an action that is required to be taken pursuant to any of the foregoing, MMWEC shall take such action as it deems appropriate to assure compliance with the foregoing and it is therefore agreed that this Agreement is made subject to the terms and provisions of the Bond Resolution, the Operating Agreement, and all such licenses, permits and regulatory approvals.

ARTICLE 18

Section 18.1 Applicable Law

This Agreement is made under and shall be governed by the laws of the Commonwealth of Massachusetts.

Section 18.2 Headings

Headings used herein are for convenience only and shall not be considered in construing or interpreting this Agreement.

Section 18.3 Waivers

Any waiver at any time by MMWEC or the Participant of its rights with respect to the other Party or with respect to any matter arising in connection with this Agreement shall not be considered a waiver with respect to any other prior or subsequent default or matter.
Section 18.4 Entire Agreement

This Agreement and the attached Exhibits constitute the entire agreement between MMWEC and the Participant, and parole or extrinsic evidence shall not be used to vary or contradict the express terms of this Agreement and the attached Exhibits.

Section 18.5 Severability

If any section, paragraph, clause or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

Section 18.6 Dispatch

The Project shall be dispatched and Capacity and Energy transmitted in accordance with the ISO-NE Rules & Procedures, if applicable, or with the applicable rules of any successor entity and otherwise in accordance with Prudent Utility Practice.

Subject to the provisions of Section 4.2 of this Agreement, the points of delivery, points of measurement, metering ownership and special conditions of service shall be as set forth in Exhibit F hereto attached. Exhibit F may be amended from time to time to include such other point or points of delivery and measurement and any other provisions pertaining to conditions of service as may be agreed upon by MMWEC and the Participant. To the extent metering information is not directly available to the Participant, MMWEC shall furnish such metering information as may be reasonably requested by the Participant to the extent such information is available to MMWEC.

Subject to the provisions of Section 4.2, MMWEC shall be responsible and shall arrange, to the extent required, for the transmission of Capacity and Energy, Ancillary Services and Electricity Products sold under this Agreement to the Delivery Point or any other location to meet the requirements of the ISO-NE Rules. In any event, the Participant shall be responsible for all transmission and transformation losses and costs incurred with respect to the transmission of the Participant’s Share to the Delivery Point or other such location required to meet the requirements of the ISO-NE Rules.

Section 18.7 Notices

Any notice, demand, approval, proposal, protest, direction or request provided for in this Agreement to be delivered, given or made to the Participant shall be deemed delivered, given or made if (i) delivered in writing in person or mailed by registered or certified mail, postage prepaid, return receipt requested, addressed to the person and at the address designated in writing filed with MMWEC by the Participant or (ii) sent by email to the email address designated by the Participant delivered in writing to MMWEC with any such electronic notice, promptly confirmed in writing delivered by first class U.S. mail, postage prepaid. The Participant may change such designation, at any time and from time to time, by giving notice to MMWEC as below provided. Any notice, demand, approval, proposal, protest, direction or request provided for in this Agreement to be delivered, given or made to MMWEC shall be deemed delivered,
given or made if delivered in writing, in person, or sent by mail as above provided to the following address:

Secretary
Massachusetts Municipal Wholesale Electric Company
Stony Brook Energy Center
Westover Industrial Airpark
P.O. Box 426
Ludlow, Massachusetts 01056
mmwec@mmwec.org
Or such other address designated by MMWEC in writing to the Participant.

Section 18.8 Dispute Resolution

The Participant and MMWEC shall endeavor to resolve their disputes with respect to the terms of this Agreement by mediation which, unless the Participant and MMWEC mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its mediation procedures in effect from time to time. A request for mediation shall be made in writing, delivered to the other Party to this Agreement, and filed with the person or entity administering the mediation. Mediation shall not be a prerequisite to litigation in the courts. All Participants shall be notified within ten (10) Business Days of the dispute to be resolved by any mediation pursuant to this Section 18.8.

