



January 18, 2012

SENT VIA OVERNIGHT MAIL

Debra Howland, Executive Director
NEW HAMPSHIRE PUBLIC UTILITIES
COMMISSION
21 South Fruit Street, Suite 10
Concord, NH 03301



RE: Sprague Operating Resources LLC
Formerly known as Sprague Energy Corp.
Docket #: 03-047

Dear Ms. Howland:

Enclosed herewith please find an original and two (2) copies of Sprague Operating Resources LLC's renewal registration application for its Competitive Natural Gas Supplier License together with a CD with this information. Also enclosed please find Sprague's check in the amount of \$250.00 for the filing fee.

A surety bond in the amount of \$100,000 has been ordered and will be sent to your attention within the next week upon arrival in Sprague's offices.

Attached as Exhibit A please find documentation supporting Sprague's approved shipper status with Granite State Gas Transmission, Inc., Portland Natural Gas Transmission System, and Tennessee Gas Pipeline Company.

Attached as Exhibit B please find the listing of Sprague's aggregators with customer counts.

Sprague requests confidentiality regarding its information regarding customers.

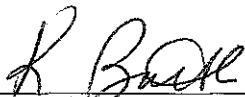
Please be advised that National Grid NH/EnergyNorth Natural Gas Inc. and Unitil/Northern Utilities Inc. have both received copies of this filing via electronic mail.



Please contact my assistant, Kim McCloskey, directly at 603-430-5341, if you any questions regarding this renewal application.

Sincerely,

SPRAGUE OPERATING RESOURCES LLC

By: 
Katherine K. Battles
Senior Counsel

Enclosures

Cc: Robert Wyatt, NH PUC

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITY COMMISSION
PUC Code 3003.02
RENEWAL REGISTRATION OF
COMPETITIVE NATURAL GAS SUPPLIER LICENSE**

Any CNGS seeking to sell natural gas to customers at retail in the State of New Hampshire shall file with the commission a registration application with 2 copies and an electronic copy on diskette, pursuant to PUC 3003.01.

Sprague Operating Resources LLC is filing with the New Hampshire Public Utilities Commission a registration application and will provide an original and two copies plus an electronic copy on a diskette pursuant to PUC 202.08.

1. Legal name of the applicant as well as any trade name(s) under which it intends to operate in this state and, if available, its website address;

**Sprague Operating Resources LLC
www.spragueenergy.com**

2. The applicant's business address, telephone number, and e-mail address;

**Two International Drive, Suite 200
Portsmouth, NH 03801
Tel: 603-431-1000 X338
Fax: 603-430-5320**

3. The applicant's place of incorporation, if anything other than an individual;

Delaware – state of formation

4. The name(s), title(s), business address(es), telephone number(s), and e-mail address(es) of the applicant if an individual, or of the applicant's principal(s) if the applicant is anything other than an individual;

See Attachment 4

5. The following regarding any affiliate or subsidiary of the applicant which is conducting business in New Hampshire:
 - a. The name, business address and telephone number of the entity;
 - b. A description of the business purpose of the entity; and
 - c. A description of any agreement(s) with any affiliated New Hampshire LDC(s);

Sprague Energy Solutions Inc.

100% owned by

**2 International Drive, Suite 200
Portsmouth, NH 03801**

Sprague Operating Resources LLC

The purposes of Sprague Operating Resources LLC are to carry on any lawful business, purpose or activity for which limited liability companies may be formed under the Act.

6. The telephone number of the applicant's customer service department or the name, title, telephone number and e-mail address of the customer service contact person of the applicant, including toll free telephone numbers if available;

**Mary Myers, Supervisor
Contract Administration for Natural Gas
Tel: 603-430-5338
Toll Free: 1-800-225-1560 X205338
Email: mmyers@spragueenergy.com**

7. The name, title, business address, telephone number, and e-mail address of the individual responsible for responding to commission inquiries.

**Katherine K. Battles, Esq.
Senior Counsel
Two International Drive, Suite 200
Portsmouth, NH 03801
Tel: 603-430-5302
Email: kbattles@spragueenergy.com**

8. The name, title, business address, telephone number and e-mail address of the individual who is the applicant's registered agent in New Hampshire for service of process;

**CT Corporation Systems
9 Capitol Street
Concord, NH 03301
Tel: 603-224-2341**

9. A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire secretary of state, if anything other than an individual;

See Attachment 9

10. A list of LDCs in New Hampshire through which the applicant intends to provide service. To the extent an applicant does not intend to provide service in the entire franchise area of an LDC, this list shall delineate the cities and towns where the applicant intends to provide service;

All cities and towns in New Hampshire served by Energy North Gas d/b/a Keyspan Energy Delivery N.E. (National Grid) and Northern Utilities Natural Gas.

11. A description of the types of customers the applicant intends to serve; 16 Puc 3000 NEW HAMPSHIRE CODE OF ADMINISTRATIVE RULES;

All customer and rate classes except residential

12. A listing disclosing the number and type of customer complaints concerning the applicant or its principals, if any, filed with a state or federal licensing/registration agency, attorney general's office or other governmental consumer protection agency for the most recent calendar year in every state in which the applicant has conducted business relating to the sale of natural gas;

No customer complaints have been filed against Sprague Operating Resources LLC or its predecessor Sprague Energy Corp. with any state or federal licensing/registration agency, attorney general's office or other governmental consumer protection agency for the most recent calendar year in every state in which Sprague has conducted business relating to the sale of electricity and/or natural gas.

13. A statement as to whether the applicant or any of the applicant's principals, as listed in a. through c. below, have ever been convicted of any felony that has not been annulled by a court:

- a. For partnerships, any of the general partners;
- b. For corporations, any of the officers, directors or controlling stockholders; or
- c. For limited liability companies, any of the managers or members;

None of Sprague Operating Resources LLC's principals have ever been convicted of any felony that has not been annulled by a court.

14. A statement as to whether the applicant or any of the applicant's principals:

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;

Neither Sprague Operating Resources LLC nor any of the persons listed in 13 above has, within the 10 years immediately prior to registration

- a. Has, within the 10 years immediately prior to registration, had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation;**
- b. Has, within the 10 years immediately prior to registration, settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or**
- c. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation;**

15. If an affirmative answer is given to any item in (13) or (14) above, an explanation of the event;

No affirmative answer was given to any item in 13 or 14.

16. For those applicants intending to telemarket, a statement that the applicant shall:

- a. Maintain a list of consumers who request being placed on the applicant's do-not-call list for the purposes of telemarketing;
- b. Obtain monthly updated do-not-call lists from the National Do Not Call Registry; and;
- c. Not initiate calls to New Hampshire customers who have either requested being placed on the applicant's do-not-call list(s) or customers who are listed on the National Do Not Call Registry;

The above statements are not applicable to Sprague Operating Resources LLC as it does not sell to residential customers.

17. For those applicants that intend not to telemarket, a statement to that effect;

Sprague Operating Resources LLC does not intend to telemarket as it does not sell to residential customers.

18. A sample of the bill form(s) the applicant intends to use or a statement that the applicant intends to use the LDC's billing service;

See Attachment 18

19. A copy of any customer contracts or representative samples of contracts the applicant intends to use;

See Attachment 19

20. A statement that the CNGS has verified the registration of any aggregator with which it has any agreements to provide service to New Hampshire customers, prior to entering into such agreements;

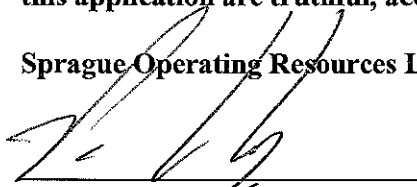
Sprague Operating Resources LLC is in the process of verifying with the aggregators that it has agreements with all such aggregators and that they are either duly registered or seeking registration.

21. A statement certifying the applicant has the authority to file the application on behalf of the CNGS and that its contents are truthful, accurate and complete;

Brian Weego has the authority to file the application on behalf of Sprague Operating Resources LLC and the contents are truthful, accurate and complete. See attachment Unanimous Written Consent of Directors. – see Attachment (w)

On behalf of Sprague Operating Resources LLC, I hereby affirm that the contents of this application are truthful, accurate and complete.

Sprague Operating Resources LLC


Brian Weego
Vice President, Natural Gas

Date: January 18, 2012

ATTACHMENT 18

INVOICE SUMMARY:

BILL TO:	BILLING SUMMARY:
	INVOICE DATE 12/12/2011
	PAYMENT DUE DATE
	Invoice Number
	Sprague Customer Number
	Payment Terms

HOW TO CONTACT SPRAGUE OPERATING RESOURCES LLC:			
Customer Service 1-866-477-7248 Mon - Fri 8:00 AM - 5:00 PM	Remit Check Payment to Sprague Operating Resources LLC Box 83344, Woburn, MA 01813-3344	Visit our website www.spragueenergy.com	GAS EMERGENCY Northern NH / 1-800-842-6847

TOTAL ACCOUNT SUMMARY:		Prior Balance	\$2,291.95
		Payments	(\$2,074.68)
LOCATION	FROM	TO	VOLUME
TOTAL CURRENT CHARGES (EXCLUDES FINANCE CHARGES)			
Finance Charges			
TOTAL CHARGES			
MESSAGE CENTER / CUSTOMER COMMUNICATIONS			

Payment must be accompanied by bottom portion of this bill

100 Market Group, LTD
INVOICE DATE
PAYMENT DUE DATE
Invoice Number
Sprague Customer Number
Payment Terms

ACCOUNT SUMMARY:
Prior Balance
Payments
Current Charges
Finance Charges

May not reflect payments received within three business days.

Please Remit to:
Sprague Operating Resources LLC
Box 83344, Woburn, MA 01813-3344

Total Amount Due

Amount Enclosed

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LOCATION DETAIL:

SERVICE LOCATION:

BILLING SUMMARY:

INVOICE DATE

PAYMENT DUE DATE

Invoice Number

Sprague Customer Number

Payment Terms

UTILITY SUMMARY:

Utility Name: Northern NH

Utility BT Meter Read:

Utility Account Number:

Utility Fuel Loss Factor:

Meter Type:

Invoiced CG Therms:

Meter Number:

Last Read Date:

Current Read Date:

LOCATION SUMMARY:

TRANS. DATE	ITEM	DEAL NUMBER	FROM	TO	VOLUME Therms	COMMODITY PRICE	AMOUNT
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TOTAL CURRENT CHARGES

Thank you for choosing Sprague as your energy supplier!

Questions regarding this invoice? Please call Sprague Customer Service at 1-866-477-7248

In the event of a gas emergency, please call Northern NH at 1-800-842-6847

NATURAL GAS SALES AGREEMENT

This Natural Gas Sales Agreement ("**Agreement**") is entered into as of this ____th day of _____ **2011** by and between **SPRAGUE OPERATING RESOURCES LLC ("Sprague")** with offices at Two International Drive, Suite 200, Portsmouth, New Hampshire 03801 and _____ ("**Buyer**") (Tax I.D. No.: _____) with offices at _____. In consideration of the mutual covenants, undertakings, terms and conditions set forth below, Sprague and Buyer agree as follows:

1. **Service.** Sprague agrees to sell and deliver to Buyer at the location(s) identified on Addendum A and Buyer agrees to receive and purchase from Sprague natural gas ("**Gas**") on the terms and conditions set forth in this Agreement. Each sale shall be on a firm basis unless otherwise stated in the Transaction Confirmation, meaning that either party may interrupt its performance without liability only to the extent that Force Majeure applies as described in Section 19.
2. **Transaction Procedure.** When Sprague and Buyer reach an agreement on Buyer's purchase of Gas, Sprague shall communicate to Buyer the agreed upon terms in the form of a "Transaction Confirmation," as set forth in the attached Exhibit A, via facsimile, electronic mail, or other means as agreed upon by the parties. Each Transaction Confirmation is subject to the terms and conditions of this Agreement and is an integral part thereof. If any term of this Agreement conflicts with any term in a binding Transaction Confirmation, the Transaction Confirmation shall control, but shall not void any non-conflicting term of this Agreement. Buyer shall be solely responsible for notifying Sprague in writing of any inaccuracies in the Transaction Confirmation not more than two (2) business days from Buyer's receipt of a Transaction Confirmation. A Transaction Confirmation shall be binding upon the parties when it is signed by Sprague's authorized agent and either (1) Buyer has signed the Transaction Confirmation and returned it to Sprague; or (2) Buyer has failed to sign the Transaction Confirmation within two (2) business days from receipt and provide written notification of any inaccuracies.
3. **Telephone Recordings.** The parties agree that each party may electronically record all telephone conversations between their respective agents and employees regarding this Agreement and any Transaction Confirmation, or other commercial business between the parties, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording, but neither party waives any objection to the admissibility of such evidence.
4. **Transportation.** Sprague shall be solely responsible for transporting the Gas to the delivery point(s) set forth in the Transaction Confirmation. Buyer shall be solely responsible for transporting and handling the Gas from such delivery point(s).
5. **Quality and Measurement.** Sprague shall deliver all Gas in compliance with the quality and measurement specifications as set forth in the tariff of the Transporter delivering the Gas to Buyer. "**Transporter**" shall mean all Gas gathering or pipeline companies, or local distribution companies, transporting Gas for Sprague or Buyer upstream or downstream, respectively, of the delivery point pursuant to the Transaction Confirmation.
6. **Nominations and Scheduling.** Buyer shall give Sprague prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Sprague may use the best available information to determine the quantities of Gas to be delivered, but Sprague shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer's sole responsibility under Section 8. Should a

party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled to be delivered, such party shall promptly notify the other party.

7. **Notice of Operational Change.** Buyer shall immediately notify Sprague of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Sprague of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.

8. **Imbalances.** The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Sprague for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Sprague copies of Buyer's Transporter statements, reports or meter readings related to any Gas deliveries performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.

9. **Taxes.** Sprague shall pay or cause to be paid all taxes (including but not limited to sales, use, distribution, excise, gross receipts, or other taxes), fees, levies, penalties, licenses or charges imposed, whether now or in the future, by any government authority ("**Taxes**") on or with respect to the Gas prior to the delivery point(s). Buyer shall pay or cause to be paid all Taxes, whether stated separately or as part of the price, on or with respect to the Gas at and after the delivery point(s). If a party is required to remit or pay Taxes due by the other party under this Agreement, upon receipt of notice, the other party shall promptly reimburse the party the amount paid. If a party is entitled to an exemption from any Taxes, such party shall promptly furnish the other party with any necessary supporting documentation.

