

SPECIAL CONTRACT
CONTRACT NO. NHPUC 2
CONCORD STEAM CORPORATION
WITH
DENEV REALTY, LLC

Date of Execution:	October 15, 2008
Effective Date:	October 15, 2008 (Subject to NHPUC Approval)
Date of Termination:	Ten Years After Effective Date Unless Terminated Sooner Pursuant to Terms Herein

REMOVED 10/08/09

CONFIDENTIAL

STATEMENT OF THE SPECIAL CIRCUMSTANCES
RENDERING DEPARTURE FROM GENERAL SCHEDULES
JUST AND CONSISTENT WITH THE PUBLIC INTEREST

1. The service to be rendered under this Second Contract (the "Contract") consists of the furnishing of steam service to DENEV Realty, LLC legal owners of the Vegas building 148-150 North Main Street, Concord, New Hampshire 03301 at a price which takes into account the marginal cost of serving the Vegas building in addition to a contribution towards Concord Steam's fixed costs of serving its customers.
2. This Contract has been designed to meet the specific needs of the Vegas building while at the same time providing benefits for Concord Steam and its other customers. The parties agree that steam supply is a vital element to the Vegas building, in that it is crucial to supply heat to the tenants who live in the low income housing located at the building and that the Vegas building's owner has relied on this Contract in making long-term decisions concerning its source of heat and steam. Further, the Vegas building's owner has experienced significant financial difficulties given the pressures of operating low cost housing, yet seeks to continue to provide services to the Concord community while meeting its financial obligations to Concord Steam. Retention of the Vegas building steam load is important to Concord steam, because it is a significant portion of Concord Steam's annual steam sales in the core downtown area. Thus, this Contract enables the Vegas building to continue its operations while reducing the risk that Concord Steam will lose the Vegas building steam load and providing a regular revenue stream from the Vegas building to Concord Steam for services provided. In turn, this will contribute significantly to holding down rates for Concord Steam's other customers.

CONTRACT FOR STEAM SERVICE BETWEEN
CONCORD STEAM CORPORATION
AND
DENEV REALTY, LLC
VEGAS BUILDING 148-150 N. MAIN ST.

Agreement made as of this 15th day of October, 2008 by and between Concord Steam Corporation ("Concord Steam"), a New Hampshire corporation with a principal place of business of P.O. Box 2520, Concord, New Hampshire 03302 and DENEV Realty, LLC ("Vegas Building"), a New Hampshire business, with a principal place of business at 148-150 North Main Street, Concord, New Hampshire 03301.

WHEREAS, Concord Steam is engaged in business as a public utility in the City of Concord in providing steam service to the public;

WHEREAS, the VEGAS BUILDING is a low income housing building providing services to the public in Concord, New Hampshire. Concord Steam has supplied steam service to the VEGAS BUILDING for at least the past twenty-five years;

WHEREAS, the VEGAS BUILDING has experienced financial difficulties that has made it difficult for the VEGAS BUILDING to meet its financial obligations to Concord Steam, despite VEGAS BUILDING's commitment to meet those obligations;

WHEREAS, the VEGAS BUILDING has considered reducing the amount of steam purchased or switching to an alternative fuel source in order to reduce its long term fuel costs;

WHEREAS, Concord Steam desires to continue to provide steam service to the VEGAS BUILDING upon the terms and conditions set forth in this Contract in order to maintain its steam load, for the benefit of all of its customers.

NOW, THEREFORE, Concord Steam and the VEGAS BUILDING for and in consideration of the mutual covenants and agreements hereinafter set forth do hereby agree as follows:

1. Rate and Usage. VEGAS BUILDING shall pay Concord Steam a budgeted monthly bundled rate. This rate shall reflect the sum of: (1) the normalized annual usage (currently 972.2 Mlbs) multiplied by the cost of energy (COE) rate in effect each month (\$19.81 per Mlb. as of November 1, 2008); plus (2) the normalized annual usage (currently 972.2 Mlbs) multiplied by the lowest tier base steam delivery rate in effect each month (\$11.54 per Mlb as of November 1, 2008) and divided by 12 (number of months); plus (3) a monthly meter charge. The sum shall be rounded to the nearest whole dollar. The bundled rate as calculated above of \$2,565 shall be effective beginning November 1, 2008 and shall be paid monthly thereafter. The initial bundled rate established by the above formula shall continue to remain in effect for the first year of this contract unless reconciliation and adjustments are necessary by the requirements set forth in paragraph 2 below, in that case, the initial bundled rate shall be reconciled and adjusted in accordance with the formula provisions set forth in paragraph 2 below.

2. Reconciliation and adjustment. Adjustments to the bundled monthly rate may be required from time to time as the rates, usage and charges used in the formula to calculate the bundled monthly rate differ from the amounts established in paragraph 1 above. The monthly bundled rate shall be reconciled and adjusted anytime (during the first year of the contract included) there is a change to any of the following components: COE rate, base steam delivery rate, meter charge or if the normalized annual usage increases or decreases by any amount from the previous years calculations. Whenever adjustments are required, the formula outlined in paragraph 1 plus any balances (resulting from the reconciliation -either positive or negative) shall be used to establish a new monthly bundled rate using the most current COE rate, base steam delivery rate, meter charge or normalized annual usage.