For any dispute or claim subject to, but not resolved by, mediation, the method of binding dispute resolution shall be litigation in a court of competent jurisdiction. Venue shall be proper only in Hampden County or Hampshire County, Massachusetts. **THE PARTIES EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY.**

Section 18.9 Participant Covenants

In addition to the other covenants and agreements of Participant set forth elsewhere in this Agreement, the Participant (i) agrees: (a) to maintain its electric system in good repair and operating condition and (b) to cooperate with MMWEC in the performance of the respective duties of such Participant and MMWEC under this Agreement; and (ii) covenants that it will not make any sales of its Participant’s Share, or take any other action, which would adversely affect the exemption from Federal income taxation of interest paid on the Bonds.

Section 18.10 Pledge of Payments

All right, title and interest in, to and under this Agreement and all payments required to be made by Participant under this Agreement pursuant to the provisions hereof and all other payments attributable to the Project to be made in accordance with or pursuant to any provision of this Agreement, including payments described in Section 4.1 hereof, shall be pledged, subject to application in accordance with the provisions of the Bond Resolution, to secure the payments of Bonds and other obligations secured under the Bond Resolution.
ARTICLE 19

Section 19.1 Termination of the Project

As to the Facility, MMWEC shall comply with the provisions of subparagraphs (i), (ii) and (iii), and the provisions of the Operating Agreement.

(i) A Facility shall be terminated and MMWEC shall cause it to be salvaged, discontinued, decommissioned, and disposed of or sold in whole or in part in such manner as MMWEC may determine when:

(A) MMWEC determines that it is unable to construct, operate or proceed as owner of such Facility due to licensing, or operating conditions, ISO Rules & Procedures or other causes which are beyond its control; or

(B) MMWEC determines that such Facility is not capable of producing Energy and/or Capacity consistent with Prudent Utility Practice.

Under either subparagraph (A) or (B), MMWEC shall exercise its authority thereunder only after affirmative vote of the Participants Committee in accordance with Section 15.2(b) of this Agreement and the date of termination shall be the earlier of the date of the termination under subparagraphs (A) and (B).

(ii) After such termination, MMWEC shall undertake the decommissioning of such Facility. MMWEC shall make monthly accounting statements to the Participants of all costs associated therewith. Such monthly accounting statements shall continue until such Facility has been salvaged, discontinued, decommissioned and finally disposed of hereunder, at which time a final accounting statement shall be made by MMWEC and such final accounting statement shall be made at the earliest reasonable time. The costs of decommissioning shall include, but shall not be limited to, all of MMWEC’s accrued costs and liabilities resulting from MMWEC’s ownership, construction, operation (including cost of fuel), maintenance of and renewals and replacements to such Facility and the costs of salvage, discontinuance and disposition or sale thereof.

(iii) The final accounting statement shall credit to the Participants, and deduct from any amount otherwise chargeable to them, the fair market value of any assets related to any Facility then retained by MMWEC. If the final accounting statement shows that the costs referred to in subparagraph (ii) above exceed such credits after application by MMWEC of all other funds available for such purpose, the Participant shall pay MMWEC a sum determined by multiplying the amount shown to be due in MMWEC’s final accounting statement by the Participant’s Share. If the final accounting statement shows a balance of credits to the Participants, MMWEC shall pay the same to the Participants.
ARTICLE 20

Section 20.1 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original, and by different Parties on different counterparts, which may be delivered by facsimile transmission and by e-mail transmission of a PDF (or other mutually acceptable electronic format) version of an executed counterpart with the same effect as delivery of an original duly executed counterpart, but all of which shall constitute one instrument.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the
________ day of ____________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By:__________________________
   Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF BOYLSTON

BOYLSTON MUNICIPAL LIGHT DEPARTMENT

By: ________________________
   Title: ____________________
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the

2nd day of February, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: ________________________________
   Title: Chief Executive Officer

