SERVICES AND COOPERATION AGREEMENT

THIS AGREEMENT entered into as of the 15th day of October, 2010.

BETWEEN:

Nova Scotia Power Incorporated,
a body corporate, with its head office at Halifax,
Province of Nova Scotia

(**NSPI**)

- and -

Efficiency Nova Scotia Corporation, a
corporation existing under the laws of Nova
Scotia

(**ENSC**)

WHEREAS NSPI has been administering demand side management (**DSM**)_programs in Nova Scotia as interim administrator since 2008;

AND WHEREAS in January 2010, the *Efficiency Nova Scotia Corporation Act* was proclaimed establishing ENSC as the new DSM program administrator;

AND WHEREAS ENSC has assumed responsibility for the operation and administration of the DSM program and has taken an assignment of the DSM assets pursuant to the DSM Assignment Agreement between the Parties effective as of the Effective Date hereof;

AND WHEREAS NSPI will provide certain transition services to ENSC in order to help ensure a smooth transition of the DSM program to ENSC;

AND WHEREAS NSPI will provide certain services in respect of the DSM programs on an ongoing basis;

AND WHEREAS both parties will cooperate with each other on an ongoing basis for the purpose of ensuring coordination and information transfer between the parties;

NOW, THEREFORE, in consideration of the mutual covenants contained herein other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound hereby agree as follows:

1. INTERPRETATION

1.1 The following terms shall be interpreted as follows in this Agreement:

1.1.1 **Agreement** means this agreement between ENSC and NSPI dated as of the date first noted above, including all Schedules attached hereto.

1.1.2 **Balance Adjustment** means the UARB approved adjustment to a future calendar year's DSM rider revenues to reconcile the difference between a previous year's Forecast DSM Rider Revenues and that year's approved DSM program costs.

1.1.3 **Business Day** means any day excluding a Saturday, Sunday or statutory holiday in the Province of Nova Scotia and also excluding any day on which the principal chartered banks located in the City of Halifax are not open for business during normal banking hours.

1.1.4 **Direct Labour Costs** means NSPI's standard hourly rate for the applicable category of personnel as advised by NSPI from time to time. Direct Labour Costs as of the Effective Date are set out in Schedule E.

1.1.5 **Discretionary Services** means services to be provided by NSPI as agreed by the Parties from time to time and set out in Schedule C.

1.1.6 **Discretionary Services Term** means a period of two years commencing on the Effective Date or such other period as may be agreed by the Parties in respect of a particular Discretionary Service.

1.1.7 **DSM Rider Revenues** means the UARB approved DSM rider rates, including any relevant Balance Adjustment.

1.1.8 **Effective Date** means October 1, 2010.

1.1.9 **Execution Date** means the date on which this Agreement is executed by both Parties, as set out on the first page hereof.

1.1.10 **Excusable Delays** means any delay by either Party in fulfilling any obligation pursuant to this Agreement, which delay is caused, in whole or in part, by any matter beyond the Party's reasonable control, including without limitation, acts of God, acts of the other Party, acts of government authorities, riots, strikes or other labor disputes, fires, floods, sabotage, earthquakes, storms, epidemics, an inability to obtain necessary materials, facilities, transportation, or that could not have been reasonably foreseen or avoided, or an inability to obtain required information from the other Party. Notwithstanding anything to the contrary herein, Excusable Delay shall exclude (a) any event or circumstance causing direct or indirect delay in , or failure to perform any of a party's obligations under this Agreement, attributable to a lack of reasonable diligence on the part of a party or on the part of any vendor or subcontractor of a party, including any event or circumstance which a party or any vendor or subcontractor, acting diligently, could reasonably have been expected to avoid or overcome in the performance of its obligations; and (b) any event or circumstance caused by the breach of a party's obligations or the fault or negligence of a party or the fault or negligence of any vendor or subcontractor, or by violation of applicable laws or regulations by a party or any of a party's vendors or subcontractors.

1.1.11 **Financing Costs** means interest at a rate equal to WACC, which interest is calculated monthly and compounded semi-annually in June and December of each calendar year, plus NSPI's costs of administering the relevant financing or payment arrangement, as well as the cost of credit checks, bad debt and the taking of security in DSM customer assets.

1.1.12 **Forecast DSM Rider Revenues** means the forecast DSM Rider Revenues accrued by NSPI, allocated by month, and calculated using NSPI's load forecast in the relevant calendar year.

1.1.13 **Monthly Variation** has the meaning set out in section 5.2.

1.1.14 **Monthly Variation Interest** means the prime rate of interest set from time to time by The Bank of Nova Scotia as its reference rate of interest per annum for Canadian dollar commercial loans made in Canada, plus 1.0% per annum.

1.1.15 **Non-Discretionary Services** means the services that NSPI will continue to provide following the Transition Period in respect of DSM programs as the collector of DSM Rider Revenues and in accordance with regulatory requirements, as specifically set out in Schedule B.

1.1.16 **NSPI DSM Fees** has the meaning set out in section 6.1.

1.1.17 **Party** means either NSPI or ENSC.

1.1.18 **Parties** means NSPI and ENSC.

