

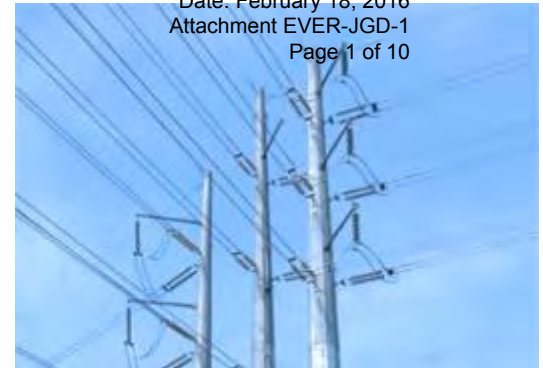
ATTACHMENT EVER-JGD-1

Presentation to U.S. Department of Energy Advisory Committee

(Sept. 25, 2014)

US Department Of Energy Electricity Advisory Committee

James Daly
Vice President Energy Supply
Northeast Utilities
September 25, 2014



**Northeast
Utilities**

Energy Challenges in the New England Market



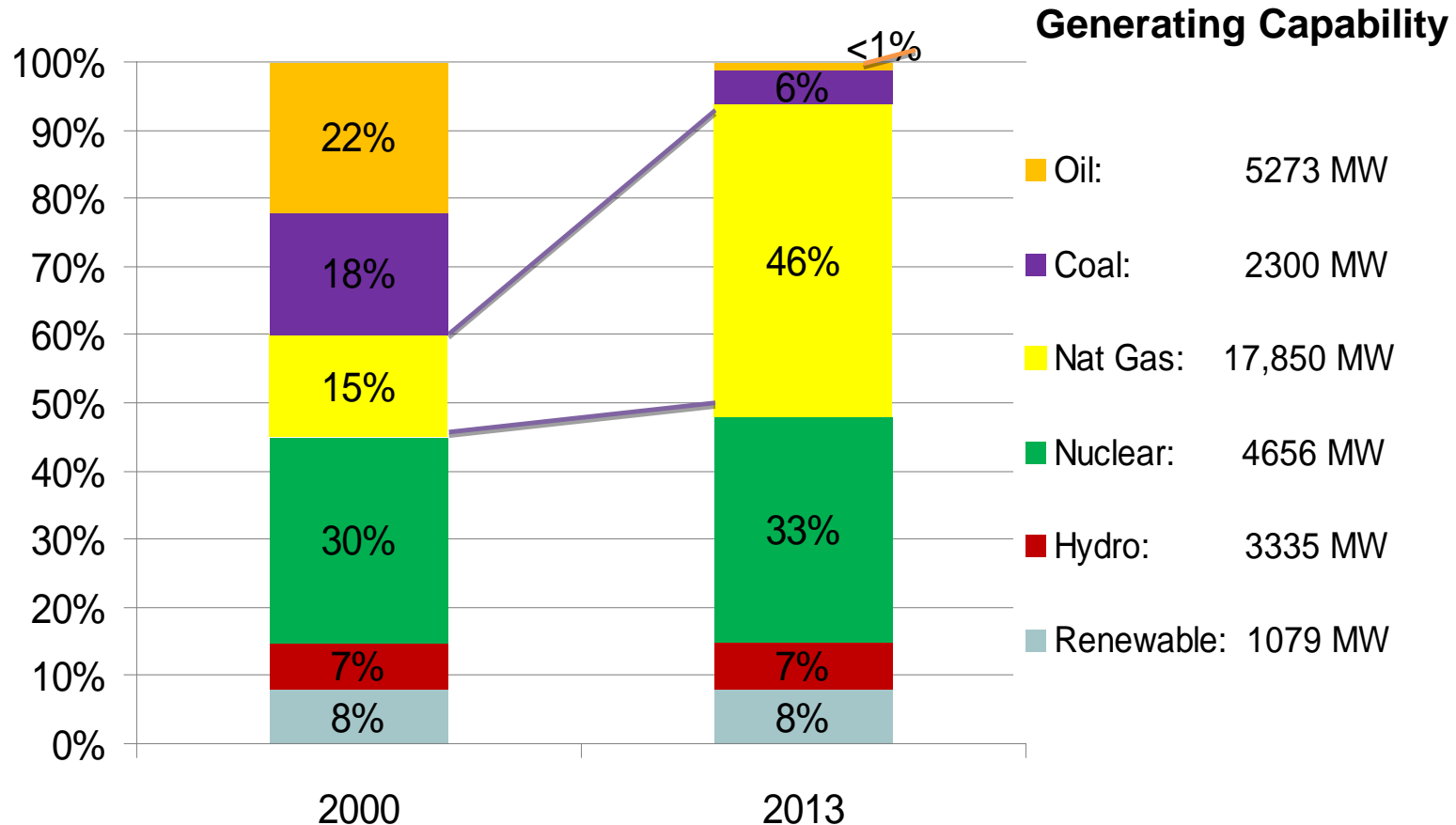
We have multiple challenges facing our region

- Shift to natural gas for heating and power generation without additions to gas infrastructure
- Imminent retirement of generation capacity
- Aggressive carbon reduction goals coupled with increasing intermittent generation

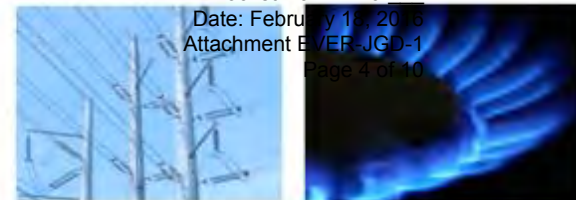
Significant Increase in Natural Gas Generation



Annual Energy Output



Future Outlook Shows Increasing Reliance on Natural Gas



Upcoming Retirements

Announced (4,100 MW)

- Salem Harbor Station (749 MW)
- 4 units (coal & oil)
- Norwalk Harbor Station (342 MW)
- 3 units (oil)
- Brayton Point Station (1,535 MW)
- 4 units (coal & oil)
- Vermont Yankee Station (604 MW)
- 1 unit (nuclear)

Potential

- Up to **8,000 MW** at risk of retirement

New Generation Projection

Fuel Type	Capacity (MW)
Biomass/Wood Waste	138
Hydro	62
Landfill Gas	0
Natural Gas	1,847
Natural Gas/Oil	2,497
Oil	245
Solar	16
Wind	2,110
Total	6,915

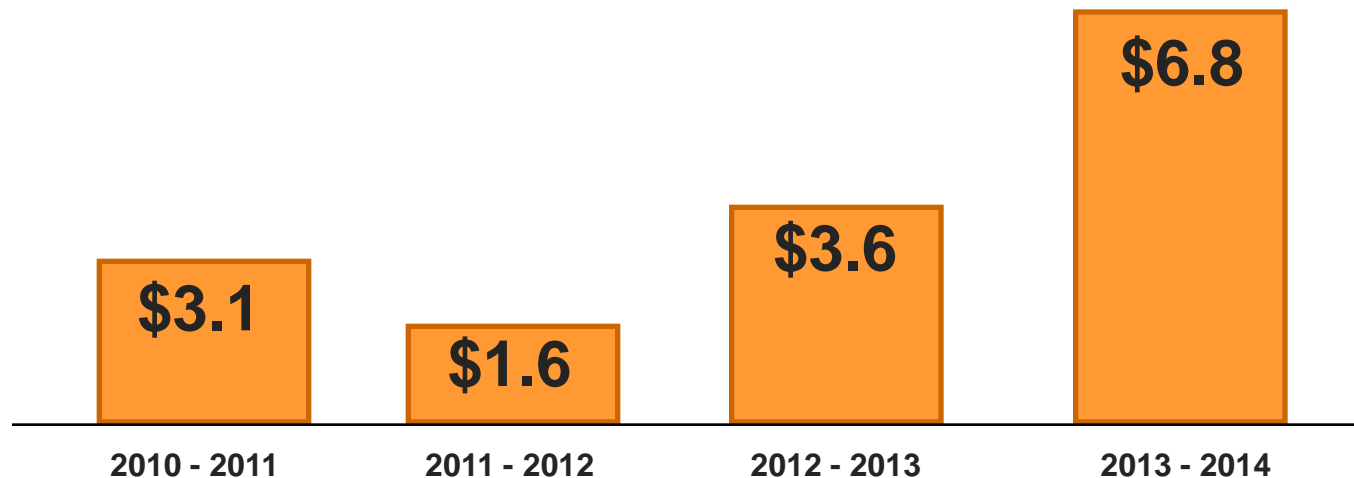
Energy Prices Are Escalating



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- All of these challenges are pressuring customers' energy bills
- Gas pipeline constraints have added over \$3 billion to our electric bills this past winter

**Winter Season Wholesale Electricity Costs
December – March
(\$Billions, ISO-NE Region)**



Infrastructure Deficiency Driving Prices Up

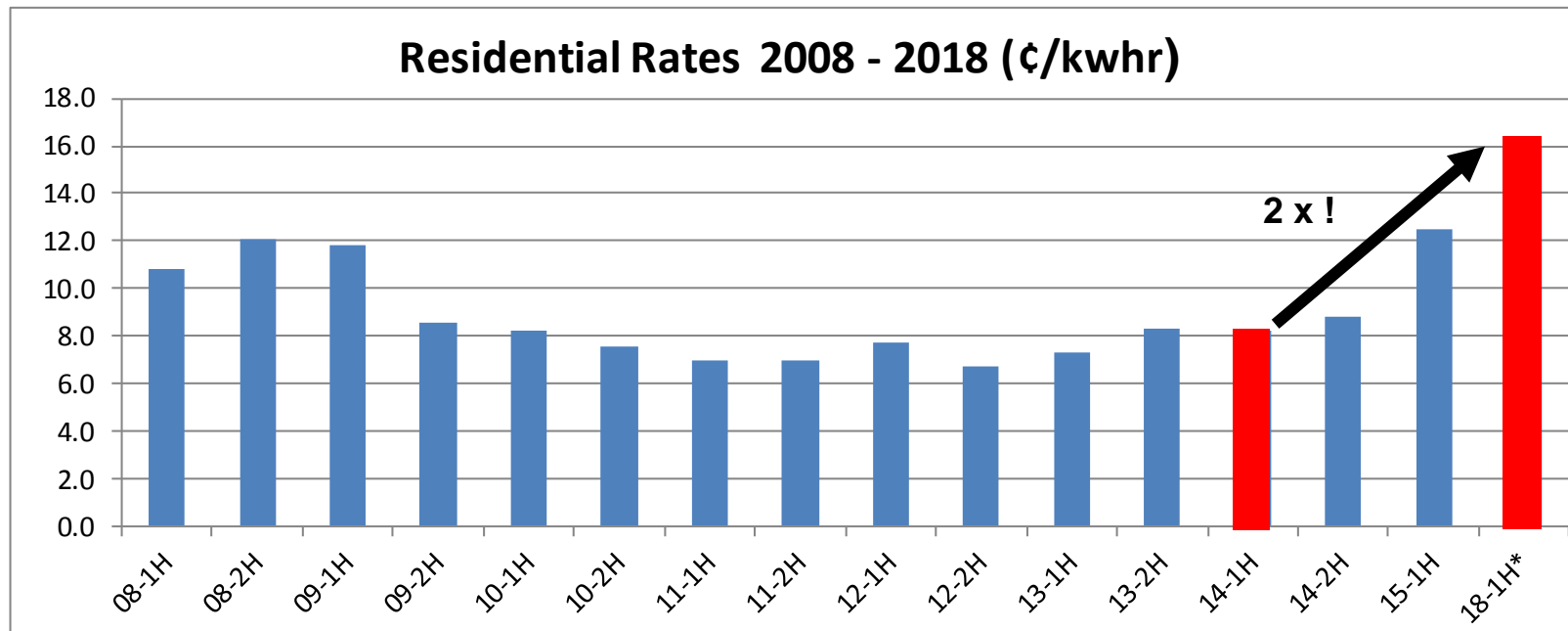


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- Forward prices indicate another \$6+ billion winter (assuming normal weather)
- Retail customers will begin to see impact in 2015; prices will double by 2018
- Over 4,000 MW of generation retirements announced
- ISO projects up to 25% of generation capacity in New England could retire in next few years

960000



* - 2018 prices are an estimate using actual price for generation capacity and current market rates for energy

New England Governors Response



- Infrastructure initiative driven by concerns on reliability, costs and renewable goals
 - Expand natural gas delivery
 - New transmission imports for large hydro and renewable energy
- States have differing interests
 - Gas expansion to lower costs, promote economic development
 - Renewable and low carbon energy to meet environmental goals
 - All are concerned about electric system reliability
- Cost allocation for new infrastructure to be agreed between states
- Funded through FERC approved Tariff
 - Administered by ISO-NE
 - Allocated to all electric customers
 - Precedent setting
- New England States Committee on Electricity (NESCOE) charged to implement

