

**Standard Offer Provider  
Standard Service Agreement**

September, 2005

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**STANDARD OFFER PROVIDER SERVICE AGREEMENT**

This Agreement made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between \_\_\_\_\_, a Maine corporation with a principal place of business at \_\_\_\_\_ (“T&D”) and \_\_\_\_\_, a \_\_\_\_\_ corporation with a principal place of business at \_\_\_\_\_ (“Provider”).

**1. Basic Understandings**

1.1 The Maine Legislature enacted An Act to Restructure the State’s Electric Industry Public Law 1997, Chapter 316 codified as 35-A M.R.S.A , §§ 3201-3217 (the “Restructuring Act”). Accordingly, the T&D agrees to provide services to Provider in accordance with the Restructuring Act, the terms of this Agreement, all applicable Maine Public Utilities Commission (“MPUC”) Rules and Regulations, the Maine Electronic Business Transactions Standards approved by the Commission (“EBT Standards”) the T&D’s Terms and Conditions, and all applicable FERC jurisdictional tariffs, rate schedules and agreements (all of the foregoing being incorporated herein by reference and further identified in Exhibit C, collectively referred to herein as the “Precepts”).

1.2 The parties agree that, notwithstanding any provision of this Agreement, the Precepts relating to the subject matter of this Agreement shall control. Accordingly, (a) in the event of any conflict between a term of this Agreement and any Precept, or (b) in the event that any aspect of the parties’ transactions relative to the subject matter of this Agreement is not addressed by this Agreement, but is addressed in a Precept, then the applicable Precept shall govern. In the event that a Precept shall change and as a result any provision of this Agreement shall be in conflict with the Precept, the Precept, as changed, shall govern. Upon any change in a Precept which renders a provision of this Agreement inconsistent with the Precept, either party may propose that the MPUC approve a conforming amendment to the Standard Form Service Agreement. Upon acceptance by the MPUC of any proposed change to the Standard Form Service Agreement, this Agreement shall be deemed to have been amended accordingly.

1.3 This form of Agreement has been developed for use between the T&D and standard offer providers, and may not be waived, altered, amended, or modified, except as provided herein. Exhibits A, B, C and D, attached hereto and incorporated herein by reference, include additional terms which are a part of this Agreement.

**2. Definitions**

2.1 Any capitalized terms used in this Agreement and not defined herein shall be as defined in the applicable Precept listed on Exhibit C.

2.2 “Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank Holiday, a holiday recognized by the State of Maine or a holiday as defined by the North American Electric Reliability Council or any successor organization thereto. A Business Day shall open at 8:00 a.m. and close at 4:00 p.m. EPT.

2.3 "Confidential Information" shall have the meaning set forth in Section 14.1 hereof.

2.4 "EBT Standards" shall have the meaning set forth in Section 1.1 hereof.

2.5 "Effective Date" shall have the meaning set forth in Section 3.1 hereof.

2.6 "EPT" means the prevailing time in Boston, Massachusetts.

2.7 "Indemnified Party" shall have the meaning set forth in Section 17.1 hereof.

2.8 "Indemnifying Party" shall have the meaning set forth in Section 17.1 hereof.

2.9 "ISO-NE" means ISO New England, Inc. or any successor entity.

2.10 "Load Asset" means the asset or assets assigned to the Provider in the ISO-NE Market System (or its successor) by ISO-NE that represents the obligations of Provider's Share of Standard Offer Service.

2.11 "MPUC" shall have the meaning set forth in Section 1.1 hereof.

2.12 "Precept(s)" shall have the meaning set forth in Section 1.1 hereof.

2.13 "Provider" shall have the meaning set forth in the preamble hereto.

2.14 "Provider's Rates" shall have the meaning set forth in Section 8.2 hereof.

2.15 "Provider's Share" shall have the meaning set forth in Section 8.2 hereof.

2.16 "Retail Standard Offer Service Customers" shall have the meaning set forth in 2.10 hereof.

