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1.08 Any reference in this Agreement to an Article, a Clause, a subclause or a paragraph shall, unless the context otherwise specifically requires, be taken as a reference to an article, a clause, a subclause or a paragraph of this Agreement.

1.09 This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original, but all of such counterparts together shall constitute one and the same instrument.

1.10 This agreement is in substitution for a Letter of Intent made between the parties and dated November 10, 1992, and that Letter of Intent is hereby revoked.

## ARTICLE 2

### TERM OF AGREEMENT

2.01 Subject to Article 6, the term of this Agreement runs from and including 1 December, 1993 to and including 31 March, 2003, provided that there is at all times in place, effective and binding on the parties, an agreement for the sale of power and energy from Hydro to Abitibi for amounts of Firm Power totalling at least 46,000 kW.

## ARTICLE 3

### PURCHASES OF INTERRUPTIBLE "B" POWER

3.01 Pursuant to the terms of this Agreement, Abitibi agrees to interrupt the Firm Power supplied under the Power Contract during each Winter Period. The number of days during a Winter Period upon which Abitibi shall be required to interrupt its Firm Power shall not exceed 25. Abitibi shall interrupt its Firm Power in accordance with this Agreement upon receiving an Interruption Request from Hydro.

3.02 Hydro may only request an interruption of Abitibi's Firm Power once per day and only between 0800 and 2200 hours for a maximum of ten (10) consecutive hours. The maximum duration of each Interruption Period or series of Interruption Periods within a day shall be ten (10) hours but during that continuous Interruption Period or Interruption Periods, the amount of power interrupted shall be adjusted upwards or downwards according to any Interruption Requests made by Hydro.

3.03 By giving an Interruption Request to Abitibi, Hydro may request an interruption of power or, an adjustment to the amount of power interrupted, to either 12,000 kW or 46,000 kW below Abitibi's Firm Power. Such Interruption Requests shall be given by Hydro to Abitibi from Hydro's Energy Control Centre to Abitibi's personnel responsible for such matters, either by fax or by voice communication. The telephone numbers for such communications shall be declared in writing to Hydro by Abitibi prior to November 30, 1993.

3.04 Hydro shall not request that an interruption start until all but one of Hydro's gas turbine generators (which, for this purpose, shall include only those presently located at Hardwoods, Stephenville, and Holyrood) which are operable have been started and loaded. Hydro shall have the sole and absolute discretion to decide the loading of these gas turbine generators and to choose which of these gas turbine generators it holds in reserve for this purpose. In order to ensure the efficient use of its peaking resources, at any time after the commencement of the first Interruption Period of that day, Hydro may cease generating power from any or all of these gas turbine generators without affecting its rights to continue that interruption or to change the amount of power interrupted.

3.05 Hydro may make an Interruption Request on consecutive days provided that:

- (a) interruptions on the second and subsequent days do not cause the total Energy Interrupted over a three (3) day period to exceed 690 MWh; and
- (b) the total Energy Interrupted over a five (5) day period does not exceed 920 MWh.

3.06 Hydro shall make an Interruption Request at least one hour in advance of the commencement of each Interruption Period.

3.07 Hydro shall have the right:

- (a) to cancel an interruption at any time prior to the commencement of an interruption;
- (b) to terminate an interruption at any time after an interruption has commenced; or
- (c) to adjust downward or upward the amount of power interrupted to either 12,000 kW or 46,000 kW, below Abitibi's Firm Power

without incurring any costs or charges, or subjecting itself to any claims for losses which may result from such cancellation, termination, or adjustment of the interruption.

3.08 Notwithstanding any other provision of this agreement, Hydro shall not have the right to require an interruption which would cause Abitibi's load to be less than an amount equal to the Firm Power less 46,000 kW.

3.09 Where Hydro requests interruptions which number in excess of 25 days in a Winter Period, Abitibi may, at its sole discretion, permit such requests, however, the consideration payable for such interruptions shall be limited to payments for energy pursuant to Clause 4.02 and the Interruptible "A" Power Demand credit payment pursuant to Clause 4.04.

ARTICLE 4

PAYMENT

Capacity

4.01 Subject to Clauses 4.03 and 4.05, Hydro shall pay \$324,300.00 to Abitibi in each month of each Winter Period of this agreement.

Energy

4.02 Whenever Hydro makes an Interruption Request under this agreement, Hydro shall pay an amount to Abitibi for the total Energy Interrupted for that Month at a price (expressed in mills per kWh) which is equivalent to 90% of the cost of generating such energy from Hydro's gas turbine generators (fuel only - calculated as the average price per barrel of No. 2 diesel fuel in Hydro's Island, gas turbine facilities for the month in which the interruption(s) occurred) and determined as follows:

$$\frac{0.90 \times \text{average price of fuel (\$/bbl)} \times 1000}{475 \text{ kWh/bbl}}$$

Prepayment for Capital Improvement

4.03 (a) On or about the date of the execution of this agreement, Hydro shall make a one-time prepayment to Abitibi in the sum of \$100,000.