000097

Solving These Challenges

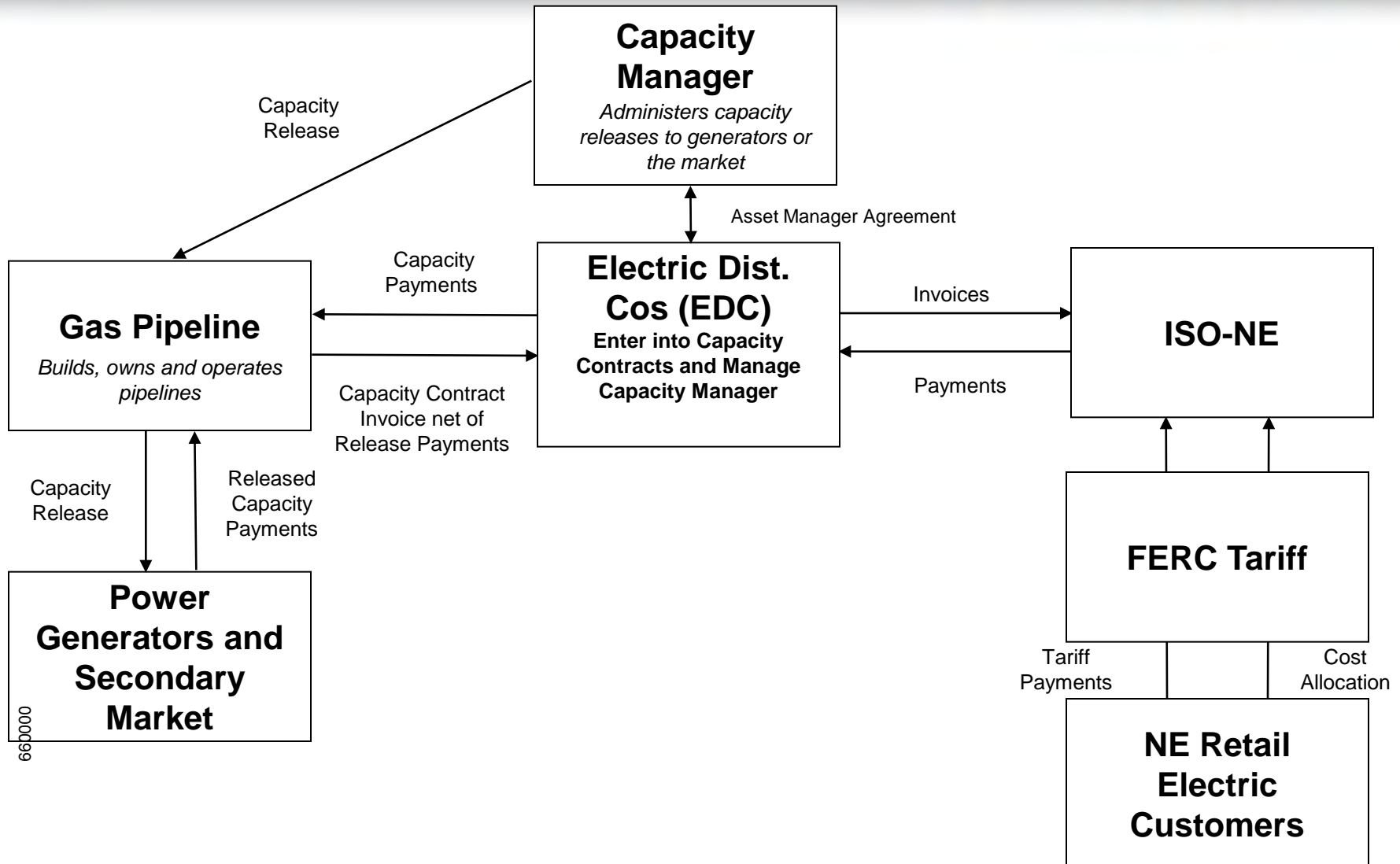


- We are working with NESCOE to promote the development of:
 - Electric transmission to achieve greenhouse emission goals
 - Natural gas infrastructure to address power market disruptions
- We support the use of an ISO tariff to expedite construction of electric and gas infrastructure
 - Precedent exists to lean on our regulated utilities to address energy policy objectives
 - Electric Distribution Companies proposal to NESCOE for EDC's to contract for gas transportation capacity

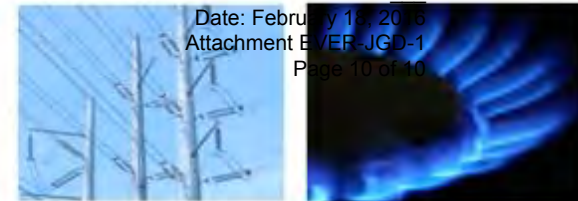
Electric Distribution Company (EDC) Model



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Infrastructure Planning: Gas vs Electricity in New England's Competitive Retail Markets



Natural Gas Model

- Local Distribution Companies responsible for long term needs
- Marketers typically 1-3 year term
- Approved LDC Resource Plan for 10+ years
- Forecasted growth
- Long, medium and short term resource portfolio
 - Pipelines
 - Storage
 - LNG
- Reliability Standard to meet demand
 - Coldest winter in 30 years
 - Coldest day in 50 years

Electricity Model

- Electric Distribution Companies have supply obligations for one year
- Marketers typically 1-3 year term
- No resource plans by EDC's
- ISO-NE tools for Resource Adequacy
 - Forward Capacity Market
 - Capacity adequacy three years forward for one year
 - New resources 5-7 year option
 - Performance Incentives for Capacity (per shortage event)
 - Location Marginal Pricing (hourly)
 - Fuel and resource neutral
- Reliability Standard to meet demand
 - One day outage in 10 years

Aligned

Resources and Standards

Not Well Aligned

ATTACHMENT EVER-JGD-2

Eversource Precedent and Service Agreement

PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT (“Precedent Agreement”) is made and entered into this ____ day of February, 2016 (“Effective Date”), by and between Algonquin Gas Transmission, LLC (“Pipeline”), a Delaware limited liability company, and Public Service Company of New Hampshire d/b/a Eversource Energy, a New Hampshire corporation (“Customer”). Pipeline and Customer are sometimes referred to individually as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, Pipeline owns and operates an interstate natural gas transmission system in the Northeastern United States;

WHEREAS, Customer desires that Pipeline expand such interstate natural gas transmission system and use the resulting capacity to enhance New England’s electric reliability and energy competitiveness in connection with the Access Northeast Project, the details of which were publicly announced on September 16, 2014 (the “Project”);

WHEREAS, Pipeline is proposing to implement a new Rate Schedule ERS, substantially in the form attached as Attachment A-1 hereto, for firm transportation of natural gas that is supported by a new liquefied natural gas facility to be located in Acushnet, Massachusetts (“Acushnet Facility”), in connection with Project, and will file Rate Schedule ERS with the Federal Energy Regulatory Commission (“Commission” or “FERC”) for approval;

WHEREAS, subject to the terms and conditions of this Precedent Agreement, Pipeline is proposing to construct, own and operate facilities necessary to provide firm transportation entitlements under Rate Schedule ERS in aggregate of 900,000 Dth/d for electric distribution companies, supported by storage capacity of 6,400,000 Dth, vaporization entitlements of 400,000

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Dth/d, and liquefaction entitlements of 54,000 Dth/d of natural gas, in connection with the Project;

WHEREAS, subject to the terms and conditions of this Precedent Agreement, Pipeline is willing to construct the Project and provide the firm transportation service that Customer desires;

NOW, THEREFORE, in consideration of the mutual covenants herein assumed, and intending to be legally bound, Pipeline and Customer agree as follows:

- 1) Pipeline Obligations. Subject to the terms and conditions of this Precedent Agreement, Pipeline shall proceed with due diligence to obtain from all governmental and regulatory authorities having competent jurisdiction over the premises, including, but not limited to, the Commission, the authorizations and/or exemptions Pipeline determines are necessary: (i) for Pipeline to construct, install, own, operate, and maintain the Project facilities, and, if applicable, abandon existing facilities, necessary to provide the firm transportation service contemplated herein, for Pipeline to implement Rate Schedule ERS and any additional conforming tariff revisions, and include such rate schedule as part of its FERC Gas Tariff and for Pipeline to implement an amendment to the capacity release provisions in its FERC Gas Tariff to establish a process for a customer to release firm capacity to electric generators on a priority basis pursuant to state-approved programs (“Capacity Release Tariff Amendment”) (collectively, “Pipeline’s Authorizations”); and (ii) for Pipeline to perform its obligations as contemplated in this Precedent Agreement. Pipeline reserves the right to file and prosecute any and all applications for such authorizations, any supplements or amendments thereto, and, if necessary, any request for rehearing or court review, that are consistent with this Precedent Agreement, the Service Agreement as defined in Paragraph 3(a), and the Negotiated Rate Agreement as defined in Paragraph 3(b), in a manner it deems to be in its

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best interest. Pipeline agrees to provide Customer with an opportunity to review and comment on the text of Pipeline's application for a certificate of public convenience and necessity for the Project, and Exhibits K and P to such application, to be provided to Customer at least five (5) business days in advance of the filing date and shall in good faith work with Customer to address any concerns raised by Customer with respect to such application. Pipeline agrees to promptly notify Customer in writing when each of Pipeline's Authorizations is received, obtained, rejected or denied. Pipeline shall also promptly notify Customer in writing as to whether each of Pipeline's Authorizations that has been received or obtained is acceptable to Pipeline. During the term of this Precedent Agreement, Pipeline also agrees to use reasonable efforts to support and cooperate with, and to not oppose, obstruct or otherwise interfere with, Customer in Customer's efforts to obtain Customer Authorizations as referenced below. In the event that any necessary FERC authorization or approval for the Capacity Release Tariff Amendment is not received by Pipeline by October 1, 2016, Pipeline shall have the right to terminate this Precedent Agreement. Pipeline's termination right pursuant to this Paragraph 1 expires if it is not exercised within ten (10) days after October 1, 2016. The term of the Precedent Agreement will commence on the Effective Date and continue until the Precedent Agreement is terminated pursuant to Paragraphs 9, 10 or 11 hereof.

2) Customer Obligations.

- a) Subject to the terms and conditions of this Precedent Agreement, Customer shall proceed with due diligence to obtain all necessary and appropriate authorizations and approvals from governmental and regulatory authorities having jurisdiction over the premises, the Customer or the Customer's cost recovery including, but not limited to,

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such authorizations and approvals for Customer to perform its obligations as contemplated in this Precedent Agreement, the Service Agreement (defined below), and the Negotiated Rate Agreement (defined below) and to recover the costs associated therewith ("Customer Authorizations"). On or before April 1, 2016, the Parties will meet to review the status of the necessary governmental or regulatory authorizations or approvals of all customers listed on Attachment B hereto, including, with respect to Customer, any Customer Authorizations, but excluding any Pipeline's Authorizations.

- b) Customer reserves the right to file and prosecute applications for Customer Authorizations, and, if necessary, any court review, in a manner it deems to be in its best interest. Customer agrees to promptly notify Pipeline in writing when each of Customer Authorizations is received, obtained, rejected or denied. Customer shall also promptly notify Pipeline in writing as to whether each of Customer Authorizations that has been received or obtained is acceptable to Customer. All Customer Authorizations must be issued in a form acceptable to Customer.
- c) For so long as the Customer Authorizations have not been received and accepted by Customer, Customer shall coordinate with Pipeline regarding the status of the Customer Authorizations on a monthly basis.
- d) During the term of this Precedent Agreement, Customer agrees to use reasonable efforts to support and cooperate with, and to not oppose, obstruct or otherwise interfere with the efforts of Pipeline to obtain Pipeline's Authorizations, to provide the firm transportation service contemplated in this Precedent Agreement, and to perform its other obligations as contemplated by this Precedent Agreement. Nothing herein shall be construed to limit or waive Customer's rights to intervene or protest any filing by Pipeline to the

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extent Customer determines in good faith that such filing is not consistent with Pipeline's obligations or Customer's rights under this Precedent Agreement, the Service Agreement or the Negotiated Rate Agreement. Notwithstanding the foregoing, Customer agrees to intervene in the FERC proceeding established to consider the Capacity Release Tariff Amendment and to file comments with FERC in support of such filing to the extent such filing is consistent with this Precedent Agreement, the Service Agreement as defined in Paragraph 3(a), and the Negotiated Rate Agreement as defined in Paragraph 3(b). Pipeline shall provide notice to Customer of Pipeline's filing of the Capacity Release Tariff Amendment with the FERC.

3) Service Agreement.

a) To effectuate the firm transportation service contemplated herein, Customer and Pipeline agree that no later than twenty five (25) days following the date on which the Commission issues an order granting Pipeline a certificate of public convenience and necessity to construct the Project facilities or, upon Pipeline's request to Customer, within a shorter time following the issuance of such certificate as may be deemed necessary by Pipeline in its reasonable discretion to allow Pipeline to commence the construction of the Project, Pipeline and Customer will execute a firm transportation service agreement under Rate Schedule ERS in the form attached as Attachment A-2 hereto ("Service Agreement"), which:

i) specifies an initial Maximum Daily Transportation Quantity ("MDTQ") of [REDACTED] to be in effect on the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date, Phase 3 Service Commencement Date, Phase 4 Service Commencement Date, respectively (each as determined in accordance with Paragraph 4 of this Precedent Agreement);

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- ii) specifies an initial Maximum Storage Quantity (“MSQ”) equal to [REDACTED] to be effective on the Phase 4 Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement);
- iii) specifies a primary term (“Primary Term”) of twenty (20) years commencing on the Phase 1 Service Commencement Date, as defined below;
- iv) specifies the following Non-Storage Primary Point(s) of Receipt and Maximum Daily Receipt Obligation(s) (“MDRO”):
 - (1) Mahwah (Meter No. 00201) with an MDRO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement), [REDACTED] to be in effect on the Phase 2 Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement) and [REDACTED] to be in effect on the Phase 3 Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement);
 - (2) Ramapo (Meter No. 00214) with an MDRO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement Date and [REDACTED] to be in effect on the Phase 3 Service Commencement Date;
 - (3) Brookfield (Meter No. 00251) with an MDRO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement Date and [REDACTED] to be in effect on the Phase 3 Service Commencement Date (collectively “Non-Storage Primary Points of Receipt”) provided, however, the sum of the MDROs at all Non-Storage Primary Points of Receipt contemplated in this clause 3(a)(iv) on any day shall not exceed Customer’s MDTQ in effect on such date following the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date and Phase 3 Service Commencement Date, and [REDACTED] following the Phase 4 Service Commencement Date;
- v) specifies a Storage Primary Point of Receipt from storage to be effective on the Phase 1 Service Commencement Date at Acushnet (Meter No. [TBD]) with an MDRO equal to [REDACTED]
- vi) specifies the following Aggregation Areas with access to Primary Points of Delivery shown on Attachment G:
 - (1) Connecticut with a Maximum Daily Delivery Obligation (“MDDO”) equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement

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Date, [REDACTED] to be in effect on the Phase 3 Service Commencement Date, and [REDACTED] to be in effect on the Phase 4 Service Commencement Date;

(2) Massachusetts with an MDDO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement Date, [REDACTED] to be in effect on the Phase 3 Service Commencement Date, and [REDACTED] to be in effect on the Phase 4 Service Commencement Date;

(3) SEMA – G System with an MDDO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement Date, [REDACTED] to be in effect on the Phase 3 Service Commencement Date, and [REDACTED] to be in effect on the Phase 4 Service Commencement Date; and

(4) Maine with an MDDO equal to [REDACTED] to be in effect on the Phase 1 Service Commencement Date, [REDACTED] to be in effect on the Phase 2 Service Commencement Date, [REDACTED] to be in effect on the Phase 3 Service Commencement Date, and [REDACTED] to be in effect on the Phase 4 Service Commencement Date;

provided, however, the sum of the MDDOs at all Primary Point(s) of Delivery contemplated in this clause 3(a)(vi) on any day shall not exceed Customer's MDTQ in effect on such date; and

vii) specifies a Maximum Daily Injection Quantity ("MDIQ") equal to [REDACTED] to be effective on the Phase [REDACTED] Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement);

viii) specifies a Maximum Daily Withdrawal Quantity ("MDWQ") equal to [REDACTED] to be effective on the Phase [REDACTED] Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement);

ix) incorporates creditworthiness provisions set forth in this Precedent Agreement.