2.17 "SMD" means ISO-NE Standard Market Design as approved by the United States Federal Energy Regulatory Commission on December 20, 2002, in Docket No. ER-02-2330, and implemented on March 1, 2003, as thereafter supplemented.

2.18 "Standard Offer Service" means generation service provided to Retail Standard Offer Service customers by Provider as ordered by the MPUC.

2.19 "T&D" shall have the meaning set forth in the preamble hereto.

### **3. Term**

3.1 This Agreement shall become effective on the date hereof ("Effective Date")

and shall continue in full force and effect until [insert date] at 11:59 p.m. EPT or such time as this Agreement is terminated in accordance with Section 15 or as otherwise terminated by order of the MPUC. Notwithstanding the Effective Date, the obligations of the T&D hereunder are subject to the satisfaction of, or the express written waiver of, the conditions precedent set forth in Section 4 of this Agreement.

3.2 Upon the expiration or termination of this Agreement, the parties shall no longer be bound by the terms and provisions hereof, except (a) to the extent necessary to enforce any rights or obligations of a party which accrued prior to the expiration or termination and (b) the obligations of the parties hereunder with respect to confidentiality and indemnification shall survive the expiration or termination of this Agreement and shall continue for a period of two (2) years following such expiration or termination, unless otherwise determined by a Precept.

#### **4. Conditions Precedent**

4.1 The following requirements shall be conditions precedent to T&D's obligations hereunder:

- A. The Provider shall have provided all information requested in Exhibit B of this Agreement.
- B. The Provider shall maintain a valid Competitive Electricity Provider license from the MPUC, shall be entitled to transact business through ISO-NE, and shall retain its designation by the MPUC to provide Standard Offer Service for Provider's Share.
- C. The Provider shall successfully complete EBT training and EBT/EDI testing with the T&D as described in the Maine EBT Standards.

#### **5. Representations**

5.1 Each party represents that, during the term of this Agreement, it is and shall remain in material compliance with all applicable laws, tariffs, and MPUC regulations that are related to each party's performance under this Agreement and the provision of Standard Offer Service by the Provider.

5.2 Each person executing this Agreement for the respective parties represents and warrants that he or she has authority to bind that party.

5.3 Each party represents that: (a) it has the full power and authority to execute, deliver and perform this Agreement; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by such party; and (c) this Agreement constitutes that party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

5.4 Each party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards.

## **6. Provider's Responsibilities**

6.1 Revisions to Exhibit B shall be submitted to the T&D business contact (as identified in Exhibit A) and shall become effective five (5) Business Days after the revised Exhibit B has been submitted, unless the T&D notifies the Provider in writing prior to the expiration of this five (5) Business Day period that the information received is inaccurate or incomplete. Upon receipt of such notice, the Provider shall correct such information within five (5) Business Days thereof. Such corrected revision shall become effective five (5) Business Days after the revised Exhibit B has been re-submitted to the T&D.

6.2 The Provider shall designate a business contact and a technical contact (which may be the same person) in Exhibit B. The business contact and the technical contact will attend the applicable Maine EBT Competitive Electricity Provider training workshops prior to the Provider being eligible to conduct initial and subsequent EDI/EBT testing. In the event the designated contacts change, the Provider will use its best efforts to arrange for training for the new contact person as soon as practical.

6.3 The T&D shall be entitled to rely on the reasonable representations made by the business contact person designated by the Provider regarding the implementation and administration of the provisions of this Agreement.

6.4 The Provider shall be responsible for its initial testing costs of the Electronic Data Transmission Vehicle ("EDTV") as well as the cost of ensuring that its data transfer system remains compatible with the EDTV used by the T&D as the same may be replaced or modified from time to time.

6.5 The Provider shall be responsible for all relationships with, and the performance of, third party vendors with which it contracts, and the T&D shall be entitled to deal directly with the Provider's technical contact person as to any EDTV issues.