1.1.19 **Services** means the services to be provided by NSPI to ENSC under this Agreement, including the Transition Services, the Non-Discretionary Services and the Discretionary Services.

1.1.20 **Services Manual** means the manual outlining how the Services (other than the Transition Services) will be provided including procedures with respect to customer communications in respect of the DSM program**.**

1.1.21 **Transition Period** means the period between the Effective Date and December 31, 2010.

1.1.22 **Transition Services** means the DSM program services that NSPI will provide to ENSC as specified in greater detail in Schedule A.

1.1.23 **UARB** means the Nova Scotia Utility and Review Board.

1.1.24 **WACC** means NSPI's pre-tax weighted average cost of capital, calculated as approved by the UARB and as advised by NSPI to ENSC annually. WACC as of the Effective Date is 7.96% per annum.

1.2 In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".

1.3 The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

1.4 References in this Agreement to an Article, Section, Schedule or Exhibit are to be construed as references to an Article, Section, Schedule or Exhibit of or to this Agreement.

1.5 Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

1.6 Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

1.7 This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Nova Scotia and the laws of Canada applicable in that Province.

1.8 This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in one of the other agreements and documents delivered pursuant to this Agreement.

1.9 The following Schedules and Exhibits are attached to and incorporated by reference into this Agreement:

Schedule A	Transition Services and Fees
Schedule B	Non-Discretionary Services and Fees
Schedule C	Discretionary Services and Fees
Schedule D	Forecasting and Information Exchange
Schedule E	Labour Prices

2. COORDINATION AND MEETINGS

2.1 Ongoing coordination and regular communication between NSPI and ENSC is important for effective planning and coordination. To that end, the Parties will meet to discuss the provision of the Services as well as their forecasting and information exchange obligations as set out in Schedule D.

3. NSPI OBLIGATIONS

3.1 NSPI agrees to provide the Services to ENSC for the following periods of time:

3.1.1 Unless otherwise specified in Schedule A or unless otherwise agreed, the Transition Services will only be provided by NSPI during the Transition Period;

3.1.2 NSPI will provide each Discretionary Service during the Discretionary Services Term for such term as the parties may agree from time to time with respect to the relevant Discretionary Service; and

3.1.3 NSPI will provide the Non-Discretionary Services as long as required by applicable law, provided that the Parties will meet annually to discuss and agree any changes to the Non-Discretionary Services required to reflect requirements of applicable law and to ensure that NSPI is made financially whole in the provision of such Non-Discretionary Services.

3.2 No later than December 1, 2010, NSPI will develop a draft Services Manual for ENSC's review and approval. ENSC shall provide comments, acting reasonably, on the draft Services Manual to NSPI within 20 days of its receipt. NSPI shall incorporate ENSC's comments or the Parties shall meet to discuss the draft Services Manual in order to jointly determine its content.

3.3 NSPI agrees to provide all Services in accordance with the Services Manual when the form of Services Manual has been agreed between the Parties.

3.4 NSPI will cooperate with ENSC as required from time to time in order to facilitate forecasting and information exchange as set out in Schedule D.

3.5 NSPI will furnish all labour, materials, products, and tools necessary to perform the Services, unless otherwise provided in the Schedules.

3.6 NSPI will have lead responsibility for reviewing and revising the methodology for DSM program cost recovery and allocation, for approval by the UARB.

3.7 NSPI will comply with applicable law in providing the Services, including all applicable privacy legislation in respect of personal information.

4. ENSC OBLIGATIONS

4.1 ENSC will cooperate with NSPI as required from time to time in the provision of the Services as well as to facilitate the forecasting and information exchange as set out in Schedule D.

4.2 When ENSC requests customer information from NSPI, ENSC shall:

4.2.1 provide a written request for information that includes the relevant customer's name and address where it receives electricity service from NSPI;

4.2.2 include the customer's written and signed consent to the release of the information being requested;

4.2.3 not seek customer information from NSPI that could be obtained directly from the customer or from another source.

4.3 ENSC will not use NSPI's name, trademarks, tradenames, logos, or copyrighted material of NSPI unless specifically agreed to in writing between the Parties. ENSC shall not hold itself out as NSPI's agent.

4.4 ENSC will comply with any obligations assigned to it with respect to particular Services, whether set out in the Schedules to this Agreement or otherwise agreed between the Parties in writing.

4.5 ENSC will provide NSPI with updated DSM program information and training as contemplated in the Services Manual.

4.6 ENSC will comply with applicable law including all applicable privacy legislation in respect of personal information.

5. DSM RIDER REVENUES

5.1 Following the Effective Date, NSPI will transfer to ENSC on NSPI's first scheduled wire transfer date following the last Business Day of each month, the Forecast DSM Rider Revenues for that month, net of any NSPI DSM Fees as set out in section 6.2 by way of electronic funds transfer, or such other method as may be agreed by the Parties.

5.2 Following the end of each calendar month, NSPI will report the difference between the Forecast DSM Rider Revenues and the accrued DSM Rider Revenues (the "**Monthly Variation**"). Monthly Variation Interest will be calculated and compounded monthly and will accrue on the aggregate of all Monthly Variations until the end of the calendar year.