The Customer's MDTQ and MSQ shall be subject to adjustment to the extent necessary to comply with applicable state law, regulation or order (including, without limitation, Customer's Authorizations), and further by agreement of the Parties as described below.

The Aggregate EDC Capacity shall be 900,000 Dth/d, with [REDACTED] available on the Phase 1 Service Commencement Date, an additional [REDACTED] available on the

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Notwithstanding the foregoing, in the event that an interim storage option will be available after the Phase 1 Service Commencement Date (as defined below) but prior to the Phase 4 Service Commencement Date (as defined below), then Customer shall have the right, but not the obligation, to take Customer's Proportionate Share of such interim storage service on the terms set forth in this Precedent Agreement, the Service Agreement and the Negotiated Rate Agreement until the Phase 4 Service Commencement Date. If Customer exercises its right to such available interim storage service and quantities and such service and quantities will be provided for one (1) year or more, Pipeline and Customer may amend this Precedent Agreement, the Service Agreement and the Negotiated Rate Agreement (as defined below) to provide for service from such interim storage option with comparable volume and rate provisions until the Phase 4 Service Commencement Date subject to the Customer's receipt of necessary regulatory approvals. Pipeline will accept its FERC certificate of public convenience and necessity to construct the Project facilities no later than five (5) days after the execution of the Service Agreement between Pipeline and Customer.

- b) Rate. Pipeline and Customer further agree that, contemporaneously with the execution of this Precedent Agreement, they will execute, in accordance with Section 46 of the General Terms and Conditions ("GT&C") of Pipeline's Tariff, a negotiated rate agreement ("Negotiated Rate Agreement"), as set forth on Attachment C hereto, consistent with the terms of this Precedent Agreement which shall become effective on the Phase 1 Service Commencement Date and shall provide for a negotiated rate applicable to service under the Service Agreement, subject to approval by the

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Commission. In accordance with and subject to the terms of the Negotiated Rate Agreement, Pipeline may adjust the negotiated rate to reflect any increase or decrease in the actual Project capital costs.

c) Primary Term Extension.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

d) Renewal. The Primary Term or Primary Term Extension, as applicable, will automatically extend for annual periods at the same MDTQ, MSQ, MDROs, MDDOs, MDIQ and MDWQ unless terminated in accordance with this Paragraph 3(d). Either Party may terminate at the end of the Primary Term, Primary Term Extension

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

provided that in the event Customer elects to extend the Primary Term pursuant to

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Paragraph 3(c) but subsequently revokes such election, Customer may terminate at the end of the Primary Term by providing notice to Pipeline within sixty (60) days after the date that is three (3) years prior to the end of the Primary Term. The applicable rates during the term of such renewal shall be the rates set forth in the Negotiated Rate Agreement, if applicable.

- e) Right of First Refusal. Upon Pipeline's termination of the Service Agreement at the end of the Primary Term, Primary Term Extension or annual renewal terms as contemplated by Paragraph 3(d) of this Precedent Agreement, Customer shall have a Right of First Refusal pursuant to Pipeline's Tariff to be applicable to all of the Customer's MDTQ and MSQ, exercisable in accordance with the notice and other applicable provisions of the Tariff.
 - f) Most Favored Nation Right. Customer shall have a Most Favored Nation Right as set forth in the Negotiated Rate Agreement. All electric distribution companies that are Project customers shall have the same, or substantially similar, material terms and conditions as contained in this Precedent Agreement, the Service Agreement or the Negotiated Rate Agreement.
- 4) Commencement of Service.
- a) Phase 1 Service Commencement Date. Upon satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the service included in Phase 1, Pipeline shall notify Customer of such fact, and that service under the Service Agreement for such Phase 1 service will commence on a date certain, which date will be the later of: (i) November 1, 2018 and (ii) the date that all of the conditions precedent set forth in Paragraph 7 of this Precedent Agreement are

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satisfied or waived with respect to Phase 1 (“Phase 1 Service Commencement Date”).

b) Phase 2 Service Commencement Date. Upon satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the service included in Phase 2, Pipeline shall notify Customer of such fact, and that service under the Service Agreement for such Phase 2 service will commence on a date certain, which date will be the later of: (i) November 1, 2019 and (ii) the date that all of the conditions precedent set forth in Paragraph 7 of this Precedent Agreement are satisfied or waived with respect to Phase 2 (“Phase 2 Service Commencement Date”); provided that, in the event that the Phase 1 Service Commencement Date has occurred and Customer provides notice of termination pursuant to 9(b) based on the failure of the Phase 2 Service Commencement Date to occur by the date specified in Paragraph 9(b), Pipeline may, within five (5) business days, provide notice to Customer of the satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the Phase 2 service, including service that does not include any storage rights, and that service under the Service Agreement for such portion of Phase 2 service will commence on a date certain, which date will be the first day of the month that is no earlier than fifteen (15) days after the date of such notice (“Phase 2 Partial Service Commencement Date”).

c) Phase 3 Service Commencement Date. Upon satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the service included in Phase 3, Pipeline shall notify Customer of such fact, and that service under the Service Agreement for such Phase 3 service will commence on a date certain, which date will be the later of: (i) November 1, 2020 and (ii) the date that all of

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the conditions precedent set forth in Paragraph 7 of this Precedent Agreement are satisfied or waived with respect to Phase 3 (“Phase 3 Service Commencement Date”); provided that, in the event that the Phase 1 Service Commencement Date and Phase 2 Service Commencement Date have occurred and Customer provides notice of termination pursuant to 9(b) based on the failure of the Phase 3 Service Commencement Date to occur by the date specified in Paragraph 9(b), Pipeline may, within five (5) business days, provide notice to Customer of the satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the Phase 3 service, including service that does not include any storage rights, and that service under the Service Agreement for such portion of Phase 3 service will commence on a date certain, which date will be the first day of the month that is no earlier than fifteen (15) days after the date of such notice (“Phase 3 Partial Service Commencement Date”).

- d) Phase 4 Service Commencement Date. Upon satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the service included in Phase 4, Pipeline shall notify Customer of such fact, and that service under the Service Agreement for such Phase 4 service will commence on a date certain, which date will be the later of: (i) May 1, 2021 and (ii) the date that all of the conditions precedent set forth in Paragraph 7 of this Precedent Agreement are satisfied or waived with respect to Phase 4 (“Phase 4 Service Commencement Date”); provided that, in the event that the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date and Phase 3 Service Commencement Date have occurred and Customer provides notice of termination pursuant to 9(b) based on the failure of the

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Phase 4 Service Commencement Date to occur by the date specified in Paragraph 9(b), Pipeline may, within five (5) business days, provide notice to Customer of the satisfaction or waiver of all the conditions precedent set forth in Paragraph 7 of this Precedent Agreement with respect to a portion of the Phase 4 service, including service that does not include any storage rights, and that service under the Service Agreement for such portion of Phase 4 service will commence on a date certain, which date will be the first day of the month that is no earlier than fifteen (15) days after the date of such notice (“Phase 4 Partial Service Commencement Date,” and together with the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date, Phase 2 Partial Service Commencement Date, Phase 3 Service Commencement Date, Phase 3 Partial Service Commencement Date, and Phase 4 Service Commencement Date, each a “Service Commencement Date” and, collectively, “Service Commencement Dates”).

- e) Under no circumstances shall the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date, Phase 3 Service Commencement Date, and Phase 4 Service Commencement Date be later than [REDACTED] [REDACTED] respectively, unless otherwise agreed in writing by both Parties. On and after the date on which Pipeline has notified Customer that service under the Service Agreement will commence for each phase, Pipeline shall provide firm service under Rate Schedule ERS for Customer for such phase pursuant to the terms of the Service Agreement and Customer will pay Pipeline for all applicable charges required by the Service Agreement and the Negotiated Rate Agreement for such phase. The Parties shall amend the Service Agreement to the extent required to implement Paragraph 4 of this Precedent Agreement.

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- 5) Design and Permitting of Project Facilities. Pipeline will undertake with due diligence the design of the Project facilities and any other preparatory actions necessary for Pipeline to complete and file its application(s) related to the Project with the Commission or other governmental authority as appropriate. Prior to satisfaction of the conditions precedent set forth in Paragraph 7 of this Precedent Agreement, Pipeline shall have the right, but not the obligation (subject to Paragraph 6 of this Precedent Agreement), to proceed with the necessary design of facilities, acquisition of materials, supplies, properties, rights-of-way and any other necessary preparations to implement the firm transportation service under the Service Agreement as contemplated in this Precedent Agreement.
- 6) Construction of Project. Upon satisfaction of the conditions precedent set forth in Paragraphs 7(a)(i) through 7(a)(iv), inclusive, 7(a)(vi) and 7(b)(i) through 7(b)(iii), inclusive, of this Precedent Agreement, or waiver of the same by Pipeline or Customer, as applicable, and the Parties' execution of the Service Agreement, Pipeline shall proceed (subject to the continuing commitments of substantially all customers executing precedent agreements and service agreements for service utilizing the firm transportation capacity to be made available by the Project) with due diligence to construct the authorized Project facilities in phases and to implement the firm transportation service contemplated in this Precedent Agreement for Phase 1 on November 1, 2018, Phase 2 on November 1, 2019, Phase 3 on November 1, 2020, and Phase 4 on May 1, 2021. If, notwithstanding Pipeline's due diligence, Pipeline is unable to commence the firm transportation service for Customer as contemplated herein for Phase 1 on November 1, 2018, Phase 2 on November 1, 2019, Phase 3 on November 1, 2020, or Phase 4 on May 1, 2021, Pipeline will continue to proceed with due diligence to complete arrangements for such firm transportation service, and commence the firm transportation

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service for Customer for any such phase at the earliest practicable date thereafter. Pipeline will neither be liable nor will this Precedent Agreement or the Service Agreement be subject to cancellation if Pipeline is unable to complete construction of such authorized Project facilities and commence the firm transportation service contemplated herein for Phase 1 by November 1, 2018, Phase 2 by November 1, 2019, or Phase 3 by November 1, 2020, or Phase 4 by May 1, 2021, subject to Customer's rights in Paragraph 9(b) of this Precedent Agreement.

- 7) Conditions Precedent. Commencement of service under the Service Agreement and Pipeline's and Customer's rights and obligations under the Service Agreement are expressly made subject to satisfaction of the following conditions precedent in this Paragraph 7 (only Pipeline shall have the right to waive the conditions precedent set forth in Paragraph 7(a) and only Customer shall have the right to waive the conditions precedent set forth in Paragraph 7(b)):

a) Pipeline's Conditions Precedent.

- i) Pipeline's receipt and acceptance by June 1, 2021, of (i) all necessary certificates and authorizations from the Commission to construct, install, own, operate, and maintain the Project facilities, and, if applicable, abandon existing facilities, all as described in Pipeline's certificate application as it may be amended from time to time, to provide the firm transportation service contemplated herein and in the Service Agreement, and to perform its other obligations contemplated herein, and (ii) an order from the Commission approving or accepting the Capacity Release Tariff Amendment;
- ii) Pipeline's receipt of approval, on or before the date the Pipeline files its certificate application with the Commission, from its Board of Directors, or similar governing

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- body, to expend the capital necessary to construct the Project facilities and/or to execute the Service Agreement;
- iii) Pipeline's receipt, on or before [REDACTED] of all necessary governmental authorizations, approvals, and permits required to implement Rate Schedule ERS and include such rate schedule as part of its FERC Gas Tariff, and to construct the Project facilities necessary to provide the firm transportation service contemplated herein and in the Service Agreement other than those specified in Paragraph 7(a)(i);
 - iv) Pipeline's procurement, on or before [REDACTED] of all rights-of-way, easements or permits (in form and substance acceptable to Pipeline) necessary for the construction and operation of the Project facilities;
 - v) Pipeline's completion of construction of the Project facilities and all other facilities required to render firm transportation service for Customer pursuant to the Service Agreement for the applicable phase and Pipeline being ready and able to place such facilities into gas service at the full MDTQ and/or MSQ for such phase on or before [REDACTED] for Phase 1, [REDACTED] for Phase 2, [REDACTED] for Phase 3, and [REDACTED] for Phase 4; and
 - vi) Customer's receipt and acceptance by October 1, 2016, of Customer Authorizations identified in accordance with Paragraph 2 of this Precedent Agreement, which Customer Authorizations are acceptable to Pipeline.
- b) Customer's Conditions Precedent.
- i) Customer's receipt of approval, on or before March 1, 2016, from its Board of Directors, or similar governing body, to participate in the Project;
 - ii) Customer's receipt and acceptance by October 1, 2016, of Customer Authorizations

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- in a final and non-appealable form acceptable to Customer; and
- iii) Pipeline's receipt by December 1, 2020, of (i) a certificate from the Commission authorizing Pipeline to construct, install, own, operate, and maintain the Project facilities, and, if applicable, abandon existing facilities, all as described in Pipeline's certificate application as it may be amended from time to time, to provide the firm transportation service contemplated herein and in the Service Agreement, and to perform its other obligations contemplated herein; and (ii) an order from the Commission approving or accepting the Capacity Release Tariff Amendment.
- c) With respect to each condition precedent set forth in Paragraph 7(a) of this Precedent Agreement, Pipeline shall use commercially reasonable efforts to provide notice to Customer within five (5) days of the date that such condition precedent has been satisfied or waived. With respect to the conditions precedent set forth in Paragraphs 7(b)(i) and (ii) of this Precedent Agreement, Customer shall use commercially reasonable efforts to provide notice to Pipeline within five (5) days of the date that such condition precedent has been satisfied or waived. The failure of either Pipeline or Customer to notify the other as contemplated by this Paragraph 7(c) shall not be considered a breach of this Precedent Agreement nor shall it be considered cause for either Party to terminate this Precedent Agreement. [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- d) Unless otherwise provided for herein, Pipeline's Authorizations contemplated in

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Paragraph 1 of this Precedent Agreement and otherwise associated with the firm transportation service contemplated by this Precedent Agreement must be issued in form and substance reasonably satisfactory to both Parties hereto; provided that this Paragraph 7(d) does not give rise to a termination right for Pipeline independent of Pipeline's termination right pursuant to Paragraph 9(a). Pipeline shall provide written notice to Customer not later than ten (10) days after issuance of any of Pipeline's Authorizations, and shall offer to meet with Customer promptly upon the issuance of any such authorization(s) not issued or granted in form and substance as requested to discuss concerns or issues related thereto. For purposes of this Precedent Agreement, Pipeline's Authorizations shall be deemed satisfactory to Customer if such Authorizations are consistent with the terms of this Precedent Agreement, the Service Agreement, the Negotiated Rate Agreement, and the Customer's Authorizations, and do not impose conditions or obligations that substantially and adversely affect Customer. To the extent Customer determines in Customer's sole and reasonable judgment that the Pipeline's Authorizations do not satisfy the requirements of the immediately preceding sentence, Customer shall notify Pipeline in writing not later than ten (10) days after receipt of Pipeline's notice of such Authorizations, and shall detail the basis of such determination. Designated representatives for the Parties shall meet promptly and negotiate in good faith to reach mutual agreement on a reasonable modification or an agreeable alternative to address such substantial and adverse effect(s), and each Party agrees to discuss in good faith any positions advanced by the other Party in accordance with the foregoing. All other governmental authorizations, approvals, permits and/or exemptions that Pipeline must obtain must be issued in form and substance reasonably acceptable to Pipeline. All

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governmental approvals that Pipeline is required by this Precedent Agreement to obtain must be duly granted by the Commission or other governmental agency or authority having jurisdiction, and must be final and no longer subject to rehearing or appeal; provided, however, Pipeline may waive the requirement that such authorization(s) and approval(s) be final and no longer subject to rehearing or appeal. Pipeline shall provide quarterly updates to Customer regarding Pipeline's progress in obtaining Pipeline's Authorizations.