6.6 EBT Standards will be modified or changed in accordance with the procedures outlined in the EBT Standards or any successor Precept. When the EBT Standards are modified or changed, the T&D will review the changes to determine if additional testing is required. If additional testing is warranted, the T&D will propose a testing schedule, and there shall be a reasonable opportunity for testing before EBT modifications are implemented. It shall be the Provider's responsibility to successfully implement modifications and changes in EBT Standards. The T&D will reject invalid or nonconforming EBT transactions.

6.8 If the responsibilities with respect to the ownership of the Load Asset are redefined during the Term of Agreement in accordance with the Precepts, then the Provider shall be

responsible for such new products and obligations associated with the Load Asset, including, but not limited to, Day Ahead Load Obligations and Real Time Load Obligations. If the concept of the Load Asset is eliminated during the Term of Agreement, the Provider shall continue to provide the equivalent Day Ahead Load Obligations and Real Time Load Obligations in effect immediately prior to such elimination. Transmission costs under the ISO-NE and T&D utility's Transmission Tariff, and all costs allocated on the basis of Network Load, shall be the responsibility of the T&D utility's customers. The Provider shall be responsible for the provision of and payment for ancillary services which are not included under the ISO-NE Open Access Transmission Tariff and are the responsibility of Load Serving Entities ("LSE's") pursuant to the Precepts, unless the customer opts to assume these responsibilities.

6.9 Provider shall deliver to the Maine Load Zone and shall assume all obligations related to this locational definition, or any subsequent definition, of the applicable Standard Offer Service customer load. Any costs imposed on LSEs or marketers in accordance with SMD or any other congestion management plan shall be the responsibility of the Provider, and shall not be the responsibility of the T&D utility. It is the intent of the parties that for each FTR Auction conducted by ISO-NE for month(s) wholly or partially within the term of this contract, those ARR's received by or credited to T&D for the time period that falls within the term of this contract and associated with Standard Offer Service shall be assigned or paid to Provider. ARR's will automatically be assigned by ISO-NE within the SMD Settlement System to Provider because Provider will own all of the applicable Ownership Shares for the Load Assets associated with Standard Offer Service. However, in the event that any ARR's are assigned by ISO-NE to T&D and a known fraction of those ARR's are associated with Standard Offer Service, T&D shall promptly notify Provider and re-assign or pay such ARR's to Provider.

6.10 If the Provider has been designated by the MPUC to provide Standard Offer Service to the residential and small commercial customers in the T&D's service territory, the Provider shall be responsible for providing, in a timely manner, all of the data necessary for the T&D to produce and distribute the information disclosure labels required by the applicable Precepts, and shall be responsible for the accuracy of this data.

6.11 If Provider has been designated by the MPUC to provide Standard Offer Service to residential customers in the T&D's service territory, then Provider shall purchase any electricity made available by eligible generators in accordance with Chapter 315 of the MPUC's regulations, any technical specifications adopted thereunder, and the T&D's Terms and Conditions.

## **7. T&D Services and Responsibilities**

7.1 The T&D shall designate a business contact and technical contact (which may be the same person) in Exhibit A hereof. The Provider shall be entitled to rely on the reasonable representations made by the business contact designated by the T&D regarding the implementation and administration of the provisions of this Agreement.

7.2 In the event the Provider defaults on its obligation to provide Standard Offer Service as determined by the MPUC, the T&D may withhold and dispose of funds

otherwise payable to the Provider to cover the costs of replacement service, to the degree that it is authorized to do so by the MPUC

7.3 The T&D will provide all metering functions that are required for the measurement of Standard Offer Service, as may be required by the Precepts. All metered accounts will have either an actual meter reading, or an estimated reading and usage if the actual meter reading is not obtained. For unmetered accounts, usage will be imputed. Should the T&D discover any error in reported billing determinants, it shall notify the Provider via EBT of the correct billing determinants. Notwithstanding the foregoing, the parties acknowledge that the T&D may estimate usage, and such estimated usage shall not be considered a billing error.