5.3 Following each calendar year, the aggregate of all Monthly Variations plus accrued Monthly Variation Interest will be invoiced:

5.3.1 by NSPI to ENSC where the accrued DSM Rider Revenues is less than the Forecast DSM Rider Revenues, and such invoiced amount will be set-off by NSPI against the next month's Forecast DSM Rider Revenues in accordance with section 6.2; and

5.3.2 by ENSC to NSPI where the accrued DSM Rider Revenues exceeds the Forecast DSM Rider Revenues, and NSPI will pay such invoiced amount to ENSC with the following month's Forecast DSM Rider Revenues.

5.4 In respect of the calendar year 2010, the aggregate Monthly Variations will be calculated for all of 2010 including, for the avoidance of doubt, all months preceding the Effective Date, provided that no Monthly Variation Interest will accrue in respect of the months preceding the Effective Date.

6. PRICE AND PAYMENT

6.1 NSPI will invoice ENSC for:

6.1.1 Transition Services as set out in Schedule A;

6.1.2 Non-Discretionary Services as set out in Schedule B; and

6.1.3 Discretionary Services as out in Schedule C,

(together the "**NSPI DSM Fees**").

6.2 NSPI will be entitled to set-off the NSPI DSM Fees invoiced by NSPI as well as all other NSPI costs and expenses contemplated by this Agreement against any Forecast DSM Rider Revenues to be paid by NSPI, subject to the review of all invoices by ENSC and any adjustments as may be agreed between the Parties.

6.3 The NSPI DSM Fees are subject to Harmonized Sales Tax ("HST"). No additional taxes (foreign or domestic) customs, duties or brokerage fees apply.

6.4 The Parties acknowledge that ENSC is awaiting a ruling from the Canada Revenue Agency as to the HST status of the DSM Rider Revenues transferred by NSPI to ENSC pursuant to this Agreement ("CRA Ruling"). The Parties agree that they will comply with the CRA Ruling when received with regard to the HST status of the DSM Rider Revenues.

6.5 Unless otherwise indicated, all dollar amounts referred to in this Agreement are in lawful money of Canada.

7. ENVIRONMENTAL CREDITS

7.1 When a system for environmental credits or offsets is developed and legally implemented in Nova Scotia, and it becomes clear how credits will be created, who can own them and how they will be valued, ENSC and NSPI agree that they will develop and implement a coordinated approach and implement, including any transfers of credits as required, in order to:

7.1.1 ensure compliance with such legally implemented system; and

7.1.2 ensure that environmental credits are used for the maximum benefit of all NSPI customers.

8. EXCUSABLE DELAY

8.1 Each Party shall provide the other Party with the earliest possible notice of any expected disruptions in the fulfillment of its obligations hereunder.

8.2 Neither Party shall be in breach of its obligations under this Agreement where failure to perform or delay in performance of any obligation is due, wholly or in part, to an Excusable Delay.

8.3 Each Party shall notify the other Party promptly of any Excusable Delay and shall take reasonable steps to minimize the impact of the failure or the delay and to resolve the event or occurrence that has given rise to the Excusable Delay in order to resume performance. The time for performing an obligation as a result of an Excusable Delay shall be extended for the period lost, subject to the condition that the Discretionary Services Term shall not be extended as a result of any Excusable Delay without the prior written consent of the Parties.

9. RISK OF DAMAGE OR INJURY

9.1 Each Party shall assume all risk of damage or injury, including death, to person or physical property, caused by its directors, officers, employees, sub-suppliers, agents or representatives, and agrees not to make or bring any claim, action or demand against the other Party, or its directors, officers, servants, agents, or employees in respect of such damage or injury arising out of or in any way attributable to the operation of this Agreement.

10. DISPUTE RESOLUTION

10.1 In the event of a dispute in connection with or arising from this Agreement, a senior officer of NSPI and a senior officer of ENSC shall promptly meet to discuss and resolve the dispute and the Parties shall have fifteen (15) days to resolve the dispute in this manner, provided either Party may at any time seek such interim remedies as may be available at law.

10.2 Other than disputes with respect to which the UARB has jurisdiction, the Parties agree that in the event resolution cannot be achieved under Section 10.1, then such dispute shall be referred to arbitration under the provisions of the Commercial Arbitration Act of Nova Scotia. A claim or dispute shall be referred to an arbitral tribunal consisting of a single arbitrator where both Parties agree. If the parties cannot agree on the appointment of a single arbitrator within two (2) weeks of referral of a dispute by either Party, then either Party may apply under the Commercial Arbitration Act for judicial appointment of the single arbitrator. In the event the UARB has jurisdiction over a dispute between the Parties, the Parties shall refer that dispute to the UARB.

