

Energy Management Inc.

98-83-NG

One Energy Road North Dartmouth, MA 02747 Telephone 508 998-8515 Fax 508 998-7478

October 26, 1998

Mr. John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3E-042, FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

REC'D DOE/FE
1998 OCT 27 P 3:23

Re: Rumford Power: Long Term Import Application

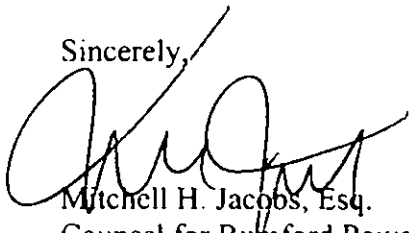
Dear Mr. Glynn:

Enclosed for filing are an original and fifteen copies of the Application of Rumford Power Associates Limited Partnership ("RPA") for long term authorization to import natural gas from Canada, together with a check in the amount of \$50.00 to cover the applicable filing fee. To the best of my knowledge, the same or a related matter is not being considered by any other part of the DOE or any other federal agency or department.

RPA requests that the non-redacted copy of the gas purchase agreement with Aquila Energy Marketing be treated as confidential material by the Office of Fossil Energy. Such copy has been placed in a sealed envelope marked "CONFIDENTIAL". It is our understanding that this copy will be returned to RPA and will not be copied by the Office of Fossil Energy and that it will not be disclosed outside of OFE to any person. Such copy is included with this application only for the purpose of requesting approval of this import authorization. By including this copy of the gas purchase agreement with RPA's application, neither RPA nor Aquila Energy Marketing are waiving any rights with respect to the confidentiality of the contract.

Thank you for your assistance in this matter.

Sincerely,



Mitchell H. Jacobs, Esq.
Counsel for Rumford Power Associates
Limited Partnership

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP) DOCKET NO.

)

APPLICATION OF RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP
FOR LONG TERM AUTHORIZATION TO IMPORT
NATURAL GAS FROM AND TO CANADA

Communications with respect to this Application should be addressed to:

Mitchell H. Jacobs, Esq.
Counsel for Rumford Power Associates
Limited Partnership
One Energy Road
N. Dartmouth, MA 02747
(508) 998-8515 ext.129

Edwin W. Rilkoff
Vice President, Energy Marketing
Energy Management, Inc.
One Energy Road
N. Dartmouth, MA 02747
(508) 998-8515 ext.127

October 26, 1998

UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

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APPLICATION OF RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP
FOR LONG TERM AUTHORIZATION TO IMPORT
NATURAL GAS FROM AND TO CANADA

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, Part 590 of the Regulations of the Department of Energy ("DOE"), Office of Fossil Energy ("FE"), and Section 201 of the Energy Policy Act of 1992 ("Energy Policy Act"), Rumford Power Associates Limited Partnership ("RPA") hereby submits the instant application for long term authorization to import natural gas from Canada. In support of this application, RPA respectfully shows as follows:

I.

GENERAL

Correspondence and communications regarding this application should be addressed to the following:

Mitchell H. Jacobs, Esq.
Counsel for Rumford Power Associates
Limited Partnership
One Energy Road
N. Dartmouth, MA 02747
(508) 998-8515 ext.129

Edwin W. Rilkoff
Vice President, Energy Marketing
Energy Management, Inc.
One Energy Road
N. Dartmouth, MA 02747
(508) 998-8515 ext.127

II.

BACKGROUND

RPA is a limited partnership whose Managing General Partner is a special purpose affiliate of Energy Management Inc. ("EMI") named EMI/Rumford, Inc. EMI is a privately held independent energy company with its headquarters in North Dartmouth, Massachusetts. EMI is an experienced and well-established developer and operator of gas-fired, combined cycle power plants in the New England market. Calpine Corporation ("Calpine"), a publicly held corporation with its headquarters in San Jose, California, has an option to invest and participate as a Co-General Partner in RPA. Calpine has indicated its intention to exercise this option and has been working with the Partnership in the development process. Calpine is a leading independent power company that has interests in 24 power generation facilities in the U.S. having an aggregate capacity of 2,114 megawatts.

Rumford Power is a merchant power plant that has not yet entered into any power sales agreements. Rumford Power plans to sell the project's output in the Northeast U.S. wholesale power market either through bilateral contracts of various terms or into the

spot electric market. The newly created ISO New England will manage a power exchange for all generating units choosing to bid various products including capacity and energy into the market. The project is expected to provide the country with cleaner, more efficient, low cost power.

RPA has entered into an eight-year Gas Sale and Purchase Agreement with Aquila Energy Marketing Corporation ("Aquila") and Utilicorp United Inc. for 46,000 MMBtu/day beginning on the commercial operation date of the Rumford facility. Aquila is a gas and power marketing company that is ranked third among the top natural gas marketers in the United States. Aquila is a subsidiary of Utilicorp United Inc., with headquarters in Omaha, Nebraska. RPA will purchase the gas from Aquila at Dawn, Ontario. As one of the continent's top gas marketers, Aquila deals with major producing and consuming areas of North America and utilizes major interstate and intrastate pipelines for gas transportation. Aquila uses a portfolio approach employing a variety of physical and financial products to provide reliable gas supply service to RPA. It is anticipated that Aquila will source the gas to meet its RPA contract obligations from a variety of sources including Canada and the U.S.

RPA has requested firm transportation on TransCanada PipeLines Limited ("TransCanada") from St.Clair, Ontario and Dawn, Ontario to East Hereford, Quebec. The transportation tariff, based on TransCanada's latest estimate is expected to consist of a demand charge of approximately US \$.26/MMBtu, a commodity charge of US \$.01/MMBtu and a fuel charge of 2.78% (approximately US\$.07/MMBtu) for a total of US \$.34/MMBtu.

TransCanada interconnects with Great Lakes Gas Transmission Limited Partnership at the international boundary at St.Clair, Michigan and St.Clair, Ontario. TransCanada interconnects with Union Gas Limited at Dawn, Ontario.

RPA has executed a service agreement with Portland Natural Gas Transmission System for firm service from Pittsburg, New Hampshire to the Rumford electric generating facility in Rumford, Maine. The currently filed Portland rate consists of a demand charge of US\$.627/MMBtu based on an initial volume of 178,000 MMBtu/day. This rate is expected to decline significantly as new projects such as RPA increase the volume of the pipeline.

Gas will be purchased by Rumford Power in Canada at Dawn, Ontario and imported into the United States at the interconnection of TransCanada and Portland Natural Gas Transmission System at Pittsburg, New Hampshire.

The project is fully permitted and is expected to begin construction in November, 1998. Gas for testing purposes will be required in March, 2000 with commercial operation targeted for July, 2000.

III.
AUTHORIZATION REQUESTED

RPA herein requests long-term authority to import from Canada up to 46,000 Mcf per day¹ over an 8-year period (a total of 135 Bcf) to begin on the date of the first delivery pursuant to this authorization. RPA requests authority to import gas not required for use at the Rumford facility at all existing points of import from Canada for resale in the United States.

IV.
GAS PURCHASE CONTRACT PROVISIONS

On September 15, 1998, RPA entered into a Gas Sale and Purchase Agreement with Aquila and Utilicorp for a term of eight years from the commercial operation date currently estimated to be July 1, 2000. Aquila is obligated to provide up to 46,000 MMBtu/day of gas on a firm basis at Dawn, Ontario, the interconnect between TransCanada PipeLines and Union Gas Limited. If RPA fails to take 95% of the annual contract quantity, RPA must pay Aquila a fee on the difference between the 95% of the annual contract quantity and the actual volumes taken.

The agreement includes an arrangement whereby Aquila will take a portion of the project's gas-to-power price risk through a partial subordination of gas payments to senior debt. This agreement will help RPA arrange financing for the project because fuel costs are the major cost of plant operations.

The price under the contract is tied to an monthly index price of gas at Dawn, Ontario. The contract contains a provision that allows RPA to request different pricing terms in order to be responsive to opportunities in gas and power markets. Because the gas purchase is tied to a monthly market index price of gas at a liquid hub, the import will remain competitive over the life of the project.

IV.
PUBLIC INTEREST

The Energy Policy Act provides that the importation and exportation of natural gas from or to a nation with which there is in effect a free trade agreement shall be deemed to be within the public interest, and that applications for such importation and exportation shall be granted without modification or delay. Because RPA's application is for the importation of natural gas from Canada, a nation with which the United States has a free trade agreement, RPA submits that its application is within the public interest.

¹ Converted using the assumption that 1000 Btu = 1 cubic foot.

V.
ENVIRONMENTAL IMPACT

No new facilities will be constructed in the United States by RPA for the proposed importation and exportation of natural gas. Consequently, granting this application will not be a federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act, 42 U.S.C. § 4321, *et seq.* Therefore, an environmental impact statement or environmental assessment is not required.

VI.
REPORTING REQUIREMENTS

With respects to all imports made pursuant to the authorization requested herein, RPA will undertake to file with the DOE/FE in the month following the close of each calendar quarter, reports indicating by month whether imports have occurred, and if so, the details of each transaction, including the total volumes of imports in Mcf and the average price for the imports per MMBtu at the international border. The reports shall include the name of the seller, the name of the purchaser, the estimated or actual duration of the agreements, the name of the U.S. transporter(s), the point of entry, whether the sales are made on an interruptible or firm basis, and, if applicable, the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. RPA will notify the DOE/FE in writing of the date of the first delivery of natural gas imported under the requested authorization within two weeks of such delivery.


VII.
CONCLUSION

WHEREFORE, for the foregoing reasons RPA respectfully requests that the DOE/FE expeditiously consider the instant application and, pursuant to section 3 of the NGA and section 201 of the Energy Policy Act, grant its request for long term import authorization. RPA submits that a grant of such authorization would not be inconsistent with the public interest.

Respectfully submitted,

Rumford Power Associates Limited Partnership

by its attorney and Treasurer


Mitchell H. Jacobs, Esq.

October 26, 1998

Energy Management Inc.

One Energy Road North Dartmouth, MA 02747 Telephone 508 998-8515 Fax 508 998-7478

Exhibit A

October 26, 1998

Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Forrestal Building, Room 3E-042, FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

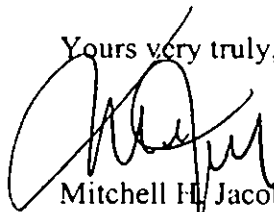
Ladies and Gentlemen:

This opinion is furnished to you pursuant to 10 C.F.R. § 590.202(c) (1992) of the Application of Rumford Power Associates Limited Partnership ("RPA") for Authorization to Import Natural Gas from Canada dated _____ (the "Application") made before the United States Department of Energy. I am counsel for RPA, and, as such, am familiar with RPA's partnership agreement, Certificate of Limited Partnership, and other relevant documents.

Based on the foregoing, I am of the opinion that:

- (1) RPA is a limited partnership, validly existing and in good standing under the laws of the State of Maine.
- (2) The activities of RPA as proposed in the Application are within the partnership powers of the Partnership.

Yours very truly,



Mitchell H. Jacobs, Esq.
Counsel for Rumford Power Associates
Limited Partnership

Exhibit B

GAS SALE AND PURCHASE AGREEMENT

DATED AS OF SEPTEMBER 15, 1998

BETWEEN

RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP

(AS BUYER)

AND

AQUILA ENERGY MARKETING CORPORATION

(AS SELLER)

AND

UTILICORP UNITED INC.

(signing for the purposes set forth in Article 19)

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RUMFORD GAS PURCHASE AGREEMENT

EXHIBITS

- Exhibit A – Delivery Points
- Exhibit B – Reserved
- Exhibit C – Seller's Certificate
- Exhibit D – Mortgage
- Exhibit E – Security Agreement
- Exhibit F – Form of Confirmation Notice
- Exhibit G – Form of Consent

RUMFORD GAS PURCHASE AGREEMENT

GAS SALE AND PURCHASE AGREEMENT

THIS GAS SALE AND PURCHASE AGREEMENT ("Agreement"), dated as of the 15th day of September, 1998 (the "Effective Date"), is entered into by and between Aquila Energy Marketing Corporation, a Delaware corporation ("Seller"), UtiliCorp United Inc., a Delaware corporation ("UtiliCorp") (signing for the purposes set forth in Article 19), and Rumford Power Associates Limited Partnership, a Maine limited partnership ("Buyer").

INTRODUCTION

WHEREAS, Buyer is developing a 265 MW natural gas-fired electric generating facility to be constructed in Rumford, Maine (the "Facility");

WHEREAS, Buyer desires to purchase Gas from Seller and Seller desires to sell Gas to Buyer on a long-term firm basis in the quantities and subject to the terms and conditions hereinafter set forth;

WHEREAS, Seller and Buyer will execute transportation agreements with pipelines that will enable them to transport natural gas to the Facility and for resale.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Buyer agree as follows:

1 DEFINITIONS

1.1 Certain Defined Terms. In addition to terms defined elsewhere in this Agreement, the following definitions shall apply to this Agreement.