10. **Pricing and Billing.**

a. **Price.** The "**Price**" Buyer shall pay Sprague for Gas shall be the price and other charges as set forth in the applicable Transaction Confirmation, as well as any Taxes.

b. **Billing.** Sprague shall invoice Buyer as specified in the Transaction Confirmation for Gas delivered. If the actual quantity delivered is unknown to Sprague by the invoice date, Sprague will prepare the invoice based upon the best available information including nominated volumes. Buyer shall pay Sprague the invoiced amount on or before the due date, and Sprague shall make any necessary adjustment upon discovering the actual quantities by adjusting the invoiced quantity to the actual quantity in the next invoice.

c. **Interest Rate.** Sprague may charge Buyer an interest rate of one and a half percent (1½%) monthly or an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

d. **Invoices Presumed Final.** All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Sprague invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. If the parties cannot resolve any invoice dispute, either party may pursue any remedy available at law or in equity to enforce its rights.

subject to Section 25. Nothing in this Section shall be deemed to preclude Sprague from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

e. *Netting.* The parties shall net all undisputed amounts due and owing, and/or past due, such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with this Section 10; provided that no payment required to be made pursuant Sections 17(b) and (c) shall be subject to netting under this Section.

11. **Notice.** Any Transaction Confirmation, invoice, notice, request, demand, or statement given pursuant to this Agreement shall be in writing and may be sent by facsimile, electronic mail, a nationally recognized overnight courier service, or first class mail or hand delivery to the appropriate address as set forth below:

Billing/Invoices:

SPRAGUE:

SPRAGUE OPERATING RESOURCES LLC
Two International Drive, Suite 200
Portsmouth, NH 03801
Attn: Natural Gas Administration
Telephone No.: (603) 431-1000
Fax No.: (603) 430-5320
E-mail address: contractadministrationgroup
@spragueenergy.com

BUYER:

Attn:
Telephone No.:
Fax No.:
E-mail address:

Transaction Confirmations:

SPRAGUE:

SPRAGUE OPERATING RESOURCES LLC
Two International Drive, Suite 200
Portsmouth, NH 03801
Attn: Natural Gas Administration
Telephone No.: (603) 431-1000
Fax No.: (603) 430-5320
E-mail address: contractadministrationgroup
@spragueenergy.com

BUYER:

Attn:
Telephone No.:
Fax No.:
E-mail address:

Other notices, requests, demands or statements:

SPRAGUE:

SPRAGUE OPERATING RESOURCES LLC
Two International Drive, Suite 200
Portsmouth, NH 03801
Attn: Natural Gas Administration
Telephone No.: (603) 431-1000
Fax No.: (603) 430-5320

BUYER:

Attn:
Telephone No.:
Fax No.:

E-mail address: contractadministrationgroup E-mail address:
@spragueenergy.com

Notice shall be deemed given when received on a business day by the addressee. In the absence of proof of the actual receipt date, the following presumptions apply. Notices sent by facsimile shall be deemed received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission if on a business day and, if not, on the next following business day. Notice sent by electronic mail shall be sent with a request for a reply email and deemed received on the day sent if a business day and, if not, on the next following business day so long as the sending party does not receive notification that the electronic mail did not reach the intended recipient. Upon receipt of an email from the other party, the recipient shall also have a duty to send a reply email confirming receipt. However, a failure to include the request for a reply email or a failure to send a reply email confirming receipt will not alter the day notice is deemed to have occurred via electronic mail under this Section. Notice by overnight mail or courier shall be deemed to have been received on the next business day following the day it was sent or an earlier time if confirmed by the receiving party. Notice via first class mail shall be deemed delivered five (5) business days after mailing.

12. **Term.** This Agreement shall be in full force and effect as of the date first above written and shall continue unless terminated by either party with at least sixty (60) days prior written notice. Notwithstanding any termination of this Agreement, any Transaction Confirmation accepted by the parties while this Agreement is in effect shall continue to be subject to all terms and conditions of this Agreement.

13. **Credit.** Sprague and Buyer agree that this Agreement is conditioned upon Buyer meeting Sprague's credit requirements as may be established, and amended, from time to time. Buyer acknowledges and agrees that the price of natural gas is volatile and this Agreement imposes an obligation on Buyer that Sprague's expectation of receiving due performance will not be impaired. Buyer therefore agrees that Sprague, in its sole discretion, may at any time, without notice, increase or decrease Buyer's credit requirements. Sprague's continued performance of its obligations under this Agreement and any Transaction Confirmation shall be contingent upon Buyer continuing to meet its credit requirements, as determined by Sprague, at all times.

14. **Adequate Assurance.** If Sprague has reasonable grounds for insecurity regarding Buyer's performance of any obligation under this Agreement (including, without limitation, the occurrence of a material change in the other party's creditworthiness), whether or not then due, Sprague may demand adequate assurance of performance, meaning sufficient security in the form, amount and for the term reasonably acceptable to Sprague, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security) and Buyer shall give such adequate assurance within two (2) business days. Buyer agrees to provide such financial information, financial statements, annual reports, securities filings and credit authorizations as Sprague shall reasonably and from time to time request for the purpose of assessing and monitoring Buyer's financial condition and credit worthiness.

15. **Breach of Performance Obligations**

a. **Payment Failure.** If Buyer breaches its obligation to pay Sprague's invoice when due, Sprague, without penalty, after giving written notice to Buyer and a two (2) business day cure period, may terminate this Agreement

and any outstanding Transaction Confirmation. Sprague may also elect the Non-Defaulting Party's rights as set forth in Section 17.

b. *Delivery Failure.* If Sprague breaches its obligation to deliver Gas on any day, Buyer shall in good faith use commercially reasonable efforts to purchase the most economic replacement fuel, whether Gas or an alternative fuel, in the undelivered amount, from a third party. Buyer's sole and exclusive remedy for such breach, however, shall be payment from Sprague in an amount equal to any positive difference between the purchase price paid by Buyer to a third party for Gas (in an amount not exceeding that which Sprague failed to deliver), if any, adjusted for commercially reasonable differences in transportation costs to or from the delivery point(s) less the Price for the amount of Gas Sprague failed to deliver.

c. *Receipt Failure.* If Buyer breaches its obligation to receive Gas on any day, Sprague shall in good faith use commercially reasonable efforts to sell the Gas to a third party. Sprague's sole and exclusive remedy, however, is payment from Buyer in the amount equal to any positive difference between the Price for the amount of Gas Buyer failed to receive, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), less the price received for any amount of the Gas sold to a third party, if any.

d. Any amount due under this Section 15 shall be payable five (5) business days after presentation of the performing party's invoice, which shall set forth the basis upon which the amount was calculated. Imbalance Charges shall only be recovered pursuant to Section 8.

16. **Events of Default.** An "Event of Default" shall occur when a party (the "**Defaulting Party**") or its guarantor:

- a. makes an assignment or any general arrangement for the benefit of creditors;
- b. files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
- c. otherwise becomes bankrupt or insolvent (however evidenced);
- d. is unable to pay its debts as they fall due;
- e. has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; or
- f. fails to perform any obligation to the other party with respect to Sections 13 or 14.

17. **Non-Defaulting Party's Rights.** When an Event of Default occurs or Buyer breaches its obligation to pay Sprague's invoice after the cure period given in Section 15a., the other party (the "**Non-Defaulting Party**") shall have the right, at its sole election, in addition to any and all other available remedies under this Agreement, to immediately withhold and/or suspend deliveries or payments upon written notice and/or to terminate and liquidate the transactions under the Agreement, in the following manner:

a. The Non-Defaulting Party shall give notice to the Defaulting Party of the "**Early Termination Date**", such date being five (5) days from the date of the notice, of all transactions under this Agreement, each being a "**Terminated Transaction**". On the Early Termination Date, all transactions will terminate, except those transactions, if any, that may not be liquidated and terminated under applicable law or are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("**Excluded Transactions**"). The Excluded Transactions must be liquidated and terminated as soon as reasonably practicable, and upon termination shall be treated as Terminated Transactions. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of this Section.

b. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (1) the amount owed (whether or not then due) by each party with respect to all

Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any imbalance charges), for which payment under this Agreement has not yet been made; and (2) the Market Value, as defined below, of each Terminated Transaction.

c. The Non-Defaulting Party shall (1) liquidate and accelerate each Terminated Transaction at its Market Value, so that the amount equal to the difference between such Market Value and the Transaction Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Transaction Value and due to Sprague if the opposite is the case; and (2) where appropriate, discount each amount then due to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). The Non-Defaulting party shall also be entitled to recover costs incurred due to termination and liquidation under this Section 17, including but not limited to broker and hedge-related costs and direct costs, but not indirect costs, provided there shall be no duplication of costs and damages.

d. **"Transaction Value"** means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Price, and **"Market Value"** means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, parties need not enter into replacement transaction(s); rather, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Transaction Values and Market Values. Any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Transaction Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

e. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts the parties owe under this Section 17, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the **"Net Settlement Amount"**). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any credit support obligation relating to the Agreement; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties. As soon as practicable after a liquidation, the Non-Defaulting Party shall give written notice to the Defaulting Party of the Net Settlement Amount and to which party it is due, including a reasonably detailed explanation of the calculation of such amount. Any failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim between the parties. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such notice, but not earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue at the rate of one and a half percent (1½ %) monthly or the maximum applicable lawful interest rate, if lower.

f. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 17.e. is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when

the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 17.e. shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

g. *Separate Netting Agreement.* With respect to this Section 17, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions of the separate netting agreement shall prevail to the extent inconsistent herewith.

h. *Exclusive Remedy.* The Non-Defaulting Party's remedies under this Section 17 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Agreement.

18. **Forward Contract.** The parties specifically agree that any transaction under the Agreement are "forward contracts" as such term is defined in the United States Bankruptcy Code and that each party is a "forward contract merchant" as such term is defined in the United States Bankruptcy Code. Each party further agrees that the other party is not a "utility" as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.

19. **Force Majeure.** Except with regard to a party's obligation to make payment(s) due under Sections 8, 10, 15 and 17, neither party shall be liable to the other for failure to perform an obligation, to the extent such failure was caused by Force Majeure. "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, acts of terrorism or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Sprague and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Neither party shall be entitled to the benefit of this Section 19 to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, Sprague's ability to sell Gas at a higher or more advantageous price, Buyer's ability to purchase Gas at a lower or more advantageous price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iii) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in this Section; or (iv) the loss or failure of Sprague's gas supply or depletion of reserves, except, in either case, as provided in this Section. The party claiming Force Majeure shall not be excused from its responsibility for imbalance charges or penalties. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance. The party whose performance is prevented by Force Majeure must provide immediate notice to the other party orally and, as soon as reasonably possible, in writing with reasonably full particulars of the event or occurrence. Upon providing such notice, the party claiming Force Majeure will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or

event. If one event of Force Majeure continues for forty-five (45) days or more, either party may terminate the Agreement and any Transaction Confirmation upon giving notice to the other party.

20. **Tariffs, Laws and Regulations.** This Agreement shall be subject to all valid local, state and federal laws and orders, directives, rules and regulations of any governmental body or official having jurisdiction. Each party shall indemnify, defend and hold harmless the other party from any fines, penalties, assessments or liabilities imposed by any governmental authority of competent jurisdiction relating to the failure of such party to comply with any applicable governmental law, rule or regulation. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Sprague's ability to perform under this Agreement and/or any Transaction Confirmation, Sprague shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

21. **Waiver and Severability.** The waiver by either party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver or any subsequent breach of such provision or the waiver of the provision itself. Should a court of competent jurisdiction hold any provision of this Agreement invalid, illegal or unenforceable, that provision shall be eliminated or limited to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect and enforceable.

22. **Integration and Assignability.** This Agreement contains the entire understanding of the parties, shall supersede any other oral or written agreements, and shall be binding upon and inure to the benefit of the parties' successors and assigns. It may not be modified in any way without the written consent of both parties. Buyer may not assign this Agreement without Sprague's prior written approval, such approval will not be unreasonably withheld.

23. **Confidentiality.** Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Agreement or any Transaction Confirmation to a third party (other than the party's employees, lenders, royalty owners, counsel, and accountants, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Agreement, provided such disclosure is necessary and such persons have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Agreement, (iii) to the extent necessary to implement any transaction, (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index, or (v) to third-party credit rating agencies in conjunction with the evaluation and/or review of Buyer's creditworthiness. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Agreement is not subject to this confidentiality obligation. Subject to Section 24, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The parties shall keep the terms of any transaction hereunder confidential for one year from the expiration of the transaction. If a governmental body or applicable law requires the disclosure, the party subject to the requirement shall promptly notify the other party prior to the disclosure and cooperate with the other party in any efforts to obtain protective orders or similar restraints with respect to the disclosure.

24. **Limitations.**

A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS

EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION CONFIRMATION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR SPECIFIC PERFORMANCE, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. THE PARTIES HEREBY INTEND THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THIS AGREEMENT BE WITHOUT REGARD TO THE CAUSE(S) RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OBTAINING AN ADEQUATE REMEDY IS OTHERWISE INCONVENIENT, AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

25. **Governing Law.** This Agreement and any Transaction Confirmation shall be governed by and interpreted in accordance with the laws of the State of New Hampshire, excluding its conflicts and law of principles. The parties consent to the jurisdiction of the New Hampshire courts to resolve any disputes under this Agreement or any Transaction Confirmation and hereby waive any right to a jury trial.

26. **Headings.** The headings and subheadings contained in this Agreement are used solely for convenience and shall not be used to construe or interpret the provisions of this Agreement.

27. **Counterparts.** This Agreement, and any Transaction Confirmation hereunder, may be executed in multiple counterparts. The parties further agree that facsimile, fax and other mechanically or electronically produced counterparts and signatures of this Agreement or on any Transaction Confirmation may, for all purposes, be relied upon by the other as if originals.