PARTICIPANT'S NAME

CITY OF CHICOPEE

CHICOPEE MUNICIPAL LIGHTING PLANT

By: ________________________________
   Title: ____________________________

30
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the
_______ day of ____________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESAL ELECTRIC COMPANY

By: ____________________________
    Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF HOLDEN

HOLDEN MUNICIPAL LIGHT DEPARTMENT

By: ____________________________
    Title: Town Manager
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the ______ day of _________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: __________________________________________
   Title: Chief Executive Officer

PARTICIPANT'S NAME

CITY OF HOLYOKE

HOLYOKE GAS & ELECTRIC DEPARTMENT

By: __________________________________________
   Title: [Signature]
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 31st day of January 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: ____________________________
   Title: Chief Executive Officer

PARTICIPANT’S NAME

TOWN OF HULL

HULL MUNICIPAL LIGHT PLANT

By: ____________________________
   Title: _________________________
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the

_______ day of _____________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: ________________________________
   Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF MANSFIELD

MANSFIELD MUNICIPAL ELECTRIC DEPARTMENT

By: ________________________________
   Title: Town Manager

[Signature]
   Title: Town Manager
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 30th day of January, 2017.

MASSACHUSETTS MUNICIPAL WHOLESAL ELECTRIC COMPANY

By: __________________________
   Title: Chief Executive Officer

PARTICIPANT’S NAME

CITY OF PEABODY

PEABODY MUNICIPAL LIGHT PLANT

By: __________________________
   Title: __________________________
   Glenn Truesdale
   Manager
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 30th day of January, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: _________________________________
   Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF RUSSELL

RUSSELL MUNICIPAL LIGHT DEPARTMENT

By: _________________________________
   Title: General Manager
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the
_______ day of ____________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: ____________________________
    Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF SHREWSBURY

SHREWSBURY ELECTRIC & CABLE OPERATIONS

By: ____________________________
    Title: General Manager
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the 
________ day of ____________________, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE
ELECTRIC COMPANY

By: __________________________
Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF WAKEFIELD

WAKEFIELD MUNICIPAL GAS & LIGHT
DEPARTMENT

By: __________________________
Title: __________________________
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the

30 day of January, 2017.

MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY

By: _________________________________
    Title: Chief Executive Officer

PARTICIPANT'S NAME

TOWN OF WEST BOYLSTON

WEST BOYLSTON MUNICIPAL LIGHTING PLANT

By: _________________________________
    Title: General Manager
# Exhibit A

## Participants and Participants' Shares of Project Capability

<table>
<thead>
<tr>
<th>Participants</th>
<th>Project Capability (MW)</th>
<th>Participant's Share of Project Capability as of Effective Date</th>
<th>Participant's Share of Capital Cost Component of Monthly Power Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boylston Municipal Light Department</td>
<td>0.75 MW</td>
<td>1.359%</td>
<td></td>
</tr>
<tr>
<td>Chicopee Municipal Lighting Plant</td>
<td>2.67 MW</td>
<td>4.850%</td>
<td></td>
</tr>
<tr>
<td>Holden Municipal Light Department</td>
<td>2.65 MW</td>
<td>4.816%</td>
<td></td>
</tr>
<tr>
<td>Holyoke Gas &amp; Electric Department</td>
<td>2.13 MW</td>
<td>3.880%</td>
<td></td>
</tr>
<tr>
<td>Hull Municipal Light Plant</td>
<td>1.28 MW</td>
<td>2.328%</td>
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</tr>
<tr>
<td>Marblehead Municipal Light Department</td>
<td>2.43 MW</td>
<td>4.426%</td>
<td></td>
</tr>
<tr>
<td>Mansfield Municipal Electric Department</td>
<td>4.30 MW</td>
<td>7.816%</td>
<td></td>
</tr>
<tr>
<td>Peabody Municipal Light Plant</td>
<td>17.86 MW</td>
<td>32.478%</td>
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<tr>
<td>Russell Municipal Light Department</td>
<td>0.12 MW</td>
<td>0.221%</td>
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</tr>
<tr>
<td>Shrewsbury Electric &amp; Cable Operations</td>
<td>7.04 MW</td>
<td>12.799%</td>
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</tr>
<tr>
<td>South Hadley Electric Department</td>
<td>6.00 MW</td>
<td>10.908%</td>
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<tr>
<td>Sterling Municipal Light Department</td>
<td>1.52 MW</td>
<td>2.755%</td>
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</tr>
<tr>
<td>West Boylston Municipal Lighting Plant</td>
<td>1.45 MW</td>
<td>2.629%</td>
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<tr>
<td>Wakefield Municipal Gas &amp; Light Department</td>
<td>4.80 MW</td>
<td>8.735%</td>
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</tr>
<tr>
<td>Total</td>
<td>55.00 MW</td>
<td>100.000%</td>
<td></td>
</tr>
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</table>
OPERATING COST COMPONENT OF MONTHLY POWER COSTS

