

Vermont Transco LLC
First Revised Rate Schedule No. 7

Issued by: Leslie A. Cadwell
VT Transco - Managing Member Representative

Effective On:

Issued On:

VERMONT TRANSCO LLC
SUBSTATION PARTICIPATION AGREEMENT

This Substation Participation Agreement ("Agreement") is entered into between Vermont Transco LLC ("VT Transco") and each undersigned PARTICIPANT. The Agreement is between VT Transco and each PARTICIPANT individually and not the PARTICIPANTS jointly.

WITNESSETH:

ARTICLE I

Basic Understandings

This Agreement establishes the allocation of costs associated with design and construction and also the operation and maintenance ("O&M") of facilities in VT Transco's substations where those facilities are used exclusively by a PARTICIPANT or in common with VT Transco. The purpose of this Agreement is to calculate and allocate such costs for each substation identified in a Standard Service Agreement.

For each substation to which this Agreement applies, VT Transco and PARTICIPANT shall execute a Standard Service Agreement, a blank copy of which is provided in Exhibit A of this Agreement. VT Transco will post on its Open Access Same Time Information System ("OASIS") a list that identifies each substation to which this Agreement applies.

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ARTICLE II

Effective Date and Term

A Standard Service Agreement shall become effective between VT Transco and each PARTICIPANT at 12:01 a.m. on the date appearing on the signature page of such Standard Service Agreement, provided it has been executed by VT Transco and PARTICIPANT. The Standard Service Agreement shall remain effective as to the substation identified therein for an initial term expiring at 11:59 PM on the date shown therein and shall be automatically renewed for successive one-year terms thereafter until that Standard Service Agreement is terminated by VT Transco or PARTICIPANT. VT Transco or PARTICIPANT may terminate the Standard Service Agreement for a substation at the expiration of the initial term or at the expiration of any subsequent one-year term by giving written notice to the other at least 60 days prior to the requested termination date.

ARTICLE III

Design and Construction

VT Transco shall be responsible for the design and construction of each substation and shall prepare all plans and specifications necessary for its construction and operation. In doing so, VT Transco will apply sound utility engineering principles in its design in order to perpetuate the safety and reliability of its own facilities and those of any other party. The plans and specifications shall include the facilities necessary to meet the exclusive and shared-use requirements for the PARTICIPANT as set forth in a one line diagram included in the Standard

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Service Agreement for the substation, such diagram having first been submitted to the PARTICIPANT for its review. VT Transco shall modify the design of the substation in accordance with the request of the PARTICIPANT provided that such modifications: (1) are proposed in writing by PARTICIPANT before construction of the substation has begun; and (2) will not interfere with the safety and reliability of VT Transco's facilities or the facilities of any other PARTICIPANT. A complete set of plans and specifications will be made available to the PARTICIPANT on request.

ARTICLE IV

Cost of Design and Construction

(a) Exclusive Costs

Any equipment in a substation that is required by a PARTICIPANT for the operation and control of its own system and not required by VT Transco is an Exclusive Facility.

PARTICIPANT shall own all its Exclusive Facilities and pay VT Transco for all costs incurred to design and construct those Exclusive Facilities ("Exclusive Costs"). Other than Exclusive Facilities owned by one or more PARTICIPANTS, VT Transco shall own all facilities in the substation.

VT Transco shall issue a bill to each PARTICIPANT identifying the amount of Exclusive Costs due within a reasonable time after construction of the associated Exclusive Facilities is complete. The bill shall be due and payable within 10 days of issuance. Any amount due and remaining unpaid 10 days following the date of issuance of the invoice shall bear interest at an

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annual rate to be calculated in accordance with regulations of the Federal Energy Regulatory Commission, codified in the Code of Federal Regulations, Volume 18, Section 35.19a, as such regulations may be amended from time to time (“FERC Interest Rate”). The total amount of interest due is calculated from the date the substation is placed in service to the date payment is received by VT Transco. PARTICIPANT shall have the option of requesting and paying an estimated billing to avoid all or part of the interest charge. All charges shall be adjusted retroactive to the date the substation was placed in service, as soon as the final costs become known.

(b) Shared Use Costs

“Shared Use Costs” are determined as follows. The Shared Use Costs for a particular substation in a particular year shall equal its original cost plus the original cost of any capital additions, as booked to VT Transco’s Account No. 353, multiplied by the Carrying Charge. Using VT Transco 's actual costs for the preceding year, the Carrying Charge shall be determined by dividing VT Transco’s total transmission system costs (cost of capital, transmission expenses, administrative and general expenses and taxes) by average plant in service as recorded in FERC Accounts 101 and 106. The portion of the Shared Use Costs that each PARTICIPANT must pay shall be calculated by multiplying the Shared Use Costs by a fraction of which the numerator is PARTICIPANT'S Exclusive Costs and the denominator equals the original cost of the substation plus the original cost of any capital additions, as booked to VT Transco’s Account No. 353, plus any Exclusive Costs for that substation. One twelfth of this amount shall be billed each month commencing upon the date the substation is placed in service and shall be due and payable

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within 10 days of issuance of the bill. Any amount due and remaining unpaid 10 days following the date of issuance of the invoice shall bear interest from that date until the amount due is paid at the FERC Interest Rate.