28. **Authorized Representative.** This Agreement is executed by an authorized representative of each party.

[Signatures appear on next page]

SPRAGUE OPERATING RESOURCES LLC

By: _____

Name: Brian Weego

Title: Vice President, Natural Gas

By: _____

Name: _____

Title: _____

Date: _____

Date: _____



**Addendum A
to the
NATURAL GAS SALES AGREEMENT
between Sprague Operating Resources LLC and
dated, 2011**

DELIVERY LOCATION:

LDC:
LDC Acct #:
Delivery Point:

(Utility account numbers are being provided above for reference purposes only and may be subject to change)

NATURAL GAS GENERAL TERMS & CONDITIONS

1. **Service.** Sprague agrees to sell and deliver to Buyer, and Buyer agrees to receive and purchase from Sprague, natural gas ("Gas") on the terms and conditions set forth in the Transaction Confirmation and herein. Each sale shall be on a firm basis unless otherwise stated in the Transaction Confirmation, meaning that either party may interrupt its performance without liability only to the extent that Force Majeure applies as described herein.
2. **Transportation.** Sprague shall be solely responsible for transporting the Gas to the delivery point(s) set forth in the Transaction Confirmation. Buyer shall be solely responsible for transporting and handling the Gas from such delivery point(s).
3. **Quality and Measurement.** Sprague shall deliver all Gas in compliance with the quality and measurement specifications as set forth in the tariff of the Transporter delivering the Gas to Buyer. "Transporter" shall mean all Gas gathering or pipeline companies, or local distribution companies, transporting Gas for Sprague or Buyer upstream or downstream, respectively, of the delivery point pursuant to the Transaction Confirmation.
4. **Nominations and Scheduling.** Buyer shall give Sprague prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Sprague may use the best available information to determine the quantities of Gas to be delivered, but Sprague shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer's sole responsibility under Section 8. Should a party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled to be delivered, such party shall promptly notify the other party.
5. **Notice of Operational Change.** Buyer shall immediately notify Sprague of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Sprague of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.
6. **Imbalances.** The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Sprague for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Sprague copies of Buyer's Transporter statements, reports or meter readings related to any Gas deliveries performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.
7. **Taxes.** Sprague shall pay or cause to be paid all taxes (including but not limited to sales, use, distribution, excise, gross receipts, or other taxes), fees, levies, penalties, licenses or charges imposed, whether now or in the future, by any government authority ("Taxes") on or with respect to the Gas prior to the delivery point(s). Buyer shall pay or cause to be paid all Taxes, whether stated separately or as part of the price, on or with respect to the Gas at and after the delivery point(s). If a party is required to remit or pay Taxes due by the other party under this Agreement, upon receipt of notice, the other party shall promptly reimburse the party the amount paid. If a party is entitled to an exemption from any Taxes, such

party shall promptly furnish the other party with any necessary supporting documentation.

8. Pricing and Billing.

a. *Price.* The "**Price**" Buyer shall pay Sprague for Gas shall be the price and other charges as set forth in the applicable Transaction Confirmation, as well as any Taxes.

b. *Billing.* Sprague shall invoice Buyer as specified in the Transaction Confirmation for Gas delivered. If the actual quantity delivered is unknown to Sprague by the invoice date, Sprague will prepare the invoice based upon the best available information including nominated volumes. Buyer shall pay Sprague the invoiced amount on or before the due date, and Sprague shall make any necessary adjustment upon discovering the actual quantities by adjusting the invoiced quantity to the actual quantity in the next invoice.

c. *Interest Rate.* Sprague may charge Buyer an interest rate of one and a half percent (1½%) monthly or an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

d. *Invoices Presumed Final.* All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Sprague invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. If the parties cannot resolve any invoice dispute, either party may pursue any remedy available at law or in equity to enforce its rights subject to Section 21. Nothing in this Section shall be deemed to preclude Sprague from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

e. *Netting.* The parties shall net all undisputed amounts due and owing, and/or past due, such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with this Section 8; provided that no payment required to be made pursuant Sections 14(b) and (c) shall be subject to netting under this Section.

9. Notice. All notices shall be in writing and may be sent by facsimile, electronic mail, a nationally recognized overnight courier service, or first class mail or hand delivery to the party for whom intended. Notices to the Buyer shall be sent to the address provided by such party or the last known address. Notices to Sprague shall be sent to the following address:

Sprague Operating Resources LLC
Attn: Contract Administration
Two International Drive, Suite 200
Portsmouth, NH 03801
Fax#: (603) 430-5320
Email: ContractAdministrationGroup@spragueenergy.com

Notice shall be deemed given when received on a business day by the addressee. In the absence of proof of the actual receipt date, the following presumptions apply. Notices sent by facsimile shall be deemed received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission if on a business day and, if not, on the next following business day. Notice sent by electronic mail shall be sent with a request for a reply email and deemed received on the day sent if a business day and, if not, on the next following business day so long as the sending party does not

receive notification that the electronic mail did not reach the intended recipient. Upon receipt of an email from the other party, the recipient shall also have a duty to send a reply email confirming receipt. However, a failure to include the request for a reply email or a failure to send a reply email confirming receipt will not alter the day notice is deemed to have occurred via electronic mail under this Section. Notice by overnight mail or courier shall be deemed to have been received on the next business day following the day it was sent or an earlier time if confirmed by the receiving party. Notice via first class mail shall be deemed delivered five (5) business days after mailing.

10. **Credit.** Sprague and Buyer agree that the Transaction Confirmation is conditioned upon Buyer meeting Sprague's credit requirements as may be established, and amended, from time to time. Buyer acknowledges and agrees that the price of natural gas is volatile and this Agreement imposes an obligation on Buyer that Sprague's expectation of receiving due performance will not be impaired. Buyer therefore agrees that Sprague, in its sole discretion, may at any time, without notice, increase or decrease Buyer's credit requirements. Sprague's continued performance of its obligations under this Agreement and any Transaction Confirmation shall be contingent upon Buyer continuing to meet its credit requirements, as determined by Sprague, at all times

11. **Adequate Assurance.** If Sprague has reasonable grounds for insecurity regarding Buyer's performance of any obligation under the Transaction Confirmation (including, without limitation, the occurrence of a material change in the other party's creditworthiness), whether or not then due, Sprague may demand adequate assurance of performance, meaning sufficient security in the form, amount and for the term reasonably acceptable to Sprague, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security) and Buyer shall give such adequate assurance within one (1) business day. Buyer agrees to provide such financial information, financial statements, annual reports, securities filings and credit authorizations as Sprague shall reasonably and from time to time request for the purpose of assessing and monitoring Buyer's financial condition and credit worthiness.

12. **Breach of Performance Obligations**

a. **Payment Failure.** If Buyer breaches its obligation to pay Sprague's invoice when due, Sprague, without penalty, may immediately suspend performance without further notice to Buyer and/or terminate the Transaction Confirmation upon giving written notice to Buyer. Sprague may also elect the Non-Defaulting Party's rights as set forth in Section 14.

b. **Delivery Failure.** If Sprague breaches its obligation to deliver Gas on any day, Buyer shall in good faith use commercially reasonable efforts to purchase the most economic replacement fuel, whether Gas or an alternative fuel, in the undelivered amount, from a third party. Buyer's sole and exclusive remedy for such breach, however, shall be payment from Sprague in an amount equal to any positive difference between the purchase price paid by Buyer to a third party for Gas (in an amount not exceeding that which Sprague failed to deliver), if any, adjusted for commercially reasonable differences in transportation costs to or from the delivery point(s) less the Price for the amount of Gas Sprague failed to deliver.

c. **Receipt Failure.** If Buyer breaches its obligation to receive Gas on any day, Sprague shall in good faith use commercially reasonable efforts to sell the Gas to a third party. Sprague's sole and exclusive remedy, however, is payment from Buyer in the amount equal any positive difference between the Price for the amount of Gas Buyer failed to receive, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), less the price received for any amount of the Gas sold to a third party, if any.

d. Any amount due under this Section 12 shall be payable five (5) business days after presentation of the performing party's invoice, which shall set forth the basis upon which the amount was calculated. Imbalance Charges shall only be recovered pursuant to Section 6.

13. **Events of Default.** An “**Event of Default**” shall occur when a party (the “**Defaulting Party**”) or its guarantor:
- makes an assignment or any general arrangement for the benefit of creditors;
 - files a petition or otherwise commences, authorizes, or acquiesces in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it;
 - otherwise becomes bankrupt or insolvent (however evidenced);
 - is unable to pay its debts as they fall due;
 - has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; or
 - fails to perform any obligation to the other party with respect to Sections 10 or 11.
14. **Non-Defaulting Party’s Rights.** When an Event of Default occurs or Buyer breaches its obligation to pay Sprague’s invoice when due under Section 12.a., the other party (the “**Non-Defaulting Party**”) shall have the right, at its sole election, in addition to any and all other available remedies under this Agreement, to immediately withhold and/or suspend deliveries or payments upon written notice and/or to terminate and liquidate the transactions under the Transaction Confirmation, in the following manner:
- The Non-Defaulting Party shall give notice to the Defaulting Party of the “**Early Termination Date**”, such date being five (5) days from the date of the notice, of all transactions under this Agreement, each being a “**Terminated Transaction**”. On the Early Termination Date, all transactions will terminate, except those transactions, if any, that may not be liquidated and terminated under applicable law or are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate (“**Excluded Transactions**”). The Excluded Transactions must be liquidated and terminated as soon as reasonably practicable, and upon termination shall be treated as Terminated Transactions. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of this Section.
 - As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (1) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any imbalance charges), for which payment under the Transaction Confirmation has not yet been made; and (2) the Market Value, as defined below, of each Terminated Transaction.
 - The Non-Defaulting Party shall (1) liquidate and accelerate each Terminated Transaction at its Market Value, so that the amount equal to the difference between such Market Value and the Transaction Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Transaction Value and due to Sprague if the opposite is the case; and (2) where appropriate, discount each amount then due to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions). The Non-Defaulting party shall also be entitled to recover costs incurred due to termination and liquidation under this Section, including but not limited to broker and hedge-related costs and direct costs, but not indirect costs, provided there shall be no duplication of costs and damages.
 - “**Transaction Value**” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Price, and “**Market Value**” means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, parties need not enter into replacement transaction(s); rather, the Non-Defaulting Party may consider, among other

valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Transaction Values and Market Values. Any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Transaction Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

e. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts the parties owe under this Section 14, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "**Net Settlement Amount**"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any credit support obligation relating to the Agreement; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties. As soon as practicable after a liquidation, the Non-Defaulting Party shall give written notice to the Defaulting Party of the Net Settlement Amount and to which party it is due, including a reasonably detailed explanation of the calculation of such amount. Any failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim between the parties. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such notice, but not earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue at the rate of one and a half percent (1½ %) monthly or the maximum applicable lawful interest rate, if lower.

f. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 14.e. is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 14.e. shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

g. *Separate Netting Agreement.* With respect to this Section 14, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions of the separate netting agreement shall prevail to the extent inconsistent herewith.

h. *Exclusive Remedy.* The Non-Defaulting Party's remedies under this Section 14 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Agreement.

15. **Forward Contract.** The parties agree that a transaction hereunder constitutes a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Sprague are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

16. **Force Majeure.** Except with regard to a party's obligation to make payment(s) due under Sections 6, 8, 12 and 14, neither party shall be liable to the other for failure to perform an obligation, to the extent such failure was caused by Force Majeure. "**Force Majeure**" shall include, but not be limited to, the following: (i) physical events such as acts of God,

landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, acts of terrorism or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Sprague and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance. Neither party shall be entitled to the benefit of this Section 16 to the extent performance is affected by any or all of the following circumstances: (i) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, Sprague's ability to sell Gas at a higher or more advantageous price, Buyer's ability to purchase Gas at a lower or more advantageous price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iii) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in this Section; or (iv) the loss or failure of Sprague's gas supply or depletion of reserves, except, in either case, as provided in this Section. The party claiming Force Majeure shall not be excused from its responsibility for imbalance charges or penalties. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance. The party whose performance is prevented by Force Majeure must provide immediate notice to the other party orally and, as soon as reasonably possible, in writing with reasonably full particulars of the event or occurrence. Upon providing such notice, the party claiming Force Majeure will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event. If one event of Force Majeure continues for forty-five (45) days or more, either party may terminate the Agreement and any Transaction Confirmation upon giving notice to the other party.

17. Tariffs, Laws and Regulations. This Agreement shall be subject to all valid local, state and federal laws and orders, directives, rules and regulations of any governmental body or official having jurisdiction. Each party shall indemnify, defend and hold harmless the other party from any fines, penalties, assessments or liabilities imposed by any governmental authority of competent jurisdiction relating to the failure of such party to comply with any applicable governmental law, rule or regulation. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Sprague's ability to perform under this Agreement and/or any Transaction Confirmation, Sprague shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

18. Waiver and Severability. The waiver by either party of a breach of any provision contained herein shall be in writing and shall in no way be construed as a waiver or any subsequent breach of such provision or the waiver of the provision itself. Should a court of competent jurisdiction hold any provision of this Transaction Confirmation invalid, illegal or unenforceable, that provision shall be eliminated or limited to the minimum extent necessary so that this Transaction Confirmation shall otherwise remain in full force and effect and enforceable.

19. Integration and Assignability. The Transaction Confirmation, including these general terms and conditions, contains the entire understanding of the parties, shall supersede any other oral or written agreements, and shall be binding upon and inure to the benefit of the parties' successors and assigns. It may not be modified in any way without the written

consent of both parties. Neither party shall have the right to assign the Transaction Confirmation in whole or in part without the other party's written consent, such consent not to be unreasonably withheld.

20. **Confidentiality.** Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of the Transaction Confirmation to a third party (other than the party's employees, lenders, royalty owners, counsel, and accountants, or prospective purchasers of all or substantially all of a party's assets or of any rights under the Transaction Confirmation, provided such disclosure is necessary and such persons have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of the Transaction Confirmation, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of the Transaction Confirmation is not subject to this confidentiality obligation. Subject to Section 21, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The parties shall keep the terms of any transaction hereunder confidential for one year from the expiration of the transaction. If a governmental body or applicable law requires the disclosure, the party subject to the requirement shall promptly notify the other party prior to the disclosure and cooperate with the other party in any efforts to obtain protective orders or similar restraints with respect to the disclosure.