This Exhibit B sets out the components and methodologies used to determine the Operating Cost Component of Monthly Power Costs, including the Administrative and General Component thereof, as defined in the Agreement, for which the Participant is responsible for paying MMWEC pursuant to this Agreement. Even though MMWEC is not subject to the provisions of the Federal Power Act, MMWEC maintains its books and records in accordance with, and such components of the Monthly Power Costs shall be charged by MMWEC to, the appropriate Uniform System of Accounts.

I. Determination of the Operating Cost Component

1. The monthly Operating Cost Component of Monthly Power Costs shall consist of one-twelfth or such other allocation as is set forth in the Annual Budget, or any amended Annual Budget, of the total of the Annual Budget for plant operation and maintenance as follows:

(a) Account 408.1 Taxes Other than Income Taxes – for payments: (i) in lieu of taxes associated with the Project allocated on the basis of Common Facilities and Transmission Facilities or other appropriate allocation; and (ii) payroll taxes associated with Facilities related employees, the allocation of which is based on Direct Labor charged to operation and maintenance of the Facility or on the basis of Common Expenses; or on the basis of Common Facilities Expense;

(b) Account 421, Miscellaneous Non-operating Income either directly or on the basis of Common Facilities;

(c) Account 426.3, Penalties incurred for the Project;

(d) Account 546, Operation Supervision and Engineering allocated based on Direct Labor and Direct Expenses for the Facilities and/or an allocation based on Common Expenses;

(e) Account 548, Generation Expense allocated on the basis of Direct Labor and Direct Expenses and amounts allocated based on Common Expenses or based on Common Facilities Expenses;

(f) Account 549, Miscellaneous Other Power Generation Expense allocated on the basis of Direct Labor, Direct Expenses and allocated based on Common Expenses;

(g) Account 550, rents associated directly with the Facilities or allocated on the basis of Common Facilities;

(h) Account 551, Maintenance Supervision and Engineering, allocated on the basis of Direct Labor, Direct Expenses and
allocated on the basis of Common Expenses and Common Facilities Expense;

(i) Account 552, Maintenance of Structures allocated on the basis of Direct Labor, Direct Expenses and allocated on the basis of Common Expenses and Common Facilities Expense;

(j) Account 553, Maintenance of Generating and Electric Equipment allocated on the basis of Direct Labor and Direct Expenses and allocated on the basis of Common Expenses and Common Facilities Expense;

(k) Account 554, Maintenance of Miscellaneous Other Power Generation Plant allocated on the basis of Direct Labor and Direct Expenses and amounts allocated on the basis of Common Expenses and Common Facilities Expense;

(l) Account 924, Property Insurance directly associated with the Facilities and allocated on the basis of Common Facilities and Transmission Facilities;

(m) Account 925, Injuries and Damages, directly associated with the Facilities and allocated on the basis of Common Expenses;

(n) Account 926, Employee Pensions and Benefits associated with Direct Labor at the Facilities and allocated on the basis of Common Expenses and Common Facilities Expense;