7.4 If required by the applicable Precepts, information disclosure labels will be sent by the T&D to Standard Offer Customers. A fee will be charged to the Provider for this service in accordance with the T&D's Terms and Conditions.

7.5 The T&D shall, during the term of this contract, to the extent necessary for the wholesale settlement implementing this Agreement, continue to transact business for the wholesale settlement of load through ISO New England or any successor entity.

7.6 If Provider has been designated by the MPUC to provide Standard Offer Service to residential customers in the T&D's service territory, then T&D shall administer the sale of electricity from eligible generators to the Provider in accordance with Chapter 315 of the MPUC's regulations, any technical specifications adopted thereunder, and T&D's Terms and Conditions.

## **8. Consolidated Utility Billing**

8.1. The T&D agrees to provide billing services to the Provider under the terms set forth in the Precepts. The T&D acknowledges it is collecting all amounts owed to provider hereunder as Provider's agent and such amounts upon collection constitute property of Provider; provided, however, that T&D shall have no obligation to segregate such amounts into separate accounts or to otherwise change its internal accounting processes to recognize that such amounts are property of Provider. The Provider shall be responsible for the T&D Consolidated Utility Billing charges as set forth in the T&D's Terms and Conditions. Bills issued to customers will include T&D's toll-free telephone number for customer inquiries. The T&D shall not be required to include any inserts, with the exception of disclosure labels as appropriate, at the behest of the Provider.

8.2 Standard Offer rates must conform to the Precepts and be supported by meters in place. Provider's Rates and Provider's Share are set forth on Exhibit D attached hereto. Within the time frame established by the applicable Precept, or in the absence of



an applicable Precept, then within thirty (30) days of submission of the Provider's rates for testing, the T&D shall complete testing of the rates and provide the test results to the Provider. The Provider shall be responsible for certifying to the T&D its written acceptance of the test results. No rate shall be used in Consolidated Utility Billing until such time as the T&D has completed its testing and the Provider has certified the results of the testing as satisfactory in accordance with this Section. The rates shall be available for use in Consolidated Utility Billing no more than five (5) Business Days after Provider certification of acceptance.

8.3 The T&D will calculate, bill, collect and remit Maine Sales Tax on the appropriate energy charge in accordance with Maine state law.

8.4 The T&D will prepare and mail one bill to the customer which shall include the applicable Standard Offer charge for generation service together with the regular monthly bill for T&D Service.

8.5 The T&D shall determine the Provider's payment based on (a) usage by the customer class served by the Provider, multiplied by (b) the Provider's Share, multiplied by (c) the Provider's Rate, minus (d) the applicable allocation for uncollectible revenues set forth in Exhibit A. The T&D shall issue payment to the Provider's financial institution designated in Exhibit B via electronic funds transfer within the time frame specified by the applicable Precept, but in the absence of an applicable Precept, then within twenty-six (26) calendar days following the date of billing. In the event that the scheduled transfer date falls on a weekend or holiday, the transfer will be completed on the next Business Day. Simultaneously therewith, the T&D shall provide the Provider with the supporting calculation made by the T&D to determine the Provider's payment. In the event an erroneous amount is transferred, a transaction to correct the error will be processed on the next available transfer transaction. If the correction amount is greater than \$50,000, the funds will be electronically transferred to the appropriate party the same Business Day, if feasible. In no event shall the period to correct an error greater than \$50,000 exceed two Business Days. If the Provider questions the payment, the Provider may request the T&D documentation supporting the T&D's calculation of the questioned payment.

## **9. Transaction Processing**

9.1 Except for such transactions for which a different process is set forth in Exhibit A, transactions will be processed in accordance with the EBT Standards. Transactions to which the EBT standards apply include, but are not limited to, account administration and reporting of customer class usage. Any changes in these standard transactions will be in accordance with the EBT Standards. Costs will be borne by the parties in accordance with Chapter 322. Archiving of data shall be per the EBT Standards or other applicable Precept. Timing and frequency of data transfers shall be in accordance with Exhibit A.