1.1.1 "Annual Contract Quantity" or "ACQ" means, for a given Contract Year, the product of: (i) the Daily Contract Quantity, multiplied by (ii) the number of Days in such Contract Year.

1.1.2 "Bilateral Sales" means Gas that is sold and delivered by Seller and purchased and received by Buyer under the provisions of Sections 5.4 and 8.3.

1.1.3 "Bilateral Contract Price" shall mean the price determined in accordance with Section 5.4.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.4 "Business Day" means a Day, excluding Saturdays, Sundays or Federal government holidays. When one full Business Day's notice is required, notice given at a specific time on a Business Day shall be adequate to provide one full Business Day's notice as of the same time on the next Business Day.
- 1.1.5 "Buyer's Annual Deficiency Quantities" means, for a given Contract Year, a quantity of Gas that is equal to the positive difference between: (i) 95% of the ACQ for such Contract Year, minus (ii) the quantity of Gas that Buyer actually took during such Contract Year. Any Gas that was properly nominated by Buyer but not delivered by Seller for any reason not excused pursuant to the terms of this Agreement shall be included in the quantity taken calculated in (ii) above.
- 1.1.6 "Buyer's Daily Deficiency Quantities" means, for a given Day during a Contract Month, any portion of the Monthly Nomination for such Day that Buyer fails to take for any reason not excused pursuant to the terms of this Agreement.
- 1.1.7 "Buyer's Transporter(s)" means Union Gas Limited, TransCanada PipeLines Limited and Portland Natural Gas Transmission System.
- 1.1.8 "Commercial Operation Date" means the date set forth in the written notice from Buyer to Seller pursuant to the fifth sentence of Section 3.1.1.
- 1.1.9 "Confidential Material" shall be this Agreement and any business and technical information, of whatever nature or form, relating to this Agreement or to the Facility, which is disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party"), except information which (i) is in the Receiving Party's possession prior to disclosure hereunder and not previously received from the Disclosing Party; (ii) at the time of disclosure or other use by the Receiving Party is in the public knowledge or literature, or thereafter becomes part of the public knowledge or literature, through no fault of the Receiving Party; (iii) is acquired from a third party not at the direction of the Disclosing Party and through no wrongdoing of the Receiving Party; or (iv) information which is independently developed by the Parties as evidenced by the written records thereof.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.10 "Contract Month" means: (i) with respect to the first Contract Month, a period commencing at the beginning of the Day of the Commercial Operation Date and ending at the beginning of the first Day of the following month; and (ii) with respect to the second Contract Month, and each month thereafter, Contract Month means that period of time commencing at the beginning of the first Day of such month and ending at the beginning of the first Day of the following month.
- 1.1.11 "Contract Year" means: (i) with respect to the first Contract Year, the period beginning on the Commercial Operation Date, and if the Commercial Operation Date occurs on the first Day of a calendar month, continuing for the twelve (12) consecutive months thereafter, or if the Commercial Operation Date does not occur on the first Day of a calendar month, continuing for the twelve (12) consecutive months after the first Day of the calendar month next following the Commercial Operation Date; and (ii) with respect to the second and following Contract Years, Contract Year means a period of twelve (12) Contract Months commencing upon the expiration of the preceding Contract Year.
- 1.1.12 "Daily Contract Quantity" or "DCQ" means 46,000 MMBtu per Day of Gas.
- 1.1.13 "Daily Nomination" means, for a given Day, the quantity of Gas, up to the Daily Contract Quantity, which Buyer requests Seller to Schedule for delivery to Buyer at the Delivery Point(s) for such Day, as established pursuant to the provisions of Article 8.
- 1.1.14 "Date of Initial Deliveries" means the date on which the Facility first requires and receives Gas under this Agreement, which date will precede the Commercial Operation Date but only for the purposes of delivering Gas for testing and initial startup of the Facility.
- 1.1.15 "Dawn" means the interconnect on Union Gas located at Dawn, Ontario as set forth in Exhibit A.
- 1.1.16 "Day" means a period beginning at 10:00 a.m. Eastern Prevailing Time on a calendar day and ending at 10:00 a.m. Eastern Prevailing Time on the next calendar day, or as otherwise defined in Union or Transporter's tariff.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.17 "Debt Service Coverage Ratio" means for any period, the ratio of (a) Net Sales Revenue for such period [REDACTED] divided by (b) Financing Expense for such period.
- 1.1.18 "Default" has the meaning set forth in Section 14.1.
- 1.1.19 "Delivery Point(s)" shall mean the points set forth in Exhibit A subject to the provisions of Section 7.2.2.
- 1.1.20 "Dollar" means the currency of the United States.
- 1.1.21 "Effective Date" means the date of this Agreement, as set forth in the preamble above.
- 1.1.22 "Energy Contract" means any contract by and between Buyer and purchasers of Gas and/or power and related services.
- 1.1.23 "Energy Purchaser" means any electric utility or other entity purchasing power and related services from the Facility or any entity purchasing Gas from Buyer.
- 1.1.24 "Event of Default" has the meaning set forth in Section 14.2.
- 1.1.25 "Facility" has the meaning set forth in the recitals to this Agreement.
- 1.1.26 "FERC" means the Federal Energy Regulatory Commission or any successor thereto.
- 1.1.27 "Financial Closing Date" means the date on which the Financing Documents for the Senior Debt Financing of the Facility are executed, and all conditions precedent to the making of the initial loans thereunder by the Financing Entity(ies) have been satisfied or waived.
- 1.1.28 "Financing Documents" means all of the documents evidencing the relationship between Buyer and its affiliates and the Financing Entity(ies) including, but not limited to, any and all credit and financing agreements.
- 1.1.29 "Financing Entity(ies)" means any person(s) or entity(ies) (other than an affiliate of the Buyer) providing Senior Debt Financing for the construction and permanent financing of the Facility.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.30 "Financing Expense" means, for any Contract Month, Buyer's payments during such Contract Month, or if applicable, the amounts allocated to such Contract Month pursuant to the succeeding sentence, in each case for Senior Debt Financing principal, interest, premium and penalty if any, senior lenders' fees and expenses, and the costs of [REDACTED] [REDACTED] other similar interest rate arrangements (including the net effect of any gains utilizing such instruments) with respect to the Senior Debt Financing. In the event that, pursuant to the Senior Debt Financing, any of the items described in the preceding sentence are required to be reserved against and/or paid with respect to a period longer than a Contract Month, the amount to be reserved and/or paid shall be prorated evenly over such period, and that portion of such prorated amount which is allocated to the Contract Month in question shall be included in Financing Expense.
- 1.1.31 "Force Majeure" has the meaning set forth in Section 12.1.
- 1.1.32 "Gas" or "Natural Gas" means methane, a mixture of methane and Hydrocarbons or a mixture of methane, Hydrocarbons and non-combustible gases in a gaseous state, in all cases consisting essentially of methane.
- 1.1.33 "Gas Daily High" means, for any given Day, the high price of the "Common" range for "Dawn, Ont." published in Gas Daily for such Day. If such price is not published for a given Day, then the last published price will be used in its place.
- 1.1.34 "Gas Daily Low" means, for any given Day, the low price of the "Common" range for "Dawn, Ont." published in Gas Daily for such Day. If such price is not published for a given Day, then the last published price will be used in its place.
- 1.1.35 "Gas Daily Midpoint" means, for any given Day, the "Daily Midpoint" price of the "Common" range for "Dawn, Ont." published in Gas Daily for such Day. If such price is not published for a given Day, then the last published price will be used in its place.
- 1.1.36 "Gas Sales Agreement" or "Agreement" means this Agreement and all schedules and exhibits hereto, as amended from time to time.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.37 "Gas Sales Agreement Interest Rate" means the lesser of (i) the prime rate of interest announced from time to time in the Wall Street Journal as the base rate on corporate loans posted by at least 75% of the nation's 30 largest banks (or, in the event such reference is no longer available, such other widely published reference of prime lending rates of interest for large U.S. commercial banks as the Parties shall agree upon) plus [REDACTED]; or (ii) the maximum non-usurious interest rate under applicable law.
- 1.1.38 "Gas Transportation Agreement(s)" means those agreements, as amended, supplemented and or replaced from time to time, between Buyer and Buyer's Transporter and between Seller and Seller's Transporter(s) under which Gas is transported to and from the Delivery Point(s) for use at the Facility or for re-marketing Gas to third parties.
- 1.1.39 "Governmental Requirements" means all valid local, state and federal laws, governmental rules, regulations and codes, including regulations and rulings of the FERC, and any local, state and federal agencies with jurisdiction over the Parties or any or all of the subject matter of this Agreement. Such laws, rules and regulations shall be presumed valid when issued and the Parties shall be entitled to act in accordance therewith until the same shall be invalidated by a final non-appealable order of a court or agency of competent jurisdiction.
- 1.1.40 "Gross Sales Revenue" means, for any Contract Month, all of Buyer's revenue received during such Contract Month from its sales of Natural Gas and electricity (including, but not limited to, sales of generating capacity) and sales of any services, including those ancillary to such Natural Gas and electricity sales, and including but not limited to all revenues arising from or related to the Facility. In computing its revenue, the Buyer will include the fair market value of any barter or exchange received.
- 1.1.41 "Hydrocarbons" means liquid and liquefiable hydrocarbon components other than methane contained in the Gas, including without limitation ethane, propane, normal butane, isobutane and natural gasoline.
- 1.1.42 "Imbalance Penalty Charge" shall have the meaning set forth in Section 8.4.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.43 "Listed Force Majeure" shall include the following: acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, sabotage, wars, blockades, insurrections, riots, epidemics, landslides, lightning, wind, earthquakes, floods, tornadoes, storms, fires, washouts, arrests and restraints of rulers and people, civil disturbances, explosions, unanticipated and catastrophic breakage or accident to the Facility or to necessary equipment, machinery or lines of pipe or appurtenant facilities, unscheduled maintenance to plants, lines of pipe, electric transmission lines, or related facilities, freezing of lines of pipe, the act of any court or governmental authority with jurisdiction over Buyer or Seller (other than through Buyer's or Seller's failure to obey Governmental Regulations applicable to it) to the extent it prevents performance under the Agreement, or a force majeure or system emergency under the Gas Transportation Agreements.
- 1.1.44 "Monthly Invoice" has the meaning set forth in Sections 5.2.1 and 5.5.
- 1.1.45 "Monthly Market Index" means, for a given Contract Month, (i) for deliveries of Gas at Dawn, the index price of spot Gas, as reported in the Gas Daily Price Guide in the section entitled "Monthly Contract Index, Canadian Gas, Parkway/Dawn"; (ii) for deliveries of Gas at the New England Delivery Point as described in Section 7.2.2, the New England Market Index; or (iii) a mutually agreed upon price for Gas for the Contract Month that the Parties confirm in writing prior to the publication of the indices in (i) or (ii), above.
- 1.1.46 "Monthly Nomination" means, for a given Contract Month, the constant Daily Nomination quantity nominated for each Day of such Contract Month pursuant to Section 8.1.
- 1.1.47 "Monthly Payment" has the meaning set forth in Section 5.2.2.
- 1.1.48 "MMBtu" means one million (1,000,000) British thermal units, where a British thermal unit is the amount of heat required to raise the temperature of one (1) avoirdupois pound of pure water one (1) degree Fahrenheit from fifty-eight and one half degrees (58.5) to fifty-nine and one half (59.5) degrees Fahrenheit at a constant pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute.

RUMFORD GAS PURCHASE AGREEMENT

- 1.1.49 "Net Sales Revenue" means, for any Contract Month, the sum of (i) Gross Sales Revenue, minus (ii) Operating Expense and minus (iii) Other Expense.
- 1.1.50 "New England Market Index" means the index price of spot Gas as reported in the first of the month edition of Inside FERC's Gas Market Report (or an alternate publication mutually agreeable to the Parties) in the applicable table for the New England Delivery Point as such Delivery Point is established pursuant to the provisions of Section 7.2.2.
- 1.1.51 "New Taxes" shall have the meaning set forth in Section 11.2.
- 1.1.52 "NYMEX" means the New York Mercantile Exchange or any successor thereto.
- 1.1.53 "NYMEX Closing Date" means, for a given calendar month, the last Business Day on which Natural Gas contracts for such month are traded on NYMEX.
- 1.1.54 "Operating Expense" means, for any Contract Month, all reasonable ordinary and extraordinary costs of Buyer's operation, maintenance and repair related directly to the Facility paid during such Contract Month, including but not limited to the following Buyer's costs: transportation services paid to Buyer's Transporter under the Gas Transportation Agreement(s), electric transmission charges (to the extent incurred in association with electric sales from the Facility, and not otherwise accounted for in the calculation of Gross Sales Revenue) labor, insurance, taxes (excluding income taxes), utilities, attorneys and management, and including all costs of complying with Governmental Requirements and the requirements of the Senior Debt Financing (other than costs specified in Other Expense or Financing Expense) including Gas and electric energy purchased by Buyer (but excluding amounts due Seller pursuant to Section 5.2.2); provided, however, that such Gas and electric energy purchased by Buyer is utilized for tolling, reverse tolling or other commercial strategies which are designed primarily to increase the Net Sales Revenue. Operating Expense shall also include, without duplicating any costs specified in Other Expense or Financing Expense, any net cash reserves or otherwise restricted cash amounts required to be set aside by Buyer pursuant to the Senior Debt Financing directly related to servicing the Senior Debt

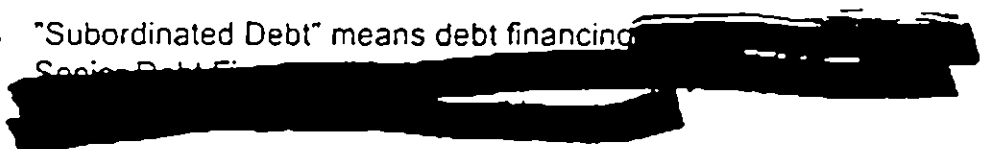
RUMFORD GAS PURCHASE AGREEMENT

Financing and to the operation, maintenance and repair of the Facility; provided, however, any net cash reserves or otherwise restricted amounts released by the Financing Entities will be deposited to the Quarterly Reserve Account for disbursement in accordance with Section 5.3.6.