(o) Account 560, Transmission Operation Supervision and Engineering allocated on the basis of Direct Labor and Direct Expenses and an allocation on the basis of Transmission Facilities expenses;

(p) Account 566, Miscellaneous Transmission Expense allocated on the basis of Direct Labor and Direct Expenses and allocated on the basis of Transmission Facilities Expenses;

(q) Account 567, Transmission Rents directly associated with the Facilities and allocated on the basis of Transmission Facilities Assets;

(r) Account 568, Transmission Maintenance Supervision and Engineering allocated on the basis of Direct Labor and Direct Expenses and an allocation on the basis of Transmission Facilities Expenses;

(s) Account 569, Transmission Maintenance of Structures allocated on the basis of Direct Labor and Direct Expenses and an allocation on the basis of Transmission Facilities Expenses;
(t) Account 570, Transmission Maintenance of Station Equipment allocated on the basis of Direct Labor and Direct Expenses and allocation on the basis of Transmission Facilities Expenses;

(u) Account 571, Transmission Maintenance of Overhead Lines allocated on the basis of Direct Labor and Direct Expenses and an allocation on the basis of Transmission Facilities Expenses.

2. The monthly Administrative and General Component of the Operating Cost Component shall be equal to one-twelfth or such other allocation as is set forth in the Annual Budget, or any amended Annual Budget, of the total of the Annual Budget, or any amended Annual Budget, for Administrative and General costs approved by the MMWEC Board of Directors:

(a) Account 403.1, Depreciation;

(b) Account 408.1, Taxes other than Income Taxes for payroll taxes associated with MMWEC management, support and related employees not located at the Facilities and not otherwise allocated to the Project;

(c) Account 920, Administrative and General Salaries;

(d) Account 921, Office Supplies and Expenses;

(e) Account 923, Outside Services Employed;

(f) Account 924, Property Insurance, not otherwise allocated to the Project;

(g) Account 925, Injuries and Damages, not otherwise allocated to the Project;

(h) Account 926, Employee Pensions and Benefits, not otherwise allocated to the Project;

(i) Account 928, Regulatory Commission Expenses;

(j) Account 930.2, Miscellaneous General Expenses;

(k) Account 931, Rents; and

(l) Account 935 Transportation Expenses.
Project and Facilities Description

I. Project Description

A new simple cycle gas turbine of approximately 55 to 60 MWs (“Gas Turbine”) will be installed adjacent to and north of the existing Waters River Unit I and Water River Unit II (which units total 63 MWs). The Gas Turbine will be installed on approximately one acre of disturbed land located on the Site.

The Gas Turbine will have a nominal net output of approximately 60 MW with a summer rating of at least 55 MW net output at 90F and will provide electricity to the ISO New England power system through the existing Waters River 115 kV substation owned by the City of Peabody acting by and through the Peabody Municipal Light Plant (“PMLP”).

The Gas Turbine will be operated as a peaking/cycling unit and shall be capable of frequent starts, load changes, and shutdowns. The Gas Turbine will include capabilities for rapid/quick starts with the capability of starting up from a cold condition and reaching full rated output in less than ten minutes.

The Gas Turbine and related facilities shall include, but not be limited to, one (1) dual-fueled, nominal 60 MW aero-derivative Combustion Turbine Generator (“CTG”), an exhaust system with an exhaust stack and Selective Catalytic Reduction System (“SCR”) for NOx control, an Oxidation Catalyst for Carbon Monoxide control, inlet and outlet silencing, a climate controlled motor control center for CTG equipment and Balance of Plant (“BOP”) equipment, an inlet fogging system, wet compression system, burner water injection system, an inlet air filtration system, water wash skid, fuel gas system with a gas compressor and gas cooler, gas meter with transmitter, fuel gas compressor/meter building, liquid fuel system with forwarding pump, lube oil and hydraulic oil systems, generator step up transformer, station service transformers, associated breakers and switchgear, 115 kV substation modifications/interconnection, compressed air system, demineralized water connection, insulated and heat-traced demineralized water tank, CTG and BOP local and remote controls at the PMLP control room, contained aqueous ammonia storage tank with forwarding pumps, replacing one existing 115,000 gallon oil storage tank associated piping with the new 200,000 gallon tank, gas supply piping, site civil services, grounding grid and foundations. All skids, BOP pumps and motor control centers will be contained in weather proof enclosures adequately equipped with strip heaters.