10.3 In respect of any arbitration to be conducted pursuant to this clause, the following rules shall apply:

10.3.1 The arbitration shall be conducted in English;

10.3.2 The arbitration shall be conducted in the Halifax Regional Municipality;

10.3.3 No such arbitrator shall have previously been employed by either Party and shall not have a direct or indirect interest in either Party or the subject matter of the arbitration;

10.3.4 The cost of the arbitration, excluding a Party's legal fees and disbursements shall, unless otherwise ordered by the arbitrator, or the panel, be borne equally by the Parties; and

10.3.5 The Parties shall continue to perform their respective obligations during any arbitration and, thereafter, subject to the terms of any arbitrated decision or by settlement agreement in resolution of the dispute.

11. LIMITATIONS AND EXCLUSIONS OF LIABILITY

11.1 Other than with respect to a breach of this Agreement by NSPI that is intentional or grossly negligent, NSPI and its officers and directors shall not be liable to ENSC, or anyone claiming through or under it, whether by way of indemnity or by reason of breach of contract or in tort, including liability for negligence and breach of statutory duty, or on any other legal or equitable basis, including, without limitation, for:

11.1.1 any obligation of ENSC to its customers;

11.1.2 direct, special, punitive, indirect, economic or consequential loss or damage;

11.1.3 loss of use, whether complete or partial, of the Equipment and Services;

11.1.4 loss of product;

11.1.5 loss of revenue, overhead and profit; or

11.1.6 loss of any contract that may be suffered.

12. CONFIDENTIALITY

12.1 As used in this Agreement:

12.1.1 "Confidential Information" means information which is confidential, proprietary, or otherwise not generally available to the public with respect to the Disclosing Party or products and services, the marketing or promotion of products and services, business policies and practices, memoranda, contracts, commercial arrangements, intellectual property, technical, financial and strategic information and other matters. Any information furnished to Receiving Party or its representatives by a director, officer, employee, stockholder, partner, co-venturer, consultant, agent, or representative of Disclosing Party will be deemed to be Confidential Information.

12.1.2 "Disclosing Party" means the Party whose Confidential Information is disclosed or who discloses Confidential Information.

12.1.3 "Receiving Party" means the Party that receives or has access to Confidential Information.

12.2 The Confidential Information will be kept strictly confidential by Receiving Party. The Confidential Information may be disclosed to Receiving Party's affiliates, directors, officers, employees, consultants, subcontractors and agents and its affiliates' directors, officers, employees, consultants, subcontractors and agents (collectively, "representatives"), but only if such representatives need to know the Confidential Information in connection with this Agreement. The Confidential Information shall not be used by the Receiving Party or its representatives for any purpose other than in connection with bona fide requirements under this Agreement. It is understood that (i) such representatives will be informed by the Receiving Party of the confidential nature of the Confidential Information and shall be required to adhere to the terms of this Agreement by the recipient, and (ii) in any event, Receiving Party will be responsible for any breach of this Agreement by any of its representatives. Receiving Party shall not disclose the Confidential Information in any form whatsoever to any person other than as permitted hereby, and shall safeguard the Confidential Information from unauthorized disclosure. For purposes hereof, "person" will be interpreted broadly to include any corporation, company, partnership, individual or governmental authority.

12.3 Notwithstanding the foregoing, the following will not constitute Confidential Information for purposes of this Agreement: (i) information which is or becomes generally available to the public other than as a result of a disclosure by Receiving Party or its representatives; (ii) information which was already known to Receiving Party on a non-confidential basis prior to being furnished to Receiving Party by Disclosing Party; (iii) information which becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party or a representative of Disclosing Party if such source was not subject to any prohibition against transmitting the information to Receiving Party and was not bound by a confidentiality agreement with Disclosing Party; or (iv) information which was independently developed by the Receiving Party or its representatives without reference to, or consideration of, the Confidential Information; provided however, that any specific Confidential Information, or any combination of features comprising the same, will not be deemed to fall within sub-paragraphs (i) to (iv) of this section 12.3 inclusive where such Confidential Information:

12.3.1 relates to NSPI's fuel costs or calculations; or

12.3.2 is merely embraced by more general information or individual features which do fall within such paragraphs.

12.4 If Receiving Party or its representatives are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, Receiving Party shall promptly notify Disclosing Party of such request or requirement so that Disclosing Party may seek an appropriate protective order or waive compliance with this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, Receiving Party or its representatives are compelled to disclose the Confidential Information or else stand liable for contempt or suffer other censure or penalty, Receiving Party and its representatives may disclose only such of the Confidential Information to the party compelling disclosure as is required by law and, in connection with such compelled disclosure, Receiving Party and its Representatives shall use their reasonable efforts to obtain from the party to whom disclosure is made written assurance that confidential treatment will be accorded to such portion of the Confidential Information as is disclosed.

12.5 The Confidential Information will remain the property of Disclosing Party. The written Confidential Information, or any copies thereof, will be returned to Disclosing Party immediately upon its request, and no copies will be retained by Receiving Party or its representative, unless the parties agree otherwise in writing. Any Confidential Information that may be found in drafts, notes, compilations, studies, synopses, or summaries thereof, or other documents prepared by or for Receiving Party or its representatives, and written Confidential Information not so requested to be returned, will be held by Receiving Party and kept subject to the terms of this Agreement, or destroyed. Notwithstanding the return or destruction of material, information and documents containing Confidential Information, the Receiving Party shall continue to be bound by the Recipient's obligations of confidentiality and other obligations hereunder.

