



December 14, 2016

H.Q. Energy Services (U.S.) Inc.
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VIA OVERNIGHT MAIL

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Kevin Reardon
Lead Account Manager
National Grid
2nd Floor, East Wing
40 Sylvan Road
Waltham, MA 02451

Re: Notice of Roll Over /Renewal and of Exercise of a Right of First Refusal

Dear Sir:

Reference is made (i) to the Phase I/II HVDC-TF Service Agreement (the “**Service Agreement**”) dated as of December 1, 2007, entered into by and between New England Power Company, doing business as National Grid, as Schedule 20A Service Provider (“**National Grid**”), and H.Q. Energy Services (U.S.) Inc., as Transmission Customer (“**HQUS**”) and (ii) to the related OASIS Transaction # 76477899 for 134 MW of firm transmission service entered into pursuant to the Service Agreement, the commencement of which was January 1, 2013, 00:00 ES and the expiration of which (the “**Current Expiration Date**”) is January 1, 2018 at 00:00 ES.

In accordance with Section 2.4 of Schedule 20A “Point-to-Point Service over the Phase I/II HVDC Transmission Facilities (Phase I/II HVDC-TF Service)” of the Tariff (as such term is defined in the Service Agreement) (“**Schedule 20A**”), HQUS hereby provides notice to National Grid that:

- (i) HQUS elects to continue to take 134 MW of firm Phase I/II HVDC-TF Service from National Grid for an additional period of five (5) years from the Current Expiration Date, such that the new expiration date will become January 1, 2023 at 00:00 ES; and that
- (ii) if, at the Current Expiration Date, National Grid’s Use Rights (as such term is defined in Schedule 20A) cannot accommodate all of the requests for Phase I/II HVDC-TF Service (as such term is defined in Schedule 20A), HQUS desires to exercise its right of first refusal. In furtherance thereof, National Grid is hereby requested to (a) inform HQUS that competing offer(s) exist, (b) provide HQUS with the necessary details of such requests in order to allow HQUS to exercise its right of first refusal and (c) give HQUS reasonable time after receiving National Grid’s notice of competing offers to inform National Grid whether HQUS agrees to accept a contract term at least equal to the longest competing request by any new Transmission Customer (as such term is defined in Schedule 20A) and to pay the current just and reasonable rate, as approved by the Federal Energy Regulatory Commission. If need be, HQUS will be happy to work with National Grid to establish more definitive periods of time in which the information and

decision discussed in this paragraph (ii) must be provided by National Grid and HQUS, as applicable.

HQUS understands that the requested service duration goes beyond the original term of the Support Agreements that define the conditions under which Interconnection Rights Holders ("IRHs") agreed to support financially Phase II interconnection. HQUS also understands that the IRHs will assess in the upcoming years the opportunity to extend their support of the line, so that transmission services to HQUS and other transmission customers can continue uninterrupted. In the event that the Support Agreement underlying the HQUS Service Agreement and the requested rollover is renewed, HQUS expects to be able to obtain a 5-year reservation, as requested, in order to continue to receive long-term, firm service and maintain its rights of first refusal as allowed under Section 2.4 of Schedule 20A. In the event that the underlying Support Agreement is revised or undertaken by a party other than National Grid, HQUS expects that either National Grid, under a revised agreement, or the new provider of service will continue to have an obligation to provide HQUS with its long-term firm transmission service rights and its right of first refusal. In the unexpected event that the line is abandoned at the end of the Support Agreements, HQUS expects that its service will continue for as long as the line is operational.

HQUS is willing to work with National Grid in the upcoming months in order to find the proper approach to preserve its rights of first refusal as allowed under Section 2.4 of Schedule 20A. Please inform us as soon as possible if there is anything else that HQUS needs to do to preserve its rights, as expressed herein.

HQUS considers this letter and the information contained herein commercially sensitive and requests that National Grid keep its existence and contents confidential except as otherwise required by law, rule or regulation.

Yours truly,

H.Q. Energy Services (U.S.) Inc.

By: 
Name: Simon Bergevin
Title: General Manager