- 1.1.55 "Other Expense" means, for any Contract Month, all of Buyer's costs directly related to the Facility, paid during such Contract Month, for all subcontracts, Facility parts and spares, and consumable expenses associated with the Facility, but without duplication of any item included in Operating Expense or Financing Expense. Other Expense shall not include amounts due Seller pursuant to Section 5.2.2.
- 1.1.56 "Party" or "Parties" means, depending on the context, either Buyer or Seller or both.
- 1.1.57 "PNGTS" means the Portland Natural Gas Transmission System.
- 1.1.58 "PNGTS Rate" means the total rate charged Buyer for shipments on the PNGTS at a 100% load factor expressed in \$ per MMBtu.
- 1.1.59 "PNGTS Reserve Account" means the account established under Section 5.7.
- 1.1.60 "Premium" means an amount equal to [REDACTED] per MMBtu of Gas.
- 1.1.61 "Reasonable Efforts" means good faith, reasonable, but not extraordinary, steps or efforts that are commercially and technically reasonable under the circumstances in the industry of the Party. In agreeing to use Reasonable Efforts, neither Party guarantees or warrants the completion or fulfillment of the agreed upon obligations (unless otherwise so specified), and neither Party shall be obligated to expend unlimited resources but only such amounts of money as are commercially reasonable under the circumstances.
- 1.1.62 "Scheduled Maintenance" means any outages of the Facility due to the performance of routine and/or regularly scheduled maintenance of equipment at the Facility and for which Buyer has provided Seller with a minimum of thirty (30) Days written notice.
- 1.1.63 "Scheduling", "Scheduled" or "Schedule" when used in reference to Seller, means to make Gas available for sale, or cause Gas to

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be made available for sale, at the Delivery Point(s). When used in reference to Buyer, such terms mean nominations of Gas by Buyer to Seller hereunder which Buyer confirms to Buyer's Transporter(s).

- 1.1.64 "Seller's Deficiency Quantities" means quantities of Gas which are properly nominated and Scheduled by Buyer for a given Day (up to the Daily Contract Quantity) in accordance with provisions of Article 8, but which Seller fails to supply on such Day for any reason not excused pursuant to the terms of this Agreement.
- 1.1.65 "Seller's Transporter(s)" means Union and any other transportation pipeline(s) used by Seller to deliver Gas to Buyer.
- 1.1.66 "Senior Debt Financing" means all indebtedness incurred by Buyer to finance the construction of the Facility including working capital facilities, letters of credit, financial hedges and net reserves. If the financing to fund construction of the Facility is replaced by long term debt financing, then subject to Section 3.1.5, such permanent financing of the Facility, together with any increase in amount, or extension, renewal, modification, replacement or refunding of such permanent financing, shall be included within the meaning of the term Senior Debt Financing. Senior Debt Financing shall only include such indebtedness which is secured by a first mortgage lien on the Facility, or similar security, and shall not include any Subordinated Debt or other indebtedness of Buyer or the Facility.
- 1.1.67 "Spot Energy Sales" means the delivery and sale of Gas where the price of Gas is determined pursuant to Sections 5.1.1 and 5.1.2.
- 1.1.68 "Subordinated Debt" means debt financing 
- 1.1.69 "Supplemental Gas" means, for a given Day during a given Contract Month, the quantity of Gas which Buyer nominates for such Day, in accordance with the provisions of Section 8.2, which is greater than the Monthly Nomination for such Contract Month, up to the DCQ.
- 1.1.70 "Taxes" shall have the meaning set forth in Section 11.2.

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- 1.1.71 "Term" shall have the meaning set forth in Section 2.1.
- 1.1.72 "Transporter(s)" means either or both of Seller's Transporter(s) and Buyer's Transporter(s).
- 1.1.73 "Union" means Union Gas Limited, a pipeline with facilities in Ontario, Canada.
- 1.2 Rules of Interpretation. The following rules shall govern the interpretation of this Agreement:
- 1.2.1 The singular includes the plural and the plural includes the singular.
- 1.2.2 A reference to any law includes any amendment or modification thereto, all rules and regulations promulgated under such law and all administrative and judicial authority exercisable thereunder.
- 1.2.3 A reference to any person includes its permitted successors and assigns.
- 1.2.4 The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provisions of this Agreement, and section, schedule and exhibit references are to this Agreement unless otherwise specified.

2 TERM AND CONDITIONS PRECEDENT

- 2.1 Term. This Agreement shall be effective on the Effective Date, and shall remain in full force and effect for a term ("Term") ending at the end of the eighth (8th) Contract Year, unless terminated earlier pursuant to the other provisions of this Agreement.
- 2.2 Conditions Precedent. It is expressly understood and agreed that the respective rights and obligations of both Buyer and Seller hereunder are subject to certain conditions precedent as hereinafter set forth:
- 2.2.1 Financial Closing Date. If the Financial Closing Date does not occur by [REDACTED] then either Party may terminate this Agreement by delivering written notice to the other Party before the earlier of (1) the Financial Closing Date, or (2) [REDACTED] and neither Party shall have any liability to the other.

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2.2.2 Commercial Operation Date. If the Commercial Operation Date does not occur by [REDACTED] Seller may terminate this Agreement by delivering written notice to Buyer on or before [REDACTED] and neither Party shall have any liability to the other.

2.2.3 Updated Financial Model.

2.2.3.1 Buyer has given Seller a financial model for the Facility on September 3, 1998 (dated July 13, 1998), which included, among other things, estimated terms for the Senior Debt Financing, estimated Operating Expenses and Other Expenses, and sensitivity analyses using four (4) different Gas and electric price forecasts prepared by R.W. Beck. Buyer has used Reasonable Efforts to accurately incorporate the terms of the agreements between Buyer and other parties, and to project the financial performance of the Facility using the information and knowledge at its disposal; provided, however, Buyer makes no representation or warranty regarding whether these projections will match the actual revenues or expenses incurred by the Facility given the fluctuating nature of Gas, electric, interest rate and other commodity markets, and the uncertain nature of estimating revenues and operating costs over a long period of time. Subject to the foregoing, Seller has reviewed, relied upon and accepted this model, while conducting its own analysis of the accuracy of the model.

2.2.3.2 Before the Financial Closing Date, Buyer will provide Seller with an updated financial model, including updated sensitivity analyses using the four (4) pricing forecasts, and incorporating the final terms of the Senior Debt Financing. Seller will have an opportunity to review the updated model before the Financial Closing Date.

2.2.3.3 If the updated financial model shows: (i) that the Debt Service Coverage Ratio for any projected year has dropped by [REDACTED] or more using any of the four (4) sensitivity analyses, or (ii) that the total amount of the Senior Debt Financing is greater than [REDACTED] then Seller shall have the right to terminate this Agreement by providing written

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notice to Buyer within three (3) Business Days of Seller's receipt of a complete version of the updated financial model.

2.2.3.4 If the updated financial model shows that the average Debt Service Coverage Ratio over the term of the Senior Debt Financing has dropped by [REDACTED] or more using any of the four (4) sensitivity analyses, then Buyer shall have the right to terminate this Agreement by providing written notice to Seller within three (3) Business Days of Seller's receipt of a complete version of the updated financial model.

2.2.3.5 Buyer will inform Seller of any changes in the terms of the Senior Debt Financing and the impact of those changes on the financial model.

2.2.4 Project Documents.

2.2.4.1 Buyer has given Seller drafts of the Operation and Maintenance Agreement and the Administrative Services Agreement. Buyer makes no representation or warranty with respect to these agreements other than that these agreements are the most current drafts and are substantially similar to documents used in Tiverton Power Associates Limited Partnership. Subject to the foregoing, Seller has reviewed, relied on and accepted these draft agreements, while conducting its own analysis with respect to the adequacy of these agreements.

2.2.4.2 Before the Financial Closing Date, Buyer will give Seller final copies of the Operation and Maintenance and Administrative Services Agreements and the Financing Documents and will make available at Buyer's office, in a timely manner for Seller to review, all other project documents including but not limited to the long term service agreement, the power marketing agreement, and the construction contracts. If Seller reasonably determines in its sole discretion that the Financing Documents or any modifications to the agreements listed above materially and adversely impact the assumptions of the financial model described in Section 2.2.2, or otherwise materially and adversely affect the Seller or the Facility, then Seller may

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terminate this Agreement by written notice delivered within three (3) Business Days after Seller has received a complete set of the Financing Documents and modifications to the agreements listed above. Buyer will provide Seller with important drafts of the Financing Documents or any material modifications to the agreements listed above.

3 COVENANTS

3.1 Buyer's Affirmative Covenants. In addition to all other covenants and agreements of Buyer set forth elsewhere in this Agreement, Buyer hereby covenants and agrees that:

3.1.1 Notice of Date of Initial Deliveries and Commercial Operation Date. The Date of Initial Deliveries is estimated to be May 1, 2000. The Commercial Operation Date is estimated to be August 1, 2000. Buyer shall give Seller as much advance notice as reasonably practicable of any change in the estimated Date of Initial Deliveries or estimated Commercial Operation Date. At least thirty (30) Days prior to the Date of Initial Deliveries, Buyer shall provide Seller with Buyer's estimate of the total quantity of Gas required by the Facility per Day and per Contract Month for testing and startup purposes during the period between the Date of Initial Deliveries and the Commercial Operation Date. Buyer will provide Seller with prompt notice of the occurrence of the Commercial Operation Date, which shall be: (i) the date the Buyer selects within five (5) Days following the approval by the Financing Entity(ies) that the Substantial Completion Date has been achieved as such term is defined in the Construction Contract dated April 14, 1998 between Buyer and Stone & Webster Engineering Corporation, or (ii) if the Substantial Completion Date, or the approval thereof, is delayed, such earlier date on which Buyer desires to begin taking Gas on a firm basis under this Agreement. The designation of the Commercial Operation Date as set forth herein shall allow the Parties the necessary time for nominations pursuant to Article 8. If the Commercial Operation Date is a Day during the middle of a month, or if such date does not otherwise allow time for the nomination procedure set forth in Section 8.1, then for the first Contract Month, all Gas will be nominated and delivered as Supplemental Gas pursuant to the provisions of Section 8.2.

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3.1.2 Governmental Authorizations. Buyer shall use Reasonable Efforts to obtain or cause to be obtained and maintained all authorizations and approvals required under any Governmental Requirements as may be necessary or appropriate to enable it to construct and operate the Facility and to perform or cause to be performed its obligations under this Agreement. Buyer's obligation under this Section 3.1.2 includes, but is not limited to, the obligation to file, at its sole expense, applications for all appropriate regulatory approvals necessary for the purchase by Buyer of Gas as described herein.

3.1.3 No Other Security. Buyer shall not grant a security interest, lien, or other similar security in the Facility or any other assets of Buyer to any third party which is not subordinate to the Seller's interests hereunder, other than the Senior Debt Financing. Before incurring any additional debt, Buyer will require the lenders to recognize and agree in writing, in a form reasonably acceptable to Seller, that Seller's interests shall have priority over such lender.

3.1.4 Firm Transportation Capacity. Buyer shall obtain firm transportation capacity sufficient to provide firm service from the Delivery Point(s) to the Facility on Buyer's Transporter(s) for the Daily Contract Quantity.

3.1.5 Senior Debt. Buyer agrees that it will [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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3.2 Seller's Affirmative Covenants. In addition to all other covenants and agreements of Seller set forth elsewhere in this Agreement, Seller hereby covenants and agrees that:

3.2.1 Governmental Authorizations. Seller shall use Reasonable Efforts to obtain or cause to be obtained and maintained all authorizations and approvals required under any Governmental Requirements as may be necessary or appropriate to enable it to perform or cause to be performed its obligations under this Agreement. Seller's obligation under this Section 3.2.1 includes, but is not limited to, the obligation to file, at its sole expense, applications for all appropriate regulatory approvals necessary for the delivery of Gas to the Delivery Point(s) and sale of Gas as described herein.