8. Limitation of Liability. NOTWITHSTANDING THE FOREGOING, THE PARTIES HERETO AGREE THAT NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY PUNITIVE, SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS OR BUSINESS INTERRUPTIONS) ARISING OUT OF OR IN ANY MANNER RELATED TO THIS PRECEDENT AGREEMENT, AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE SOLE, CONCURRENT OR CONTRIBUTORY NEGLIGENCE (WHETHER ACTIVE OR PASSIVE), STRICT LIABILITY (INCLUDING, WITHOUT LIMITATION, STRICT STATUTORY LIABILITY AND STRICT LIABILITY IN TORT) OR OTHER FAULT OF EITHER PARTY. THE IMMEDIATELY PRECEDING SENTENCE SPECIFICALLY PROTECTS EACH PARTY AGAINST SUCH PUNITIVE, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES EVEN IF RELATED TO THE NEGLIGENCE, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, STRICT LIABILITY OR OTHER FAULT OR RESPONSIBILITY OF SUCH PARTY; AND ALL RIGHTS TO RECOVER SUCH DAMAGES OR PROFITS ARE HEREBY

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WAIVED AND RELEASED.

9. Termination of Precedent Agreement for Failure of Conditions Precedent.

a) If the conditions precedent set forth in Paragraph 7(a) of this Precedent Agreement have not been fully satisfied or waived by Pipeline by the applicable dates specified therein or the Service Commencement Dates have not occurred by [REDACTED] and this Precedent Agreement has not been terminated pursuant to Paragraphs 9(b), 10 or 11 hereof, then Pipeline may thereafter terminate this Precedent Agreement (and the Service Agreement, if executed), with respect to all phases of service for which the Service Commencement Date has not occurred, by providing thirty (30) days' prior written notice of its intention to terminate to Customer; provided, however, if the conditions precedent are satisfied, or waived by Pipeline within such thirty (30) day notice period, then termination of such agreements will not be effective. Pipeline's termination right pursuant to this Paragraph 9(a) expires if it is not exercised within ten (10) days after the deadline giving rise to such termination right. A termination pursuant to this Paragraph 9(a) shall not terminate any phase or partial phase of service for which the Service Commencement Date has occurred. In the event of such termination, Customer shall have no financial or other obligation to Pipeline.

b) If the conditions precedent set forth in Paragraph 7(b) of this Precedent Agreement have not been fully satisfied or waived by Customer by the applicable dates specified therein or if Pipeline has not completed construction of the applicable phase of the Project facilities required to render firm transportation service for Customer and the Phase 1 Service Commencement Date, Phase 2 Service Commencement Date, Phase 3 Service Commencement Date, or Phase 4 Service Commencement Date has not occurred by

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respectively, and this Precedent Agreement has not been terminated pursuant to Paragraphs 9(a), 10 or 11 hereof, then Customer may thereafter terminate this Precedent Agreement (and the Service Agreement, if executed), with respect to all phases of service for which the Service Commencement Date has not occurred, by providing thirty (30) days' prior written notice of its intention to terminate to Pipeline; provided, however, if the conditions precedent are satisfied, or waived by Customer within such thirty (30) day notice period (as applicable), then termination of such agreements will not be effective; and, provided further, if Pipeline provides notice of partial Phase 2 service, partial Phase 3 service, or partial Phase 4 service pursuant to Paragraph 4(b), 4(c) or 4(d), respectively, then such termination will not be effective as to such partial phase. Customer's termination right pursuant to this Paragraph 9(b) expires if it is not exercised within ten (10) days after the deadline giving rise to such termination right. A termination pursuant to this Paragraph 9(b) shall not terminate any phase or partial phase of service for which the Service Commencement Date has occurred. In the event of such termination, Customer shall have no financial or other obligation to Pipeline.

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10. Additional Termination Rights. In addition to the provisions of Paragraph 9 hereof, Pipeline may terminate this Precedent Agreement (and the Service Agreement, if executed) by providing written notice of termination to Customer if, by the date specified in Paragraph 7(a)(i), Pipeline, in its sole and reasonable discretion, determines for any reasons that the Project contemplated herein is no longer economically viable. In the event of such termination, Customer shall have no financial or other obligation to Pipeline.
11. Termination upon Service Commencement Date. If this Precedent Agreement is not terminated pursuant to Paragraphs 9 or 10 hereof, then this Precedent Agreement will terminate with respect to each phase on the Service Commencement Date for such phase, and thereafter Pipeline's and Customer's rights and obligations related to the transportation service contemplated herein shall be determined pursuant to the terms and conditions of the Service Agreement, the Negotiated Rate Agreement and Pipeline's FERC Gas Tariff, as effective from time to time. Notwithstanding any termination of this Precedent Agreement pursuant to Paragraphs 9, 10 or 11 hereof, or otherwise, to the extent that a provision of this Precedent Agreement contemplates that one or both Parties may have further rights and/or obligations hereunder following such termination, the provision shall survive such termination as necessary to give full effect to such rights and/or obligations.
12. Creditworthiness. On or within five (5) business days after the Effective Date of this Precedent Agreement, Customer shall satisfy the creditworthiness requirements as set forth in this Paragraph 12.

- a. Creditworthiness Standard. Customer shall at all times during the effectiveness of

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this Precedent Agreement and the Primary Term of the Service Agreement be “Creditworthy”. For purposes herein, Customer will be considered Creditworthy if Customer: (i) has and continues to maintain a long-term senior, unsecured debt rating, or in the absence of a long-term senior, unsecured debt rating, a local long-term issuer rating or an issuer rating, as applicable, from (a) Moody’s Investors Service, Inc. or its successor entity of similar business intent (“Moody’s”) of Baa3 with stable outlook or higher, and (b) Standard & Poor’s or its successor entity of similar business intent (“S&P”) of BBB- with stable outlook or higher, or if a customer is not rated by one of the foregoing agencies, then a long-term senior, unsecured debt rating, a local long-term issuer rating or an issuer rating, as applicable, from Fitch Ratings Inc. or its successor entity of similar business intent (“Fitch”) of BBB- with stable outlook or higher may be substituted, and (ii) has, as of the Effective Date of this Precedent Agreement or, in the event of an assignment or permanent release of this Precedent Agreement, as of the effective date of such assignment or permanent release, sufficient open line of credit with Pipeline and its affiliates. For the avoidance of doubt, the Parties acknowledge that Pipeline has determined that Customer has a sufficient open line of credit with Pipeline and its affiliates and that such determination as it relates to the Project will be effective through the end of the Primary Term of the Service Agreement. [REDACTED]

[REDACTED]

[REDACTED] The extent Pipeline enters into a precedent agreement with any other Project customer which contains

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a less stringent “Creditworthy” standard than set forth in this subpart (a), Pipeline will offer Customer the option, at Customer’s election, to substitute such other standard for the standard set forth in this subpart (a). If at any time and from time to time during the effectiveness of this Precedent Agreement and/or the Service Agreement, Pipeline determines that Customer is not Creditworthy, or if Pipeline initially finds Customer to be Creditworthy but subsequently determines that Customer is no longer Creditworthy, then Customer will provide, or cause to be provided, either a guaranty (“Guaranty”) or a letter of credit (“Letter of Credit”) in accordance with Paragraphs 12(b) and/or 12(c) as applicable.

- b. Guaranty. If Customer fails to meet the requirements of Paragraph 12(a) and Customer elects to provide a Guaranty to satisfy its obligations, such Guaranty shall be issued by Customer’s parent company or affiliate, or by a third party (a “Guarantor”), provided such Guarantor is Creditworthy and Guarantor remains Creditworthy for so long as it guarantees Customer’s payment obligations. The Guaranty shall: (i) guarantee all payment obligations of Customer under this Precedent Agreement and the Service Agreement, (ii) remain in effect until Customer regains the Creditworthy status, and (iii) be in a form acceptable to Pipeline, which for purposes herein shall mean in form and content substantially similar to Attachment E. If the original Guarantor is, at any time, no longer Creditworthy, Pipeline may require Customer to provide, or cause to be provided, one of the following: (i) a replacement guaranty from a Creditworthy guarantor, or (ii) a letter of credit as described in Paragraph 12(c) to supplement the existing Guaranty, or (iii) a letter of credit as described in Paragraph 12(c) which replaces

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the existing Guaranty.

- c. Letter of Credit. If at any time and from time to time during the effectiveness of this Precedent Agreement and/or the Service Agreement, Customer fails to meet the requirements of Paragraph 12(a) and Customer elects to provide a Letter of Credit to satisfy its obligations, or if Customer has provided a Guaranty but Guarantor at any time fails to meet the requirements of Paragraph 12(b) above, Customer shall provide, or cause to be provided, at its sole cost, a standby irrevocable Letter of Credit from a Qualified Financial Institution. For purposes herein, a “Qualified Financial Institution” shall mean a major U.S. commercial bank, or the U.S. branch offices of a foreign bank, which is not Customer or Customer’s Guarantor (or a subsidiary or affiliate of Customer or Customer’s Guarantor) and which has assets of at least \$10 billion dollars and a credit rating of at least “A-” by S&P and at least “A3” by Moody’s. The Letter of Credit shall:
- (i) remain in effect until the earlier of (A) the end of the Primary Term of the Service Agreement, or (B) until Customer is Creditworthy, (ii) be in a form acceptable to Pipeline, which for purposes herein shall mean in form and content substantially similar to Attachment D hereto, and (iii) be in an amount set forth in the next sentence of this Paragraph 12(c) [REDACTED]

[REDACTED] If Customer (or Customer’s Guarantor, if applicable) is no longer Creditworthy due solely to the lack of a stable outlook for any of the applicable ratings stated in Paragraph 12(a)(i), then the Letter of Credit will be in an amount equal to [REDACTED]

[REDACTED] If Customer (or Customer's Guarantor, if

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applicable) has a long-term senior, unsecured debt rating, or in the absence of a long-term senior, unsecured debt rating, a local long-term issuer rating or an issuer rating, as applicable, from (a) Moody's of Ba1 or lower, and (b) S&P of BB+ or lower, or if Customer is not rated by one of the foregoing agencies and Customer has substituted a Fitch rating in its place, then a Fitch rating of BB+ or lower, then the Letter of Credit will be in an amount equal to [REDACTED]

[REDACTED] To the extent the Letter of Credit is no longer required pursuant to the terms of the Precedent Agreement, Pipeline will return Customer's credit assurance no later than the fifth (5th) business day following Customer's written request. Pipeline may require Customer at its cost to substitute a Letter of Credit with another Qualified Financial Institution if the Letter of Credit provided is, at any time, from a financial institution which is no longer a Qualified Financial Institution.

- d. Tariff Credit Provisions Apply. The collateral requirements set forth in this Paragraph 12, while in effect, shall be in lieu of the collateral requirements under Section 3.2(d)(i) of the GT&C of Pipeline's FERC Gas Tariff, which would otherwise be applicable to Customer with respect to service on and after the Service Commencement Date under the Service Agreement; provided that all other credit requirements under the GT&C of Pipeline's FERC Gas Tariff will be applicable to Customer with respect to service on and after the Service Commencement Date under the Service Agreement.
- e. Continuing Obligation. The credit support provided to Pipeline in this Paragraph 12 shall continue in effect until full and irrevocable payment of all outstanding

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balances and charges incurred under the Precedent Agreement and/or during the Primary Term of the Service Agreement.

- f. Pipeline Notification. Notwithstanding anything in this Paragraph 12 to the contrary, if at any time and from time to time during the effectiveness of this Precedent Agreement and/or the Service Agreement Pipeline determines that Customer is not satisfying the requirements in this Paragraph 12, Pipeline shall notify Customer in writing, and Customer shall satisfy, or cause to be satisfied, such requirement(s) as soon as reasonably practicable, but in no event later than the close of the fifth (5th) business day following receipt of such notice from Pipeline. If Customer elects to provide a Letter of Credit pursuant to subparagraph 12(c), Pipeline will accept from Customer a cash deposit on or before such fifth (5th) business day until such time as Customer causes such Letter of Credit to be issued, provided that such Letter of Credit shall be issued no later than the close of the fifteenth (15th) business day.
- g. Failure to Comply. The failure of Customer to timely satisfy or maintain the requirements set forth in this Paragraph 12 shall in no way relieve Customer or Pipeline of their respective obligations under this Precedent Agreement and/or the Service Agreement, nor shall it affect Pipeline's right to seek damages or performance under this Precedent Agreement and/or the Service Agreement related to Customer's failure to timely satisfy or maintain such requirements. Further, in the event of such failure, Pipeline shall have the right, but not the obligation, to suspend or terminate performance under this Precedent Agreement, or to terminate this Precedent Agreement, upon ten (10) days prior written notice

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by Pipeline following the fifth (5th) business day notice period set forth in Paragraph 12(f).

- h. Term of Credit Provisions and Survival. This Paragraph 12 shall survive the termination of this Precedent Agreement and shall remain in effect until all payment obligations under this Precedent Agreement, and all payment obligations through the end of the Primary Term of the Service Agreement, have been satisfied in full. If the Service Agreement remains in effect after the end of the Primary Term, then Customer shall be responsible for complying with the applicable credit provisions under Pipeline's FERC Gas Tariff in effect at such time.
 - i. Replacement Customer Creditworthiness. In the event Customer assigns this Precedent Agreement and/or the Service Agreement in accordance with the applicable assignment provision(s), or in the event Customer permanently releases all or a portion of Customer's capacity under the Service Agreement in accordance with Section 14 of the GT&C of Pipeline's FERC Gas Tariff, the assignee and/or the permanent replacement customer, as applicable, shall be required to satisfy the requirements of this Paragraph 12 until all payment obligations under this Precedent Agreement and the Service Agreement have been satisfied in full.
13. Amendments. This Precedent Agreement may not be modified or amended unless the Parties execute written agreements to that effect.
14. Prior Agreements. This Precedent Agreement and its attachments, when executed, supersede all prior agreements and understandings, whether oral or written, with respect

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to the Project.