12.6 Receiving Party acknowledges and agrees that money damages would not be a sufficient remedy for any breach of this Agreement by Receiving Party or its Representatives and Disclosing Party will be entitled to specific performance and injunctive relief as remedies for any such breach. Such remedies will not be deemed to be the exclusive remedies for a breach of this Agreement by Receiving Party or any of its Representatives but will be in addition to all other remedies available at law or in equity to Disclosing Party.

12.7 This Article 12 shall survive expiry or termination of this Agreement for a period of two years.

13 GENERAL

13.1 Subject to the binding dispute resolution process agreed to in Article 10, and without prejudice to the ability of any Party to enforce this Agreement in any other proper jurisdiction, each of the Parties irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Nova Scotia to determine all issues, whether at law or in equity arising from this Agreement. To the extent a Party has or may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, that Party irrevocably waives that immunity in respect of its obligations under this Agreement.

13.2 Any money to be paid or tendered by one Party to another pursuant to this Agreement must be paid by wire transfer of immediately available funds payable to the Person to whom the amount is due. Unless otherwise specified, the word “dollar” and “$” sign refer to Canadian currency, and all amounts to be advanced, paid or calculated under this Agreement are to be advanced, paid or calculated in Canadian currency.

13.3 Any notice, demand, request, consent or approval must be in writing and either:

13.3.1 personally delivered; or

13.3.2 sent by facsimile, e-mail or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any notice, demand, request, consent or approval must be sent to the intended recipient at its address as follows:

To NSPI at:
Corporate Secretary

Via Courier:

Barrington Tower
1894 Barrington Street, 18th Floor
Halifax, NS B3J 2A8

Mail:
PO Box 910
Halifax, NS B3J 2W5

Telephone: 902-428-6096
Facsimile: 902-428-6171
Email: stephen.aftanas@nspower.ca

With a copy to:

Assistant General Counsel

Via Courier:
Barrington Tower
1894 Barrington Street, 10th Floor
Halifax, NS B3J 2A8

Mail:
PO Box 910
Halifax, NS B3J 2W5

Telephone: 902-428-6934
Facsimile: 902-428-4006
Email:peter.doig@nspower.ca

To ENSC at: Chief Executive Officer

Via Courier: 601-5151 George Street
Halifax, NS B3J 2M4
Via Mail: 5151 George Street, Suite 602
PO Box 2144 Central
Halifax, NS B3J 3B7

Telephone: 902-442-0943
Facsimile: 902-442-0941

Email: acrandlemire@efficiencyns.ca

With a copy to: Legal Counsel

Via Courier: 2100-1801 Hollis Street
Halifax, NS B3J 2X6

Via Mail: 2100-1801 Hollis Street
P.O. Box 1054
Halifax, NS B3J 2X6

Telephone: 902-482-7020
Facsimile: 902-429-8215

Email: sforeman@wickwireholm.com

or at any other address as any Party may from time to time advise the other by communication given in accordance with this Section 13.4. Any notice, demand, request, consent or approval delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the applicable notice, demand, request, consent or approval will be deemed to have been given and received on the next Business Day. Any notice, demand, request, consent or approval transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the relevant notice, demand, request, consent or approval is transmitted on a day which is not a Business Day or after 5:00 p.m. (local time of the recipient)), that communication will be deemed to have been received on the next Business Day.

13.4 Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all governmental authorities or stock exchanges having jurisdiction over the relevant Party or as may be required from time to time under applicable securities legislation.

13.5 All public notices to third parties and all other announcements, press releases and publicity concerning this Agreement and/or the transactions contemplated by this Agreement must be jointly planned and co-ordinated by NSPI and ENSC, and neither Party will act unilaterally in this regard without the prior consent of the other Party unless, and only to the extent that, disclosure is required to meet the timely disclosure obligations of any Party under securities laws or stock exchange rules in circumstances where prior consultation with the other Party is not practicable, or the disclosure is to the Party's board of directors, senior management and its legal, accounting, financial or other professional advisers.

13.6 No supplement, modification, amendment, waiver or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

13.7 Neither this Agreement nor any right or obligation under this Agreement may be assigned by either Party. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

13.8 Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.

13.9 This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original, and those counterparts will together constitute one and the same instrument.

13.10 Delivery of this Agreement by facsimile, e-mail or functionally equivalent electronic transmission constitutes valid and effective delivery.

14 SURVIVAL

In addition to any provisions that expressly survive termination of this Agreement, the following sections of this Agreement shall survive the termination, completion or expiry of this Agreement and continue in full force and effect: Articles 7, 8, 9, 10, 11 and 13.

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The Parties have executed this Agreement effective as of October 1, 2010.

EFFICIENCY NOVA SCOTIA CORPORATION

Per

Name: Allan Crandlemire
Title: INTERIM CEO
ALLAN CRANDLEMIRE

NOVA SCOTIA POWER INC.