3.2.2 Closing Date Certificate. On the Financial Closing Date, Seller will provide the Financing Entity(ies) with a certificate from an officer of Seller, dated as of the Financial Closing Date, substantially in the form of Exhibit C attached hereto.

3.3 Gas Transportation Agreement(s). Buyer and Seller shall comply with all of their respective obligations pursuant to any Gas Transportation Agreements applicable to their performance under this Agreement.

4 QUANTITY AND REMEDIES

4.1 Sale and Purchase Obligation. Subject to the terms of this Agreement, beginning on the Commercial Operation Date, and continuing throughout the Term hereof, Seller agrees to sell and make available to Buyer, and Buyer agrees to purchase and accept from Seller, the Daily Contract Quantity at the Delivery Point(s) on each Day.

4.2 Test Gas. Before the Commercial Operation Date, Seller may sell to Buyer and Buyer may purchase from Seller Gas for testing and initial startup, provided the Parties are able to agree on terms for such test Gas including price.

4.3 Nominations. Beginning on the Commercial Operation Date, and for each Contract Month and Day throughout the Term hereof, Buyer and Seller shall Schedule the Daily Nomination at the Delivery Point(s) in accordance with the provisions of Article 8.

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4.4 Payment for Buyer's Annual Deficiency Quantities. For any given Contract Year for which there exists Buyer's Annual Deficiency Quantities, Buyer shall pay to Seller within thirty (30) Days after the end of such Contract Year, an amount equal to the [REDACTED]

To the extent that Buyer has paid Seller for any Buyer's Daily Deficiency Quantities pursuant to Section 4.5, then such quantities shall be deemed as received by Buyer for purposes of calculating Buyer's Annual Deficiency Quantities.

4.5 Payment for Buyer's Daily Deficiency Quantities.

4.5.1 Monthly Baseload Failure. For each Day during a given Contract Month for which there exists Buyer's Daily Deficiency Quantities and Buyer has notified Seller in accordance with the nomination provisions of Section 8.2 that it will not take the Gas originally nominated for such Day, Buyer shall pay to Seller, an amount equal to the product of: (i) Buyer's Daily Deficiency Quantities for which such notice was provided, multiplied by [REDACTED]

Day. For each Day during a given Contract Month for which there exists Buyer's Daily Deficiency Quantities and Buyer fails to notify Seller in accordance with the Daily Nomination provisions of Section 8.2 that it will not take the Gas originally nominated for such Day, Buyer shall pay to Seller an amount equal to the product of: [REDACTED]

4.5.2 Daily Failure. To the extent that Buyer fails to take a quantity of Supplemental Gas that has been nominated and Scheduled pursuant to the provisions of Section 8.2, then Buyer shall pay to Seller an amount equal to the product of [REDACTED] Supplemental Gas which Buyer failed to take on such Day, multiplied by [REDACTED]

4.5.3 Payment for Seller Deficiencies. For each Day during a Contract Month for which there exists Seller Deficiency Quantities, Seller shall pay to Buyer, an amount equal to the sum of [REDACTED]

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[REDACTED] had Seller delivered the Deficiency Quantities [REDACTED]

[REDACTED] penalties payable under Energy Contracts, which are attributable to such failure to replace Gas in a timely fashion. If Buyer charges Seller with direct damages or direct penalties payable under any Energy Contract, Buyer will give Seller a redacted copy of the sections of such Energy Contract establishing how the damages or penalties were incurred and computed. Buyer shall enter into Energy Contracts with damage and/or penalty clauses which are prudent and reasonable compared to other similar transactions in the energy industry. Buyer will use Reasonable Efforts to replace Seller Deficiency Quantities at the least cost and in a timely fashion.

4.6 Liquidated Damages. Payments pursuant to Sections 4.4 and 4.5 will constitute liquidated damages and such liquidated damages shall (except for any Imbalance Penalty Charge which is owed by one Party to the other pursuant to the provisions of Section 8.4) constitute the total liability of either Party for quantity deficiencies under this Agreement. Liquidated damages will be invoiced by a separate statement and will be paid in accordance with Article 6.

5 PRICE AND PAYMENT

5.1 Price of Gas. The price of Gas delivered pursuant to this Agreement shall be as set forth in this Section 5.1.

5.1.1 Price of Monthly Gas for Spot Energy Sales. For Gas that is not subject to the Bilateral Sales pricing provisions set forth in Section 5.4, and which is nominated and delivered pursuant to Section 8.1, the price per MMBtu will be [REDACTED]

5.1.2 Price of Supplemental Gas for Spot Energy Sales. For Gas that is nominated and delivered as Supplemental Gas for a given Day, the price per MMBtu will be [REDACTED]

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5.1.3 Price of Gas for Bilateral Sales. For Gas that is subject to the Bilateral Sales provisions of Section 5.4, the price per MMBtu will be determined in accordance with the provisions of Section 5.4.

5.2 Payment for Gas. Buyer shall pay Seller for the Gas delivered in accordance with the following:

5.2.1 Monthly Invoice. The Monthly Invoice for a Contract Month shall be equal to the sum of:

5.2.1.1 The quantity of Natural Gas delivered for Spot Energy Sales under Section 8.1 for such Contract Month multiplied by the Price of Monthly Gas for Spot Energy Sales set forth in Section 5.1.1;

5.2.1.2 The quantity of Natural Gas delivered for Supplemental Energy Sales under Section 8.2 for such Contract Month multiplied by the applicable Price of Supplemental Gas for Spot Energy Sales set forth in Section 5.1.2;

5.2.1.3 The quantity of Natural Gas delivered for Bilateral Sales for such Contract Month multiplied by the Price of Natural Gas for Bilateral Sales set forth in Section 5.1.3 above.

5.2.2 Monthly Payment. Subject to the provisions of Section 5.3.4, each Contract Month Buyer shall pay Seller, in accordance with the provisions of Article 6, an amount equal to

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

5.4 Bilateral Contracts. In order to be responsive to Natural Gas and power markets, from time to time Buyer may request pricing terms that are different from the terms for monthly Spot Energy Sales set forth in Section 5.1.1. If Buyer and Seller mutually agree upon new pricing terms for all or a portion of the Gas supply, then they shall execute a Natural Gas Purchase and Sale Confirmation Notice substantially in the form of Exhibit F to this Agreement setting forth such terms and quantities. To the extent that Buyer elects a Bilateral Contract Price as set forth in this Section, then notwithstanding any other provision of this Agreement to the contrary, Buyer and Seller agree that the quantity associated with such Bilateral Contract Price will be delivered by Seller and received by Buyer on a constant flow basis pursuant to Section 8.1 during each Day of the term of such Bilateral Contract Price. If Buyer and Seller are unable to agree on new pricing terms, then Buyer may elect a Bilateral Contract Price for each MMBtu of Gas delivered up to the Daily Contract Quantity and for a term which matches the Basis quote set forth below. For the purposes of this Section 5.4, the following definitions shall apply:

- (i) Bilateral Contract Price = [REDACTED]
- (ii) Supply Basin Index is the monthly settlement price of Gas for the NYMEX Natural Gas futures contract delivered at Henry Hub for the relevant Contract Month, or other mutually agreeable supply basin index. The Supply Basin Index will be based on either the settlement price [REDACTED]

[REDACTED]

- (iii) [REDACTED]

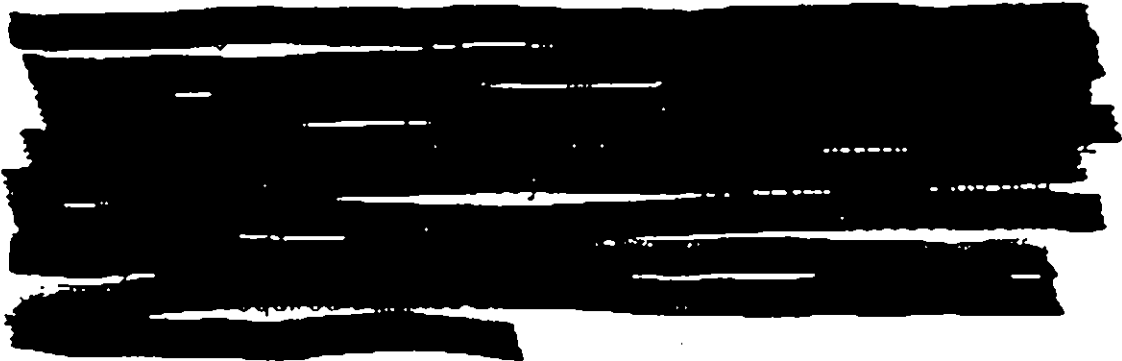
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[REDACTED]

5.5 Preparation of the Monthly Invoice. Buyer will prepare and submit to the Seller the Monthly Invoice no later than the tenth (10th) Day of each Contract Month, including all calculations and back-up documentation necessary to calculate the Monthly Payment under Section 5.2.2. Such Monthly Invoice shall also include an identification by Buyer of any disputed amounts ("Disputed Amounts"), and may include offsets for any amounts or damages owing and unpaid by Seller to Buyer pursuant to this Agreement, provided that documentation has been provided to Seller which substantiates to Seller's reasonable satisfaction Buyer's claim. If actual data is not available at the time of the original Monthly Invoice, Buyer shall use estimated data and shall reconcile any estimates as soon as practicable after receipt of the necessary actual data. Seller shall attempt to notify Buyer of its acceptance of the Monthly Invoice or notify Buyer of any discrepancies within five (5) Days of its receipt, but failure to so notify Buyer within such five (5) Day period shall not constitute Seller's acceptance of the Monthly Invoice or any discrepancies therein.

[REDACTED]

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6 PAYMENT PROVISIONS

6.1 Payment Due Date.

6.1.1 Buyer shall pay Seller the stated amount due on the Monthly Invoice, less Disputed Amounts, if any, in immediately available U.S. funds by wire transfer to the depository and account designated by Seller under Section 17.1 hereof on the twenty-fifth (25th) Day of the month following the Contract Month of delivery of Gas hereunder. The failure by Buyer to prepare and submit to Seller a Monthly Invoice shall not relieve Buyer from paying the amount that Seller calculates should have been reflected in such Monthly Invoice on such date. If Buyer does not provide a timely Monthly Invoice, Seller's calculations shall be considered the Monthly Invoice. When the due date falls on a Day that the designated depository is not open in the normal course of business to receive Buyer's payment, Buyer shall cause such payment to be made on or before the first Business Day on which the designated depository is open after such due date.

6.1.2 All other amounts due from either Party to the other under this Agreement shall be due and payable fifteen (15) days following receipt of the statement calculating the amount due with reasonable particulars and any necessary documentation.

6.2 Disputes; Interest. Should one Party fail to pay all of the amount of any Monthly Invoice or statement when such amount is due to the other Party, in addition to any other remedies available to the unpaid Party, the unpaid Party shall be entitled to collect the unpaid amount of such Monthly Invoice or statement together with interest at the Gas Sales Agreement Interest Rate calculated from the date such amount was due to the date of payment. All interest shall be compounded on a daily basis. To the extent that amounts in the [redacted] are not paid at the end of any

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given Contract Month or calendar quarter, such amounts will accrue interest as set forth in Section 5.3.2. Notwithstanding the foregoing, if a good faith dispute arises between Buyer and Seller concerning any Monthly Invoice or statement, including but not limited to Disputed Amounts, that portion not in dispute shall be due and payable on the otherwise applicable due date and, when such dispute is resolved, the remaining portion of the payment due to either Buyer or Seller, if any, shall be paid promptly to the other Party with interest accruing daily at the Gas Sales Agreement Interest Rate from the date that the amount should have been paid had there been no dispute until the date of payment of the resolved amount. If the Monthly Invoice or statement is incorrect as to the amount due, the difference between the amount stated on the Monthly Invoice or statement and the correct amount shall be paid or refunded promptly to the other Party with interest accruing daily at the Gas Sales Agreement Interest Rate from the date the amount should have been paid under the Monthly Invoice or statement to and until such amount has been paid or refunded. Neither Buyer nor Seller shall have the right to challenge nor bring any action regarding any invoice nor statement rendered or received hereunder, after a period of two (2) years from the date such invoice or statement was received.