21. **Limitations.**

A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS EXPRESSLY PROVIDED IN THE TRANSACTION CONFIRMATION, INCLUDING THESE GENERAL TERMS AND CONDITIONS, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION CONFIRMATION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED HEREIN, NEITHER PARTY SHALL BE LIABLE FOR SPECIFIC PERFORMANCE, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. THE PARTIES HEREBY INTEND THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THE TRANSACTION CONFIRMATION, INCLUDING THESE GENERAL TERMS AND CONDITIONS, BE WITHOUT REGARD TO THE CAUSE(S) RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OBTAINING AN ADEQUATE REMEDY IS OTHERWISE INCONVENIENT, AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

22. **Governing Law.** The Transaction Confirmation shall be governed by and interpreted in accordance with the laws of the State of New Hampshire, excluding its conflicts and law of principles. The parties consent to the jurisdiction of the New Hampshire courts to resolve any disputes under the Transaction Confirmation and hereby waive any right to a jury trial.

23. **Headings.** The headings and subheadings contained in these general terms and conditions are used solely for convenience and shall not be used to construe or interpret the provisions herein.

Base Contract for Retail Sale and Purchase of Natural Gas or Electricity

This Base Contract is entered into as of the following date: _____, and such additional terms and conditions as agreed to by Supplier and Customer and set forth in an Addendum hereto. The parties to this Base Contract are:
Supplier: _____ and Customer: _____

D-U-N-S® Number: _____
Contract Number: _____
U.S. Federal Tax ID Number: _____

D-U-N-S® Number: _____
Contract Number: _____
U.S. Federal Tax ID Number: _____

Notices:

Attn: _____
Phone: _____ Fax: _____

Attn: _____
Phone: _____ Fax: _____

Confirmations:

Attn: _____
Phone: _____ Fax: _____

Attn: _____
Phone: _____ Fax: _____

Invoices and Payments:

Attn: _____
Phone: _____ Fax: _____

Attn: _____
Phone: _____ Fax: _____

Wire Transfer or ACH Numbers (if applicable):

BANK: _____
ABA: _____
ACCT: _____
Other Details: _____

BANK: _____
ABA: _____
ACCT: _____
Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Retail Sale and Purchase of Natural Gas or Electricity published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

Section 1.2 Transaction Procedure <input type="checkbox"/> Written (default) <input type="checkbox"/> Oral	Section 7.3 Other agreement set-offs <input type="checkbox"/> Other agreement setoffs apply (default) <input type="checkbox"/> Other agreement setoffs do not apply
Section 2.6 Confirm Deadline <input type="checkbox"/> 2 Business Days after receipt (default) <input type="checkbox"/> _____ Business Days after receipt	Section 9 Taxes <input type="checkbox"/> Customer Pays At and After Delivery Point (default) <input type="checkbox"/> Supplier Pays Before and At Delivery Point
Section 2.7 Confirming Party <input type="checkbox"/> Supplier (default) <input type="checkbox"/> Customer <input type="checkbox"/> _____	Section 12.2 Confidentiality <input type="checkbox"/> Confidentiality applies (default) <input type="checkbox"/> Confidentiality does not apply
Section 3.2 Performance Obligation <input type="checkbox"/> Cover Standard (default) <input type="checkbox"/> Spot Price Standard Note: The following Spot Price Publication applies to both of the immediately preceding. Spot Price Publication _____	Section 12.4 Alternate Dispute Resolution <input type="checkbox"/> Alternate Dispute Resolution <input type="checkbox"/> No Alternate Dispute Resolution (default)
Section 7.1 Early Termination Damages <input type="checkbox"/> Early Termination Damages Apply (default) <input type="checkbox"/> Early Termination Damages Do Not Apply	Section 12.6 Choice of Law _____
<input type="checkbox"/> Special Provisions Number of sheets attached: _____ <input type="checkbox"/> Addendum(a): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

B. Supplier Name _____
By _____
Name: _____
Title: _____

Customer Name _____
By _____
Name: _____
Title: _____

GENERAL TERMS AND CONDITIONS

SECTION 1. PURPOSE AND PROCEDURES

- 1.1 These General Terms and Conditions are intended to facilitate retail purchase and sale transactions of either Gas or Electricity that will result in physical delivery thereof. The entire agreement between the parties shall be the Contract as defined in Section 2.8.

The parties have selected either the "Written Transaction Procedure" or the "Oral Transaction Procedure" as indicated on the Base Contract.

Written Transaction Procedure:

- 1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, UET or mutually agreeable electronic means, to the other party by the close of the second Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of non-conflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

Oral Transaction Procedure:

- 1.2. The parties will use the following Transaction Confirmation procedure. Any purchase and sale transaction may be effectuated in a UET transmission or telephone conversation. The parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, UET or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure). Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, Delivery Point, period of delivery and/or transportation/transmission conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

- 1.3 If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, UET or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.
- 1.4 The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meanings ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

- 2.1 "Account" means, for each Facility, each account at such Facility to be included in a Transaction Confirmation and identified by a specific account designation number.

Base Contract for Retail Sale and Purchase of Natural Gas or Electricity

- 2.2 **"Addendum"** means each supplement to this Contract mutually agreed in writing by the parties.
- 2.3 **"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.
- 2.4 **"Base Contract"** means a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required on the Base Contract and includes Special Provisions and Addendum(s), if any, as identified on the Base Contract.
- 2.5 **"Business Day"** is as defined in the Governing Documents.
- 2.6 **"Confirm Deadline"** means 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.7 **"Confirming Party"** means the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.8 **"Contract"** means the legally-binding relationship established by the Base Contract and (i) any and all binding Transaction Confirmations or (ii) the Oral Transaction Procedure in Section 1.2 of the Base Contract, all of which shall form a single integrated agreement between the parties.
- 2.9 **"Contract Quantity"** means the quantity of Gas or Electricity estimated to be delivered and taken as agreed to by the parties in a transaction.
- 2.10 **"Coordination Services"** means services that permit the interface and coordination between Electricity generation or Gas Suppliers and Distribution Companies in connection with the delivery of Electricity or Gas to serve Customers located within the Distribution Company's service or control area, including certain scheduling-related functions and reconciliation.
- 2.11 **"Cover Standard"**, as referred to in Section 3.2, means that if there is an unexcused failure to take or deliver any of the Contract Quantity pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Customer is the performing party, obtain Gas or Electricity, (or an alternate energy source if elected by Customer and replacement Gas or Electricity is not available) or (ii) if Supplier is the performing party, sell Gas or Electricity, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Customer's Gas or Electricity consumption needs or Supplier's Gas or Electricity sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.12 **"Credit Support Obligation(s)"** shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.13 **"Customer"** means any entity that takes gas and/or electric service for its own consumption.
- 2.14 **"Day"** means a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Distribution Company or Distribution Company in a particular transaction.
- 2.15 **"Delivery Period"** shall be the period from the service start month/year to the service end month/year during which deliveries are to be made as agreed to by the parties in a Transaction Confirmation, consistent with Section 4.2.
- 2.16 **"Delivery Point(s)"** shall mean such point(s) as are agreed to by the parties in a Transaction Confirmation.
- 2.17 **"Distribution Company"** means a regulated entity which provides distribution services and may provide energy and/or transmission/transportation services in a given area.
- 2.18 **"Distribution Company Charges"** means all appropriate regulated Distribution Company costs, charges, and fees for Coordination Services, as defined by the applicable Distribution Company's Tariff, billed by the Distribution Company to the Account(s).
- 2.19 **"Distribution Company Operational Manuals"** means documents prepared and published by Distribution Companies that describe, in detail, the operating processes/procedures used to perform retail access functions.

- 2.20 "Distribution Company Tariff"** means the applicable state retail Gas or Electricity tariff setting forth the basic requirements for interactions and coordination between Distribution Companies and retail Suppliers necessary for ensuring the delivery of competitive Gas or Electricity from such Suppliers to their retail Customers.
- 2.21 "Electricity"** means electric energy and the related products and services that are identified in Transaction Confirmations.
- 2.22 "Event of Default"** shall be a material breach of this Contract and as otherwise defined in Special Provisions to this Contract.
- 2.23 "Facility(ies)"** means Customer's physical properties or other business assets, including for example stores, restaurants, offices or other places of business, that will be the consumers of Gas or Electricity as specified in Transaction Confirmations under this Contract.
- 2.24 "Firm"** means that either party may interrupt its performance without liability only to the extent that such performance is prevented by Force Majeure (as defined in Section 8) or any type of curtailment ordered by the Distribution Company or ISO.
- 2.25 "Floating Price"** means the price or a factor of the price agreed to in the transaction as being based upon a specified index. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one, and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.
- 2.26 "Gas"** means any combination of hydrocarbons and noncombustible gases in a gaseous state, primarily consisting of methane, and the related products and services that are identified in Transaction Confirmations.
- 2.27 "Governing Documents"** means documents that determine the interactions among parties, including but not limited to: regulatory documents (e.g., tariffs, rules, regulations), contractual agreements, and Distribution Company Operational Manuals.
- 2.28 "Governmental Authority"** means any federal, state, local, municipal or other government, any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise jurisdiction over the parties or any transaction contemplated herein.
- 2.29 "Imbalance Charges"** means any fees, penalties, costs or charges (in cash or in kind) assessed by the Distribution Company or the ISO for failure to satisfy balancing or nominations requirements at any Delivery Point.
- 2.30 "Interruptible"** means that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure (as defined in Section 8), with no liability.
- 2.31 "ISO"** means any independent system operator, regional transmission operator, "transco," power pool or grid or control area operator established and providing services to the Accounts or other similar entity providing the same basic services as such entities and any successor thereto.
- 2.32 "Kilowatt"** means 1000 watts of Electricity.
- 2.33 "kWh" (kilowatt-hour)** means 1000 watt-hours of Electricity.
- 2.34 "Market Disruption Event"** means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred.
- 2.35 "MMBtu"** means one million British thermal units, which is equivalent to one dekatherm.
- 2.36 "Month"** means the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.37 "Off-Peak Hours"** means those hours or other periods defined by contract or other agreements or guides as periods of lower electrical demand.
- 2.38 "On-Peak Hours"** means those hours or other periods defined by contract or other agreements or guides as periods of higher electrical demand.

- 2.39 "Receiving Distribution Company"** means the Distribution Company receiving Gas or Electricity at a Delivery Point, or absent such receiving Distribution Company, the Distribution Company delivering Gas or Electricity at a Delivery Point.
- 2.40 "Spot Price"**, as referred to in Section 3.2, means the price agreed upon by the parties in the Base Contract or in a Transaction Confirmation.
- 2.41 "Supplier"** means persons engaged in the competitive sale of energy to end-users.
- 2.42 "Transaction Confirmation"** means a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.43 "UET"** (Uniform Electronic Transaction) means standard data arrangements for trading information, making business requests and exchanging other information, encompassing a number of electronic media and utilizing specified transport protocols.

Principles of Interpretation. Unless the context requires otherwise, any reference herein to any document means such document and all schedules, exhibits, and attachments thereto as amended and in effect from time to time. Unless otherwise stated, any reference herein to any person shall include its permitted successors and assigns and, in the case of any Governmental Authority, any person succeeding to its functions and capacities. The words "hereof," "herein" and "hereunder" and words of similar import when used herein shall, unless otherwise expressly specified, refer hereto as a whole and not to any particular provision hereof. The singular shall include the plural and the masculine shall include the feminine and neuter. Whenever the term "including" is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included within the prior reference.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1** In each Month, Supplier agrees to sell and deliver or cause to be delivered, and Customer agrees to take delivery of and purchase, the quantity for a particular transaction for the Facility(ies) as specified in each Transaction Confirmation in accordance with the terms of this Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed by the parties in a Transaction Confirmation.
- 3.2** To the extent the Contract Quantity is not supplied by Supplier or delivery not taken by Customer, the non-performing party shall satisfy the terms of this Contract financially in accordance with the following options. Customer shall continue to receive and pay for Distribution Company delivery service.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas or Electricity shall be recovery of the following: (i) in the event of a breach by Supplier on any Day(s), payment by Supplier to Customer in an amount equal to the positive difference, if any, between the purchase price paid by Customer utilizing the Cover Standard and the Contract Price, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Supplier for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Customer on any Day(s), payment by Customer to Supplier in the amount equal to the positive difference, if any, between the Contract Price and the price received by Supplier utilizing the Cover Standard for the resale of such Gas or Electricity, adjusted for commercially reasonable differences in transmission or transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Customer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Customer has used commercially reasonable efforts to replace the Gas or Electricity or Supplier has used commercially reasonable efforts to sell the Gas or Electricity to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas or Electricity not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transmission or transportation to the applicable Delivery Point, multiplied by the quantity of such Gas or Electricity not replaced or sold. Imbalance Charges shall not be recovered under this Section, but Supplier and/or Customer shall be responsible for Imbalance Charges, if any, as provided in Section 4.4. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas or Electricity shall be recovery of the following: (i) in the event of a breach by Supplier on any Day(s), payment by Supplier to Customer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Supplier and received by Customer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Customer on any Day(s), payment by Customer to Supplier in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Supplier and received by Customer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section, but Supplier and/or Customer shall be responsible for Imbalance Charges, if any, as provided in Section 4.4. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

SECTION 4. PARTICULARS OF SERVICE

- 4.1** Each transaction shall be effectuated in accordance with the procedures specified in Section 1 of the Base Contract. The terms of a transaction shall be as agreed to by the parties in a Transaction Confirmation and include the type of services to be supplied and the basis for those services, whether Firm or Interruptible. Each Transaction Confirmation shall also include (i) identification of Customer Accounts, Facilities and meters, (ii) term, (iii) Contract Price and related provisions, and (iv) other special terms and conditions, if any.
- 4.2** The parties agree that the Distribution Company determines when the Customer will be switched to Supplier for its Gas or Electricity supply, and that such switch will occur in accordance with the Distribution Company's rules and practices regarding the switching of Customers to Suppliers. Therefore, Supplier shall begin delivery of Gas or Electricity to Customer on the date the Distribution Company switches the Customer to Supplier. With respect to each transaction, Supplier will use commercially reasonable efforts to cause each Distribution Company to take whatever steps are necessary to allow Supplier to begin providing service hereunder at the beginning of each transaction.
- 4.3** The parties acknowledge and agree that this Contract contemplates the purchase and sale of Gas or Electricity to meet Customer's consumption attributable to Customer's Accounts specified in the Transaction Confirmation. The parties shall agree to use commercially reasonable efforts to avoid imposition of any Imbalance Charges.
- 4.4** Customer shall promptly notify Supplier of, and fully comply with, all Distribution Company curtailment or interruption orders or similar notices received by Customer from Distribution Company requiring the interruption or curtailment of Customer's Gas or Electricity usage at any Account and pay any and all Imbalance Charges imposed upon or incurred by either party as a result of Customer's failure to so comply.
- 4.5** Subject to Section 8, Supplier will be responsible for all services necessary for the procurement and delivery of Gas or Electricity to the Delivery Point; including transportation; nomination; confirmations; scheduling; transmission and ancillary services; imbalance services, and; arrangement of billing services for all charges and notices related to Customer's usage of Gas or Electricity consistent with options agreed to by the parties in the Base Contract and in the Transaction Confirmation. Customer acknowledges that Supplier is not responsible for delivery by Distribution Company from the Delivery Point to Facilities. In addition, Supplier must satisfy all obligations imposed by the Distribution Company for the Gas or Electricity at and before the Delivery Point.
- 4.6** If Supplier lacks adequate information to perform its duties under this Contract, Supplier shall immediately provide Customer with formal notice of such information that it deems necessary to enable Supplier to perform such duties, and Customer shall supply such reasonably requested information.