9.2 Each party shall be responsible for archiving data necessary for meeting its own business requirements.

**10. Customer Service**

10.1 The T&D, and not the Provider, shall be responsible for all aspects of customer service related to Standard Offer Service; provided, however, that Provider shall be responsible for customer inquiries related to information disclosure labels related to Provider's Share of Standard Offer Service.

**11. Load Estimating and Reporting**

11.1 The T&D shall develop load profiles and perform the calculation of load settlement obligations in accordance with Chapter 321 of the MPUC's rules, or any successor Precept.

11.2 The process of load estimation involves statistical samples and estimating error. The T&D shall not be responsible for any estimating errors and shall not be liable to the Provider for any costs that are associated with estimating errors which occur when the T&D performs load estimation in accordance with MPUC Rules.

11.3 Errors in the calculation of load settlement obligations may be corrected, and associated financial adjustments may be made, within the time period allowed by ISO-NE. The Provider and the T&D are jointly responsible for identifying errors in a timely manner. The T&D shall correct errors as soon as practicable after they are identified, but shall not be responsible for any errors which are not identified in time to provide a reasonable period for correction within the time period allowed by ISO-NE.

11.4 In the event that the Provider takes any action to impose liability on the T&D in contravention of this section, the Provider will indemnify and hold harmless the T&D from any costs and expenses incurred by the T&D in any way associated with defending itself from such liability, including the reimbursement of reasonable attorneys' fees.

**12. Additional Services**

12.1 Additional Services provided by the T&D are set forth in Exhibit A.

**13. Fees, Billing and Payment for T&D Services**

13.1 The T&D will charge applicable fees to the Provider as set forth in Exhibit A and in the T&D's Terms and Conditions, as approved by the MPUC. The fees set forth in Exhibit A will not be changed during the first year of this agreement. Thereafter, the Terms and Conditions will be subject to periodic review and adjustment upon approval by the MPUC. Bills for services provided by T&D under the terms of this Agreement shall be rendered to Provider and shall be due upon receipt of said bill, unless otherwise specified in Exhibit A. Failure of Provider to pay within the T&D's grace period specified in Exhibit A shall entitle the T&D to charge interest on any unpaid balance calculated at the rate established by the Commission pursuant to Chapter 870 of its Rules, or any successor Precept. The T&D may set off unpaid amounts against payments otherwise payable to the Provider hereunder. Amounts subject to a good faith dispute will not be subject to off-set.

**13.2** If Provider has been designated by the MPUC to provide Standard Offer Service to residential customers in the T&D's service territory, then T&D shall be entitled to set off against payments otherwise payable to the Provider hereunder any amount owed to eligible generators for electricity purchased by Provider under Chapter 315 of the MPUC's regulations.

#### **14. Nondisclosure**

14.1 Neither party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, except for affiliates of such party to the extent necessary to implement the provisions of the Agreement, without the express prior written consent of the other party. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the parties, customers of either or both parties, providers for either party, personnel of either party; any trade secrets; and other information of a similar nature; whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include information known to either party prior to obtaining the same from the other party, information in the public domain, or information obtained by a party from a third party who did not, directly or indirectly, receive the same from the other party to this Agreement or from a party who was under an obligation of confidentiality to the other party to this Agreement, or information developed by either party independent of any Confidential Information. The receiving party shall use the higher of the standard of care that the receiving party uses to preserve its own Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving party shall, upon termination of this Agreement or at any time upon the request of the disclosing party, promptly return or destroy all Confidential Information of the disclosing party then in its possession.

14.2 Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.

#### **15. Termination: Breach**

15.1 Any party, by written notice to the other party ("Breaching Party"), may terminate this Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver

or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Agreement or the Terms and Conditions and has not cured such breach within fifteen (15) days after receipt of a written notice from the other party specifying the nature of such.