Per

Name: Alan Richardson
Title: VP Integrated Customer Services

Per

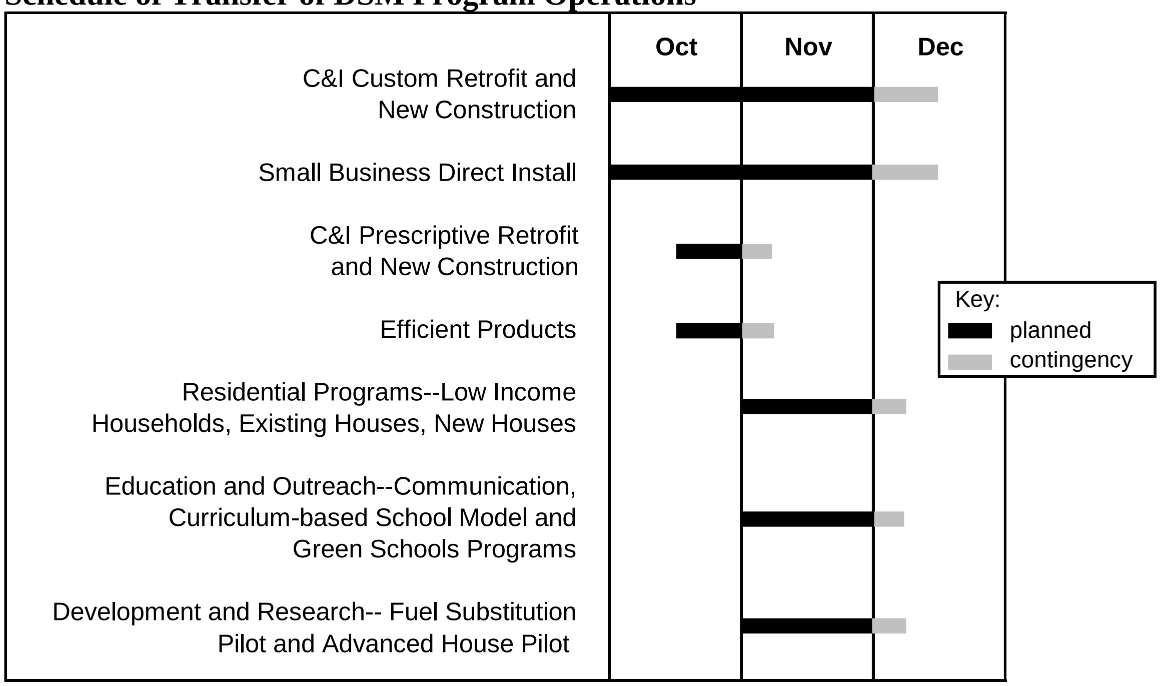
Name: Richard Janega
Title: Executive Vice President and Chief Operating Officer

SCHEDULE A
TRANSITION SERVICES AND FEES

Transition Services

Throughout the Transition Period, NSPI personnel will continue to perform its DSM program functions on behalf of ENSC and will cease those functions in a staged manner to assist a smooth transition and continuity of programs, in accordance with the schedule below. Specific program transition periods range from 2 weeks to 8 weeks, depending on the complexity of the program, and are subject to change, as agreed by the Parties.

Schedule of Transfer of DSM Program Operations



Throughout the Transition Period, NSPI will provide orientation, training and job shadowing for ENSC staff, including training on the DSM Data System. ENSC employees, as they are hired, will meet with NSPI staff, receive an orientation and begin to work with NSPI staff to become thoroughly familiar with their new responsibilities and roles before taking on independent in their work.

ENSC acknowledges that during the Transition Period it will be responsible for the administration of DSM and that it will have the responsibility to enter into agreements. However, ENSC agrees and does appoint NSPI as its Agent to review and enter into customer and other third party agreements as facilitated by NSPI during the Transition

Period until ENSC is fully and independently operating the DSM Programming. ENSC will provide its own legal review.

During the Transition Phase, NSPI will provide co-op students who currently work on DSM programs to ENSC on a secondment basis.

ENSC acknowledges the following:

1. During the Transition Period, NSPI will continue to use its marketing materials in respect of the DSM programs. This use of marketing programs does not imply a licence for ENSC to use NSPI's Intellectual Property following the Transition Period. ENSC must make its own marketing materials, with its own branding, available to the public no later than January 1, 2011.

2. NSPI currently provides laptops to the two agents in respect of the low income program. NSPI will be repatriating those laptops upon signing this Agreement and ENSC will need to provide its own laptops to those agents.

During the Transition Period, NSPI will continue to be party to, and administer, the following agreements (the "Conserve Agreements"):

1. Contribution Agreement (New Home Owners) effective as of January 1, 2010 and made as of the 17th day of March, 2010 between Nova Scotia Power Incorporated and Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister, Nova Scotia Department of Energy responsible for Conserve Nova Scotia;

2. Contribution Agreement (Low Income Home Owners) effective as of January 1, 2010 and made as of the 7th day of April, 2010 between Nova Scotia Power Incorporated and Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister, Nova Scotia Department of Energy responsible for Conserve Nova Scotia; and

3. Contribution Agreement (Existing Home Owners) effective as of January 1, 2010 and made as of the 23rd day of June, 2010 between Nova Scotia Power Incorporated and Her Majesty the Queen in Right of the Province of Nova Scotia, as represented by the Minister, Nova Scotia Department of Energy responsible for Conserve Nova Scotia.