SECTION 5. AUDIT

A party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas or

Electricity delivery. All retroactive adjustments shall be paid in full by the party owing payment within 30 Days after Notice and substantiation of such inaccuracy.

SECTION 6. WARRANTY AND INDEMNITY

- 6.1 All Gas delivered by Supplier shall meet the pressure, quality and heat content requirements of the Receiving Distribution Company at and before the Delivery Point. All Electricity delivered by Supplier shall meet the applicable quality requirements of the Distribution Company and ISO at and before the Delivery Point.
- 6.2 EXCEPT AS PROVIDED IN HEREIN, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.
- 6.3 Supplier agrees to indemnify Customer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or Electricity or other charges thereon that attach at or before Delivery Point. Customer agrees to indemnify Supplier and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or Electricity or other charges thereon that attach after Delivery Point.

SECTION 7. DEFAULTS AND REMEDIES

- 7.1 If an Event of Default has occurred and is continuing, the non-defaulting party shall have the right, by Notice to the defaulting party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date, in accordance with the Distribution Company's rules and practices (the "Early Termination Date") for the liquidation and termination of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and damages shall be calculated consistent with Section 7.2 below. With respect to each Excluded Transaction, its termination date shall be deemed to be the Early Termination Date for purposes of Section 7.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

As of the Early Termination Date, the non-defaulting party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party under the Contract (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The non-defaulting party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Customer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Supplier if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section, "Contract Value" means the amount of Gas or Electricity remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas or Electricity remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the non-defaulting party in a commercially reasonable manner. To ascertain the Market Value, the non-defaulting party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas or Electricity futures contracts, quotations from leading dealers in energy swap contracts or physical Gas or Electricity trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transmission costs and volume transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance

of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the non-defaulting party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

As of the Early Termination Date, the non-defaulting party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party under the Contract for all Gas or Electricity delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges related to such delivery and receipt (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

- 7.2** The parties agree that each transaction hereunder constitutes a "forward contract" within the meaning of the United States Bankruptcy Code and that Customer and Supplier are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

- 7.3** The non-defaulting party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 7.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the defaulting party, the non-defaulting party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

- 7.3** The non-defaulting party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 7.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the defaulting party, the non-defaulting party may setoff any Net Settlement Amount against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

- 7.4** If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 7.3 is unascertained, the non-defaulting party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the non-defaulting party accounting to the defaulting party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 7.3 shall be discounted to net present value in a commercially reasonable manner determined by the non-defaulting party.

- 7.5** As soon as practicable after a liquidation, notice shall be given by the non-defaulting party to the defaulting party of the Net Settlement Amount and whether the Net Settlement Amount is due to or due from the non-defaulting party. The notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the defaulting party against the non-defaulting party. The Net Settlement Amount, as well as any setoffs applied against such amount pursuant to Section 7.3, shall be paid by the close of business on the second Business Day following such notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the date of payment at a rate equal to the lower of (i) unless otherwise agreed, the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

- 7.6** With respect to this Section 7, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. FORCE MAJEURE

- 8.1** Except with regard to a party's obligation to make payment(s) due hereunder, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming

suspension and that could not have been prevented by the exercise of reasonable diligence, as further defined below.

- 8.2** Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings (such as hurricanes) which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transmission, transportation and/or storage; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Governmental Authority. Supplier and Customer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.
- 8.3** Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of Interruptible or secondary Firm transportation or transmission unless primary, in-path, Firm transmission or transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Supplier's ability to sell Gas or Electricity at a higher or more advantageous price than the Contract Price, Customer's ability to purchase Gas or Electricity at a lower or more advantageous price than the Contract Price, or a Governmental Authority disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) Customer's inability to use Gas or Electricity purchased hereunder, except, in either case, as provided in Section 8; or (v) the loss or failure of Supplier's Gas or Electricity supply or depletion of reserves, except, in either case, as provided in Section 8. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.
- 8.4** Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.
- 8.5** The party whose performance is prevented by Force Majeure must provide Notice (as defined in Section 11.1) to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas or Electricity, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.
- 8.6** Notwithstanding this Section, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 9. TAXES

The parties have selected either "Customer Pays At and After Delivery Point" or "Supplier Pays Before and At Delivery Point" as indicated on the Base Contract. The parties agree to take all lawful actions to minimize taxes imposed on transactions hereunder.

Customer Pays At and After Delivery Point:

- 9.1** Supplier shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any Government Authority ("Taxes") on or with respect to the Gas or Electricity prior to the Delivery Point(s) and excluding those Taxes that may not be legally passed through. Customer shall pay or cause to be paid all Taxes on or with respect to the Gas or Electricity at and after the Delivery Point(s).

Supplier Pays Before and At Delivery Point:

- 9.1** Supplier shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any Government Authority ("Taxes") on or with respect to the Gas or Electricity prior to and at the Delivery Point(s) and excluding those Taxes that may not be legally passed through. Customer shall pay or cause to be paid all Taxes on or with respect to the Gas or Electricity after the Delivery Point(s).

- 9.2** If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Customer shall pay or cause to be paid any increase in applicable Taxes occurring after the commencement of deliveries under transactions between the Parties. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any

necessary documentation thereof. Customer shall be liable for Taxes and associated interest or penalties assessed against Supplier due to Customer's failure to provide or to complete any such certificate or other necessary documentation in a timely and proper fashion.

SECTION 10. LIMITATIONS OF REMEDIES, LIABILITY AND DAMAGES

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. NEITHER PARTY IS LIABLE OR RESPONSIBLE FOR ANY INJURY, LOSS, CLAIM, EXPENSE, LIABILITY OR DAMAGE RESULTING FROM ANY INTERRUPTION, SHORTAGE, INSUFFICIENCY OF OR FAILURE OF THE DISTRIBUTION COMPANY TO DELIVER GAS OR ELECTRICITY SCHEDULED BY SUPPLIER.

SECTION 11. NOTICES

- 11.1 All Transaction Confirmations, invoices, payment instructions and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.
- 11.2 All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.
- 11.3 Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful communication. If the Day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.
- 11.4 The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 12. MISCELLANEOUS

- 12.1 Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.
- 12.2 Unless the parties have elected on the Base Contract not to make this Section applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent necessary to comply with a Governmental Authority's reporting requirements including but not limited to Gas or Electricity cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a

Base Contract for Retail Sale and Purchase of Natural Gas or Electricity

published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Notwithstanding Section 10, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

- 12.3** In the event disclosure is required by a Governmental Authority or applicable law, the party subject to such requirement shall use commercially reasonable efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party and subject to such efforts may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party.
- 12.4** The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.
- 12.5** No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may, without the prior approval of the other party, (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any Affiliate by assignment, merger or otherwise so long as the Affiliate meets any creditworthiness requirements under this Contract. Upon any such assignment, transfer and assumption, the assigning party or transferor, as applicable, shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.
- 12.6** The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.
- 12.7** No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.
- 12.8** The requirements and provisions of this Contract shall not be construed as creating an association, trust, partnership, or joint venture, or as imposing a trust or partnership duty, obligation, or liability on either party, or as creating any relationship between the parties other than that of independent contractors for the sale and purchase of Gas or Electricity.
- 12.9** This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.
- 12.10** If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract, and the parties agree to attempt to implement an equitable adjustment in the provisions of this Contract with a view toward effecting the purposes of this Contract by replacing the provision that is invalid, void or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, void or unenforceable.
- 12.11** The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.
- 12.12** The confidentiality provisions, indemnities, releases from liability, limitations on liability or damages and dispute resolution provisions expressed in this Contract shall, unless otherwise provided herein, survive without limitation the termination, cancellation or expiration of this Contract, and shall apply whether in contract, equity, tort or otherwise.
- 12.13** Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in

Base Contract for Retail Sale and Purchase of Natural Gas or Electricity

documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

12.14 If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas or Electricity, as applicable, for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price.

12.15 This contract may be terminated upon 30 Days written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any Transaction Confirmation(s).

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

EXHIBIT A
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

Letterhead/Logo

Date: _____

Transaction Confirmation #: _____

This Transaction Confirmation is subject to the Base Contract between Supplier and Customer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within two Business Days after receipt, unless otherwise specified in the Base Contract or herein.

SUPPLIER:

Attn: _____

Phone: _____

Fax: _____

Base Contract No.: _____

Distribution Company: _____

Distribution Company Contract Number: _____

CUSTOMER:

Attn: _____

Phone: _____

Fax: _____

Base Contract No.: _____

Distribution Company: _____

Distribution Company Contract Number: _____

Commodity: Electricity ☐

Natural Gas ☐

Contract Price:

Billing and Payment Information:

Delivery Period:

Performance Obligation and Contract Quantity:

Delivery Point:

EXHIBIT A
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

Facility/Account Information:

Special Conditions:

Supplier: _____

By: _____

Title: _____

Date: _____

Customer: _____

By: _____

Title: _____

Date: _____

**SPECIAL PROVISIONS
To Base Contract for
Sale and Purchase of Natural Gas**

Between Sprague Operating Resources LLC and

Dated:

, 2011

The following changes are hereby made to the General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas:

- (1) Delete Section 3.1 in its entirety and replace with the following language:

Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm basis unless otherwise stated in the Transaction Confirmation.

- (2) The following is added at the end of Section 10.4:

Notwithstanding anything herein to the contrary, if the Non-Defaulting Party owes the Net Settlement Amount to the Defaulting Party, the Non-Defaulting Party shall not be required to pay to the Defaulting Party the Net Settlement Amount, nor shall interest be owed on such amount, until (i) the Non-Defaulting Party receives confirmation satisfactory to it, in its reasonable discretion, that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Contract and transactions hereunder, or otherwise, which are due and payable as of the Early Termination Date, have been paid (or netted, set off, recouped, or the like) in full; and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment of the Net Settlement Amount until such time as appropriate court approval has been obtained and is final and non-appealable.

- (3) Section 12 is amended by deleting the second sentence and replacing it with the following:

The rights of either party pursuant to: Section 7.6, Section 10, Section 13, Section 15.10, waiver of jury trial provisions, the obligations to make payment hereunder, the obligation of either party to indemnify the other pursuant hereto, shall survive the termination of the Base Contract or any

transaction.

(4) The following is added at the end of Section 15.5:

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

(5) Delete Section 15.10 in its entirety and replace it with the following language:

Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction or any financial information provided by one party to the other party under this Agreement to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index; (vi) to disclose open accounts receivable information arising from transactions related to this contract, whether then due or not, to third-party reporting agencies. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

SPRAGUE OPERATING RESOURCES LLC:

By: _____

By: _____

Name: Brian Weego

Name: _____

Title: Vice President, Natural Gas

Title: _____

Date: _____

Date: _____

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: The parties to this Base Contract are the following:

PARTY A SPRAGUE OPERATING RESOURCES LLC		PARTY NAME	PARTY B
Two International Drive, Suite 200 Portsmouth, NH 03801		ADDRESS	
<u>www.spragueenergy.com</u>		BUSINESS WEBSITE	WWW. _____
		CONTRACT NUMBER	
		D-U-N-S® NUMBER	
<input checked="" type="checkbox"/> US FEDERAL: 02-0415440 <input type="checkbox"/> OTHER:		TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:
		JURISDICTION OF ORGANIZATION	
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____ _____		COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> <input type="checkbox"/> Other: _____
		GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION			
ATTN: Director of Supply TEL#: (603) 430-5364 FAX#: (603) 430-5317 EMAIL: spasalic@spragueenergy.com		COMMERCIAL	_____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: Manager Nat Gas Scheduling TEL#: (603) 430-5312 FAX#: (603) 430-5320 EMAIL: aronald@spragueenergy.com		▪ SCHEDULING	_____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: Contract Administration TEL#: (603) 430-5338 FAX#: (603) 430-5320 EMAIL: contractadministrationgroup@spragueenergy.com For Force Majeure Notices: send copy of notice to originating office		▪ CONTRACT AND LEGAL NOTICES	_____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: Credit Manager TEL#: (603) 430-7215 FAX#: (603) 430-5326 EMAIL: natgascredit@spragueenergy.com		▪ CREDIT	_____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____
ATTN: Contract Administration TEL#: (603) 430-5338 FAX#: (603) 430-5320 EMAIL: contractadministrationgroup@spragueenergy.com		▪ TRANSACTION CONFIRMATIONS	_____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____

ACCOUNTING INFORMATION

ATTN: Natural Gas Credit Dept. TEL#: (603) 766-7419 FAX#: (603) 430-5326	<ul style="list-style-type: none"> ▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS 	_____ _____ ATTN: _____ _____ TEL#: _____ FAX#: _____ EMAIL: _____ _____
JP Morgan Chase Bank, New York, NY ABA* 021000021 ACCT: 799760913	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: Accounts Payable ADDRESS: P.O. Box 414380 Boston, MA 02241-4380	CHECKS (IF APPLICABLE)	ATTN: _____ _____ ADDRESS: _____ _____ _____

**SPECIAL PROVISIONS
To Base Contract for
Sale and Purchase of Natural Gas**

Between Sprague Operating Resources LLC and

Dated: , 2011

The following changes are hereby made to the General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas:

- (1) Delete Section 2.10 in its entirety and replace with the following language:

“Contract Price” shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction. Contract Price may also be referred to as Price on the Transaction Confirmation.”