15. Successors; Assignments. Any company which succeeds by purchase, merger, or consolidation of title to the properties, substantially as an entirety, of Pipeline or Customer, will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Customer nor Pipeline may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party hereto, provided that such consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Pipeline and Customer shall each have the right, without obtaining the other Party's consent, to pledge or assign its rights under this Precedent Agreement and/or the Service Agreement as collateral security for indebtedness incurred by such Party or its affiliate.
16. No Third-Party Rights. Except as expressly provided for in this Precedent Agreement, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person not a Party hereto any rights, remedies or obligations under or by reason of this Precedent Agreement.
17. Joint Efforts: No Presumptions. Each and every provision of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof.
18. Recitals and Representations. The recitals and representations appearing first above are hereby incorporated in and made a part of this Precedent Agreement.
19. Choice of Law. This Precedent Agreement shall be governed by, construed, interpreted,

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and performed in accordance with the laws of the Commonwealth of Massachusetts, without recourse to any laws governing the conflict of laws.

20. Notices. Except as herein otherwise provided, any notice, request, demand, statement, or bill provided for in this Precedent Agreement, or any notice which either Party desires to give to the other, must be in writing and will be sent by two of the following means: electronic mail, facsimile transmission, hand delivery or courier to the other Party at the addresses set forth below:

Pipeline: Attn: General Manager, Business Development
5400 Westheimer Court
Houston, Texas 77056
Phone: (713) 627-5400
Fax: (713) 627-4727
Email: gncrisp@spectraenergy.com

Customer: Edna Karanian
Director, Gas Supply
107 Selden Street
Berlin, Connecticut 06037
Phone: (860) 665-3750
Fax: (860) 665-6296
Email: edna.karanian@nu.com

or at such other address as either Party designates by written notice. Notices given hereunder by electronic mail or facsimile will be deemed to have been effectively given the day indicated on the confirmation accompanying the electronic submission or facsimile. Notices given hereunder by reputable overnight courier will be deemed to have been effectively given on the next business day after sending.

21. Defined Terms. When used in this Precedent Agreement, and unless otherwise defined herein, capitalized terms shall have the meanings set forth in Pipeline's FERC Gas Tariff on file with the Commission, as amended from time to time.

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22. Waivers. The waiver by either Party of a breach or violation of any provision of this Precedent Agreement will not operate as or be construed to be a waiver of any subsequent breach or violation hereof.
23. Counterparts. This Precedent Agreement may be executed in any number of counterparts, each of which will be an original, but such counterparts together will constitute one and the same instrument.
24. Headings. The headings contained in this Precedent Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Precedent Agreement.
25. Representations and Warranties. Each Party represents and warrants to each other that as of the Effective Date or, if such representation and warranty is the subject of a condition precedent in Paragraph 7, as of the date of the satisfaction of such condition precedent:
- (i) Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Precedent Agreement;
 - (ii) The execution, delivery and performance of this Precedent Agreement by such Party have been and remain duly authorized by all necessary corporate action and do not and will not contravene Party's constitutional documents or any contractual restriction binding on Party or its assets;
 - (iii) This Precedent Agreement has been duly executed and delivered by such Party. This Precedent Agreement constitutes the legal, valid, binding and enforceable obligation of such Party, except as such enforceability may be limited by bankruptcy, insolvency, reorganization and other similar laws and by general principles of equity;
 - (iv) No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any governmental authority is required on the part of such Party in connection with execution and delivery of this Precedent Agreement, although it is subject to the necessary governmental approvals specified herein for its effectuation.
 - (v) There is no pending or, to the best of such Party's knowledge, threatened action or

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proceeding affecting such Party before any court, governmental authority or arbitrator that could reasonably be expected to materially and adversely affect the financial condition or operations of such Party or the ability of such Party to permit its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement or would otherwise hinder or prevent performance hereunder.

26. Confidentiality and Disclosures.

(a) The substance and terms of this Precedent Agreement are confidential. Either Party may disclose the substance and terms of this Precedent Agreement to its or its affiliates' directors, officers, employees, representatives, agents, consultants, attorneys or auditors ("Representatives") who have a need to know the substance and terms of this Precedent Agreement. Pipeline and Customer agree not to disclose or communicate, and will cause their respective Representatives not to disclose or communicate, the substance or terms of this Precedent Agreement to any other person, entity, firm, or corporation without the prior written consent of the other Party, provided that either Party may disclose the substance or terms of this Precedent Agreement as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party five (5) business days' notice of same or as much notice as possible under the circumstances, so that a protective order or other protective arrangements may be sought. Notwithstanding the foregoing, the Parties acknowledge that (A) Pipeline may, in its sole discretion, exercised reasonably, (i) file a copy of this Precedent Agreement with the FERC under seal in connection with the FERC certificate application, (ii) place on public file with the FERC a description of the terms of any negotiated rate prior to the commencement of firm transportation service under the Service Agreement, and (iii) use the terms and conditions of this Precedent Agreement

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(excluding any information proprietary to Customer) in Pipeline's preparation of the pro forma precedent agreement for other shippers under the Project, and (B) Customer, in its sole discretion, may provide Project information, including a copy of this Precedent Agreement, to the New Hampshire Public Utility Commission; provided Pipeline or Customer will request confidential treatment for any such filing or written disclosure. Such filings will not constitute a breach of this confidentiality provision and will not require compliance with the foregoing five (5) day notice provision. If this Precedent Agreement is terminated pursuant to Paragraphs 9, 10 or 11 above or otherwise by mutual agreement of the Parties, then this Paragraph 26 will survive for a period of two (2) years from and after the effective date of such termination.

(b) The following will not constitute confidential information for purposes of this Precedent Agreement: (i) information which is or becomes generally available to the public other than as a result of a disclosure by the Party receiving the confidential information or its Representatives; (ii) information which was already known to the Party receiving the confidential information on a non-confidential basis prior to being furnished such information by the other Party; (iii) information which becomes available to the Party receiving the confidential information on a non-confidential basis from a source other than the Party providing such confidential information or its Representative if such source was not known by the Party receiving such information to be subject to any prohibition against transmitting the information to such Party; or (iv) information which was or is independently developed by Party receiving the confidential information or its Representatives without reference to, or consideration of, confidential information.

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(c) Notwithstanding Paragraph 26(a) above, and subject to the Parties' prior approval of any public announcements or disclosures related to Customer's participation in the Project, it is understood and agreed by the Parties that the intent of the marketing effort for the Project will be to disclose to other potential Project customers that Pipeline and Customer have executed this Precedent Agreement for Customer to be an anchor shipper for the Project. Customer agrees that Pipeline shall be permitted to make public announcements and disclosures related to the existence of this Precedent Agreement, and the MDTQ, target Service Commencement Date and Primary Term set forth herein, without Pipeline obtaining any further approvals from Customer. Likewise, Pipeline agrees that Customer shall be permitted to discuss the Project with its state regulators and other stakeholders, including the existence of this Precedent Agreement, and the MDTQ, MSQ, target Service Commencement Date and Primary Term set forth herein, without obtaining any further approvals from Pipeline.

[signature page follows]

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IN WITNESS WHEREOF, the Parties hereto have caused this Precedent Agreement to be duly executed by their duly authorized officers as of the day and year first above written.

Algonquin Gas Transmission, LLC



By: William T. Yardley
Title: President

Public Service Company of New Hampshire
d/b/a Eversource Energy



By: James G. Daly
Title: Vice President Energy Supply

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Attachment A-1 Form of Rate Schedule ERS

RATE SCHEDULE ERS

ENERGY RELIABILITY SERVICE

1. **AVAILABILITY**

1.1 This rate schedule is available for firm transportation and storage of natural gas by Algonquin Gas Transmission, LLC (hereinafter called "Algonquin") and for any party (hereinafter called "Customer"), when:

- (a) Customer has executed a precedent agreement pursuant to the Open Season held from February 18, 2015 to May 1, 2015 or made a valid request for firm service pursuant to Section 2 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part;
- (b) Sufficient firm capacity is available to effectuate such service without any construction of facilities or other investment by Algonquin, or Algonquin has waived this requirement in writing; and
- (c) Customer and Algonquin have executed a service agreement ("Customer's ERS Service Agreement") in the form contained in the FERC Gas Tariff of which this rate schedule is a part.
- (d) Under this Rate Schedule ERS, a single ERS Service Agreement is available to multiple parties who meet the qualifications set forth in the Multiple Shipper Option Agreement and such agreement has been executed by the Customers, Algonquin and other relevant parties.

1.2 Transportation service effectuated through capacity on the Brayton Point Lateral, the Manchester Street Lateral, the Canal Lateral, the Cape Cod Lateral, the Northeast Gateway Lateral, the J-2 Facility, or the Kleen Energy Lateral, as such lateral facilities are defined in Rate Schedule AFT-CL is not available under this rate schedule; provided, however, that the following interconnections are available under this Rate Schedule ERS:

- (a) between the Brayton Point Lateral and Algonquin's mainline (M&R No. 80075),
- (b) between the Manchester Street Lateral and Algonquin's mainline (M&R No. 80071),
- (c) between the Canal Lateral and Algonquin's mainline (M&R No. 80047),
- (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,

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- (e) between the J-2 Facility and Algonquin's mainline (M&R No. 80095), and
- (f) between the Middletown Lateral and the Kleen Energy Lateral.

2. APPLICABILITY AND CHARACTER OF SERVICE

- 2.1 Service provided pursuant to this Rate Schedule ERS will be firm, except as provided herein and in Sections 16 and 24 of the General Terms and Conditions of this FERC Gas Tariff, and constitutes one of the "no-notice" service options, as that term is used in Order No. 636, that is available from Algonquin. Unless otherwise specified in this Rate Schedule ERS or in Customer's ERS Service Agreement, service hereunder shall be available on any Gas Day of the year, subject to Customer's MDTQ, MHTQ, MSQ, MDIQ, and MDWQ limitations, as applicable.
- 2.2 In order to provide primary firm transportation service to Customer pursuant to this Rate Schedule ERS at any time during a Gas Day, Algonquin shall reserve for scheduling purposes a quantity ("Reserved Capacity") equal to Customer's MDTQ less the total quantity scheduled for the Gas Day pursuant to Section 23.1(a) or Section 23.1(b) of the General Terms and Conditions of this FERC Gas Tariff for Customer on Customer's ERS Service Agreement during any of the nomination cycles described in Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such Reserved Capacity can be utilized by Customer during subsequent nomination cycles for that Gas Day to request and schedule nominations pursuant to Section 23.1(a) of the General Terms and Conditions of this FERC Gas Tariff. If, at any time during the Gas Day, Customer reduces previously scheduled quantities under Customer's ERS Rate Schedule, the resulting available capacity shall not be included in the calculation of Reserved Capacity.
- 2.3 Enhanced Maximum Hourly Transportation Quantity.
 - (a) Upon request by Customer, Algonquin will estimate the facilities and costs required to further enhance the applicable firm MHTQ at any Point of Delivery under Customer's service agreement. Subject to the agreement between Algonquin and Customer on an appropriate rate or cost reimbursement for such MHTQ enhancement ("Enhanced MHTQ"), the receipt of all necessary approvals for construction of such facilities on terms and conditions acceptable to Algonquin and Customer, and the placement of such facilities into service, such Enhanced MHTQ shall be specified in Customer's executed service agreement.
 - (b) The MHTQ or Enhanced MHTQ applicable to Customer's ERS Service Agreement will not limit Customer's right to hourly flow flexibility that otherwise would be available to all customers.

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2.4 Transportation Component of the Service.

- (a) Algonquin shall receive from Customer, or for the account of Customer, at the Primary Point(s) of Receipt specified in Customer's ERS Service Agreement for transportation hereunder daily quantities of gas tendered for the account of Customer up to Customer's Maximum Daily Transportation Quantity ("MDTQ") plus an amount reflecting the Fuel Reimbursement Quantity as defined in Section 32 of the General Terms and Conditions of this FERC Gas Tariff; provided however, Algonquin shall not be obligated to, but may at its option, receive at any Point(s) of Receipt on any Gas Day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable Fuel Reimbursement Quantity (collectively referred to as "Point Overrun Quantities"), provided that, if more than one Customer requests receipts in excess of its MDRO at a Point of Receipt, and the sum of all such requests exceeds the available capacity at such Point of Receipt, Algonquin shall apportion such receipts in excess of MDRO among such Customers pro rata according to the Customers' firm MDROs at the relevant Point of Receipt. In no event shall Point Overrun Quantities at a Point(s) of Receipt be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.
- (b) Upon receipt of such natural gas for Customer's account, Algonquin shall, after making allowance for the Fuel Reimbursement Quantity, transport and deliver hourly quantities of gas required by Customer up to Customer's MHTQ or Enhanced MHTQ, as applicable, at the Primary Point(s) of Delivery specified in Customer's ERS Service Agreement; provided however, Algonquin shall not be obligated to, but may at its option, deliver at any Point(s) of Delivery an hourly quantity exceeding the MHTQ or Enhanced MHTQ, as applicable, and on any Gas Day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO") ("Point Overrun Quantities"), provided that, if more than one Customer requests deliveries in excess of its MDDO at a Point of Delivery, and the sum of all such requests exceeds the available capacity at such Point of Delivery, Algonquin shall apportion such deliveries in excess of MDDO among such Customers pro rata according to the Customers' firm MDDOs at the relevant Point of Delivery. In no event shall Point Overrun Quantities at a Point(s) of Delivery be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.
- (c) Provided such quantities have been scheduled in accordance with Section 23 of the General Terms and Conditions of this FERC Gas Tariff, Customer may tender

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quantities of gas in excess of the MDTQ plus any applicable Fuel Reimbursement Quantity on any Gas Day if in Algonquin's reasonable judgment transportation of such gas can be accomplished by Algonquin without detriment to any other Customer under any of Algonquin's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities. In no event shall Authorized Overrun Quantities be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.