ARTICLE V

Operation and Maintenance of Substation

VT Transco shall be responsible for operation and maintenance of each substation and all equipment therein regardless of the status of legal title. Equipment will be scheduled out of service for maintenance by mutual agreement between and among VT Transco and the PARTICIPANTS that own equipment in the substation in question.

ARTICLE VI

Costs of Operation and Maintenance

VT Transco shall determine the O&M costs for each substation. For each substation in which a PARTICIPANT owns Exclusive Facilities, it shall pay a portion of the O&M costs, such portion to be determined by multiplying the sum of all costs of operation and maintenance of equipment at the substation, as recorded in FERC Accounts 562 and 570, by a fraction of which the numerator is PARTICIPANT'S Exclusive Costs and the denominator equals the original cost of the substation plus the original cost of any capital additions, as booked to VT Transco's Account No. 353, plus any Exclusive Costs for that substation. VT Transco shall issue an

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invoice to PARTICIPANT each month, identifying the amount of O&M costs that PARTICIPANT owes for each substation in which it owns Exclusive Facilities. Such amounts shall be payable within 10 days of issuance of the bill. Any amount due and remaining unpaid 10 days following the date of issuance of the invoice shall bear interest from that date until the amount due is paid at the FERC Interest Rate.

ARTICLE VIII

Filing Fees

Each PARTICIPANT hereunder shall be required to reimburse VT Transco for any fee charged to VT Transco by any state or federal body having jurisdiction for any filing made by VT Transco with such body in connection with that PARTICIPANT.

ARTICLE IX

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.

ARTICLE X

Assignment

This Agreement as between VT Transco and a PARTICIPANT hereunder shall be binding upon and shall inure to the benefit of, and may be performed by, the successors and

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assigns of VT Transco and such PARTICIPANT, except that no assignment, pledge or other transfer hereunder by either VT Transco or such PARTICIPANT shall operate to release the assignor, pledger or transferor of any of its obligations under this Agreement unless consent to the release is given in writing by the other party, or, if the other party has theretofore assigned, pledged or otherwise transferred its interest in this Agreement, by the other party's assignee, pledgee or transferee.

ARTICLE XI

Arbitration

In case any dispute shall arise as to the interpretation or performance of this Agreement which cannot be settled by mutual agreement, such dispute shall be submitted to binding arbitration. The parties to the arbitration shall if possible agree upon a single arbitrator. In case of failure to agree upon an arbitrator within 15 days after the delivery by either party to the other of a written notice requesting arbitration, either party may request the American Arbitration Association to appoint the arbitrator. The arbitrator, after an opportunity for each of the parties to be heard, shall consider and decide the dispute and notify the parties in writing of the decision. Such decision shall be separately set forth in the arbitrator's findings of fact and law. The arbitrator shall not have the power to amend or add to this Agreement. Such decision shall be final and binding upon all parties except that, to the extent permitted by law, any party to the proceeding may petition a court of competent jurisdiction for review of errors of law. The expense of the arbitration shall be borne by the parties as determined by the arbitrator.

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ARTICLE XII

Interpretation

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

ARTICLE XIII

Prior Agreements Superseded

This Agreement represents the entire agreement as between VT Transco and each PARTICIPANT hereunder relating to the subject matter hereof.

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IN WITNESS WHEREOF, VT Transco and the undersigned PARTICIPANT have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this ___ day of _____, 2008.

VERMONT TRANSCO LLC

By: _____

Title: _____

CENTRAL VERMONT PUBLIC SERVICE
CORPORATION

By: _____

Title: _____

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IN WITNESS WHEREOF, VT Transco and the undersigned PARTICIPANT have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this ___ day of _____, 2008.

VERMONT TRANSCO LLC

By: _____

Title: _____

VERMONT MARBLE COMPANY

By: _____

Title: _____

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IN WITNESS WHEREOF, VT Transco and the undersigned PARTICIPANT have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this ___ day of _____, 2008.

VERMONT TRANSCO LLC

By: _____

Title: _____

WASHINGTON ELECTRIC COOPERATIVE, INC.

By: _____

Title:

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VERMONT TRANSCO LLC
SUBSTATION PARTICIPATION AGREEMENT
EXHIBIT A: STANDARD SERVICE AGREEMENT

PARTICIPANT: _____

SUBSTATION: _____

EXPIRATION OF INITIAL TERM: _____

This Standard Service Agreement between Vermont Transco LLC ("VT Transco") and PARTICIPANT dated _____, _____ is hereby made effective immediately as to the above substation and shall remain in effect until terminated in accordance with ARTICLE II of the Substation Participation Agreement.

IN WITNESS WHEREOF, VT Transco and PARTICIPANT, have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of this _____ day of _____, _____.

VERMONT TRANSCO LLC

By: _____

Title: _____

_[insert PARTICIPANT NAME]_____

By: _____

Title: _____

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[INSERT ONE LINE DIAGRAM OF SUBSTATION]

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Exclusive Costs of [INSERT PARTICIPANT NAME]
at [INSERT SUBSTATION]
VT Transco Work Order No. _[INSERT WORK ORDER NO.]____

Description		Quantity		Amount

TOTAL EXCLUSIVE COSTS: \$_____

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