- (2) Delete Section 2.32 in its entirety and replace with the following language:

“Transaction Confirmation” shall mean Seller’s document, similar to the form of Exhibit A attached hereto to these Special Provisions setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period”.

- (3) Delete Section 3.1 in its entirety and replace with the following language:

Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm basis unless otherwise stated in the Transaction Confirmation.

- (4) Delete Section 4.2 in its entirety and replace with the following language:

Buyer shall give Seller prior notice of the quantities of Gas to be delivered that is sufficient to meet the requirements of each Transporter involved in the transaction. If Buyer fails to give such notice, Seller may use the best available information to determine the quantities of Gas to be delivered, but Seller shall not be liable in any way for any resulting imbalance charge or penalty. Any such imbalance charge or penalty shall be Buyer’s responsibility under Section 4.3. Should a party become aware that an actual delivery at a delivery point is greater or lesser than the nominated volumes of Gas scheduled

to be delivered, such party shall promptly notify the other party. Buyer shall immediately notify Seller of any event reasonably known to Buyer that may materially increase or decrease Buyer's Gas usage, i.e. addition or removal of gas-fire equipment, other equipment installations or changes, outages, shutdowns, repairs, openings or closings, changes in operating hours or production schedules. Buyer shall also immediately notify Seller of, and fully comply with, all curtailment or interruption orders or similar notices Buyer receives from a pipeline or utility requiring the interruption or curtailment of Buyer's Gas usage.

(5) Delete Section 4.3 in its entirety and replace with the following language:

The parties shall use commercially reasonable efforts to avoid imbalance charges or penalties. If a Transporter invoices Buyer or Seller for an imbalance charge or penalty, the parties shall determine the validity of the charge. Upon request, Buyer shall provide to Seller copies of Buyer's Transporter statements, reports or meter readings related to any Gas deliveries performed under this Agreement. If the charge or penalty is determined valid, the party responsible for the imbalance charge or penalty shall be obligated to pay such charge or penalty. If either party pays a charge or penalty caused by the other party, upon receipt of notice, the other party shall reimburse such party the amount paid in accordance with such notice.

(6) Delete Section 7.5 in its entirety and replace with the following language:

If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue at the rate of one and a half percent (1 1/2%) monthly or at an interest rate as otherwise agreed in the Transaction Confirmation on any late payment or the maximum legal rate, if lower.

(7) Delete Section 7.6 in its entirety and replace with the following language:

All invoices shall be conclusively presumed final and accurate. Buyer shall waive any associated claim for an inaccurate invoice and/or overpayment unless, within two (2) years from the date of the Gas delivery, in good faith, Buyer objects to the invoice in writing, including an adequate explanation and supporting industry-acceptable documentation. However, the last Transporter's meter reading shall control for the purpose of determining an invoice's accuracy, and the Buyer shall not dispute a Seller invoice based on a meter reading unless it possesses documentation from the Transporter, verifying an error in the meter reading and setting forth the accurate meter reading. Retroactive adjustments under this Section shall be invoiced accordingly. Nothing in this Section shall be deemed to preclude Seller from making a retroactive adjustment of an invoice within a reasonable time of receiving information from the last Transporter, indicating an error in a prior invoice, regardless of the original invoice date.

(8) Delete Section 10.1 in its entirety and replace with the following language:

If Seller (referred to as party (“X”) has reasonable grounds for insecurity regarding the performance of Buyer of any obligation under this Contract (whether or not then due) by the Buyer (referred to as (“Y”) (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. “Adequate Assurance of Performance” shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a security interest in an asset, a prepayment, a performance bond, or a guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

(9) Delete Section 10.3 in its entirety and replace with the following language:

If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the “Early Termination Date”) for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a “Terminated Transaction”. On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate (“Excluded Transactions”), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

(10) The following is added at the end of Section 10.4:

Notwithstanding anything herein to the contrary, if the Non-Defaulting Party owes the Net Settlement Amount to the Defaulting Party, the Non-Defaulting Party shall not be required to pay to the Defaulting Party the Net Settlement Amount, nor shall interest be owed on such

amount, until (i) the Non-Defaulting Party receives confirmation satisfactory to it, in its reasonable discretion, that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party under this Contract and transactions hereunder, or otherwise, which are due and payable as of the Early Termination Date, have been paid (or netted, set off, recouped, or the like) in full; and (ii) the Defaulting Party executes a release in a form reasonably satisfactory to the Non-Defaulting Party that acts as the final resolution of the transactions hereunder. To the extent that either party believes that bankruptcy court approval of the release is required, the Non-Defaulting Party may withhold payment of the Net Settlement Amount until such time as appropriate court approval has been obtained and is final and non-appealable.

(11) Delete Section 10.5 in its entirety and replace with the following language:

The parties specifically agree that any transaction under the Contract are “forward contracts” as such term is defined in the United States Bankruptcy Code and that each party is a “forward contract merchant” as such term is defined in the United States Bankruptcy Code. Each party further agrees that the other party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding involving such party.

(12) Section 12 is amended by deleting the second sentence and replacing it with the following:

The rights of either party pursuant to: Section 7.6, Section 10, Section 13, Section 15.10, waiver of jury trial provisions, the obligations to make payment hereunder, the obligation of either party to indemnify the other pursuant hereto, shall survive the termination of the Base Contract or any transaction.

(13) Delete Section 15.1 in its entirety and replace it with the following language:

This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. This Agreement may not be assigned by either party without the prior written consent of the other, such consent may not be unreasonably withheld and will be subject to credit approval except that either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds herein in connection with any financing or other financial arrangements. Additionally, assignment shall be subject to (a) the other party providing at least thirty (30) days advance written notice of their intent to do so; (b) there are no Events of Default; and (c) the assignee assumes all of assignor’s obligations hereunder. Upon any such assignment, transfer and

assumption, the transferor shall remain liable for and shall not be relieved of or discharged from any obligations hereunder arising prior to the effective date of assignment.

(14) The following is added at the end of Section 15.5:

EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

(15) Delete Section 15.6 in its entirety and replace it with the following language:

This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provision thereof. In the event any governmental authority or any law, rule, regulation, ordinance or an order of any court, tribunal or regulatory authority of competent jurisdiction adversely and materially impacts Seller's ability to perform under this Agreement and/or any Transaction Confirmation, Seller shall have the right, at its option, in its sole discretion, to either attempt to renegotiate the terms of this Agreement and/or the Transaction Confirmation at any time, or to entirely terminate this Agreement and/or the Transaction Confirmation, without penalty, upon sixty (60) days' notice.

(16) Delete Section 15.10 in its entirety and replace it with the following language:

Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction or any financial information provided by one party to the other party under this Agreement to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index; or (vi) to third-party credit rating agencies or to Seller's parent in conjunction with Seller's evaluation and/or review of Buyer's creditworthiness. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation.

Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

SPRAGUE OPERATING RESOURCES LLC:

BUYER:

By: _____

By: _____

Name: Brian Weego

Name: _____

Title: Vice President, Natural Gas

Title: _____

Date: _____

Date: _____

EXHIBIT A
SPRAGUE OPERATING RESOURCES LLC
NATURAL GAS TRANSACTION CONFIRMATION

Date:
Buyer:
Attn:
Deal:

Buyer Fax Nbr:
Agreement Date:
Contract Nbr: NGRA

This Transaction Confirmation is made pursuant to the terms and conditions of Sprague Operating Resources LLC Natural Gas Sales Agreement ("Agreement") entered into between the parties and dated [add date]. In the event that the parties have not executed an agreement governing this sale of natural gas, this Transaction Confirmation shall be subject to the Sprague Operating Resources LLC Natural Gas Sales Agreement's terms and conditions, which the parties agree Sprague has provided to Buyer. As already orally agreed, Sprague and Buyer agree to the following transaction terms:

Delivery Period	Contract Quantity (MMBTU/day)	Price*	Delivery Information **
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* The Price shall also include any other charges set forth herein and all applicable Taxes, as defined in the Agreement.

** The Delivery Information may include local distribution company ("LDC"), delivery pipeline, transportation tariff and other information relevant to natural gas delivery. Unless otherwise specified, the Delivery Point is the citygate interconnection between the LDC and delivery pipeline.

Payment Terms:

Transaction Terms:

Buyer may accept this Transaction Confirmation by signing below and faxing it to Sprague at 603-430-5320. Buyer shall be solely responsible for notifying Sprague in writing of any inaccuracies in this Transaction Confirmation not more than two (2) business days from Buyer's receipt of the Transaction Confirmation and a failure to do so shall be deemed an acceptance of this Transaction Confirmation.

Sprague Operating Resources LLC

Buyer

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Account Manager: Salesman - (phone) () -

**SPRAGUE OPERATING RESOURCES LLC
NATURAL GAS TRANSACTION CONFIRMATION**

Date:
Buyer:
Attn:

Buyer Fax Nbr:
Facility Location:
(Utility account numbers are being provided above for reference
Purposes only and may be subject to change.)

Deal:

This Transaction Confirmation is made pursuant to the attached Natural Gas General Terms & Conditions which are incorporated herein and binding upon the parties. As already orally agreed, Sprague and Buyer agree to the following transaction terms:

Delivery Period	Contract Quantity (MMBTU/day)	Price* (per MMBTU)	Delivery Information **

* The Price shall also include any other charges set forth herein and all applicable Taxes as defined in the General Terms & Conditions.

** The Delivery Information may include local distribution company, delivery pipeline, transportation tariff and other information relevant to natural gas delivery. Unless otherwise specified, the Delivery Point is the citygate interconnection between the LDC and delivery pipeline.

Payment Terms:

Transaction Terms:

Buyer shall be solely responsible for notifying Sprague in writing of any inaccuracies in this Transaction Confirmation not more than two (2) business days from Buyer's receipt of the Transaction Confirmation and a failure to do so shall be deemed an acceptance of this Transaction Confirmation. Buyer may confirm its agreement to the terms and conditions set forth in this Transaction Confirmation by signing below and faxing it to Sprague at 603-430-5320.

Sprague Operating Resources LLC

Buyer:

By: _____

By: _____

Title: Managing Director, Natural Gas Marketing

Title: _____

Date: _____

Date: _____

Account Manager: _____ - (phone)

EXHIBIT A

GAS TRANSPORTATION CONTRACT (For Use Under FT-NN Rate Schedule) 11-008-CF

THIS AGREEMENT is made and entered into as of the 5th day of December, 2011, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and SPRAGUE OPERATING RESOURCES LLC, hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 451 dekatherms for 12 consecutive months of service, or N/A dekatherms (winter period) and N/A dekatherms (summer period) for seasonal service. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit B attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 EQUIVALENT QUANTITY - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter's account, on

any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit B attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII TERM

12.1 This Contract shall become effective as of December 1, 2011, and shall remain in force and effect until October 31, 2012, and from N/A to N/A^{1/} thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.^{2/}

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.
Attention: Joe Conneely
6 Liberty Lane West
Hampton, NH 03842

SHIPPER:

Sprague Operating Resources LLC
Two International Drive, Suite 200
Portsmouth, NH 03801

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibit(s) A and B attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.,

By: Thomas J. McMenamin

Accepted and Agreed to this _____ Day of _____, 2011.

SPRAGUE OPERATING RESOURCES LLC

By: Brian W. Weego

Brian W. Weego
Vice President, Natural Gas

ATTEST

Contract Admin	Retail	KAL
Credit	Risk	
Legal	Supply	KAL

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "A"

**To Gas Transportation Contract Starting
December 1, 2011
Between Granite State Gas Transmission, Inc.
And
Sprague Operating Resources LLC**

On Behalf Of Parties

**Contract No.11-008-CF
MDQ: 451 Dekatherms**

Company Name

Sprague Operating Resources LLC

Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)

Exhibit "B"
To Gas Transportation Contract Starting
December 1, 2011
Between Granite State Gas Transmission, Inc.
And
Sprague Operating Resources LLC

Receipt Points

Contract No. 11-008-CF
MDQ: 451 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
20206	Pleasant St.	Tennessee Gas Pipeline Co.	Haverhill	MA	426
84802	Newington	PNGTS	Newington	NH	25

Delivery Points

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
84801	Gosling Road	Granite State Gas Transmission	Portsmouth	NH	426
81202	Payne Road	Granite State Gas Transmission	South Portland	ME	25

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above.

GAS TRANSPORTATION CONTRACT
(For Use Under FT-NN Rate Schedule)
12-012-CF

THIS AGREEMENT is made and entered into as of the 28th day of December, 2011, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and SPRAGUE OPERATING RESOURCES LLC, hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 497 dekatherms for 12 consecutive months of service, or N/A dekatherms (winter period) and N/A dekatherms (summer period) for seasonal service. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit B attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 EQUIVALENT QUANTITY - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter's account, on

any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit B attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII TERM

12.1 This Contract shall become effective as of January 1, 2012, and shall remain in force and effect until October 31, 2012, and from N/A to N/A^{1/} thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.^{2/}

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.
Attention: Joe Conneely
6 Liberty Lane West
Hampton, NH 03842

SHIPPER:

Sprague Operating Resources LLC
Two International Drive, Suite 200
Portsmouth, NH 03801

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibit(s) A and B attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

By: 

Accepted and Agreed to this 28th Day of Dec, 2011.