2.5 Storage Component of the Service.

- (a) Algonquin shall receive for Customer's account quantities of gas, plus any applicable Fuel Reimbursement Quantity, and inject into a regional storage facility designated in Customer's ERS Service Agreement as a Primary Point of Receipt ("Storage Facility") in accordance with Section 7 of this Rate Schedule ERS for Customer's account such quantities of gas. Algonquin shall withdraw from the Storage Facility for Customer, at Customer's request, in accordance with Section 8 of this Rate Schedule ERS, quantities of gas from Customer's Storage Inventory, plus any applicable Fuel Reimbursement Quantity, and deliver for Customer's account such quantities. Such service shall be firm except as provided herein and in Pipeline's General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part and shall be available to Customer each Gas Day of the year on a firm basis during the injection and withdrawal seasons described below:
 - (1) Injection Seasons
 - (i) Winter: September 1 through November 30
 - (ii) Summer: April 1 through July 20
 - (2) Withdrawal Seasons
 - (i) Winter: December 1 through March 31
 - (ii) Summer: July 21 through August 31
- (b) Provided the receipt of gas and the injection of such gas into the Storage Facility for Customer's account can be accomplished by Algonquin without detriment to Algonquin's facilities and/or Algonquin's ability to meet its firm obligations to other Customers, Algonquin upon request of Customer shall inject, on any Gas Day of the year, on an interruptible basis quantities of gas in excess of Customer's Maximum Daily Injection Quantity, but not to exceed Customer's

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MSQ. Such excess quantities shall be deemed to be Excess Injection Gas. Excess Injection Gas will not be available for service requested pursuant to Sections 4.3 and 4.4 of this Rate Schedule ERS.

- (c) Provided the withdrawal of gas from the Storage Facility for Customer can be accomplished by Algonquin without detriment to Algonquin's facilities and/or Algonquin's ability to meet its firm obligations to other Customers, Algonquin upon request of Customer shall schedule and withdraw, on any Gas Day of the year, on an interruptible basis gas in excess of Customer's Maximum Daily Withdrawal Quantity, provided such excess withdrawal does not result in a quantity of gas that is less than zero in Customer's Storage Inventory. Such excess quantities shall be deemed to be Excess Withdrawal Gas. Excess Withdrawal Gas will not be available for service requested pursuant to Sections 4.3 and 4.4 of this Rate Schedule ERS.
- (d) In addition to injections into the Storage Facility for quantities of gas transported under this Rate Schedule ERS, Algonquin will inject quantities of gas transported under other AGT service agreements, according to the terms and conditions of such agreements, at the interconnection of the Storage Facility in accordance with the storage injection terms and conditions as set forth in Section 2.5(a) and Section 2.5(b) of this Rate Schedule ERS.
- (e) In addition to withdrawals from the Storage Facility for quantities of gas transported under this Rate Schedule ERS, Algonquin will withdraw quantities of gas transported under other AGT service agreements, according to the terms and conditions of such agreements, at the interconnection of the Storage Facility in accordance with the storage withdrawal terms and conditions as set forth in Section 2.5(a) and Section 2.5(c) of this Rate Schedule ERS.

2.6 Algonquin shall not be obligated to add any facilities or expand the capacity of Algonquin's pipeline system in any manner in order to provide service to Customer pursuant to this rate schedule; provided, however, Algonquin may, at its option, and with Customer's consent, add facilities or expand capacity to provide such service, subject to Section 42 of the General Terms and Conditions of this FERC Gas Tariff.

2.7 Capacity Release.

- (a) Capacity will be released pursuant to Section 14 of the General Terms and Conditions of this FERC Gas Tariff.
- (b) Service provided under this Rate Schedule ERS is a combination of transportation and storage service. Customers executing a Service Agreement

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under this Rate Schedule ERS may elect to release a portion or all of their combined firm transportation and storage service under this Rate Schedule ERS. An ERS Customer may release transportation service only, storage service only, or a combination of the two services under this Rate Schedule ERS pursuant to Section 2.7 of this Rate Schedule ERS. Service provided under this Rate Schedule ERS is most effective when the transportation component and storage component of the service remain combined under Rate Schedule ERS and the service is executed as intended under this rate schedule.

- (c) Customer shall remain ultimately liable to Algonquin for all Reservation Charges and Reservation Surcharges under the terms of its service agreement with Algonquin, pursuant to Section 14 of the General Terms and Conditions.

3. RATES

3.1 Unit Rates. The applicable maximum and minimum unit rates for the service provided by Algonquin pursuant to this rate schedule are set forth in the currently effective Statement of Rates for Rate Schedule ERS of this tariff and are hereby incorporated herein. Such rates are subject to adjustment pursuant to Section 33 and Section 34 of the General Terms and Conditions of this tariff. The applicable unit rates to be charged on any Gas Day by Algonquin for gas delivered to Customer shall not be in excess of the maximum unit rate or less than the minimum unit rate.

3.2 Commencing for the Month in which Customer's ERS Service Agreement is effective and for each Month thereafter unless otherwise specified in the applicable service agreement, the monthly bill for service under this Rate Schedule ERS shall be the sum of the amounts set forth in Sections 3.2 below.

- (1) Reservation Charge: The charge per Month per Dth of Customer's highest MDTQ during the Contract Year, as specified in Customer's executed ERS Service Agreement; plus
- (2) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the Month under this rate schedule (excluding Authorized Overrun Quantities) at the Point(s) of Delivery; plus
- (3) Authorized Overrun Charge: The applicable authorized overrun charge per Dth of Authorized Overrun Quantity delivered to Customer for the Month under Section 2.4(c) of this rate schedule; plus
- (4) Imbalance Resolution Charges: The applicable imbalance resolution charges assessed pursuant to Section 25 of the General Terms and Conditions, including boil off; plus

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- (5) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 23 of the General Terms and Conditions; plus
- (6) Injection Charge: The Injection Charge Rate multiplied by the quantity of gas injected, excluding Excess Injection Gas, for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (7) Withdrawal Charge: The Withdrawal Charge Rate multiplied by the quantity of gas withdrawn, excluding Excess Withdrawal Gas, for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (8) Excess Injection Charge: The Excess Injection Charge Rate multiplied by the quantities of Excess Injection Gas received for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (9) Excess Withdrawal Charge: The Excess Withdrawal Charge Rate multiplied by the quantities of Excess Withdrawal Gas delivered for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (10) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 31 of the General Terms and Conditions; less
- (11) Revenue Credit: The revenue credit provided for in Section 41 of the General Terms and Conditions.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

4.1 Nominations and Scheduling.

- (a) If Customer desires service on any Gas Day under this rate schedule, Customer shall provide a nomination to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. In addition, at any time during a Gas Day, Customer may submit a nomination in accordance with Section 4.3 or Section 4.4 of this Rate Schedule ERS to request the delivery of a quantity of gas during that Gas Day, up to the Maximum Daily Transportation Quantity ("MDTQ"), at those points specified in Exhibit B to Customer's ERS Service Agreement as Primary Point(s) of Delivery.
- (b) Based upon the nomination of Customer, Algonquin shall schedule receipts and deliveries of gas in accordance with Section 23 of the General Terms and

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Conditions of this FERC Gas Tariff and Section 4.3 or Section 4.4, as applicable, of this Rate Schedule ERS. It is the responsibility of Customer to adjust its deliveries and receipts to conform to the scheduled quantities.

- 4.2 Delivery of Gas. Based upon the daily quantity scheduled, Algonquin shall deliver Customer's scheduled quantity taking into account the Fuel Reimbursement Quantity. It is the intention of Algonquin that daily deliveries of gas at the Point(s) of Delivery by Algonquin hereunder shall be as nearly equal as possible to daily receipts of gas at the Point(s) of Receipt by Algonquin for transportation hereunder, less the applicable Fuel Reimbursement Quantity. Any excess or deficiency in such receipts, less the applicable Fuel Reimbursement Quantity, and deliveries shall be resolved in accordance with Section 25 of the General Terms and Conditions of this FERC Gas Tariff. Nothing in this rate schedule shall limit Algonquin's right to take actions pursuant to Section 26 of the General Terms and Conditions of this FERC Gas Tariff.
- 4.3 Reserved No-Notice Service. Notwithstanding the quantities nominated by Customer and scheduled by Algonquin pursuant to Sections 4.1 and 4.2 of this Rate Schedule ERS, Customer shall be entitled on any Gas Day to increase its nominated receipts up to the available MDRO (as may be further limited by aggregate MDRO) at any Primary Point(s) of Receipt and nominated deliveries up to the available MDDO (as may be further limited by aggregate MDDO) at any Primary Point(s) of Delivery, up to the MHTQ or Enhanced MHTQ, as applicable, during any Hour, and up to the available MDTQ, subject to the provisions of this Section 4.3; provided, however, that the maximum quantity that can be requested pursuant to this Section 4.3 cannot exceed the Reserved Capacity calculated pursuant to Section 2.2 of this Rate Schedule ERS and any nominated increase is a primary firm nomination.
- (a) In the event Customer requires an increase or decrease in its primary firm scheduled deliveries at a Primary Point(s) of Delivery, and (1) Customer provides notice to Algonquin of such requirement pursuant to Section 22 of the General Terms and Conditions of this FERC Gas Tariff prior to the requested effective time for the increased or decreased deliveries, and (2) the corresponding increase or decrease in Customer's scheduled receipts at a Primary Point(s) of Receipt is confirmed by Algonquin, Algonquin shall perform service at the level of scheduled increased or decreased deliveries for the remainder of the applicable Gas Day; provided, however, that, absent a concurrent nominated and confirmed receipt, Algonquin shall not deliver the quantity requested pursuant to this Section 4.3 to, or for the account of, Customer.

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- (b) If Customer is out of balance at the end of any Month as a result of the invocation of the provisions of this Section 4.3, the remaining imbalance shall be reconciled in accordance with Section 25 of the General Terms and Conditions of this FERC Gas Tariff.

4.4 No-Notice Supply Service.

- (a) Customer shall be entitled to request the delivery of gas on a primary firm basis from Algonquin pursuant to this Rate Schedule ERS at a Primary Point(s) of Delivery without a concurrent nominated and confirmed Point(s) of Receipt; provided, however, that the maximum quantity that can be requested pursuant to this Section 4.4 cannot exceed the lesser of Customer's MDWQ minus any previously withdrawn storage quantities for the Gas Day, Customer's Reserved Capacity calculated pursuant to Section 2.2 of this Rate Schedule ERS, Customer's Storage Inventory, Customer's available MDRO at the Storage Facility, Customer's available MDDO (and aggregate MDDO) at the Primary Point(s) of Delivery, or the amount of Customer's unutilized primary firm transportation path from the Storage Facility to the requested Primary Point(s) of Delivery. Algonquin will perform service at the requested level of delivery for a period of up to two (2) Hours, but not extending past the end of the applicable Gas Day, beginning upon Algonquin's receipt of such notice. In no event shall Customer be entitled to request the delivery of a quantity of gas on any Gas Day in excess of the portion of the MDTQ or MDDO (and aggregate MDDO) specified in Customer's ERS Service Agreement that remains available at the time of such request.
- (b) Within two (2) Hours of the commencement of deliveries to Customer, Customer must submit an acceptable nomination that is subsequently scheduled by Algonquin and must begin tendering to Algonquin from a Point(s) of Receipt a quantity of gas, plus any applicable Fuel Reimbursement Quantity, sufficient to ensure that the nominated transaction is balanced at the end of the Gas Day. In the event that Customer does not submit such nomination and begin tendering gas to Algonquin within such two (2) Hour period, Algonquin shall discontinue the delivery of gas that was initiated pursuant to Section 4.4(a) above and shall submit a nomination under Customer's ERS Service Agreement and begin tendering to Algonquin from Customer's Storage Inventory a sufficient quantity to ensure that the nominated transaction is balanced at the end of the Gas Day. The Imbalance Resolution Procedures described in Section 25 of the General Terms and Conditions of this FERC Gas Tariff shall not apply to Section 4.4 of this Rate Schedule ERS.

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- 4.5 Commingling of Gas. From the time the natural gas is received by Algonquin at the Point(s) of Receipt, Algonquin shall have the unqualified right to commingle such natural gas with other gas in Algonquin's system.

5. OTHER OPERATING CONDITIONS

Algonquin's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

- 5.1 Customer shall make all necessary arrangements with other parties at or upstream of the Point(s) of Receipt where Customer tenders gas to Algonquin, and at or downstream of the Point(s) of Delivery where Algonquin delivers gas for Customer's account, and such arrangements must be compatible with Algonquin's system operations.
- 5.2 Algonquin shall schedule receipts at a Secondary Point of Receipt or deliveries at a Secondary Point of Delivery pursuant to the provisions of Sections 48.2 and 48.3 of the General Terms and Conditions. Algonquin shall not be required to schedule any receipt at a Secondary Point of Receipt, nor shall Algonquin be required to schedule any delivery at a Secondary Point of Delivery if such receipt or delivery would impair deliveries to any firm service Customer at a Primary Point of Delivery or receipts at a Primary Point of Receipt.
- 5.3 To the extent that any upstream entity involved in handling Customer's gas refuses or is unable to deliver gas to Algonquin, Algonquin shall not be required to continue deliveries of gas on behalf of Customer. Prior to any reduction or interruption in service due to the failure of such upstream entity to deliver gas on behalf of Customer, Algonquin shall provide notice in a time and manner that is reasonable under then existing conditions. To the extent that any downstream entity involved in handling Customer's gas refuses or is unable to receive gas from Algonquin, Algonquin shall have the right to reduce deliveries of gas on behalf of Customer.
- 5.4 Absent mutual agreement of Algonquin and the upstream pipeline operator, the daily quantities of natural gas transported shall be delivered at the Point(s) of Receipt at an hourly rate of 1/24th of the scheduled daily quantity, unless such quantities are delivered to Algonquin for service pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS. The daily quantities of natural gas transported shall be accepted at the Point(s) of Delivery at the applicable MHTQ or Enhanced MHTQ rate as set forth in Exhibit B of Customer's ERS Service Agreement. Algonquin may deliver gas at the Point(s) of Delivery at a rate other than the MHTQ or Enhanced MHTQ specified within Exhibit B of Customer's ERS Service Agreement if, in Algonquin's reasonable judgment,

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transportation of such gas can be accomplished by Algonquin without detriment to any other Customer under any of Algonquin's firm rate schedules.