- 6.3 Documentation. Each Party shall be provided with, or be given reasonable access to, originals or copies of all charts and other documents used in the measurement or other determination of the amount of Gas delivered hereunder (to the extent such charts and other documents are made available to the other Party) for the purpose of verifying all such charges.
- 6.4 Inspection of Records. Each Party will have the right at reasonable hours and upon reasonable notice to examine the books, records and charts of the other Party to the extent reasonably necessary to verify the accuracy of any invoice, payment, measurement, calculation, or determination made pursuant to the provisions of this Agreement; provided, however, that with respect to books, records and charts relating to other suppliers of Gas to the Facility, Seller's rights shall be limited to having an independent auditor employed by Seller examine such materials to certify the accuracy of any invoice, payment, calculation, measurement or determination hereunder, and Seller shall have no right to personally examine such materials. If any such examination reveals, or if either Party discovers, any error or inaccuracy in its own or the other Party's invoice, payment, calculation, measurement or determination, then proper adjustment and correction thereof will be made as promptly as practicable thereafter; provided, however, that no adjustments or corrections will be made with

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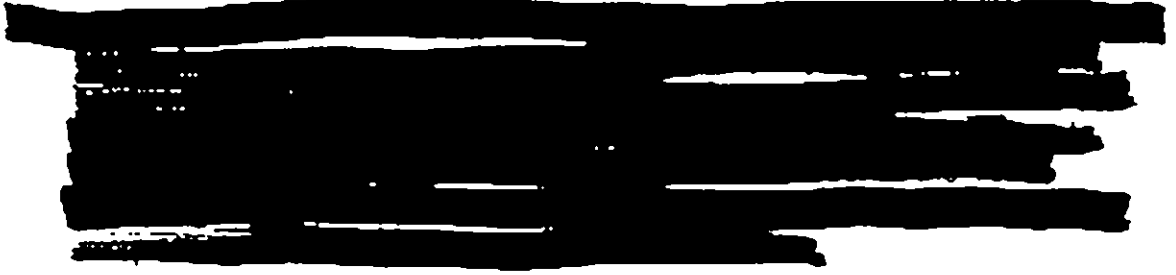
respect to errors or inaccuracies unless reasonably specific written notice of such error or inaccuracy is given to the other Party within two (2) years of receipt of such erroneous or inaccurate invoice, payment, calculation, measurement or determination; provided, further that no interest shall accrue on the payment of any such errors or inaccuracies from the date of the original error to the date the corrected amount is due.

- 6.5 Suspension for Failure to Pay. Notwithstanding any other provision of this Agreement, if Buyer fails to pay the undisputed portion of any Monthly Invoice (or, in the event that no Monthly Invoice is provided by Buyer to Seller, the amount Seller calculates should have been reflected therein pursuant to Section 6.1.1) when such amount is due, then in addition to any other remedies available to Seller, Seller shall be entitled to suspend sales and deliveries to Buyer under this Agreement following ten (10) Days written notice to Buyer and to the Financing Entity(ies). Such suspension shall not occur if Buyer or the Financing Entity(ies) makes the overdue payment plus accrued interest within such ten (10) Day period. Buyer shall have the right to re-commence deliveries by paying the full undisputed amount due within thirty (30) days following such suspension, including interest as set forth in Section 6.2 from the date such amount was due to the date of payment. Suspension of deliveries by Seller in accordance with this Section 6.5 shall not be deemed to constitute a failure of Seller's obligations to deliver Gas under this Agreement.
- 6.5 Letter of Credit. If, prior to termination of this Agreement by Seller under Section 14.4.1 hereof for Buyer's failure to pay following notice as provided in Section 14.2.1, Buyer or Financing Entity(ies) cures such payment default in accordance with Article 14 and posts with Seller an irrevocable letter of credit with a term of not less than twelve (12) months and otherwise in form and substance reasonably acceptable to Seller and from an issuer reasonably acceptable to Seller to secure payment for Gas provided by Seller, Seller shall resume sales of Gas to Buyer hereunder, and shall not terminate the Agreement as long as such letter of credit is in full force and effect. The amount of the letter of credit shall be equal to the product of (i) the Daily Contract Quantity; (ii) sixty (60) Days; and (iii) the average of the Monthly Market Index in effect for each of the previous twelve (12) Contract Months. Such amount shall be rounded to the nearest thousand dollars (\$1000). If Buyer fails to make any payment to Seller when due, Seller may draw on such letter of credit up to the amount not paid (less amounts disputed in good faith but plus accrued interest, if any), and shall apply the amount drawn to reduce Buyer's obligations hereunder. In the event that Seller has drawn upon such letter of credit and payments are still due and owing to Seller, then Seller may again

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pursue its rights to suspend sales of Gas under Section 6.5 and/or to pursue remedies under Section 14.4. At the end of the twelve (12) month period, if there is no current payment default by Buyer under this Agreement and Seller has not drawn on the letter of credit during such twelve (12) month period, then Seller shall return the letter of credit and Buyer will not be obligated to re-new the letter of credit.

6.7 Termination. Each Party acknowledges and agrees that if either Party fails to pay any of the undisputed portion of any statement when such amount is due and such default continues for the period specified in Section 14.2, the other Party has the right under Article 14 (subject to the rights of the Financing Entity(ies) under Section 14.7) to terminate this Agreement or to exercise any other right or remedy thereunder. In the case of a default by Buyer, Seller may do so at any time after the required notice period has expired but only if such termination occurs (i) prior to the Buyer or Financing Entity(ies) curing such default pursuant to Section 14.7 and, (ii) under the circumstances described in Section 6.6, posting a letter of credit satisfying the provisions of Section 6.6.



[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

7 TRANSPORTATION AND DELIVERY POINT(S)

7.1 Transportation Responsibility. Seller will be responsible for arranging and paying for all transportation of Gas to the Delivery Point. Buyer will be responsible for arranging and paying for all transportation of Gas after the Delivery Point.

7.2 Delivery Point(s).

7.2.1 The Delivery Point(s) under this Agreement as of the Effective Date shall be as set forth in Exhibit A.

7.2.2 New England Delivery Point.

7.2.2.1

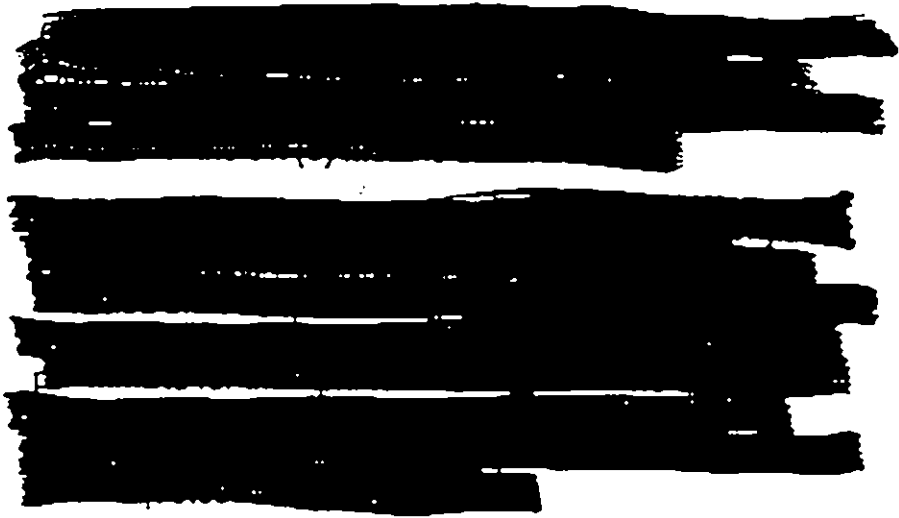
[REDACTED]

7.2.2.2

[REDACTED]

[REDACTED]

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8 NOMINATIONS

- 8.1 Monthly Nominations. Subject to the provisions of Section 8.3, on or before the earlier of (i) 11:00 a.m., Eastern Prevailing Time, on the Business Day prior to the NYMEX Closing Date or (ii) 10:00 a.m., Eastern Prevailing Time, on the second (2nd) Business Day prior to the first of the month nomination deadline for Seller's Transporter(s) during the term of this Agreement, Buyer shall notify Seller orally and in writing of Buyer's Daily Nomination for each Day during the next Contract Month. Such Nomination by Buyer shall specify a constant Daily Nomination quantity of Gas for each Day of such Contract Month ("Monthly Nomination"). The Daily Nomination quantity for any given Day shall be delivered and received, as nearly as possible, at a uniform hourly flow rate. To the extent Transporter(s) allow Buyer to vary its hourly quantity during a Day, the Parties shall cooperate to utilize such hourly flexibility to meet Buyer's requirements, provided that such hourly variations do not result in incremental Gas costs, reduced Gas revenues, or pipeline imbalance penalties to either Party.

- 8.2 Changes in Daily Nominations. Subject to the provisions of Section 8.3, Buyer shall notify Seller orally and in writing of any changes in the quantity of Gas which will be required for a given Day by the earlier of: (i) two (2) hours prior to the daily nomination deadline for Seller's Transporter(s) or (ii) 9:00 a.m., Eastern Prevailing Time, on the Business Day prior to the day such change is to take effect specifying in such notice the quantities of Supplemental Gas required, or in the alternative, the amount by which the Monthly Nomination is to be reduced. Without affecting any remedies which Seller may have for any reduction by Buyer in the Monthly

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Nomination pursuant to Section 4.5, Seller shall Schedule changes in the Daily Nomination quantity for a given Day provided by Buyer in accordance with the provisions of this Section 8.2. To the extent Transporter(s) allow Buyer to vary its hourly quantity during a Day, the Parties shall cooperate to utilize such nomination flexibility to meet Buyer's requirements, provided that such variations do not result in incremental Gas costs, reduced Gas revenues, or pipeline imbalance penalties to either Party.

8.3 Bilateral Sales Nominations. To the extent that the Parties have agreed to Bilateral Sales pursuant to the provisions of Section 5.4, and such agreement includes specific nomination arrangements, the Parties agree to implement such specific nomination arrangements for each Contract Month or Day, as applicable, to effectuate said Bilateral Sales agreement.

8.4 Correction of Imbalances. Any imbalance on a Transporter's pipeline caused by a failure to deliver or receive the Daily Nomination quantity, or a portion thereof (as established pursuant to this Article 8), shall be corrected by the Party creating such imbalance as soon as reasonably possible and practicable. The Parties shall cooperate to eliminate imbalances among and between Transporter(s) under this Agreement. If during any month, Buyer or Seller receives an invoice from its Transporter(s) which includes an imbalance penalty charge, cash out costs, or similar penalties ("Imbalance Penalty Charge"), both Parties shall use Reasonable Efforts to determine the validity as well as the cause of the Imbalance Penalty Charge. If the imbalance penalty was due to an act or omission by Buyer, then Buyer shall pay the Imbalance Penalty Charge. If the imbalance penalty was due to an act or omission by Seller, then Seller shall pay such Imbalance Penalty Charge.

8.5 Delivery Order. For all purposes under this Agreement, Gas delivered at the Delivery Point(s) shall have the following order of delivery:

First through the meter	Gas for Bilateral Sales under Section 5.4
Second through the meter	Gas for Spot Energy Sales under Section 5.1.1
Third through the meter	Gas for Spot Energy Sales under Section 5.1.2

9 QUALITY AND MEASUREMENT

9.1 Quality of Gas. Gas delivered by Seller at the Delivery Point(s) shall comply with the Gas quality specifications set forth in the approved tariff of Union or the first Buyer's Transporter, as in effect from time to time. If Gas tendered by Seller for delivery to Buyer fails to conform to such

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quality specifications, Buyer shall have as its sole and exclusive remedy the right to refuse to accept such tendered quantities and the rights provided in the following sentence. If Buyer's refusal to accept the non-conforming Gas prevents Seller from delivering such Gas, then Seller shall be deemed to have failed to deliver such Gas and Buyer shall have the right to seek the remedies set forth in Section 4.5.3. Gas shall be delivered at any given Delivery Point(s) at the prevailing pressure of the Transporter(s) at such Delivery Point(s). Neither Party shall be obligated to install, adapt or modify compression.

- 9.2 Metering and Measurement. The Gas delivered hereunder shall be metered and measured by the Transporter(s) at the Delivery Point(s) in accordance with the terms, conditions, specifications and standards set forth in the FERC-approved Gas tariff of such Transporter(s), as in effect from time to time.

10 WARRANTY OF TITLE

- 10.1 Warranty. Seller warrants title to all Gas delivered by it, that it has the right to sell and/or deliver the same, and that at the Delivery Point(s) such Gas shall be free and clear of all liens, encumbrances and claims, whatsoever.
- 10.2 Title Transfer. Title to, possession and risk of loss of all Gas shall pass at the Delivery Point(s). Seller shall indemnify, release, defend and hold Buyer and the Financing Entities, their respective partners, and their respective officers, directors, employees, affiliates and assigns harmless from and against all suits, liabilities, actions, debts, accounts, damages, costs, losses and expenses which attach or occur prior to delivery, including claims by any third party or parties for any royalties, taxes, license fees or charges applicable to such Gas or to the delivery thereof. Buyer shall indemnify, release, defend and hold Seller, its officers, directors, employees, affiliates and assigns harmless from and against all suits, liabilities, actions, debts, accounts, damages, costs, losses and expenses which attach or occur upon or after delivery, including claims by any third party or parties for any royalties, taxes, license fees or charges applicable to such Gas following the delivery thereof.

