

VERMONT TRUE UP AGREEMENT

This Vermont True Up Agreement (“Agreement”) is entered into between and among Vermont Electric Power Company (“VELCO”) and each signatory to this Agreement (“Participant”).

RECITALS

WHEREAS, VELCO often provides administrative services to distribution utilities in the State of Vermont, which services include serving as the primary meter reader and collecting data that is reported to ISO New England;

WHEREAS, On occasion an error in the data being reported results in inaccurate charges or payments being made to certain utilities in Vermont, which ultimately affects the rates charged to retail customers in Vermont;

WHEREAS, Such errors have no effect on any other entity outside Vermont;

WHEREAS, Such errors can be corrected in a manner that does not change amounts that have been charged to or paid to entities outside the State of Vermont, but in certain instances no viable method currently exists to effectuate the necessary reallocation of monies to put the Vermont distribution utilities and their ratepayers in the position they would have occupied but for the error;

WHEREAS, Such errors, when they occur, should be corrected in the interest of fairness to those entities affected by such errors and all ratepayers in the State of Vermont.

NOW, THEREFORE, in consideration of the foregoing, VELCO and the Participants agree as follows:

1. Notification of VELCO of any Error

Should a Participant discover an error in any data being reported by VELCO to ISO New England or in any calculation that relies on that data, such error resulting in inaccurate charges or payments being made to any utilities in Vermont, that Participant shall notify VELCO of such Error.

2. Notification of Participants of any Error

If VELCO discovers an Error or confirms another Participant’s discovery of an Error, VELCO shall notify all parties to this Agreement of such Error.

3. Notice Generally

Any notice required by this Agreement shall be deemed to have been properly given by:
(a) personal delivery, first class mail, electronic transmission or facsimile to the designated representative of VELCO and any affected Participant then sitting on VELCO’s Operating

Committee (the “OpCom”) or to any other employee that has been designated by VELCO or that Participant as an appropriate recipient of notices under this Agreement; (b) any other method provided for in the Vermont Transmission Administration Manual (“V-TAM”). If an affected Participant would not be notified using a method permitted under (b), notice must be given pursuant to a method described in (a).

4. Determination of Correction

Upon the discovery of, and notification of, any Error, VELCO shall determine the corrected and proper charges and payments that are necessary to return all affected Participants to the financial position each would have occupied but for the Error (the “Correction”). Upon VELCO’s request, any affected Participant shall assist in good faith, using commercially reasonable efforts, to determine the Correction.

5. Agreement Regarding Correction

In order for a Correction to be implemented, VELCO and all Participants that would receive monies or pay monies to effectuate the Correction must agree that the Correction should be implemented.

The preferred method for determining whether there is agreement of VELCO and the affected Participants is any method allowed under the V-TAM, which may include raising the proposed Correction with the OpCom. Using such methods, however, shall not give any member of the OpCom that is not an affected Participant a right to vote on or an ability to veto a proposed Correction.

Notwithstanding the foregoing, VELCO may use any other commercially reasonable method that it deems appropriate under the circumstances to determine whether the affected Participants agree to implement a Correction.

6. Limit on Use of Correction Procedure

Notwithstanding approval by the affected Participants, a Correction may not be implemented if that Correction directly affects: (a) the clearing prices of any organized, competitive markets overseen by ISO New England; (b) the amounts being charged to or paid to any entity outside the State of Vermont for any service; or (c) the amounts charged to or paid to any distribution utility in the State of Vermont that is not a party to this Agreement. For a particular Error, if ISO New England has taken any steps to remedy that Error, the combined effect of any such steps and any Correction must do no more than return the affected Participants to the financial position each would have occupied but for the Error.

7. Administration of Correction

Upon the agreement of the Participants to this Agreement, VELCO or another administrator shall ensure that the proper amounts are paid and received in order to effect the Correction. Any monies received by the administrator pursuant to this Agreement shall not be considered income to the administrator, nor shall any monies distributed by the administrator pursuant to this agreement be considered the administrator’s costs.

The administrator shall not be considered an agent for any party as a result of its role under this Agreement.

VELCO shall serve as the initial administrator. For any particular Correction, VELCO may designate another entity to take the necessary steps to implement the Correction, provided that VELCO and all Participants agree that VELCO should be replaced in that instance, and provided further that all Participants agree on the entity that shall replace VELCO as administrator.

8. Interpretation of Ambiguities

Any ambiguities identified in this agreement, shall be resolved by the OpCom pursuant to the V-TAM.

9. Entirety of Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the matters addressed herein. Nothing in this Agreement is intended to modify the provisions of any other tariff or agreement to which VELCO or any Participant is a party.

10. Effective Date and Term

This Agreement shall become effective between and among VELCO and each Participant at 12:01 a.m. on the date that the Federal Energy Regulatory Commission deems this Agreement to be effective. The Agreement shall remain effective for an initial term of one year, and shall be automatically renewed for successive one-year terms thereafter.

VELCO may terminate this Agreement at any time, provided that it has given at least 30 days advanced notice of its intent to terminate to each Participant. A Participant may withdraw from this Agreement at any time, provided that it has given at least 30 days advanced notice of its intent to withdraw to VELCO and every other Participant. Notwithstanding the withdrawal of a particular Participant, this Agreement shall continue in full force and effect as to VELCO and every other Participant that has not withdrawn.

11. Applicable Law

The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Vermont.

12. Regulation

This Agreement is made subject to present or future state or federal laws and to present or future regulations or orders properly issued by state or federal bodies having jurisdiction.

13. Assignment

This Agreement shall not be assigned by any Participant except that a Participant may assign this Agreement if: (a) such assignment is to be made to an entity that is part of a corporate organization that is merging with or acquiring that Participant's entire ownership interest; or (b) such assignment is being made to an affiliate of the Participant pursuant to an internal corporate reorganization.

IN WITNESS WHEREOF, VELCO and [insert participating parties], have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this ____ day of _____, ____.

VERMONT ELECTRIC POWER COMPANY

By: _____

Title: _____

[insert PARTICIPANT NAME]

By: _____

Title: _____