6. POINT(S) OF RECEIPT AND DELIVERY

6.1 Primary Points of Receipt:

- (a) The Primary Point(s) of Receipt at which Algonquin shall receive gas under this rate schedule shall be specified in an exhibit to Customer's ERS Service Agreement. Such exhibit shall specify for each Primary Point of Receipt the MDRO and receipt pressure obligations. Such exhibit by mutual written agreement may be superseded by a new exhibit which may add or delete specific points or make other changes thereto that the parties deem appropriate. Algonquin shall not accept any proposed Primary Point(s) of Receipt, or quantity at any Primary Point(s) of Receipt, or change in quantities among Primary Point(s) of Receipt if (i) the resulting aggregate MDROs at all of Customer's Primary Point(s) of Receipt would exceed Customer's MDTQ, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (ii) in doing so, in Algonquin's reasonable judgment, Algonquin would impair its ability to satisfy its existing firm obligations to receive gas pursuant to other firm service agreements under which such Point(s) of Receipt are Primary Points of Receipt and to purchase and receive its Company Use Gas at maximum deliverability levels, as such Company Use Gas arrangements exist under agreements effective at the date of Customer's request or reasonably expected by Algonquin to be effective within six months of the request. If Customer desires to utilize the no-notice option described in Section 4.4 above, the exhibit to Customer's ERS Service Agreement or the applicable Addendum to Replacement Customer's Capacity Release Umbrella Agreement, as applicable, must identify the Storage Facility as a Primary Point of Receipt with an MDRO that is greater than zero.
- (b) A Replacement Customer that acquired capacity or a Releasing Customer that released capacity pursuant to Section 2.7 of this Rate Schedule ERS may request, subject to the availability of point and path capacity, any interconnection between the facilities of Algonquin and the facilities of other operators (with the exception of those facilities specifically identified in Section 1.2 of this rate schedule as not available for service under this rate schedule) for use as a Primary Point of Receipt in a segmented transaction; provided, however, that Algonquin shall not accept any proposed Primary Point of Receipt to the extent that (a) the resulting aggregate contractual entitlements under the

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related releasing and replacement contracts along any segment would exceed the MDTQ of the original contract, or (b) the quantities transported along any segment under the resulting aggregate related releasing and replacement contracts would exceed the MDTQ of the original contract. In the event that Replacement Customer selects a new Primary Point of Receipt that is located within the acquired contract path, the portion of the path no longer covered by that contract is deemed to be unsubscribed capacity that may be sold by Algonquin for the term of the capacity release agreement. Upon termination of the capacity release agreement, all capacity covered by the original release, including the original Primary Points of Receipt, shall revert to the Releasing Customer, and any Primary Points of Receipt granted during the term of the capacity release agreement shall revert to Algonquin as unsubscribed capacity.

6.2 Secondary Points of Receipt: Notwithstanding the foregoing, all interconnections between the facilities of Algonquin and the facilities of other operators shall be available for use by Customer as Secondary Points of Receipt, with the exception of interconnections with those facilities specifically identified in Section 1.2 of this rate schedule as not available for service under this rate schedule; provided, however, that the following interconnections are available for use as Secondary Points of Receipt under this Rate Schedule ERS, subject to and pursuant to Section 48.2 of the General Terms and Conditions of this FERC Gas Tariff:

- (a) between the Brayton Point Lateral and Algonquin's mainline,
- (b) between the Manchester Street Lateral and Algonquin's mainline,
- (c) between the Canal Lateral and Algonquin's mainline,
- (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,
- (e) between the J-2 Facility and Algonquin's mainline, and
- (f) between the Middletown Lateral and the Kleen Energy Lateral.

6.3 Primary Points of Delivery:

- (a) The Primary Point(s) of Delivery at which Algonquin shall deliver gas for Customer's account under this rate schedule shall be specified in an exhibit to the service agreement executed by Algonquin and Customer. Such exhibit by mutual agreement may be superseded by a new exhibit which may add or delete specific points or make other changes thereto that the parties deem

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appropriate. Such exhibit shall specify for each Point of Delivery the MDDO and delivery pressure obligations. Algonquin shall not accept any proposed Primary Point(s) of Delivery, or quantity at any Primary Point(s) of Delivery, or change in quantities among Primary Point(s) of Delivery if (a) the resulting aggregate MDDOs at all of Customer's Primary Point(s) of Delivery would exceed Customer's MDTQ, except (i) under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (ii) under such circumstances in which Customer's proposed Primary Point(s) of Delivery and proposed change in quantities among Primary Point(s) of Delivery are in connection with the construction or modification of facilities that are directly connected to Algonquin, and the costs of such facilities are paid for or reimbursed by Customer or by third parties who connect to and have such Point(s) of Delivery added to Customer's service agreement, or (b) in doing so, in Algonquin's reasonable judgment, Algonquin would impair its ability to satisfy its existing firm obligations to deliver gas pursuant to other firm service agreements under which such Point(s) of Delivery are Primary Point(s) of Delivery. If Customer desires to utilize either of the no-notice options described in Sections 4.3 and 4.4 above, the exhibit to Customer's ERS Service Agreement or the applicable Addendum to Replacement Customer's Capacity Release Umbrella Agreement, as applicable, must identify a Primary Point of Delivery with an MDDO that is greater than zero.

- (b) A Replacement Customer that acquired capacity or a Releasing Customer that released capacity pursuant to Section 2.7 of this Rate Schedule ERS may request, subject to the availability of point and path capacity, any interconnection between the facilities of Algonquin and the facilities of other operators (with the exception of those facilities specifically identified in Section 1.2 of this rate schedule as not available for service under this rate schedule) for use as a Primary Point of Delivery in a segmented transaction provided, however, that Algonquin shall not accept any proposed Primary Point of Delivery to the extent that (a) the resulting aggregate contractual entitlements under the related releasing and replacement contracts along any segment would exceed the MDTQ of the original contract, or (b) the quantities transported along any segment under the resulting aggregate related releasing and replacement contracts would exceed the MDTQ of the original contract. In the event that Replacement Customer selects a new Primary Point of Delivery that is located within the acquired contract path, the portion of the path no longer covered by that contract is deemed to be unsubscribed capacity that may be sold by Algonquin for the term of the capacity release agreement. Upon

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termination of the capacity release agreement, all capacity covered by the original release, including the original Primary Points of Delivery, shall revert to the Releasing Customer, and any Primary Points of Delivery granted during the term of the capacity release agreement shall revert to Algonquin as unsubscribed capacity.

6.4 Secondary Points of Delivery: Notwithstanding the foregoing, all interconnections between the facilities of Algonquin and the facilities of other operators shall be available for use by Customer as Secondary Points of Delivery, with the exception of interconnections with those facilities specifically identified in Section 1.2 of this rate schedule as not available for service under this rate schedule; provided, however, that the following interconnections are available for use as Secondary Points of Delivery under this Rate Schedule ERS, subject to and pursuant to Section 48.2 of the General Terms and Conditions of this FERC Gas Tariff:

- (a) between the Brayton Point Lateral and Algonquin's mainline,
- (b) between the Manchester Street Lateral and Algonquin's mainline,
- (c) between the Canal Lateral and Algonquin's mainline,
- (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,
- (e) between the J-2 Facility and Algonquin's mainline, and
- (f) between the Middletown Lateral and the Kleen Energy Lateral.

7. INJECTION PROVISIONS

7.1 General Procedure. If Customer desires Algonquin to store gas in the Storage Facility for Customer's account under this Rate Schedule, Customer shall give notice to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such notice shall specify the quantity of gas, plus any Fuel Reimbursement Quantity, which Customer desires to be injected into the Storage Facility under this Rate Schedule. Algonquin shall thereupon inject the quantity of gas so nominated subject to the limitations set forth herein. The maximum quantity of gas which Algonquin is obligated on any Gas Day to inject into the Storage Facility under this Rate Schedule shall be the Maximum Daily Injection Quantity specified in Customer's ERS Service Agreement. In addition, Algonquin shall be obligated to accept gas for Customer's account in accordance with this Section 7.1 only when Customer's Storage Inventory is less than the Maximum Storage Quantity specified in Customer's ERS Service Agreement.

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7.2 Algonquin shall permit transfers of title of gas in Storage Inventory between Customers, provided both Customers have executed a service agreement under Rate Schedule ERS and that such transfer does not permit either Customer to exceed its Maximum Storage Quantity specified in such service agreement. A Customer that desires to transfer Storage Inventory to another Customer must submit the required information, which shall include, at a minimum, the identification of the service agreements involved in the transfer, the quantity to be transferred, and the effective date of the transfer, via the LINK® System. If a proposed transfer involves a service agreement that has terminated, the required information must be submitted within three (3) Business Days after the end of the term of the applicable agreement. The proposed transfer must be confirmed via the LINK® System by the Customer to whom the Storage Inventory is to be transferred before the transfer is processed by Algonquin.

8. WITHDRAWAL PROVISIONS

If Customer desires the delivery of gas stored for Customer's account under this Rate Schedule ERS, Customer shall give notice to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such notice shall specify the quantity of gas, plus any Fuel Reimbursement Quantity, which Customer desires to be withdrawn from the Storage Facility and delivered under this Rate Schedule ERS. Algonquin shall thereupon deliver to Customer the quantity of gas so nominated; provided, however, the maximum quantity of gas which Algonquin is obligated on any Gas Day to withdraw from the Storage Facility under this Rate Schedule shall be the Maximum Daily Withdrawal Quantity specified in Customer's ERS Service Agreement. In addition, Algonquin shall be obligated to withdraw gas for Customer in accordance with this Section 8 only when Customer's Storage Inventory is greater than zero.

9. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

Attachment A-2

Form of Rate Schedule ERS Service Agreement

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

[This Form of Service Agreement may be revised to reflect non-substantive changes that are included in the Form of Service Agreement applicable to Rate Schedule ERS as of the date of execution pursuant to Paragraph 3 of the Precedent Agreement and will be revised to reflect the specific terms of the Precedent Agreement, including, without limitation, the contractual ROFR.]

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT is entered into by and between Algonquin Gas Transmission, LLC, ("Algonquin") and _____ ("Customer").

[or, when applicable, "This Agreement entered into this ___ day of _____, _____, by and between Algonquin Gas Transmission, LLC ("Algonquin") and _____, as "Administrator" on behalf of the Principals set forth in Multiple Shipper Option Agreement ("MSOA") Contract No. _____, hereinafter individually and collectively referred to as "Customer," which Principals meet the requirements set forth in such MSOA which is incorporated herein by reference."]

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Algonquin and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the following language will be included as a Whereas clause in Customer's Agreement: "The service provided to Customer under this Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 2.6 of the General Terms and Conditions of the Algonquin Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Algonquin shall deliver and Customer shall take and pay for service pursuant to the terms of this Agreement and subject to Algonquin's Rate Schedule ERS and the General Terms and Conditions of Algonquin's Tariff, which are incorporated herein by reference and made a part hereof.

[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement. "The credit requirements applicable to this Agreement are set forth in that certain Precedent Agreement dated _____ between Algonquin and Customer related to this Agreement."]

2. The Maximum Daily Transportation Quantity (MDTQ) for transportation service under this Agreement and any right to increase or decrease the MDTQ during the term of this Agreement are listed on Exhibit C attached hereto. The Maximum Daily Injection Quantity (MDIQ), Maximum Storage Quantity (MSQ), and Maximum Daily Withdrawal Quantity (MDWQ) for the storage service under this Agreement, and any right to increase or decrease the MDIQ, MSQ or MDWQ during the term of this Agreement are listed on Exhibit D attached hereto. The Primary Point(s) of

Receipt, Maximum Daily Receipt Obligation (MDRO), Base Flow Path, if applicable, and Base Flow Path Quantity, if applicable, are listed on Exhibit A attached hereto. The Primary Point(s) of Delivery, Maximum Daily Delivery Obligation (MDDO), and Enhanced Maximum Hourly Transportation Quantity (Enhanced MHTQ), if applicable, are listed on Exhibit B attached hereto. Exhibit(s) A, B, C and D are incorporated herein by reference and made a part hereof.

3. This Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Algonquin] and shall continue for a term ending on and including _____ [or, when applicable, "shall continue for a term of _____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter [***In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the following phrase will be included in Customer's Agreement:*** ",but in no event beyond _____,"] unless and until terminated by Algonquin or Customer upon prior written notice of at least _____ [not less than 1 year for agreements with a primary term of more than 1 year; for service agreements with both a primary term and notice period of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the primary term of the service agreement, and at least one (1) year for subsequent notices for such service agreement; and otherwise mutually agreeable]. [In the event that Algonquin and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted from Customer's Agreement.] This Agreement may be terminated at any time by Algonquin in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty days after payment is due; provided Algonquin gives ten days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Algonquin guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's Tariff. Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Algonquin's Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.

If this Agreement qualifies as a "ROFR Agreement" as defined in the General Terms and Conditions of Algonquin's Tariff, the provision of a termination notice by either Customer or Algonquin, pursuant to the preceding paragraph, a notice of partial reduction in Maximum Daily Transportation Quantity, Maximum Daily Injection Quantity, Maximum Storage Quantity, and Maximum Daily Withdrawal Quantity, as applicable, pursuant to Exhibit C or D, as applicable, or the expiration of this Agreement of its own terms triggers Customer's right of first refusal under Section 9 of the General Terms and Conditions of Algonquin's Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the previous paragraph will be replaced with the following language: "This Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of the Algonquin Tariff."

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Algonquin have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Algonquin's Tariff. It is further agreed that Algonquin may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Algonquin's Tariff, and Algonquin shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or Algonquin may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Algonquin:

Customer:

6. The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
7. This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto as described below, if applicable:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

ALGONQUIN GAS TRANSMISSION, LLC

By: _____

By: _____

Title: _____

Title: _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit A

Point(s) of Receipt

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning Point(s) of Receipt.

Exhibit A Effective Date: _____

Primary
Point of
Receipt

Maximum Daily
Receipt Obligation

Maximum
Receipt Pressure

[Base Flow Path]

[Base Flow Path Quantity]

[Notice: Additional information may be included where the Base Flow Path cannot be clearly identified from the Maximum Daily Receipt Obligation(s) [MDRO(s)] and/or aggregate MDRO(s), the Base Flow Path set forth on Exhibit A of Customer's ERS service agreement, and the Maximum Daily Delivery Obligation(s) (MDDO(s)) and/or aggregate MDDO(s) set forth on Exhibit B of Customer's ERS Service Agreement.]

[Notice: The sum of the Maximum Daily Receipt Obligations (MDROs) in total across any two or more Primary Points of Receipt may also be further limited by a specified aggregate MDRO ("AMDRO"), as applicable.]

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit A Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit B

Point(s) of Delivery

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning Point(s) of Delivery.

Exhibit B Effective Date: _____

Primary
Point of
Delivery

Maximum
Daily Delivery
Obligation

Minimum
Delivery
Pressure

[Enhanced
MHTQ]

[NOTICE: The sum of the Maximum Daily Delivery Obligations (MDDOs) in total across any two or more Primary Points of Delivery may also be further limited by a specified aggregate MDDO ("AMDDO"), as applicable.]