11 TAXES

- 11.1 Payment of Taxes. Seller shall pay or cause to be paid (i) all taxes imposed on or with respect to the Gas prior to its delivery at the Delivery Point(s) including, but not limited to, all production, occupation and

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severance taxes, (ii) all income, franchise, gross receipts and similar taxes imposed on Seller which in whole or in part may be measured by earnings, revenues or income under this Agreement or assessed by nature of the type of business in which Seller is engaged, and (iii) all ad valorem and other property and asset value based franchise taxes assessed in whole or in part because of Seller's performance hereunder or on Seller's property. Canadian Goods and Services Tax (GST) imposed at the Delivery Point(s) will be paid by Buyer. Buyer shall pay or cause to be paid (i) all taxes on or with respect to the Gas after its delivery at the Delivery Point(s) including, but not limited to, all sales, use or excise taxes, (ii) all income, franchise, gross receipts and similar taxes imposed on Buyer which in whole or in part may be measured by earnings, revenues or income under this Agreement or assessed by reason of the nature of the business in which Buyer is engaged, and (iii) all ad valorem and other property and asset value based franchise taxes assessed in whole or in part because of Buyer's performance hereunder or on Buyer's property. If Seller is required to remit or pay any taxes on or with respect to the Gas after its delivery at the Delivery Point(s), Buyer shall promptly reimburse Seller for the tax paid. If applicable, Buyer shall furnish Seller with an exemption or resale certificate in a form acceptable to the appropriate taxing authority for sales of Gas under this Agreement covering the Gas delivered hereunder at each Delivery Point prior to initial deliveries.

- 11.2 New Taxes. For purposes of this Section 11.2, "Taxes" means all U.S. and Canadian federal, state or local taxes, excluding any income taxes, but including, without limitation, sales, use and transfer taxes, energy related taxes, BTU taxes, taxes on the heat content of energy, transportation taxes, carbon taxes, levies or assessments, license fees, encumbrances or charges on Gas sold hereunder, the taxable incident of which occurs after the time that title and possession to Gas passes from Seller to Buyer under this Agreement. "New Taxes" means any new Taxes or increase in Taxes imposed on Buyer, enacted or otherwise made applicable after the date of this Agreement by any governmental authority (whether or not contemplated or introduced as a bill on the date of this Agreement first written above) the taxable incident of which occurs after the time that title and possession of Gas transfers to Buyer, which are the responsibility of Seller under applicable laws and regulations of that authority or which are otherwise the responsibility of Seller under this Agreement. If any New Taxes are imposed, then: (i) Buyer will bear and pay such New Taxes, and (ii) Seller will work in good faith with Buyer to allow Buyer to pass through to Energy Purchaser(s) any New Taxes or to

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12 FORCE MAJEURE

- 12.1 Events of Force Majeure. Except as specifically provided in this Agreement to the contrary, neither Party shall be responsible or liable for, or deemed in breach hereof because of, any failure or delay in the performance of its respective obligations hereunder to the extent such performance is prevented by circumstances beyond the reasonable control of the Party experiencing such failure or delay, and which by the exercise of due diligence, such Party is unable to prevent or overcome, including, without limitation, Listed Force Majeure (such circumstances, except as expressly excluded in Section 12.5, hereinafter called "Force Majeure"), provided that:
- 12.1.1 the non performing Party gives the other Party (i) written notice of the occurrence of a Force Majeure event as soon as reasonably possible but in no event later than 48 hours after the non performing Party knew or reasonably should have known of the occurrence; and (ii) written notice describing the particulars of such occurrence within five (5) Business Days after the non performing Party knew or reasonably should have known of the occurrence;
 - 12.1.2 the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure; and
 - 12.1.3 the Force Majeure was not proximately caused by: (i) any negligent or intentional acts, errors, omissions of the non performing Party; (ii) failure of the non performing Party to comply with any Governmental Requirement; (iii) failure of the non performing Party to obtain or maintain any permit, license or other requirement of any Governmental Requirement; or (iv) any breach or default of this Agreement by the Party seeking Force Majeure relief.
- 12.2 Remedial Measure. Force Majeure affecting the performance of this Agreement by any Party hereto shall not relieve such Party of liability in the event of its failure to use Reasonable Efforts to prevent or overcome such cause or contingency in an adequate manner and with all reasonable dispatch. The Parties agree that each shall use Reasonable Efforts to

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remedy and remove the cause of each event of Force Majeure claimed hereunder.

- 12.3 Labor Disputes. Notwithstanding any other provision hereof, the settlement of strikes or lockouts shall be entirely within the discretion of the Party having the difficulty, and the requirement that any Force Majeure shall be remedied with the exercise of due diligence shall not require the settlement of strikes or lockouts by a Party when such course is inadvisable in the discretion of such Party.
- 12.4 Cessation of Force Majeure. When the non-performing Party is able to resume performance of its obligations under this Agreement, that Party shall do so and give the other Party prompt written notice to that effect.
- 12.5 Exclusions. Force Majeure specifically does not include:
- 12.5.1 the inability of Seller to obtain supplies of Gas unless such inability is caused by an event of Force Majeure;
 - 12.5.2 changes in market conditions for Gas that affect: (i) the availability or cost of obtaining Gas by Seller, (ii) the cost for Buyer to use Gas at the Facility, or (iii) the availability of market or the price at which Buyer can resell Gas;
 - 12.5.3 any routine or regularly scheduled maintenance of equipment at the Facility or at any facilities or pipelines associated with Seller's production, purchases, storage and/or transportation of the Gas, unless and to the extent that any such maintenance directly affects deliveries or receipts by the Transporter(s) at the Delivery Point(s);
 - 12.5.4 failure of Gas to meet the quality specifications, except where caused by an event of Force Majeure applicable under affected Gas Transportation Agreements and the Transporter(s) tariff;
 - 12.5.5 the loss, interruption, or curtailment of non-firm transportation on any Transporter(s) necessary to effect receipt or delivery of Gas, unless and only to the extent that such loss, interruption or curtailment results from a Force Majeure event that would also have caused the loss, interruption or curtailment of firm transportation on such Transporter(s);
 - 12.5.6 changes in market conditions for electricity which affect the price or availability of markets for electricity;

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12.5.7 lack of finances; and

12.5.8 commercial impracticability.

12.6 Gas Affected by an Event of Force Majeure.

[REDACTED]
[REDACTED] If an event of Force Majeure occurs, the quantity of Gas that Seller may claim was affected by the event of Force Majeure under this Agreement will be determined as though [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] If Buyer replaces the Gas at the Delivery Point which Seller claims it is unable to deliver because of an event of Force Majeure (except for an event of Force Majeure which affects Transporter(s), or a material quantity of Gas on Transporter(s)), those replacement quantities will be treated as Seller's Deficiency Quantities pursuant to Section 4.5.3.

12.7 Payments During Force Majeure. Neither Party shall be excused from making any payments under this Agreement as a result of Force Majeure; provided, however, to the extent that Seller delivers Gas at the Delivery Point(s) for Buyer's account, and Buyer cannot receive such Gas as a direct result of the Force Majeure event, Buyer shall not be obligated to pay for such Gas until it can receive such Gas.

13 TRANSFER AND ASSIGNMENT

13.1 Consent Required. Except as specified in Sections 13.2, 13.3 and 13.4, the rights and obligations of the Parties to this Agreement may not be assigned by either Party except upon the express prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

13.2 Financing Assignment. Buyer shall have the right, without the consent of Seller, but upon notice to Seller, to grant a security interest in and/or assign this Agreement to the Financing Entity(ies) to secure the Senior Debt Financing. Seller agrees to sign a written consent, substantially in the form of Exhibit G attached hereto, requested by the Financing Entity(ies) to such assignment (including additional or different provisions

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from this Section 13.2 customary in project financings similar to the Senior Debt Financing) and to obtain and deliver any customary opinions of counsel reasonably requested by Buyer in connection therewith.

13.3 Foreclosure. If the obligations of Buyer under this Agreement are assumed by the Financing Entity(ies) or an assignee therefrom or purchaser at foreclosure and the terms of Section 13.2 are satisfied:

13.3.1 Buyer shall be released and discharged from any and all obligations to Seller arising or accruing hereunder from and after the date of such assumption;

13.3.2 Seller shall continue this Agreement with the assuming party as if such person had thereafter been named as Buyer under this Agreement;

13.3.3 Notwithstanding any such assumption by any Financing Entity(ies) or a designee thereof, Buyer shall not be released and discharged from and shall remain liable for any and all obligations to Seller arising or accruing hereunder prior to such assumption; and

13.3.4 Any election by Seller under Section 14.4.4 to accelerate the payment of the balance in the Gas Tracking Account shall be deemed rescinded.

13.4 Seller Assignment. Seller shall have the right, without consent from Buyer, to assign this Agreement to a wholly owned subsidiary or a subsidiary wholly owned by UtiliCorp provided, however, that no such assignment will relieve UtiliCorp of its obligations pursuant to Section 19.

14 DEFAULT AND CURE

14.1 Defaults. A Party shall be deemed in default under this Agreement upon the occurrence of any one or more of the following events (each such event being referred to herein as a "Default"):

14.1.1 Failure by such Party to make timely payment of any amounts due to the other Party under this Agreement; provided, however, a delay by Buyer to pay a portion of the Monthly Invoice due for any Contract Month pursuant to the operation of Section 5.2.2 shall not be a Default;

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[REDACTED SECTION]

- 14.1.3 Failure by such Party to perform fully any other material provision of this Agreement, but excluding obligations under Section 16.14 and Section 16.15 of this Agreement;
- 14.1.4 By order of a court of competent jurisdiction, a receiver or liquidator or trustee of such Party or of any of the property of such Party shall be appointed and such receiver or liquidator or trustee shall not have been discharged within a period of sixty (60) Days; or if by decree of such a court, such Party shall be adjudicated bankrupt or insolvent or any substantial part of the property of such Party shall have been sequestered or such decree shall have continued undischarged and unstayed for a period of sixty (60) Days after the entry thereof; or if a petition to declare bankruptcy or to reorganize such Party pursuant to any of the provisions of the Federal Bankruptcy Code, as it now exists or as it may hereafter be amended, or pursuant to any other similar State statute applicable to such Party, as now or hereafter in effect, shall be filed against such Party and shall not be dismissed within sixty (60) Days after such filing;
- 14.1.5 Such Party shall file a voluntary petition in bankruptcy under any provision of any Federal or State bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limitation of the generality of the foregoing, if such Party shall file a petition or answer or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of the Federal Bankruptcy Code, as it now exists or as it may hereafter be amended, or pursuant to any other similar State statute applicable to such Party, as shall be now or hereafter in effect or an answer admitting the material allegations of a petition filed against it in such a proceeding; or if such Party shall make a general assignment for the benefit of its creditors, or if such Party shall admit in writing its inability to pay its debts generally as they become due; or if such Party shall consent to the appointment of a receiver(s) or trustee(s) or liquidator(s) of it or of all or part of its property; or

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14.1.6 Failure by a Party to observe its obligations under the Mortgage and Security Agreement.

14.2 Events of Default. An Event of Default under this Agreement shall be deemed to exist if:

14.2.1 With respect to a Default under Section 14.1.1, such Default continues without cure for a period of thirty (30) Days after written notice of such Default is received by the Party in default;

14.2.2 With respect to a Default under Section 14.1.2, 14.1.3 or 14.1.6, if such Default continues for a period of thirty (30) Days after written notice of such Default from the other Party, or, if such Default is not capable of being cured within such thirty (30) day period, if within such thirty (30) Day period, the non performing Party commences and proceeds with due diligence to cure the Default to the satisfaction of the other Party, and the Default is not cured within ninety (90) Days or such longer period of time agreed to by the Parties in writing as being necessary for the Party to cure the failure with all due diligence;

14.2.3 With respect to a Default under Sections 14.1.4 or 14.1.5, such Default occurs.

14.3 Negotiation. Except as provided in Section 4.6, both Parties agree that if an Event of Default has occurred, the nondefaulting Party may proceed to exercise any one or more of the remedies provided under this Agreement or existing at law or in equity. If the Party alleged to have committed the Event of Default believes in good faith that no Event of Default has occurred and promptly so informs the other Party, the Parties shall enter negotiations in an attempt to resolve the dispute; provided, however, if either Party believes in good faith that a negotiated resolution to the dispute is unlikely, then that Party may proceed directly to exercise such remedies. The obligation of the Parties under the immediately preceding sentence shall not restrict or limit to any extent the right of a non defaulting Party to exercise any one or more of the remedies provided hereunder, but the non defaulting Party shall be liable under this Agreement, for the costs (including reasonable attorney fees) of the other Party, for having exercised any of such remedies without being entitled to do so if it is ultimately determined that no Event of Default in fact occurred.