15.2 Neither Party may suspend performance or terminate this Agreement as a result of an event or occurrence described in subsection 15.1, as to which there is a good faith dispute between the Parties concerning the right of the non-defaulting Party hereunder to terminate this Agreement. The Parties hereby agree to submit such good faith dispute to arbitration pursuant to the provisions of Section 20 hereof, and acknowledge that such obligation shall be subject to enforcement by a decree of specific performance. With respect to any such good faith dispute resolved pursuant to the provisions of Section 20, the time period to cure any default, which shall include payment of any damages determined to have been caused by such default, shall not commence until the issuance of a final arbitration decision; provided, however, that the accrual of such damages shall be from the date of notice of arbitration required under Section 20.2. Neither party may terminate this Agreement if the defaulting Party shall have complied fully with the arbitration decision within the time period set forth therein. If the defaulting Party shall not comply fully with the arbitration decision within such time period, the non-Defaulting Party shall have the right to terminate this Agreement and shall be entitled to recover its direct damages and losses (which shall not include consequential damages) relate to all transactions contemplated between the parties.

## **16. Force Majeure**

16.1 Neither party shall be considered in default under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected party's fault or negligence, is caused by factors beyond the party's reasonable control and that by exercise of reasonable diligence the party is unable to prevent or overcome, including without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, war, insurrection, act of God or the public enemy, action of a court, public authority or Independent System Operator. Notwithstanding the foregoing, economic hardship of either Party shall not constitute a Force Majeure under this agreement. Any obligation to pay an amount otherwise owed may not be excused by Force Majeure.

16.2 If either Party is rendered wholly or partly unable to perform its obligations hereunder because of Force Majeure as defined above, that Party shall be excused from whatever performance is affected by the Force Majeure to the extent so affected, provided that:

- A. The non-performing Party will, as soon as practicable after the occurrence of Force Majeure, give the other Party written notice describing the particulars of the occurrence,
- B. The suspension of performance shall be of no greater scope and of no longer

duration than is reasonably required by the Force Majeure, and

C. The non-performing Party uses due diligence to remedy its inability to perform.

The defaulting Party shall inform the other Party of when it expects to remove the cause and what steps it is taking to cure.

## **17. Indemnification**

17.1 Each party ("Indemnifying Party") shall indemnify, defend and hold the other Party ("Indemnified Party") and its partners, shareholders, members, directors, officers, employees and agents (including, but not limited to, affiliates and contractors and their employees), harmless from and against all Claims suffered or incurred by such Indemnified Party arising out of the Indemnifying Party's negligence or willful misconduct. In the event injury or damage results from the joint or concurrent negligent or willful misconduct of the Parties, each Party shall be liable under this indemnification in proportion to its relative degree of fault. Such duty to indemnify shall not apply to any claims which arise or are first asserted more than two (2) years after the termination of this Agreement.

17.2 Each Indemnified Party shall promptly notify the Indemnifying Party of any Claim in respect of which the Indemnified Party is entitled to be indemnified hereunder. Such notice shall be given as soon as is reasonably practicable after the Indemnified Party becomes aware of each Claim; provided, however, that failure to give prompt notice shall not adversely affect any Claim for indemnification hereunder except to the extent the Indemnifying Party's ability to contest any Claim by any third party is materially adversely affected. The Indemnifying Party shall have the right, but not the obligation, at its expense, to contest, defend and litigate, and to control the contest, defense or litigation of, any Claim by any third party alleged or asserted against any Indemnified Party arising out of any matter in respect of which such Indemnified Party is entitled to be indemnified hereunder. The Indemnifying Party shall promptly notify such Indemnified Party of its intention to exercise such right set forth in the immediately preceding sentence and shall reimburse the Indemnified Party for the reasonable costs and expenses paid or incurred by it prior to the assumption of such contest, defense or litigation by the Indemnifying Party. If the Indemnifying Party exercises such right in accordance with the provisions of this Section 17 and any Indemnified Party notifies the Indemnifying Party that it desires to retain separate counsel in order to participate in or proceed independently with such contest, defense or litigation, such Indemnified Party may do so at its own expense. If the Indemnifying Party fails to exercise its rights set forth in the third sentence of this paragraph, then the Indemnifying Party will reimburse the Indemnified Party for its reasonable costs and expenses incurred in connection with the contest, defense or litigation of such Claim.

