

Name of Agreement: Agency and Service Agreement (ASA)

Parties: Nova Scotia Power Inc. (**NS Power**) and NSP Maritime Link Inc. (**NSPML**)

Term: The Agreement commenced on January 28, 2013 and terminates on the termination of the NS Transmission Utilization Agreement.

Synopsis: Addresses certain rights and duties under the Energy and Capacity Agreement and the NS Transmission Utilization Agreement. Provides for the assignment of greenhouse gas credits to NS Power and, as between NS Power and NSPML, addresses the receipt and delivery of the Nova Scotia Block, the transmission of Nalcor's export energy through Nova Scotia, the commitments of NS Power to purchase backstop energy from NSPML and the payment and recovery of certain costs, including the Project Cost Assessment. Governs the commitments of NS Power to provide system operator services for the Maritime Link and to purchase energy / capacity from NSPML in the event that NSPML is obligated to purchase energy / capacity pursuant to the Backstop Energy Agreement.

Key Terms:

- NS Power is appointed as NSPML's agent in respect of the delivery, dispatch and scheduling of the Nova Scotia Block. [s. 2.1, page 16]
- NSPML assigns to NS Power its interest in any greenhouse gas credits attributable to the Nova Scotia Block. [s. 2.3, pages 16-17]
- NS Power agrees to provide, on behalf of NSPML, the Transmission Facilitation Service in Nova Scotia with respect to the energy and capacity to be transmitted by Nalcor through Nova Scotia pursuant to the NS Transmission Utilization Agreement. [s. 3.1 – 3.2, pages 17-18]
- Costs associated with providing the Transmission Facilitation Service are anticipated to be offset by certain tariff charges and other amounts paid by Nalcor. In the event that NS Power's prudently incurred costs are greater than the costs paid by Nalcor, NSPML shall pay the difference. [s. 3.3, pages 18-19]
- NSPML is responsible for the payment of upgrade costs to the Woodbine substation necessary to allow the interconnection of the Maritime Link to the NS Transmission System. [s. 3.4, page 19]
- If NSPML is obligated to purchase "backstop energy" from Bayside Power L.P. in accordance with its obligations under the Backstop Energy Agreement, NSPML may, at its option, require NS Power to purchase any or all of such energy / capacity from NSPML at the point of interconnection of the Maritime Link and the NS Transmission System or at the Nova Scotia / New Brunswick border, as NSPML may elect. The price to be paid for such energy / capacity shall be the equivalent of the avoided cost to NS Power of backing down the applicable amount of generation and/or turning back an alternate import supply (referred to as the **NSP Avoided Cost**). NS Power will

not be required to purchase NB Backstop Energy to the extent of system reliability constraints on the NS Transmission System. [s. 6.1, page 21]

- The parties will agree on a protocol for scheduling of NB Backstop Energy and a methodology for calculating the NSP Avoided Cost. [s. 6.1, page 21]
- On approval of the Project Cost Assessment, NS Power shall take commercially prudent steps to collect the Project Cost Assessment from its customers consistent with UARB approval and the Maritime Link Act and regulations. [s. 7.1-7.2, page 21]