SPRAGUE OPERATING RESOURCES LLC

By: 

Brian W. Weego
Vice President, Natural Gas

Contract Admin	Retail
Credit	Risk
Legal	Supply

ATTEST

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "A"

**To Gas Transportation Contract Starting
January 1, 2012
Between Granite State Gas Transmission, Inc.
And
Sprague Operating Resources LLC**

On Behalf Of Parties

**Contract No. 12-012-CF
MDQ: 497 Dekatherms**

Company Name

Sprague Operating Resources LLC

Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)

Exhibit "B"
To Gas Transportation Contract Starting
January 1, 2012
Between Granite State Gas Transmission, Inc.
And
Sprague Operating Resources LLC

Receipt Points

Contract No. 12-012-CF
MDQ: 497 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
20206	Pleasant St.	Tennessee Gas Pipeline Co.	Haverhill	MA	469
30005	Westbrook	M&N/PNGTS to GSGT	Portland	Me	28

Delivery Points

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
84801	Gosling Road	Granite State Gas Transmission	Portsmouth	NH	469
81202	Payne Road	Granite State Gas Transmission	South Portland	ME	28

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above.

GAS TRANSPORTATION CONTRACT
(For Use Under FT-NN Rate Schedule)
11-005-CF

THIS AGREEMENT is made and entered into as of the 31st day of October, 2011, by and between GRANITE STATE GAS TRANSMISSION, INC., a New Hampshire Corporation, hereinafter referred to as "Granite State" or "Transporter" and SPRAGUE ENERGY, hereinafter referred to as "Shipper." Granite State and Shipper shall collectively be referred to herein as the "Parties." The service provided hereunder shall be on behalf of the Company or Companies listed on Exhibit A hereto.

WITNESSETH:

That in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.1 TRANSPORTATION QUANTITY - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport or arranges to be received and transported, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 451 dekatherms for 12 consecutive months of service, or N/A dekatherms (winter period) and N/A dekatherms (summer period) for seasonal service. Any limitations of the quantities to be received at each Receipt Point and/or delivered to each Delivery Point shall be as specified on Exhibit B attached hereto.

1.2 UPSTREAM TRANSPORTATION AGREEMENTS - shall mean those Gas Transportation Agreements with third party pipelines, which provide for the receipt, transportation and delivery of Shipper's gas at the Receipt Point(s). Each third party pipeline is hereinafter referred to individually as "Upstream Transporter" and collectively as "Upstream Transportation."

1.3 EQUIVALENT QUANTITY - shall mean the quantities of gas delivered hereunder at the Receipt Point(s) for transportation less, where applicable, quantities of gas for Granite State's system fuel and use requirements and gas lost and unaccounted for associated with this transportation service.

ARTICLE II
SCOPE OF AGREEMENT

2.1 Transportation Service - Subject to Section 2.2 below, Granite State agrees to accept and receive or arranges to be accepted and received, daily, on a firm basis, in accordance with Rate Schedule FT-NN, at the Receipt Point(s), from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity.

Granite State agrees to transport and deliver or arranges for the transportation and delivery to or for the account of Shipper at the Delivery Point(s) and Shipper agrees to accept or cause acceptance of delivery of the quantity received by Transporter or for Transporter's account, on

any day, less any applicable Fuel Reimbursement Quantities; provided, however, Transporter shall not be obligated to deliver or arrange to be delivered at any Delivery Point on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

2.2 Any obligation on Granite State's part to receive or arrange to receive, transport and deliver gas to the Delivery Point(s) for Shipper's account on a daily basis is subject to the following:

(a) Execution by Shipper of the necessary Upstream Transportation Agreements;

(b) Shipper causing the Upstream Transporter(s) to receive quantities of gas at the applicable upstream Delivery Point upon Granite State's request and to deliver quantities of gas to Granite State for Shipper's account at the applicable upstream Receipt Point.

ARTICLE III RECEIPT AND DELIVERY POINTS

3.1 The Receipt Point(s) and Delivery Point(s) shall be those point(s) specified on Exhibit B attached hereto.

3.2 Shipper may supplement Receipt Point(s) and/or Delivery Point(s) provided by this Contract by submitting to Transporter a Transportation Service Request Form. Such request form, after having been fully processed and accepted by Transporter shall be deemed to have the full force and effect of a written contract and shall qualify as a supplementary written consent pursuant to Paragraph 15.3 of this Contract. Priority of transportation service to such additional Receipt and/or Delivery Point(s) shall be determined pursuant to Article 26 of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IV

All Facilities are in place to render the service provided for in this Agreement, or if facilities are to be constructed, a brief description of the facilities will be included, as well as who is to construct, own and/or operate such facilities.

ARTICLE V RECEIPT AND DELIVERY PRESSURES

Shipper shall deliver or cause to be delivered to Granite State the gas to be transported hereunder at pressures sufficient to deliver such gas into Granite State's system at the Receipt Point(s), and where applicable at the Upstream Pipeline's Receipt Point(s). Granite State shall deliver the gas to be transported hereunder to or for the account of Shipper at the pressures existing in Granite State's system at the Delivery Point(s) or, where applicable, at the pressures existing in the Upstream Pipeline's system at the Delivery Point(s).

ARTICLE VI
QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Granite State's Federal Energy Regulatory Commission (FERC) Gas Tariff. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Granite State, then responsibility for operations shall be deemed to be Shipper's. Any exceptions to this Article shall be specified on Exhibit(s) N/A attached hereto.

ARTICLE VII
RATES AND CHARGES FOR GAS TRANSPORTATION SERVICE

7.1 TRANSPORTATION RATES - Commencing with the date of initial receipt of gas by Granite State from Shipper, the compensation to be paid by Shipper to Granite State for the transportation service provided herein shall be in accordance with Section 5 of Granite State's Rate Schedule FT-NN.

7.2 SYSTEM FUEL AND LOSSES - Shipper agrees to provide Granite State any applicable fuel and losses associated with the transportation service provided herein in accordance with Section 6 of Granite State's Rate Schedule FT-NN.

7.3 NEW FACILITIES CHARGE - N/A

7.4 INCIDENTAL CHARGES - Shipper agrees to reimburse Granite State for any filing or similar fees, which have not been previously paid by Shipper, which Granite State incurs in rendering service hereunder.

7.5 CHANGES IN RATES AND CHARGES - Granite State shall have the unilateral right to file and make effective changes in the rates and charges stated in this Article, the rates and charges applicable to service pursuant to Granite State's Rate Schedule FT-NN, the rate schedule pursuant to which this service is rendered and/or any provisions of the General Terms and Conditions of Granite State's FERC Gas Tariff applicable to this service. Without prejudice to Shipper's right to contest such changes, Shipper agrees to pay the effective rates and charges for service rendered pursuant to this Contract.

ARTICLE VIII
BILLINGS AND PAYMENTS

Granite State shall bill and Shipper shall pay all rates and charges in accordance with Article 5 and 6, respectively, of the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE IX
GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Granite State's Rate Schedule FT-NN and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC, which Rate Schedule and General Terms and Conditions are incorporated herein by reference and made a part hereof for all purposes.

ARTICLE X REGULATION

This contract shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorization upon terms acceptable to Granite State. This contract shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no party shall be liable to any other party for failure to obtain or continue such approvals or authorizations.

ARTICLE XI RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Granite State's FERC Gas Tariff.

ARTICLE XII TERM

12.1 This Contract shall become effective as of November 1, 2011, and shall remain in force and effect until October 31, 2011, and from N/A to N/A^{1/} thereafter, unless cancelled by either Party upon one year's written notice; provided however, if the term of the Contract is less than one year, either party may terminate this Contract by providing written notice of its election at the commencement of the primary term or any secondary term of this Contract. To the extent pregranted abandonment authorization under the FERC's regulations applies, Granite State will seek abandonment authorization from the FERC prior to exercising its unilateral right to terminate the Contract following the expiration of the primary term.^{2/}

12.2 Any portion of this Contract necessary to correct or cashout imbalances under this Contract as required by the General Terms and Conditions of Granite State's FERC Gas Tariff, shall survive the other parts of this Contract until such time as such balancing has been accomplished.

1/ The evergreen period shall be the lesser of the original term of the Contract, or one year.

2/ Applicable to agreements with deliveries at a Customer's traditional delivery points under its firm sales service, which have a primary term equal or greater than one year.

ARTICLE XII
TERM (continued)

12.3 This Contract will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder when that amount is due, provided Transporter shall give Shipper and the FERC thirty days notice prior to any termination of service. Service may continue hereunder if within the thirty day notice period satisfactory assurance of payment is made in accord with the terms and conditions of Article 6 of the General Terms and Conditions of Granite State's Tariff.

ARTICLE XIII
NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Contract, any notice under this Contract shall be in writing and mailed to the post office address of the party intended to receive the same, as follows:

GRANITE STATE:

Granite State Gas Transmission, Inc.
Attention: Joe Conneely
6 Liberty Lane West
Hampton, NH 03842

SHIPPER:

Sprague Energy Corp.
Two International Drive, Suite 200
Portsmouth, NH 03801

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV
ASSIGNMENTS

14.1 Either Party may assign or pledge this Contract and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness; otherwise, no Party shall assign this Contract or any of its rights hereunder unless it shall first have obtained the written consent of the other, which consent shall not be unreasonably withheld.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Contract.

ARTICLE XV
MISCELLANEOUS

15.1 This Contract shall be interpreted under the laws of the State of New Hampshire.

15.2 If any provision of this Contract is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either party's option; and if the severability option is exercised, the remaining provisions of the Contract shall remain in full force and effect.

15.3 No modification of or supplement to the terms and provisions hereof shall be or become effective, except by the execution of supplementary written consent.

15.4 Exhibit(s) A and B attached hereto is/are incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be duly executed in several counterparts as of the date first herein above written.

GRANITE STATE GAS TRANSMISSION, INC.

By: 

Accepted and Agreed to this 30 Day of OCT., 2011.

SPRAGUE ENERGY CORP.

By: 

ATTEST

Brian W. Weego
Vice President, Natural Gas

Contract Admin	Retail	AL
Credit	Risk	
Legal	Supply	AL

**Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)**

Exhibit "A"

**To Gas Transportation Contract Starting
November 1, 2011
Between Granite State Gas Transmission, Inc.
And
Sprague Energy Corp.**

On Behalf Of Parties

**Contract No.11-005-CF
MDQ: 451 Dekatherms**

Company Name

Sprague Energy Corp.

Gas Transportation Contract
(For Use Under Rate Schedule FT-NN)

Exhibit "B"

To Gas Transportation Contract Starting
November 1, 2011
Between Granite State Gas Transmission, Inc.
And
Sprague Energy Corp.

Receipt Points

Contract No. 11-005-CF
MDQ: 451 Dekatherms

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
20206	Pleasant St.	Tennessee Gas Pipeline Co.	Haverhill	MA	135
84802	Newington	PNGTS	Newington	NH	90
30005	Westbrook	M&N/PNGTS	Lewiston	ME	226

Delivery Points

<u>Meter No.</u>	<u>Meter Name</u>	<u>Interconnect Party</u>	<u>County/Town</u>	<u>ST</u>	<u>Meter TQ</u>
84703	Varney Brook	Granite State Gas Transmission	Dover	NH	451

The sum of transporter's deliveries to Shipper for all transportation contracts cannot exceed the limitations reflected above.

**PARK AND LOAN SERVICE CONTRACT
BETWEEN PORTLAND NATURAL GAS TRANSMISSION SYSTEM
AND
SPRAGUE ENERGY CORP.**

This Park and Loan Contract ("Contract") is made as of the 13th Day of February 2003 by and between Portland Natural Gas Transmission System, a Maine general partnership, herein "Transporter," and Sprague Energy Corp., a Delaware corporation, herein "Shipper," pursuant to the following recitals and representations:

WHEREAS, Shipper has entered into Gas supply arrangements, including transportation upstream of Transporter's System, and will make arrangements for the delivery of such gas supply for the account of Shipper to the receipt point(s), and to make arrangements for the receipt and transportation of such gas downstream of the delivery point(s) on Transporter's System; and

WHEREAS, Transporter and Shipper desire to establish the terms and conditions under which Transporter will render park and loan service to Shipper by entering into this Park and Loan Service Contract;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

ARTICLE I - SCOPE OF CONTRACT

1. On the Commencement Date and each day thereafter on which Shipper and Transporter schedule Parking service and subject to the interruption of service by Transporter in accordance with this Contract and Transporter's Tariff, (i) Shipper shall cause the Parked Quantity to be delivered to Transporter at the Parking Point(s) and (ii) Transporter shall hold the Parked Quantity for Shippers Account and, upon scheduling, return any Parked Quantities to or on behalf of Shipper at the Parking Point(s).

2. On the Commencement Date and each day thereafter on which Shipper and Transporter schedule Loan service and subject to the interruption of service by Transporter in accordance with this Contract and Transporter's Tariff, (i) Transporter shall make available to or on behalf of Shipper the Loan Quantity at the Loan Point(s) and (ii) upon scheduling, Shipper shall cause any Loan Quantities to be returned at the Loan Point(s).

3. Pursuant to this Park and Loan Service Contract, Rate Schedule PAL and the General Terms and Conditions, Shipper shall use Transporter's Interactive Internet Website to nominate each individual park and loan transaction.

4. Shipper shall be solely responsible for securing faithful performance by the supplier(s) of Gas under Shipper's Contracts and/or any applicable upstream or downstream shippers in all matters which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of said gas supplier(s) and/or any applicable upstream or downstream shippers to so perform.

5. In the event that Shipper wishes to move Parked Quantities or Loaned Quantities from one Park or Loan Point to another Park or Loan Point on Transporters system, Shipper shall be responsible for arranging such transportation in accordance with the provisions of the effective rate schedules and the General Terms and Conditions in Transporter's tariff.

ARTICLE II – PARK AND LOAN CAPACITY

The availability of Park and Loan capacity is subject to Transporter's determination of the availability of such service, as set forth in Rate Schedule PAL.