17.3 For purposes of this Section 17, "Claim" means any claim or action threatened or filed by a person other than a party hereto, and whether groundless, false or fraudulent, that directly or indirectly relates to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorney's fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to

or after the termination of this Agreement.

**18. Limitation of Liability**

18.1 Each party's liability to the other party for any loss, claim, injury liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred.

18.2 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND WHATSOEVER, WHETHER IN CONTRACT, TORT OR STRICT LIABILITY, EXCEPT IN THE EVENT OF AN ACTION COVERED BY THE INDEMNIFICATION PROVISIONS OF SECTION 17, IN WHICH EVENT THIS SECTION 18 SHALL NOT BE APPLICABLE.

**19. Terms and Conditions**

19.1 The parties agree to act in compliance with the T&D's Terms and Conditions at all times. In the event the terms of this Agreement conflict with the T&D's Terms and Conditions, the Terms and Conditions shall control.

**20. Dispute Resolution**

20.1 In the event of any dispute between the parties hereto as to a matter referred to within this Agreement or as to the interpretation of any part of this Agreement, the parties shall refer the matter to their duly authorized representatives for resolution. Should such representatives of the respective parties fail to resolve the dispute within ten (10) days from such referral, the parties agree that any such dispute, except for those disputes which the MPUC has authority to resolve under applicable law, will not be referred to any court but will be referred to binding arbitration, in accordance with Section 20.2 of this Agreement, in the city where the T&D's central office is located. It is the intent of the parties that, to the extent that the MPUC has authority to resolve any dispute between the parties which is related to this Agreement, such dispute will be resolved by the MPUC. If the parties do not agree as to whether the MPUC has authority to resolve a particular dispute, either party may petition the MPUC to make a determination as to whether it has such authority. A copy of the Petition will be forwarded to the Public Advocate. Arbitration proceedings regarding any such dispute shall be stayed pending the MPUC's determination as to whether it has authority to resolve the dispute in question.

20.2 If any dispute that is eligible for arbitration has not been resolved by the duly authorized representatives of the parties within ten (10) days from referral to them, either party may give notice in writing to the other of its desire to submit the dispute to arbitration, and may designate an arbitrator. A copy of such written notice shall also be sent to the Administrative Director of the MPUC and to the Public Advocate. Within fifteen (15) days after the receipt of such notice, the other party may, in writing, serve upon the party invoking such arbitration, a notice designating an arbitrator on its behalf. The two

arbitrators so chosen shall within fifteen (15) days after the appointment of the second arbitrator, in writing, designate a third arbitrator. Upon the failure of the party notified to appoint the second arbitrator within such time, the party invoking such arbitration may proceed with the single arbitrator. If the first and second arbitrators are unable to agree on a third arbitrator within fifteen (15) days of the appointment of the second arbitrator, the first and second arbitrator shall invoke the services of the American Arbitration Association to appoint a third arbitrator. Said third arbitrator shall, to the extent practicable, have special competence and experience with respect to the subject matter under consideration. An arbitrator so appointed shall have full authority to act pursuant to this Section. No arbitrator, whether chosen by a party hereto or appointed, shall have the power to amend or add to this Agreement. The party calling the arbitration shall, within twenty (20) days after either (i) the failure of the other party to name an arbitrator or (ii) the appointment of the third arbitrator, as the case may be, fix, in writing, a time and a place of hearing (which shall be in the city where the T&D's central office is located), to be not less than twenty (20) days from delivery of notice to the other party. The arbitrator or arbitrators shall, thereupon, proceed promptly to hear and determine the controversy pursuant to the then current rules of the American Arbitration Association for the conduct of commercial arbitration proceedings, except that if such rules shall conflict with the then current provisions of the laws of the State of Maine relating to arbitration, such conflict shall be governed by the then current provisions of the laws of the State of Maine relating to arbitration. Such arbitrator or arbitrators shall fix a time within which the matter shall be submitted to him or them by either or both of the parties, and shall make his or their decision, within ten (10) days after the final submission to him or them unless, for good reasons to be certified by him or them in writing, he or they shall extend such time. The decision of the single arbitrator, or two of the three arbitrators, shall be taken as the arbitration decision. Such decision shall be made in writing and in duplicate, and one copy shall be delivered to each of the parties. The arbitrator or arbitrators by his or their award shall determine the manner in which the expense of the arbitration shall be borne, except that each party shall pay the costs of its own counsel, except as provided for in Section 11.4. Each party shall accept and abide by the decision. The award of the arbitral tribunal shall be final except as otherwise provided by applicable law. Judgment upon such award may be entered by the prevailing party in any court designated in Section 22, or application may be made by such party to any such court for judicial acceptance of such award and an order of enforcement.