During the Transition Period, NSPI will continue to offer financing to DSM customers in connection with DSM programs for which it currently offers financing. Such financing is subject to the following:

(a) NSPI is entitled to carry out such credit checks as it deems prudent prior to entering into a financing or payment arrangement with a DSM customer;
(b) NSPI is entitled to take security in the customer's assets as deemed necessary by NSPI;
(c) The funds available to the financing arrangements are subject to an annual

aggregate cap set by NSPI annually;

(d) NSPI will only offer financing arrangements if permitted pursuant to applicable law;

(e) NSPI will only offer financing on its own terms and conditions; and

(f) the Financing Charges are payable by ENSC and will form part of the NSPI DSM Fees under this Agreement.

Fees

NSPI will charge ENSC for those costs and expenses charged to NSPI's DSM cost centre following the Effective Date in accordance with NSPI's standard practice, including:

(a) Direct Labour Costs in carrying out the Transition Services;

(b) overhead and administration (charged at 50% of Direct Labour Costs in (a) above);

(c) reasonable out-of-pocket expenses such as travel, office expenses, training and memberships;

(d) costs, fees and expenses reasonably incurred in respect to services and contracts not assigned to ENSC as of the Effective Date, including the contributions made by NSPI to Conserve Nova Scotia under the Conserve Agreements;

(e) Financing Costs for DSM program financings granted by NSPI to DSM customers prior to the Effective Date and during the Transition Period; and

(f) all costs and expenses reasonably incurred by NSPI in connection with this Agreement and the completion of the transactions contemplated by this Agreement.

SCHEDULE B
NON-DISCRETIONARY SERVICES AND FEES

1. **Billing and collecting DSM Rider Revenues:** NSPI will bill and collect all DSM Rider Revenues.

   Fee: NSPI will charge ENSC the incremental cost of billing and collections – which is the cost of billing and collections that NSPI would not otherwise incur if this Agreement did not exist or the DSM activities covered by this Agreement did not exist. In addition, NSPI will charge ENSC for the amount of bad debt in respect of DSM Rider Revenues and DSM program financings (DSM Rider Revenue bad debt to be calculated as x percent of all bad debt of NSPI customers who pay DSM Rider Revenues, where x = Forecast DSM Rider Revenues divided by forecast NSPI customer revenues).

2. **Call Centre**: NSPI will redirect calls received by NSPI's call centre relating to DSM services to ENSC.

   Fee: NSPI will charge ENSC the incremental cost of call centre activity – which is the cost of the call centre that NSPI would not otherwise incur if this Agreement did not exist or the DSM activities covered by this Agreement did not exist.

3. **Existing Customer Financings**: NSPI will continue credit agreements with DSM customers that were entered into prior to the end of the Transition Period.

   Fee: NSPI will charge ENSC the Financing Costs for DSM program financings granted by NSPI prior to the end of the Transition Period.

4. **Unassigned Agreements**: NSPI will continue to administer any DSM program agreements that are not assigned to ENSC by the end of the Transition Period.

   Fee: NSPI will charge ENSC:

   (a) its Direct Labour Costs in administering those agreements;
   (b) overhead and administration (charged at 50% of Direct Labour Costs);
   (c) reasonable out-of-pocket expenses such as travel and office expenses; and
   (d) fees payable under the agreements.

5. **Ad hoc forecasting and modelling**: NSPI will assist ENSC with specific forecasting and modelling (in addition to the forecasting contemplated in Schedule D) that ENSC may require from time to time in structuring its DSM programs.

   Fee: NSPI will charge ENSC:

(a) its Direct Labour Costs in carrying out ad hoc forecasting and modelling;
(b) overhead and administration (charged at 50% of Direct Labour Costs); and
(c) reasonable out-of-pocket expenses such as travel and office expenses.

6. **Compliance with DSM program evaluation and verification**: NSPI will assist with ENSC's compliance with its evaluation and verification requirements by providing information as required from time to time.

   Fee: NSPI will charge ENSC its Direct Labour Costs in providing such assistance.

7. **Customer Information**: Subject to ENSC's compliance with section 4.2 and 4.5 of the Agreement, NSPI will provide to ENSC such customer information as is requested by ENSC to the extent it is required for the purpose of administering the DSM program.

   Fee: NSPI will charge ENSC its Direct Labour Costs in providing such information plus NSPI's incremental costs in providing such information.

8. **UARB Consulting Fees:** Any UARB fees in connection with consulting services provided to the UARB in respect of the DSM programs will be charged to ENSC on a pass-though basis.

SCHEDULE C
DISCRETIONARY SERVICES AND FEES

Discretionary Services

1. Secondments

Following the Transition Period, NSPI will provide the following staff members to ENSC on a secondment basis, provided that such employees remain employed with NSPI:

- [redacted]

Such seconded employees will:

(a) work on ENSC premises,
(b) use ENSC supplies and resources, including any necessary computer and telephone equipment;
(c) work under the direction and control of ENSC; and
(d) be provided to ENSC at ENSC's sole risk.