The Gas Turbine will have natural gas as the primary fuel and ultra-low sulfur, Transportation Grade, No. 2 fuel oil as a secondary fuel. The Gas Turbine shall be capable of on-line transfer to either fuel and be capable of operating on either fuel for extended periods. The CTG will utilize an inlet fogging system to reduce inlet air temperature when the ambient temperature is above 50F.

The Gas Turbine will participate in the ISO-NE capacity and forward reserve markets, as defined by the ISO-NE Rules & Procedures, as amended from time to time. The commercial operation date is expected to be June 1, 2020 and the Gas Turbine is expected to have a 30-year economic life.
II. Project Facilities
   a. Primary Facility Components
      i. Simple Cycle Combustion Turbine and Exhaust Stack
      ii. Air Emissions Controls – Carbon Monoxide Reactor and SCR for NOx control
      iii. Generator Step Up Transformer
   b. Ancillary Project Components/Structures
      i. Inlet Air Cooling/Fogging System
      ii. Demineralized Water Storage Tank
      iii. Ammonia Storage Tank
      iv. New Fuel Oil Storage Tank
      v. Gas Compressor and associated building
      vi. Climate-controlled MCC Enclosure for local controls and power distribution

III. Existing Infrastructure
   a. Natural Gas Pipeline
      Natural gas to fuel the Gas Turbine is transported through an existing 0.37-mile, 10-inch high pressure pipeline that serves the existing Waters River I and II Units. The pipeline is owned and operated by the City of Peabody acting by and through the PMLP. It originates at the Tennessee Transmission Pipeline and terminates at the Waters River Site.

   b. Three Existing Fuel Oil Storage Tanks

   c. Electrical Substation
      The 115 kV bus at the substation will be expanded to accommodate the interconnection of the new Project Facilities.

   d. City Water Supply
      i. Modifications at Waters River Site
      Demineralized Water System and Storage Tank will be expanded to accommodate both the existing two gas turbines and the Project. The western-most of the three 115,000 gallon oil tanks will be removed and replaced with a new 200,000 gallon oil tank that will be shared by all three of the gas turbines at the Waters River Site.
Operating Procedures

MMWEC will enter into an Operating Agreement with an operator, which as of the Date of Commercial Operation, shall be the PMLP. PMLP staff will perform daily routine operational tasks and, in accordance with the Operating Agreement, PMLP will dispatch the Gas Turbine from the remote control room at the PMLP offices on a 24/7 basis. Annual inspections and major work will be planned and scheduled by MMWEC and will be conducted by outside contractors.
## Estimate of Cost of Acquisition and Construction of the Project as of the Effective Date

The estimated costs for the construction of the Project as of the Effective Date are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitting / System Impact Studies</td>
<td>$1,212,000</td>
</tr>
<tr>
<td>PSA Process</td>
<td>$190,500</td>
</tr>
<tr>
<td>Equipment, Construction, Engineering</td>
<td>$62,122,162</td>
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<tr>
<td>Contingency</td>
<td>$2,700,000</td>
</tr>
<tr>
<td><strong>Total Hard Costs</strong></td>
<td><strong>$66,224,662</strong></td>
</tr>
<tr>
<td>Financing</td>
<td>$1,655,338</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$67,890,000</strong></td>
</tr>
</tbody>
</table>
EXHIBIT F

Metering and Delivery Point

Revenue metering and the delivery point will be at the high voltage side of the Project generator step up transformer.