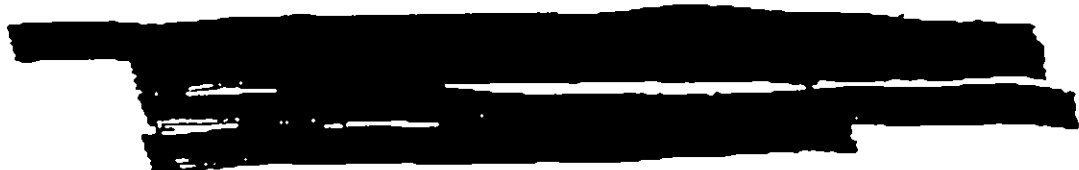
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14.4 Remedies. Subject to the rights of the Financing Entities under the provisions below, while an Event of Default exists the Party not in Default shall have the right:

14.4.1 To terminate this Agreement upon ten (10) Days' written notice to the defaulting Party;

14.4.2 To pursue any other remedy provided under this Agreement or now or hereafter existing at law or in equity or otherwise including the right to seek specific performance pursuant to Section 14.5;

14.4.3 Subject to Sections 6.5 and 6.6, to suspend Scheduling of Gas hereunder; and



14.5 Specific Performance. Each Party and UtiliCorp (signing for the purposes set forth in Article 19) agrees that, if one Party fails to perform, the other Party will be irreparably and immediately harmed and could not be made whole by monetary damages, and that the other Party is entitled to specific performance of this Agreement, in addition to any other remedies such other Party and UtiliCorp may have to enforce any of the provisions hereof. Each Party hereby waives any claim or defense that other adequate remedies exist at law with respect to any claim for specific performance.

14.6 Notice to Financing Entity(ies). Notwithstanding the other provisions of this Article 14, in the case of a Default by Buyer, Seller shall provide the Financing Entity(ies) lead agent or co-agents, whose address is known to Seller, with notice of such Default, to be sent at the same time such notice is provided to Buyer.

14.7 Cure Rights of Financing Entity(ies). Each Financing Entity(ies) shall have the right (but not the obligation) to prevent termination of this Agreement if such Financing Entity(ies) either (i) cures the Event of Default on behalf of Buyer within the applicable time frames set forth in this Article 14, or (ii) cures the Event of default on behalf of Buyer within the applicable times set forth in this Section 14 and exercises its right to assume, acquire or foreclose on Buyer's interest in and to this Agreement pursuant to the

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security interest in or assignment of this Agreement referenced in Section 13.2.

15 REPRESENTATIONS

15.1 Seller and UtiliCorp Representations. As of the date of execution of this Agreement, Seller and UtiliCorp each represents and warrants that:

15.1.1 It is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. It has all requisite corporate power and authority to enter into and perform this Agreement;

15.1.2 Seller and UtiliCorp have duly authorized this Agreement and the other documents and instruments to be delivered by Seller pursuant hereto, and the transactions contemplated hereby and thereby. This Agreement has been, and each such other document or instrument will be, duly executed and delivered by Seller and UtiliCorp and constitutes, or upon such execution and delivery will constitute, legal, valid and binding obligations of Seller and UtiliCorp, enforceable against Seller and UtiliCorp in accordance with its respective terms, subject, however, to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally and except as the enforceability thereof may be limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law); and

15.1.3 The execution, delivery and performance by Seller and UtiliCorp of this Agreement and the other documents and instruments to be delivered by Seller pursuant hereto, and the transactions contemplated hereby and thereby, do not and will not:

- (i) violate or conflict with any provision of Seller's or UtiliCorp's Certificate of Incorporation or Bylaws;
- (ii) violate or constitute a default under an agreement or instrument to which Seller or UtiliCorp is a party or by which Seller or UtiliCorp is bound, which violation will have a material and adverse effect on Seller's or UtiliCorp's ability to perform its obligations hereunder, or any other agreement for the purchase of fuel to which Seller is a party or by which

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it is bound; or

- (iii) violate any existing statute or law or any judgment, decree, order, regulation or rule of any court of governmental authority applicable to Seller or UtiliCorp, which violation will have a material and adverse effect on Seller's or UtiliCorp's ability to perform its obligations hereunder.

15.2 Buyer Representations. As of the date of execution of this Agreement, Buyer represents and warrants that:

- 15.2.1 It is a limited partnership duly organized, validly existing and in good standing under the laws of the state of Maine. It has all requisite partnership power and authority to enter into and perform this Agreement. EMI/Rumford, Inc. is the general partner of Buyer and has all requisite corporate authority to enter into this Agreement;
- 15.2.2 Buyer has duly authorized this Agreement and the other documents and instruments to be delivered by Buyer pursuant hereto, and the transactions contemplated hereby and thereby. This Agreement has been, and each such other document or instrument will be, duly executed and delivered by Buyer and constitutes, or upon such execution and delivery will constitute, legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with its respective terms, subject, however, to applicable insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as the enforceability thereof may be limited by general principles of equity (regardless of whether considered in a proceeding in equity or at law);
- 15.2.3 Buyer has or will have as of the Financial Closing Date good and marketable title to the Facility or contracts therefore subject only to liens and encumbrances which are permitted by the Financing Entity(ies);
- 15.2.4 The execution, delivery, and performance by Buyer of this Agreement and the transactions contemplated hereby, do not and will not:

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- (i) violate or conflict with any provision of Buyer's limited partnership agreement;
- (ii) violate or constitute a default under any agreement or instrument to which Buyer is a party or by which Buyer is bound, which violation will have a material and adverse effect on Buyer's ability to perform its obligations hereunder, or any other agreements for the purchase of fuel to which Buyer is a party or by which it is bound; or
- (iii) violate any existing statute or law or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Buyer, which violation will have a material and adverse effect on Buyer's ability to perform its obligations hereunder.

15.2.5 Before execution of this Agreement, Buyer has not entered into any agreement with any other party to provide Gas to the Facility, the receipt of which Gas would prevent Buyer from performing its obligations to Seller hereunder.

15.2.6 Buyer will maintain firm service with Buyer's Transporter(s) for the transportation of the Daily Contract Quantity from the Delivery Point(s) to the Facility during the Term.

16 MISCELLANEOUS PROVISIONS

- 16.1 Payments Upon Termination. Subject to Sections 5.3, 5.4, and 6.7, upon the termination of this Agreement any moneys, penalties or charges due and owing Seller or Buyer shall be paid pursuant to the terms hereof, and any corrections or adjustments to payments previously made shall be determined and any refunds due either Party made at the earliest possible time, and in any event no later than ninety (90) Days after such termination. The terms of this Agreement shall remain in effect until the obligations under this paragraph have been fulfilled.
- 16.2 Entire Agreement. All prior agreements, understandings and representations including, whether consistent or inconsistent, oral or written concerning this transaction are merged into and superseded by this written Agreement.
- 16.3 Participation of all Parties. The Parties and their legal counsel have cooperated in the drafting of this Agreement, and it shall therefore be

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deemed their joint work product and shall not be construed against either Party by reason of such Party's preparation hereof.

- 16.4 Governing Law. THIS AGREEMENT WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CONFLICT OF LAW PROVISIONS IF SUCH PROVISIONS WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.
- 16.5 Amendment. No oral or written modification, amendment, rescission, waiver or other change of or to this Agreement shall be of any force or effect unless such action is in writing and is signed by the Party to be bound thereby.
- 16.6 Severability. The invalidity or unenforceability of any portion or provision of this Agreement shall in no way affect the validity or enforceability of any other portion or provision hereof. Any invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain such invalid or unenforceable portion or provision. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are fulfilled to the extent possible.
- 16.7 No Waiver. No waiver by either Seller or Buyer of any Default by the other under this Agreement shall operate as a waiver of any future Default, whether of a like or different character or nature. Either Party's payment of money, waiver of any breach, or failure to enforce any of the terms, covenants, conditions or other provisions of this Agreement at any time shall not in any way affect, limit, modify or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade notwithstanding.
- 16.8 Survival. In order that the Parties hereto may fully exercise their rights and perform their obligations hereunder, any provisions of this Agreement that are required to ensure such exercise or performance shall survive the termination of this Agreement.
- 16.9 Headings. The headings contained herein are not part of this Agreement and are included solely for the convenience of the Parties.

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- 16.10 Counterparts. This Agreement may be executed in several counterparts, all of which together shall constitute one agreement binding on all parties hereto.
- 16.11 Limitation on Liability. Except as may be expressly set forth to the contrary in writing, in a guaranty or otherwise, signed by the Party to be charged, no individual, officer, director, general partner, limited partner, shareholder, parent company, corporate or partnership affiliate or other similar entity of either Party shall have any personal liability or responsibility for, relating to or in connection with said Party's failure to properly perform any term, covenant, condition or provision of this Agreement. In pursuing any remedy for either Party's breach of any of the terms, covenants and conditions of this Agreement or of any duty or standard of conduct based on negligence, strict liability or other tort or violation of applicable law, or otherwise, the other Party shall not have recourse against any person or entity other than the defaulting or breaching Party itself or its assignee who has accepted the assignment and agreed to assume and perform said defaulting or breaching Party's obligations hereunder, nor against any assets other than the assets of the defaulting or breaching Party or its assignees. Except as may be provided in Sections 4.4, 4.5, and 4.5.3, no Party shall be liable to the other for any incidental, consequential, or punitive damages.
- 16.12 Expenses. Each Party hereto shall bear and pay its own expenses of negotiating and consummating the transactions contemplated by this Agreement.
- 16.13 Finders. Seller and Buyer respectively represent and warrant that they have not employed or utilized the services of any broker or finder in connection with this Agreement or the transactions contemplated hereby. Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that no person, firm or corporation has or will have, as a result of any act or omission by any of them, any right, interest or claim against or upon Buyer, Seller, the Facility or Gas to be delivered hereunder for any commission, fee or other compensation as a finder or broker, or in any similar capacity, in connection with the transactions contemplated by this Agreement.
- 16.14 Confidentiality. Other than as provided herein, neither Party shall disclose Confidential Material to any third party, nor use it, except: (i) as is otherwise required under any Governmental Requirement, in which case such Party shall so notify the other Party immediately, utilize Reasonable Efforts to limit the scope of the Governmental Requirement requiring

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disclosure and use Reasonable Efforts to obtain confidential treatment of such Confidential Material; (ii) as is required in accordance with any requirements of any stock exchange on which either Party or their affiliates are traded, (iii) as is required in accordance with either Party's risk management activities, (iv) as is necessary or appropriate in connection with any lawsuit or arbitration proceeding, (v) as is necessary for disclosure to Seller's or Buyer's respective attorneys and consultants, (vi) for any purpose related to the design, development, construction, financing, refinancing or operation of the Facility or financing done by Buyer or its affiliates, or (vi) as is necessary regarding any third party transporter of Gas; provided, however, that Buyer shall not disclose Confidential Material to any other supplier of Gas to the Facility, and Seller to any other Gas or power marketer.

- 16.15 Press Releases. Neither Seller nor Buyer shall issue or make, or cause to have issued or made, any press release or announcement concerning the sale of Gas contemplated hereby without the advance approval in writing of the form and substance thereof by the other Party, unless otherwise required by applicable law or by any requirements of any stock exchange on which the stock of such Party or its affiliates is traded.
- 16.16 Limitation on Actions. No claims or actions under or arising out of this Agreement may be brought by any Party hereto more than two (2) years after the later of: (i) the date when such claim or cause of action arose under this Agreement or (ii) the date when the injured Party first knew of the existence of such claim or cause of action.
- 16.17 No Warranties. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, OTHER THAN THOSE EXPRESSLY SET FORTH HEREIN AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED.
- 16.18 Successors and Assigns. The terms and provisions of this Agreement, and the respective rights and obligations of Seller and Buyer hereunder, shall be binding on and inure to the benefit of the permitted successors and assigns of the Parties hereto.
- 16.19 Third Party Beneficiary. This Agreement shall not be construed to create any third party beneficiary relationship in favor of anyone not party hereto unless expressly agreed in writing by the Parties.



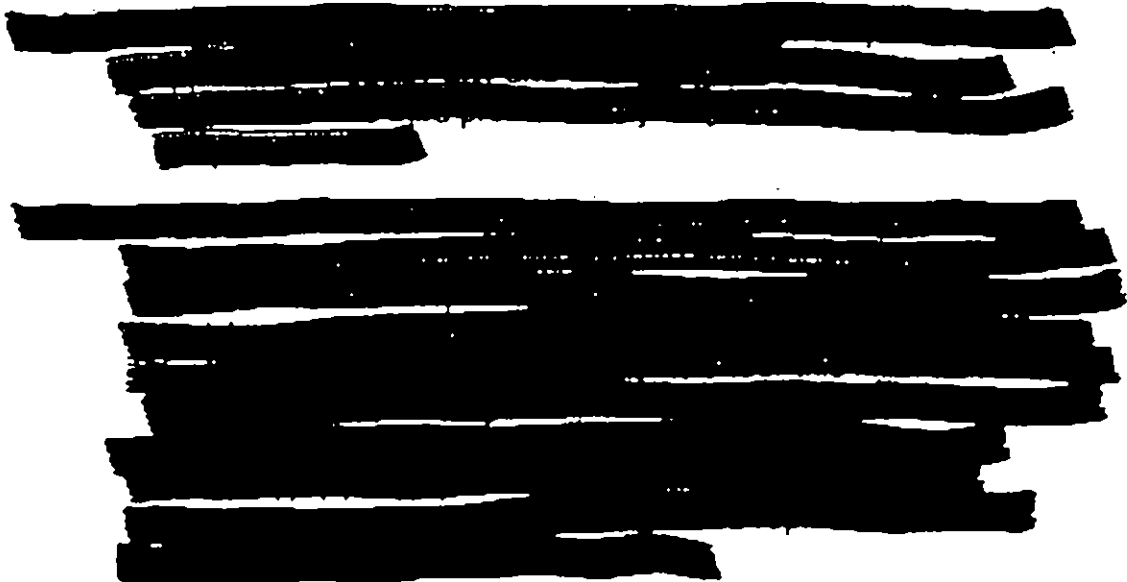
RUMFORD GAS PURCHASE AGREEMENT

[REDACTED]

[REDACTED]

[REDACTED]

RUMFORD GAS PURCHASE AGREEMENT



17 NOTICES

17.1 Addresses. Any notice, request, demand, payment or statement provided for in this Agreement shall be in writing and shall be considered duly delivered when received by mail, facsimile, wire or overnight courier at the address of the Parties as listed below:

BUYER:

For Notices:

Rumford Power Associates
Limited Partnership
One Energy Road
N. Dartmouth, MA 02747
Attn: Fuel Manager
Facsimile: (508) 998-7478

Payments:

Buyer's wire transfer account to be determined after Financial Closing.