The secondments will remain in place from the end of the Transition Period until April 30, 2011, provided that one or more of the secondments may be extended by the mutual agreement of the Parties for up to two additional one-month periods (ending no later than June 30, 2011). Secondments may be terminated early by agreement between the Parties.

Fees: NSPI will charge ENSC for the relevant employee's annual:

(a) base salary;
(b) incentive; and
(c) fringe benefits,

pro-rated to the amount of time such employee is seconded to ENSC.

2. Customer Financing and Other Payment Arrangements

The Parties will work together to determine whether it is in the interest of both Parties as well as DSM customers for NSPI to provide financing or other payment arrangements (such as leases) to DSM customers. NSPI would consider offering such a program based on the following criteria:

(g) NSPI would be entitled to carry out such credit checks as it deems prudent prior to entering into a financing or payment arrangement with a DSM customer;

(h) NSPI would be entitled to take security in the customer's assets as deemed necessary by NSPI;

(i) The funds available to the financing and other payment arrangements program would be subject to an annual aggregate cap set by NSPI annually;

(j) NSPI would only offer financing and/or other payment arrangements subject to compliance with applicable law; and

(k) the Financing Charges would be payable by ENSC and would form part of the NSPI DSM Fees under this Agreement.

Fees: NSPI will charge ENSC the Financing Costs in respect of financings for DSM program financings or other payment arrangements granted by NSPI to DSM customers following the Effective Date, if applicable.

Other Discretionary Services

The Parties may agree to other Discretionary Services from time to time. In respect of this Discretionary Services, NSPI will charge ENSC:

(a) Direct Labour Costs in carrying out the Discretionary Services;

(b) overhead and administration (charged at 50% of Direct Labour Costs in (a) above);

(c) reasonable out-of-pocket expenses such as travel, office expenses, training and memberships; and

(d) any other costs and expenses reasonably incurred in providing the Discretionary Services.

ENSC Services

NSPI may request and ENSC may offer services to NSPI from time to time on terms to be agreed between the Parties, acting reasonably.

SCHEDULE D
DSM PLANNING AND FORECASTING

Coordination of Planning and Forecasting Functions

NSPI and ENSC will establish a framework to support coordinated efforts for effective planning and forecasting. The framework will include roles and responsibilities, principles of conduct, decision making responsibilities, service level commitments, escalation protocols, dispute resolution processes, etc.

As part of this framework, NSPI and ENSC will each designate a planning and forecasting liaison to facilitate planning and forecasting activities. In addition to maintaining informal relationships, the planning and forecasting liaisons will coordinate formal processes to facilitate planning and forecasting functions, as follows:

- On an annual basis, jointly develop a work plan for the upcoming year that identifies a schedule of planning and forecasting activities for each organization, including filing and other critical dates, any dependencies such as studies, activities or data required to complete each activity, and identifies the roles and responsibilities and expectations of each organization to support these. Any planned initiatives at NSPI or ENSC with implications for the other organization should be identified. The annual process would also involve a retrospective review of the processes used to coordinate planning and forecasting in the previous year, and recommendations to implement any changes required to enhance the effectiveness of the coordination process.

- On a quarterly basis, a meeting would be conducted to report achievements against planned activities and to update the work plan as required. These meetings may also include information sessions on new initiatives or approaches, or other topics of mutual interest.

- On a monthly basis, or as required, status updates on specific activities and any changes to planning assumptions would be discussed.
  .

Coordination of Planning Assumptions

Ongoing coordination of planning assumptions will be critical to provide consistency in NSPI and ENSC forecasts. Examples include items such as, electric space heat penetration rates, new customer growth rates, etc. NSPI and ENSC will jointly develop an inventory of critical planning assumptions and a process for ensuring ongoing coordination of planning assumptions.

NSPI-led Planning and Forecasting Functions

NSPI will continue to lead the following planning and forecasting functions:

- Integrated Resource Plan (IRP)
- avoided cost of energy and capacity projections
- system loss factors (at the generator vs. at the meter)
- load forecasting and modelling, including end–use modelling
- rate design

ENSC-led Planning and Forecasting Functions

ENSC will lead the following planning and forecasting functions:

- DSM potential studies (technical, economic, and achievable)
- DSM measure saturation studies
- DSM measure market transformation studies
- DSM program plans
- DSM spending by program by NSPI customer rate class

Future Interdependencies

In NSPI and ENSC, coordination processes will deal not only with the known planning and forecasting functions, but also with new and evolving issues. Where technologies such as automated metering infrastructure could advance the efforts of DSM, NSPI and ENSC will coordinate as appropriate.

SCHEDULE E
DIRECT LABOUR COSTS

Level	Representative Roles	Daily Rate to ENSC ($)
1	Billing and Payment Clerk Administrative Assistant Credit Specialist Call Center Analyst	200
2	Engineer in Training Call Center Supervisor Program Coordinator Financial Analyst Business. Systems Analyst	300
3	Project Manager Program Lead	360
4	Solicitor Senior Project Manager Manager	450