

November 15th, 2011

By email and messenger

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Object: Hydro-Quebec TransÉnergie Emergency Energy Price

Peter,

In compliance with Section 6.5(c) of the Interconnection Operators Agreement (IOA) between ISO New England (ISONE) and Hydro-Québec TransÉnergie (HQT), HQT would like to notify ISONE of its new Emergency Pricing Formula. Please consider this letter as the thirty (30) days notice prescribed by the IOA.

As set forth in the Section 6.5(c) of the IOA, the new formula will be effective thirty (30) days after reception of this notice and will be valid from this date to December 31, 2012. However, the pricing formula may be modified by Hydro-Québec TransÉnergie at any time.

The charge for Emergency Energy supplied in any hour by Hydro-Québec TransÉnergie shall be calculated as follows:

Quantity of MWh supplied during the hour multiplied by the highest real-time hourly energy price for the hour selected among the nine (9) following reference points, multiplied by 110 %.

Reference points:

- HQ_GEN_IMPORT (NYISO market)
- NE_GEN_SANDY_POND (NYISO market)
- OH_GEN_BRUCE (NYISO market)
- PJM_GEN_KEYSTONE (NYISO market)
- HQ_GEN_CEDARS_PROXY (NYISO market)
- HQ_P1_P2345 5 (ISO-NE market)
- SALBRYNB 345 1 (ISO-NE market)
- NYIS (PJM market)
- HOEP + Congestion at the delivery point (Ontario market)

For each MWh delivered during the hour, Hydro-Quebec TransÉnergie will add the transmission service charge on the HQT system applicable for the reference point where the energy is delivered.

Sincerely,


Sylvain Clermont, ing.

cc. John Norden (ISONE)
Pierre Paquet (HQT)