ARTICLE III – MAXIMUM LOAN QUANTITY

Pursuant to this Contract and Rate Schedule PAL, Transporter and Shipper agree that the Maximum Loaned Quantity (MLQ) available to Shipper, cumulative at all Loaned Points, shall be 100,000 at any given time.

ARTICLE IV – RATE

The rate for Park or Loan service provided by Transporter to Shipper shall be as provided in Rate Schedule PAL.

ARTICLE V – RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all provisions contained or incorporated herein are subject to the provisions of Rate Schedule PAL and of the General Terms and Conditions of Transporter's Tariff, as such may be revised or superseded from time to time, all of which by this reference are made a part hereof. The General Terms and Conditions and Rate Schedule PAL shall control in the event of a conflict between the General Terms and Conditions or Rate Schedule PAL and this Contract. All of the terms defined in Transporter's Tariff shall have the same meaning wherever used in this Contract.

ARTICLE VI – TERM

1. The Commencement Date shall be February 13, 2003, provided, however, that Transporter shall have no liability under this Contract and shall be under no obligation to receive or to deliver any quantities of Gas hereunder, and Shipper shall be under no obligation to pay for transportation, prior to the Effective Date.

2. This Contract shall continue in force and effect until February 28, 2004, and Year to Year thereafter unless terminated by either party upon thirty (30) days prior written notice to the other, as set forth in Rate Schedule PAL, or otherwise terminated by Transporter, pursuant to Rate Schedule PAL.

3. The termination of this Contract by expiration of fixed Contract term or by termination notice provided by Shipper triggers pre-granted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

4. Any provision of this Contract necessary to correct or cash-out imbalances or to make payment under this Contract as required by the Tariff will survive the other parts of this Contract until such time as such balancing or payment has been accomplished.

ARTICLE VII - NOTICES

Notices to Transporter shall be addressed to:

Portland Natural Gas Transmission System
Attn: Vice President, Business Development & Marketing
One Harbour Place, Suite 375
Portsmouth, New Hampshire 03801
Phone: 603-559-5500
Fax: 603-427-2807

Notices to Shipper hereunder shall be addressed to:

Sprague Energy Corp.
Attn: Jason Foulds, Operations Manager
Two International Drive - Suite 200
Portsmouth, New Hampshire 03801
Phone: 603-430-7240
Fax: 603-430-5320

Either party may change its address under this Article by written notice to the other party.

ARTICLE VIII - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Any party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Contract or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of Shipper in the event of an assignment by Transporter or Transporter in the event of an assignment by Shipper, which consents shall not be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this Article VIII shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

ARTICLE IX - NONRECOURSE OBLIGATION OF PARTNERSHIP AND OPERATOR

Shipper acknowledges and agrees that: (a) Transporter is a Maine general partnership; (b) Shipper shall have no recourse against any partner in Transporter with respect to Transporter's obligations under this Contract and that its sole recourse shall be against the partnership assets, irrespective of any failure to comply with applicable law or any provision of this Contract; (c) no claim shall be made against any partner under or in connection with this Contract; (d) Shipper shall have no right of subrogation to any claim of Transporter for any capital contributions from any partner to Transporter; (e) no claims shall be made against the Operator of Transporter's facilities, its officers, employees, and agents, under or in

connection with this Contract and the performance of Operator's duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of Operator, its officers, employees or agents) and Shipper shall provide Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (f) this representation is made expressly for the benefit of the partners in Transporter and Operator.

ARTICLE X - LAW OF CONTRACT

Notwithstanding conflict-of-laws rules, the interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Maine.

ARTICLE XI - CHANGE IN TARIFF PROVISIONS


Shipper agrees that Transporter shall have the unilateral right to file with the Federal Energy Regulatory Commission or any successor regulatory authority any changes in any of the provisions of its Tariff, including of any of its Rate Schedules, or the General Terms and Conditions, as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

By  
Title President

SPRAGUE ENERGY CORP.

By 
Title DIR. TRADING

**ADDENDUM
REPLACEMENT SHIPPER CONTRACT**

RELEASING CONTRACT REFERENCE: FT-1997-001

TERM OF RELEASE: The term of the release shall be for the period commencing April 1, 2011 and ending on October 31, 2011.

RATE PROVISIONS: applicable maximum recourse rate for FT rate schedule per dth/month
Reservation Charge

Maximum Daily Quantity: The quantity released during the above term is 22 Dth/day.

RECEIPT POINT: 01-0100 Pittsburg, NH

DELIVERY POINT: 05-1000 Haverhill, MA

SPECIAL CONDITIONS OF RELEASE:

Shipper's acquisition of capacity hereunder is subject to the following terms and conditions:

The release is generated by Bay State Gas Company capacity (identified in PNGTS' electronic records as contract FT-1997-001), Offer 2011.03.25.175824 with a reservation rate of 40.2456 per dth/ month.

Capacity is recallable but not reputtable

RC - part of a Retail Choice program.

Recall terms - immediately

The rights and obligations of Transporter and Shipper shall be subject to the terms set forth in this Addendum and Schedules 1 and 2, the Master Replacement Shipper Agreement, and the General Terms and Conditions of Transporter's Tariff.

ATTEST:

PORTLAND NATURAL GAS TRANSMISSION SYSTEM

By _____



**ROB PIRT
PRESIDENT**

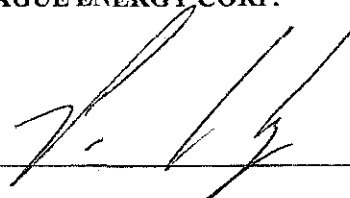


ATTEST:

SPRAGUE ENERGY CORP.

PORTLAND NATURAL GAS TRANSMISSION

By _____



**Brian W. Weego
Vice President, Natural Gas**

Approved By: _____



SCHEDULE 1

Receipt Point: 01-0100 Pittsburg, NH
Maximum Daily Quantity: 22 Dth/day
Maximum Contract Demand: 4,708 Dth

SCHEDULE 2

Delivery Point: 05-1000 Haverhill, MA

Maximum Daily Quantity: 22 Dth/day

GAS TRANSPORTATION AGREEMENT
(For Use Under Rate Schedule 12)

THIS AGREEMENT is made and entered into as of the 1st day of July, 1995, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and SPRAGUE ENERGY CORP., a DELAWARE Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 **TRANSPORTATION QUANTITY** - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof which shall be 30,000 dekatherms.
- 1.2 **EQUIVALENT QUANTITY** - shall be as defined in the Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transporter agrees to accept and receive daily on an interruptible basis, as determined in Transporter's sole opinion, at the Point(s) of Receipt, from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity of gas and deliver for Shipper to the Delivery Point(s) an Equivalent Quantity of gas.

ARTICLE III

FACILITIES

All Facilities are in place to render the service provided for in this Agreement and Transporter shall have no obligation to build facilities to perform this service.

ARTICLE IV

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

GAS TRANSPORTATION AGREEMENT
(For Use Under Rate Schedule IT)

ARTICLE V

RATES AND CHARGES FOR GAS TRANSPORTATION

- 5.1 **TRANSPORTATION RATES** - Commencing with the date of initial receipt of gas by Transporter, the rates, charges and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule IT and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 5.2 **INCIDENTAL CHARGES** - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs in rendering service hereunder.
- 5.3 **CHANGES IN RATES AND CHARGES** - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule IT, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VI

BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE VII

GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule IT and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE VIII

REGULATION

- 8.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

GAS TRANSPORTATION AGREEMENT
(For Use Under Rate Schedule TT)

- 1.2 The transportation service described herein shall be provided subject to Subpart C, Part 284 of the FERC Regulations.

ARTICLE IX

RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

ARTICLE X

WARRANTIES

- 10.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys' fees) arising from or out of breach of any warranty by Shipper herein.

- 10.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XI

TERM

- 11.1 This Agreement shall be effective from the date hereof and shall remain in full force and effect on a month to month basis unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party.

- 11.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

GAS TRANSPORTATION AGREEMENT
(For Use Under Rate Schedule IT)

10.2 This Agreement will terminate automatically in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

ARTICLE XIII

NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same as follows:

TRANSPORTER: TENNESSEE GAS PIPELINE COMPANY
P. O. Box 2511
Houston, Texas 77252-2511
Attention: Transportation Marketing

SHIPPER:

NOTICES: SPRAGUE ENERGY CORP.
910 TRAVIS STREET
SUITE 1995
HOUSTON, TX 77002
Attention: BRIAN HABACIVCH

BILLING: SPRAGUE ENERGY CORP.
910 TRAVIS STREET
SUITE 1995
HOUSTON, TX 77002
Attention: BRIAN HABACIVCH

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV

ASSIGNMENT

Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement. Otherwise, this Agreement shall not be assigned.

GAS TRANSPORTATION AGREEMENT
(For Use Under Rate Schedule IT)

ARTICLE XIV

MISCELLANEOUS

- 14.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 14.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option, and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 14.3 Unless otherwise expressly provided in this Agreement or Transporter's FERC Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective, until Shipper has submitted a request for change through the TERN-SPEED 2a System and Shipper has been notified through TERN-SPEED 2 of Transporter's agreement to such change.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY:

A. B. Perry, Jr.
Agent and Attorney-in-fact

SPRAGUE ENERGY CORP.

BY:

TITLE:

DATE:

Robert J. Cooper
General Manager
7/27/95

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: January 31, 2003 and February 1, 2003. The parties to this Base Contract are the following:

TENNESSEE GAS PIPELINE COMPANY

Nine Greenway Plaza, Suite 977B, Houston, Texas 77046

Duns Number: 00-193-9164

Contract Number: 9060

U.S. Federal Tax ID Number: 74-1056569

SPRAGUE ENERGY CORP.

Two International Drive, Suite 200, Portsmouth, NH 03801

Duns Number: #13-136-2733

Contract Number: 9060

U.S. Federal Tax ID Number: #02-0415440

Notices:

Tennessee Gas Pipeline Company

Attn: Joe Clements / Andy Armstrong

Phone: 832-676-5121 / 832-676-5120 Fax: 832-676-1605

SAME AS ABOVE

Attn: NATURAL GAS ADMINISTRATION

Phone: (603) 430-5338 Fax: (603) 430-5320

Confirmations:

Andy Armstrong, Suite 976 B

Attn: Bidroom Asset Optimization

Phone: 832-676-5120 Fax: 832-676-1605

SAME AS ABOVE

Attn: NATURAL GAS ADMINISTRATION

Phone: (603) 430-5338 Fax: (603) 430-5320

Invoices and Payments:

Tennessee Gas Pipeline Company

Attn: Beverly Hatcher / Robert Nunnally - TGP Accounting

Nine Greenway Plaza, Suite 208, Houston, Texas 77046

Phone: 832-676-3958 Fax: 832-676-1898

SAME AS ABOVE

Attn: NATURAL GAS ADMINISTRATION

Phone: (603) 430-7240 Fax: (603) 430-5320

Wire Transfer or ACH Numbers (if applicable):

BANK: Bank of America Illinois

ABA: # 071000039

ACCT: # 8188100890

Other Details: Payable to Tennessee Gas Pipeline

BANK: CHASE MANHATTAN, NEW YORK, NY

ABA: 021000021

ACCT: 910-2-720233

Other Details:

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

Section 1.2 X <input checked="" type="checkbox"/> Oral (default) Transaction: <input type="checkbox"/> Written Procedure	Section 7.2 X <input checked="" type="checkbox"/> 25 th Day of Month following Month of delivery (default) Payment Date: <input type="checkbox"/> _____ Day of Month following Month of delivery
Section 2.5 X <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm: <input type="checkbox"/> _____ Business Days after receipt Deadline	Section 7.2 X <input checked="" type="checkbox"/> Wire transfer (default) Method of Payment: <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check
Section 2.6 X <input checked="" type="checkbox"/> Seller (default) Confirming Party: <input type="checkbox"/> Buyer	Section 7.7 X <input checked="" type="checkbox"/> Netting applies (default) Netting: <input type="checkbox"/> Netting does not apply
Section 3.2 X <input checked="" type="checkbox"/> Cover Standard (default) Performance Obligation: <input type="checkbox"/> Spot Price Standard	Section 10.3.1 X <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages: <input type="checkbox"/> Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding. Section 2.26 X <input checked="" type="checkbox"/> Gas Daily Spot Price Publication: <input type="checkbox"/> Midpoint (default)	Section 10.3.2 X <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs: <input type="checkbox"/> Other Agreement Setoffs Do Not Apply
Section 6 X <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) Taxes: <input type="checkbox"/> Seller Pays Before and At Delivery Point	Section 14.5 Choice Of Law: <u>TEXAS</u>
Section 14.10 X <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality: <input type="checkbox"/> Confidentiality does not apply	
<input type="checkbox"/> Special Provisions Number of sheets attached: None <input type="checkbox"/> Addendum(s):	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

TENNESSEE GAS PIPELINE COMPANY

Party Name

By

Name:

Title:

Stanley Choy
Director, Asset Optimization

SPRAGUE ENERGY CORP.

Party Name

By

Name: Thomas F. Flaherty

Title: Vice President Industrial Marketing

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer, provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the Invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
SELLER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$ _____/MMBtu or _____				
Delivery Period: Begin: _____ End: _____				
Performance Obligation and Contract Quantity: (Select One) <table style="width: 100%;"> <tr> <td style="width: 33%; vertical-align: top;"> Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP </td> <td style="width: 33%; vertical-align: top;"> Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2 at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller </td> <td style="width: 33%; vertical-align: top;"> Interruptible: Up to _____ MMBtus/day </td> </tr> </table>		Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2 at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day
Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP	Firm (Variable Quantity): _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2 at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	Interruptible: Up to _____ MMBtus/day		
Delivery Point(s): _____ (If a pooling point is used, list a specific geographic and pipeline location):				
Special Conditions:				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

EXHIBIT B

SPRAGUE OPERATING RESOURCES LLC

AGGREGATOR INFORMATION

Broker Name	# of Accounts
Acclaim Energy Managements, LLC	1
Energy Trust, LLC	2
Enernoc Inc.	9
Intelligen Resources LP	8
Neutral Energy, LLC	1
Satori Enterprises, LLC	1
Secure Energy Solutions LLC	4
Summit Energy Services, Inc.	1
Trumarx Data Partners	1