20.3 This agreement to arbitrate and any award made hereunder shall be binding upon the successors and assigns and any trustee or receiver of each party.

20.4 No dispute shall interfere with the parties' continued fulfillment of their obligations under this Agreement pending the outcome of the arbitration.

## **21. Notice**

21.1 Except as otherwise specified in this Agreement, any notice, demand or request required or authorized by this Agreement to be given to a party shall be given in writing and delivered by hand, courier or overnight delivery service or mailed by certified mail (return receipt requested), postage prepaid to such party at the address set forth in

Exhibit A or Exhibit B (as applicable) of this Agreement.

21.2 The designation of such person or address may be changed at any time by either party upon written notice given as aforesaid. Any notice delivered by hand, courier or overnight delivery service, or sent by certified mail, shall be effective upon receipt.

## **22. Governing Law**

22.1 Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by the laws of the State of Maine, except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction. Except for those matters covered in this Agreement and under the authority of the MPUC, any legal action or proceeding arising under or relating to this Agreement must, if it is not subject to arbitration hereunder, be brought in a court of the State of Maine or a federal court of the United States of America located in the State of Maine. For example, any action to enforce an arbitration demand or to confirm or enforce an arbitration award shall be brought in such courts. Both parties hereby consent to the exclusive jurisdiction of the State of Maine for the purpose of hearing and determining any action that is not subject to arbitration or the authority of the MPUC.

## **23. Enforceability**

23.1 In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of law, the remaining portions of this Agreement shall continue in full force and effect.

## **24. Assignment and Delegation**

24.1 Neither party to this Agreement may assign any of its rights or obligations under this Agreement, except with the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. Any assignment in violation of this Section 25 shall be void.

24.2 Notwithstanding the previous paragraph, either party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other party, and the subcontractor shall meet the requirements of any applicable laws, rules, regulations, and Terms and Conditions. The subcontracting party shall provide the other party with thirty (30) calendar days' prior written notice of any such subcontracting, which notice shall include such information about the subcontractor as the other party shall reasonably require.

## **25. Amendment**

25.1 This Agreement may be amended by an instrument in writing, signed by both Parties, or by Order of the MPUC. No amendment or modification shall be made by



course of performance, course of dealing, or usage of trade.

25.2 All amendments to this Agreement must be filed with the MPUC by the T&D.

**26. Miscellaneous**

26.1 This Agreement, including all attachments and exhibits hereto and such other documents as are explicitly incorporated herein by reference, is the entire agreement between the parties and supersedes all other agreements, communications, and representations related to the subject matter hereof.

26.2 Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter and no waiver shall be considered effective unless in writing.

26.3 The parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

26.4 In witness whereof, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date above.

[PROVIDER]

By \_\_\_\_\_  
Title \_\_\_\_\_

[T & D]

By \_\_\_\_\_  
Title \_\_\_\_\_