With a copy to: Financing Entity(ies), as may be specified by Buyer in a Notice to Seller.

SELLER:

For Notices:

Aquila Energy Marketing Corporation
2533 North 117th Avenue
Suite 200

Payments:

The Northern Trust Company
ABA #071-000-152
For the Account of:

RUMFORD GAS PURCHASE AGREEMENT

Omaha, NE 68164

Aquila Energy Marketing
Corporation
Account No. 80330

Reason for Notice:	Attention:	Facsimile Number:
Statements/Payments	Trade Administration	(402) 492-7594
Contractual	Contract Administration	(402) 498-4543
Operations/Nominations	Trade Operations	(402) 498-4575

or at such other address, account or facsimile number as either Party shall from time to time designate by notice to the other Party. In the case of notice given by facsimile, if such notice is received by the recipient's facsimile after the recipient's normal business hours, such notice will be deemed received on the next Business Day.

- 17.2 Buyer shall notify Seller orally by telephone of Buyer's nominations made pursuant to Article 8 and shall confirm such notice in writing by facsimile within one (1) hour. Notification using an electronic telephone message device shall not constitute sufficient telephone notice pursuant to this Section 17.2.

[REDACTED]

RUMFORD GAS PURCHASE AGREEMENT

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

RUMFORD GAS PURCHASE AGREEMENT

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9/15/88

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

AQUILA ENERGY MARKETING CORPORATION

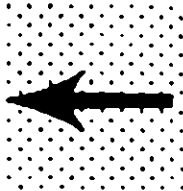
UTILICORP UNITED INC.

By: *John G. Hall*
Name: John G. Hall
Title: Vice President

By: *Harvey Padewer*
Name: Harvey Padewer
Title: Senior Vice President

RUMFORD POWER ASSOCIATES LIMITED PARTNERSHIP
By: EMI/Rumford Inc., its General Partner

By: *James S. Gordon*
Name: James S. Gordon
Title: President, EMI/Rumford, Inc.



RUMFORD GAS PURCHASE AGREEMENT

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9/15/98

Exhibit A

Delivery Points

- (1) The interconnect between Union and several connecting pipelines located at Dawn, Ontario known as "Dawn".
- (2) Other points which are mutually agreeable to the Parties.

RUMFORD GAS PURCHASE AGREEMENT

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9/15/98

Energy Management Inc.

One Energy Road North Dartmouth, MA 02747 Telephone 508 998-8515 Fax 508 998-7478

November 2, 1998

Mr. Patrick Fleming
Office of Natural Gas and Petroleum Import and Export Activities
Fossil Energy
U.S. Department of Energy
Office of Fuels Programs, Fossil Energy
Forrestal Building, Room 3E-042, FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**Re: Docket No. 98-83-NG
Rumford Power: Long Term Import Application**

Dear Mr. Fleming:

The following information amends Rumford Power Associates Limited Partnership's ("Rumford Power") blanket application to import natural gas from Canada.

In addition to its request for long term import authority, Rumford Power requests authority to export up to 46,000 Mcf per day over an eight year period (a total of 135 Bcf) to begin on the date of the first delivery pursuant to this authorization. The natural gas will be exported at St.Clair, Michigan for re-import into the United States at the interconnection of TransCanada PipeLines Limited and Portland Natural Gas Transmission at Pittsburg, New Hampshire.

Sincerely,



Edwin W. Rilkoff

REC'D DOE/FE
1998 NOV -3 P 1: 27

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

REC'D DOE/FE
1998 NOV 10 10:03

RUMFORD POWER ASSOCIATES LIMITED)
PARTNERSHIP)
_____)

FE DOCKET NO. 98-83-NG

ORDER GRANTING LONG-TERM AUTHORIZATION
TO EXPORT NATURAL GAS TO CANADA
FOR SUBSEQUENT RE-IMPORT

DOE/FE ORDER NO. 1434

NOVEMBER 09, 1998

I. DESCRIPTION OF REQUEST

On October 27, 1998, Rumford Power Associates Limited Partnership (RPA), filed an application, as amended November 3, 1998, with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for authorization to export up to 46,000 Mcf of natural gas per day to Canada for subsequent re-import to the United States. RPA is a limited partnership whose General Partner, EMI/Rumford, Inc., is a special purpose affiliate of Energy Management Inc. (EMI). EMI is a privately held independent energy company with its headquarters in North Dartmouth, Massachusetts. EMI is a developer and operator of gas-fired, combined cycle power plants in the New England market. Calpine Corporation (Calpine), a publicly held corporation with its headquarters in San Jose, California, has an option to invest and participate as a Co-General Partner in RPA. Calpine has indicated its intention to exercise this option and has been working with the Partnership in the development process. Calpine is a leading independent power company that has interests in 24 power generation facilities in the United States.

The exported and imported gas would be used as fuel to operate RPA's new 265 megawatt cogeneration facility in Rumford, Maine. The project is expected to begin construction in November 1998. Gas for testing purposes will be required in March, 2000 with commercial operation targeted for July 2000. Electricity from the power plant will be sold in the Northeast U.S. wholesale

^{1/} 15 U.S.C. § 717b.

power market either through bilateral contracts of various terms, or into the spot electric market. Volumes of gas not used at the cogeneration facility would be sold by RPA to customers in the United States.

The authorized quantity would be exported and imported on an interruptible basis for a testing period of five months, and thereafter on a firm basis for eight years commencing on commercial operation of the cogeneration plant. This gas would be exported from the United States at St. Clair, Michigan/St. Clair, Ontario, and equivalent volumes would be re-imported into the United States at Pittsburg, New Hampshire/East Hereford, Quebec. RPA will take delivery of the gas in Canada at Dawn, Ontario. The source of this gas would be Canada and the United States. RPA has arranged for Portland Natural Gas Transmission System to transport the gas from Pittsburg, New Hampshire, to the electric generating facility. Although Pittsburg, New Hampshire is the primary import point, RPA also requests the flexibility to import the gas for resale to third parties at other border points. The proposed authorization would not require the construction of new pipeline facilities.

RPA intends to purchase this gas from Aquila Energy Marketing Corporation (Aquila) pursuant to the terms of a gas sale and purchase agreement dated September 15, 1998. Aquila is a subsidiary of Utilicorp United Inc. The agreement between RPA and Aquila provides for a price based on a monthly market index price of gas at Dawn, Ontario. RPA has a separate contract with TransCanada PipeLines Limited under which RPA would pay for the costs incurred for pipeline transportation of the gas from St.

Clair, Ontario, and Dawn, Ontario, to Pittsburg, New Hampshire. The gas sale and purchase agreement with Aquila contains a provision that allows RPA to request different pricing terms. The price for the gas purchased prior to the time the cogeneration plant begins commercial operation would be negotiated by RPA and Aquila. RPA is obligated to take 95 percent of the annual contract quantity or pay a deficiency charge if it does not take the prescribed minimum quantity.

II. FINDING

The application filed by RPA has been evaluated to determine if the proposed import/export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the export and import of natural gas to and from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by RPA to export natural gas to Canada, a nation with which a free trade agreement is in effect, for re-import to the United States meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Rumford Power Associates Limited Partnership (RPA) is authorized to export up to 46,000 Mcf of natural gas per day to Canada for subsequent re-import to the United States beginning on

an interruptible basis for a five-month testing period, and thereafter on a firm basis over an eight-year period commencing on commercial operation of RPA's new cogeneration plant to be constructed in Rumford, Maine. The cogeneration plant is expected to be in commercial operation by July 2000. Gas that is surplus to the requirements of the cogeneration plant may be marketed by RPA to buyers in the United States. This natural gas shall be exported and imported pursuant the terms and conditions of the gas sale and purchase agreement between RPA and Aquila Energy Marketing Corporation and Utilicorp United Inc., dated September 15, 1998, on file in this docket.

B. This natural gas may be exported at St. Clair, Michigan, and imported at Pittsburg, New Hampshire. Gas not needed for the electric generating facility that would be sold by RPA to third parties may be imported at alternative border points.

C. If Calpine Corporation exercises its option to participate as a Co-General Partner in RPA, RPA shall provide written notification within two weeks of such event to the Office of Natural Gas & Petroleum Import and Export Activities.

D. Within two weeks after deliveries begin, RPA shall provide written notification to the Office of Natural Gas & Petroleum Import and Export Activities of the date that the first export and import of natural gas authorized in Ordering Paragraph A above occurred.


E. With respect to the natural gas exports and imports authorized by this Order, RPA shall file with the Office of Natural Gas & Petroleum Import and Export Activities, within 30 days following each calendar quarter, quarterly reports indicating by month the volume of natural gas in Mcf exported and imported and the price per MMBtu delivered at the U.S./Canada international border (Pittsburg, New Hampshire). The report shall differentiate between domestic gas supplies and Canadian gas supplies delivered to the U.S./Canada border near Pittsburg, New Hampshire. No monthly price information is required for domestically sourced gas; however, the monthly volumes must be reported. The monthly price information for Canadian natural gas shall include the transportation charges. Any deficiency charges shall be itemized separately. If no exports and imports have been made, a report of "no activity" for that calendar quarter must be filed.

For any imported volumes sold to third parties, RPA shall report: (1) the name of the purchaser(s); (2) the estimated or actual duration of the agreements; (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) the monthly volumes in Mcf; (6) the price per MMBtu at the U.S./Canada international border; (7) the geographic market(s) served (by State); and (8) whether sales are being made on an interruptible or firm basis.

F. The notifications and reports described in Ordering Paragraphs C, D, and E of this Order shall be filed with the Office of Natural Gas & Petroleum Import and Export Activities, Fossil Energy, Room 3E-042, FE-34, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

G. The first quarterly report required by Ordering Paragraph E of this Order is due not later than 30 days after the calendar quarter in which initial deliveries of natural gas commence.

Issued in Washington, D.C., on November 09, 1998.



John W. Glynn
Manager, Natural Gas Regulation
Office of Natural Gas & Petroleum
Import and Export Activities
Office of Fossil Energy

Energy Management Inc.

One Energy Road North Dartmouth, MA 02747 Telephone 508 998-8515 Fax 508 998-8515

REC'D DOE/FE
1998 NOV 25 P 11:48

November 23, 1998

Office of Natural Gas & Petroleum Import and Export Activities
Fossil Energy
Room 3E-042
FE-34
Forrestal Building
1000 Independence Avenue, S.W.
Washington, D.C. 20585

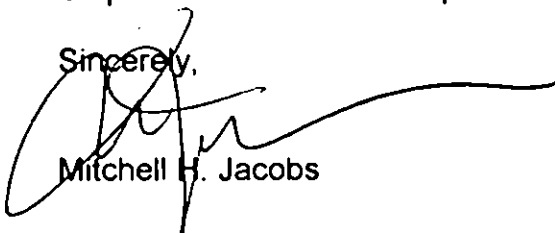
Re: DOE/FE Order No. 1434

Gentlemen;

Reference is made to paragraph C of the above referenced order.

Calpine has exercised its option to become a Co-general partner in RPA.

Sincerely,


Mitchell H. Jacobs

EMI

Dartmouth Power Pawtucket Power

Calpine-EMI Marketing, LLC
One Energy Road
North Dartmouth, MA 02747
tel 508-985-0939
fax 508-985-0925

CALPINE-EMI

December 1, 2000

VIA FACSIMILE 202-586-6050

Larine Moore
U.S. Department of Energy
Office of Fossil Energy
Office of Natural Gas & Petroleum
Import and Export Activities
FE-34, Room 3E-042
1000 Independence Avenue, S.W.
Washington, DC 20585-0350

RE: Order No. 1434 and FE Docket No. 98-83-NG

Dear Ms. Moore:

Please be advised that Rumford Power Associates Limited Partnership began importing natural gas pursuant to the above referenced Order on November 1, 2000.

If you require any additional information please call me at (508) 985-0939 ext. 169.

Sincerely,



Christopher P. Sherman
Manager, Contracts Administration

cc: John Rosenkranz - Calpine
Dennis Duffy, Esq. - Energy Management Inc.