The formula will then be as follows: (1) the normalized annual usage of 972.2 (*or the most current adjusted volume*) Mlbs multiplied by the cost of energy (COE) rate of \$19.81 (*or the most current adjusted rate*); plus (2) the normalized annual usage multiplied by the lowest tier base steam delivery rate of \$11.54 (*or the most current adjusted rate*) per Mlb; *plus* (3) *any reconciliation balance* and divided by 12 (number of months); plus (4) the \$25 (*or the most current adjusted amount*) monthly meter charge. The sum shall be rounded to the nearest whole dollar. Any reconciliation resulting in a monthly bundled rate adjustment is to be filed with the New Hampshire Public Utilities Commission (NHPUC) within 15 days of the date the new rate is to become effective.

3. Payments. All amounts due and payable under this Contract shall be made in accordance with the payment terms and conditions under Concord Steam's tariff then in effect, including the applicable interest rate applied to any unpaid balances.

4. Deposit. Customer agrees to pay a deposit of \$4,000.00 (four thousand dollars). This deposit will be held in accordance with the normal deposit conditions outlined in the tariff rules on file with the NH PUC.

5. Default. Customer agrees to pay all service connection charges related to the restoring of the steam service and associated cost incurred to supply steam service by CSC if service is discontinued by the customer or by CSC if customer is in default at anytime during the term of this agreement. In addition, the Customer agrees to re-pay any base rate discounts applied to its account if service is discontinued by the customer or by CSC if customer is in default at anytime during the term of this agreement.

6. Term. The term of this Contract is ten years commencing on October 15, 2008 except that if under any circumstance CSC's normal combined tariff rate (COE and base steam delivery rate) would result in charges that are less than the discounted bundled monthly rate provided for in this contract. In that case, Customer will be transferred back to CSC's normal tariff rates without penalty to either party and the special contract shall be terminated.

7. Books and Records. During the Term hereof and for a period of at least two years thereafter, Concord Steam shall maintain such books and records (collectively "Records") as are necessary to substantiate that Concord Steam is in compliance with this Contract. VEGAS

BUILDING and its representatives shall have the right at any time during normal business hours, and upon reasonable notice, to examine the Records, make copies and take extracts therefrom and discuss the Records with Concord Steam's officers and employees as VEGAS BUILDING deems necessary.

7. Regulatory Approval. Concord Steam agrees, upon execution of this Contract, to file the same with the Commission, and to request the required approval. Concord Steam agrees to use all commercially reasonable efforts to secure the regulatory approval of this Contract by the Commission. Concord Steam shall not, however, be liable to VEGAS BUILDING for any damages, direct or indirect, resulting from its failure to obtain said approval. The performance by Concord Steam of its obligations under this Contract is subject to the condition that Concord Steam shall obtain from the Commission approval of this Contract as required by law.

8. Entire Agreement. This instrument constitutes the entire agreement between the parties and is executed by each without reliance upon any representations made by either to the other during the course of the negotiations with respect thereto; provided, however, that the parties understand and agree that, except to the extent it is inconsistent with this Contract, the terms of Concord Steam's tariff on file with the Commission shall govern the parties' relationship.

9. Successors and Assigns. Insofar as may be legally possible, each party covenants and agrees that the benefits and burdens of this Contract shall be binding upon the successors and assigns of each including any successor in title to all or substantially all of the properties of each.

10. Notices. Except as otherwise provided herein, all notices hereunder shall be in writing and shall be deemed to have been duly given for all purposes (i) when delivered in person, or (ii) three days after the date on which deposited in the United States mail, by registered or certified mail, return receipt requested, postage prepaid, or (iii) one day after the same is delivered to an express courier service guaranteeing overnight delivery, or (iv) when sent by telecopy transmission if receipt is confirmed and a copy is sent by regular first class mail, postage prepaid, in each case directed to the party to receive the same (which, in the case of Concord Steam, is the President and in the case of VEGAS BUILDING is Emin Halilovic, Member, 15 Mammoth road, Manchester, NH 03103) at its address stated above or at such other address as may be substituted by notice given as herein provided.

11. Amendment. This Contract may be amended only by written agreement by and between Concord Steam and VEGAS BUILDING and, if required by applicable law or regulation, only if approved by the Commission. If VEGAS BUILDING desires to extend the term of this Contract, it shall give notice thereof to Concord Steam not later than September 1, 2018. If Concord Steam is willing to consider such an extension, the parties shall then discuss the terms and conditions thereof and if agreement is reached with respect to such terms and conditions, such agreement shall be evidenced in writing which, if required by applicable law or regulation, shall be submitted to the Commission for its approval.

12. Applicable Law. The parties agree that this Contract shall be governed by the laws of the State of New Hampshire.

13. Headings. The headings in each section of this Agreement are for convenience of reference only, and do not form a part hereof and in no way modify or shall be used to interpret or construe the meaning of this Contract.

IN WITNESS WHEREOF the parties have caused their corporate names to be subscribed by a duly authorized officer.

CONCORD STEAM CORPORATION

By: 

Name: Peter Bloomfield

Title: President, duly authorized

DENEV REALTY, LLC

By: 

Name: Emin Halilovic

Title: Member, duly authorized