[NOTICE: In the event that Customer and Algonquin have reached an agreement for an Enhanced MHTQ at a Point of Delivery under Customer's ERS Service Agreement, the column heading Enhanced MHTQ will be included in Exhibit B to Customer's ERS Service Agreement.]

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit B Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit C

Transportation Quantities

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning transportation quantities.

Exhibit C Effective Date: _____

MAXIMUM DAILY TRANSPORTATION QUANTITY (MDTQ):

Dth

Period

[In the event that Algonquin and Customer agree upon MDTQs that are not the same for each period specified above, the highest MDTQ will be identified with a footnote using an asterisk and the following accompanying text: "MDTQ to be utilized in applying the monthly Reservation Charge."]

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's Maximum Daily Transportation Quantity by _____ dth as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire contract] year(s) prior written notice to Algonquin.

Algonquin and Customer agree that, if this Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's Maximum Daily Transportation Quantity is in addition to and not in lieu of any ROFR right to reduce Customer's Maximum Daily Transportation Quantity on a volumetric basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's Maximum Daily Transportation Quantity is subject to the ROFR procedures specified in the General Terms and Conditions of Algonquin's Tariff and Customer may retain the balance of the Maximum Daily Transportation Quantity without being subject to the ROFR procedures.

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit C Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit D

Storage Quantities

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning storage quantities.

Exhibit D Effective Date: _____

MAXIMUM STORAGE QUANTITY (MSQ): _____ Dth

MAXIMUM DAILY INJECTION QUANTITY (MDIQ): _____ Dth
Dth Period

MAXIMUM DAILY WITHDRAWAL QUANTITY (MDWQ): _____ Dth
Dth Period

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's MDIQ by _____ dth, MSQ by _____ dth and MDWQ by _____ dth, maintaining the existing MDIQ, MSQ and MDWQ relationship, as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire contract] year(s) prior written notice to Algonquin.

Algonquin and Customer agree that, if this Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's Maximum Storage Quantity is in addition to and not in lieu of any ROFR right to reduce Customer's Maximum Storage Quantity on a volumetric basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's Maximum Storage Quantity is subject to the ROFR procedures specified in the General Terms and Conditions of Algonquin's Tariff and Customer may retain the balance of the Maximum Storage Quantity without being subject to the ROFR procedures.

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit D Dated _____

EXECUTION COPY

Attachment B Retail Market Share

EXECUTION COPY

Retail Market Share

<u>ELECTRIC DISTRIBUTION</u> <u>COMPANY</u>	<u>CUSTOMER'S EDC SHARE</u> <u>(PERCENT)</u>
Connecticut Light & Power Co. d/b/a Eversource Energy	21.7%
United Illuminating Company	5.1%
NSTAR Electric Co. d/b/a Eversource Energy	19.6%
Western Massachusetts Elec. Co. d/b/a Eversource Energy	3.4%
Massachusetts Electric Co. d/b/a National Grid	20.0%
Nantucket Electric Co. d/b/a National Grid	0.1%
Unitil Energy Services, Inc. - Massachusetts	0.4%
Central Maine Power Co.	7.9%
Emera Maine	1.4%
Public Service Co. of New Hampshire d/b/a Eversource Energy	7.4%
Unitil Energy Services, Inc. - New Hampshire	1.2%
Liberty Utilities - New Hampshire	0.9%
Narragansett Electric Co. d/b/a National Grid	7.2%
Green Mountain Power Company	3.7%
Total	100%

*2014 ISONE Annual Twelve Month Average of Monthly Peak Network Loads

EXECUTION COPY

Attachment C

Negotiated Rate Agreement



ALGONQUIN GAS TRANSMISSION, LLC
5400 Westheimer Court
Houston, TX 77056-5310
713.627.5400 main

Mailing Address:
P.O. Box 1642
Houston, TX 77251-1642

February 15th 2016

Edna Karanian
Director, Gas Supply
Public Service Company of New Hampshire d/b/a Eversource Energy
107 Selden Street
Berlin, Connecticut 06037

Re: Rate Schedule ERS Service Agreement (Contract No. _____) – Negotiated Rate

Dear Ms. Karanian:

By this transmittal letter, Algonquin Gas Transmission, LLC (“Algonquin”) and Public Service Company of New Hampshire d/b/a Eversource Energy (“PSNH”) are implementing a negotiated rate applicable to service under the above-referenced Rate Schedule ERS Service Agreement.

Algonquin and PSNH hereby agree that the provisions on the attached *Pro Forma* Statement of Negotiated Rates reflect the terms of their agreement, including the effectiveness of the negotiated rate. After execution of this letter by both Algonquin and PSNH, Algonquin shall file a Statement of Negotiated Rates with the Federal Energy Regulatory Commission (“Commission”) containing rate-related provisions identical to those provisions on the attached *Pro Forma* Statement of Negotiated Rates in accordance with Section 46 of the General Terms and Conditions of the Algonquin tariff.

If the foregoing accurately sets forth your understanding of the matter covered herein, please so indicate by having a duly authorized representative sign in the space provided below and returning an original signed copy to the undersigned.

Sincerely,

William T. Yardley
President

ACCEPTED AND AGREED TO
THIS 15th DAY OF FEBRUARY, 2016

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
D/B/A EVERSOURCE ENERGY

Name: James G. Daly
Title: Vice President Energy Supply

STATEMENT OF NEGOTIATED RATES 1/2/3/4/5/6/7/8/

Customer Name: Public Service Company of New Hampshire d/b/a Eversource Energy

Service Agreement: [INSERT CONTRACT NUMBER]

Term of Negotiated Rate: The term of this negotiated rate commences on the Phase 1 Service Commencement Date (as defined in the Precedent Agreement between Pipeline and Customer) of Contract No. [INSERT CONTRACT NUMBER] and continues for the Primary Term (as such term is defined in the Precedent Agreement and Contract No. [INSERT CONTRACT NUMBER]) and any evergreen term thereof. 6/ In the event that Customer exercises its option to extend the Primary Term for [REDACTED] negotiated reservation rate as reflected in item (iii) under Extension Reservation Rate below, the term of this Negotiated Rate shall extend at such new negotiated rate for such extended term and any evergreen term thereof.

Rate Schedule: ERS [Access Northeast Project]

MDTQ: 7/

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date
[REDACTED] on the Phase 4 Service Commencement Date

MSQ: [REDACTED] on the Phase [REDACTED] Service Commencement Date 7/

Reservation Rate: Customer shall pay a negotiated reservation rate of [REDACTED] per month of Customer's MDTQ under Contract No. [INSERT CONTRACT NUMBER] during the Primary Term and any evergreen term of such Primary Term. 3/5/8/

Extension Reservation Rate:

(A) In the event that Customer exercises its option to extend the Primary Term for either [REDACTED] the rate during any such extended term and any evergreen term of such extended term, shall be chosen by Customer at the time Customer exercises its option to extend from one of the following: [REDACTED]

[REDACTED]

(B)

[REDACTED]

(C)

[REDACTED]

(D)

[REDACTED]

(E)

[REDACTED]



Commodity Charge: Customer shall pay the applicable maximum recourse commodity and usage rates, as reflected on the currently effective Statement of Rates for Pipeline's Rate Schedule ERS for the Project; provided, however, that such rates shall not include any allocation of fixed costs. 5/

Other Charges: 5/

Non-Storage Primary Receipt Point: 7/

Mahwah (Meter No. 00201)

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date

Ramapo (Meter No. 00214)

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date

Brookfield (Meter No. 00251)

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date

Storage Primary Receipt Point(s): 7/

Acushnet (Meter No. [TBD])

[REDACTED] on the Phase [REDACTED] Service Commencement Date

Primary Delivery Points: 7/

Connecticut

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date
[REDACTED] on the Phase 4 Service Commencement Date

Massachusetts

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date
[REDACTED] on the Phase 4 Service Commencement Date

SEMA – G System

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date
[REDACTED] on the Phase 4 Service Commencement Date

Maine

[REDACTED] on the Phase 1 Service Commencement Date
[REDACTED] on the Phase 2 Service Commencement Date
[REDACTED] on the Phase 3 Service Commencement Date
[REDACTED] on the Phase 4 Service Commencement Date

Recourse Rate(s): The Recourse Rate(s) applicable to this service is the applicable maximum rate(s) stated on Pipeline's Statement of Rates for Rate Schedule ERS [Access Northeast Project] at the applicable time.

FOOTNOTES:

1/ This negotiated rate agreement is part of a non-conforming Service Agreement.

2/ This negotiated rate shall apply only to transportation service under Contract No. [INSERT CONTRACT NUMBER], up to Customer's specified MDTQ, using the Primary Receipt Point and Primary Delivery Point designated herein, and any secondary receipt and delivery points available under Rate Schedule ERS; provided if Customer changes its primary points listed above (or the MDROs or MDDOs associated with such points), pursuant to the provisions of the Pipeline's FERC Gas Tariff, Pipeline shall have the option to terminate this negotiated rate by providing Customer with written notice of Pipeline's intent to terminate the negotiated rate and, in such case, this negotiated rate shall terminate and Pipeline's maximum recourse rate for Rate Schedule ERS for the Project shall apply for the remaining term of the Service Agreement, unless and until otherwise agreed in writing between Customer and Pipeline.

3/

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4/ Pipeline and Customer agree that Contract No. [INSERT CONTRACT NUMBER] is a ROFR Agreement.

5/ Customer shall pay (i) the applicable Fuel Reimbursement Quantity (“FRQ”) under Pipeline’s Rate Schedule ERS for the Project, which shall include fuel use loss related to liquefaction and compression for the storage facilities and (ii) the applicable Annual Charge Adjustment and all other charges and surcharges applicable to Rate Schedule ERS for the Project, including electric power costs and other variable operating costs for the storage facilities. Customer shall also pay any future surcharge or additional usage charge pursuant to any FERC-approved cost recovery mechanism of general applicability implemented in a generic proceeding or in a Pipeline specific proceeding, or any other recovery mechanism for the recovery of direct or indirect costs not reflected in Pipeline’s FERC approved Rate Schedule ERS rates for the Project at the time of execution of this negotiated rate, including but not limited to such costs related to pipeline safety or environmental compliance costs associated with Pipeline’s operation.

6/ If the term of Contract No. [INSERT CONTRACT NUMBER] renews for one or more twelve (12) month evergreen period(s) at the Negotiated Reservation Rate, then the term of this negotiated rate shall be extended for such evergreen period(s).

7/ The MDTQs, MSQ, MDROs, MDDOS, MDIQ, and MDWQ may be revised in accordance with Paragraph 3(a) of the Precedent Agreement.

8/ **Most Favored Nations**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(e) Waiver

Nothing in this footnote 8 constitutes a waiver of either party's right to seek regulatory and/or judicial relief if a party acts in a manner that is inconsistent with its obligations as set forth in this footnote.

Attachment D

Form of Letter of Credit

EXECUTION COPY

ATTACHMENT D

IRREVOCABLE STANDBY LETTER OF CREDIT

Letter of Credit No: _____

Date: _____, 20__

Date of Expiry: _____, 20__

Beneficiary:

[Spectra entity name]
5400 Westheimer Court
Houston, TX 77056

Account Party:

(Complete Legal Name)
(Address)
(City, State, Zip)

Attn: Credit Director

[Name of Bank] ("Issuing Bank") hereby establishes this Irrevocable and Transferable Standby Letter of Credit No. _____ in favor of [Spectra entity name] ("Beneficiary") for the account of [Account Party Name] ("Account Party") in connection with that certain Precedent Agreement between Account Party and Beneficiary, dated [], 2016 (the "Precedent Agreement"), and the related firm transportation service agreement between Account Party and Beneficiary (the "Service Agreement"), for the aggregate amount of up to (*dollar amount*) available to Beneficiary by presenting sight draft(s) to Issuing Bank when accompanied by a signed and dated statement by an authorized representative of Beneficiary certifying one or more of the following, as applicable:

1. "The amount drawn herein is to satisfy obligations of Account Party between Beneficiary and Account Party. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____. Beneficiary further certifies that supporting documents when required were presented to Account Party and that Account Party has not satisfied its obligations." And / or
2. "This Letter of Credit will expire in less than thirty (30) days and Beneficiary has not received an extension of said Letter of Credit or other acceptable replacement collateral from Account Party. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____. Upon timely receipt of an amendment extending this Letter of Credit, this drawing is to be considered automatically rescinded." And / or

3. "Issuing Bank 's lowest long-term senior unsecured debt rating no longer meets or exceeds "A-" by Standard & Poor's Rating Group and "A3" by Moody's Investor Services, Inc., and Account Party has not caused a replacement Letter of Credit from an alternate financial institution acceptable to Beneficiary to be issued to Beneficiary. Wherefore, the undersigned Beneficiary does hereby demand payment of \$_____."

SPECIAL TERMS AND CONDITIONS

1. Partial and multiple drawings are allowed hereunder. The amount that may be drawn by Beneficiary under this Letter of Credit shall be automatically reduced by the amount of any payments made through Issuing Bank referencing this Letter of Credit.
2. This Letter of Credit shall automatically extend without amendment for periods of one year each from the present or any future expiry date unless Issuing Bank notifies Beneficiary in writing at least sixty (60) days prior to such present or future expiry date, as applicable, that Issuing Bank elects not to further extend this Letter of Credit.
3. This Letter of Credit is transferable without charge any number of times, but only in the amount of the full unutilized balance hereof and not in part and with the approval of Account Party which consent shall not be unreasonably withheld, conditioned or delayed.
4. The term "Beneficiary" includes any successor by operation of law of the named beneficiary to this Letter of Credit, including, without limitation, any liquidator, any rehabilitator, receiver or conservator.
5. Presentations for drawing may be delivered in person, by mail, by express delivery, or by facsimile.
6. All Bank charges are for the account of Account Party.
7. Article 36 under UCP 600 is modified as follows: If the Letter of Credit expires while the place for presentation is closed due to events described in said Article, the expiry date of this Letter of Credit shall be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Issuing Bank hereby agrees with Beneficiary that documents presented for drawing in compliance with the terms of this Letter of Credit will be duly honored upon presentation at Issuing Bank's counters if presented on or before the expiry date.

Unless otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits ("UCP"), 2007 Revision, International Chamber of Commerce Publication No. 600. Matters not covered by the UCP shall be governed and construed in accordance with the laws of the state of New York.

ISSUING BANK SIGNATURE

Attachment E Form of Guaranty

EXECUTION COPY

Attachment E

GUARANTY

This Guaranty ("Guaranty"), dated as of _____, is made by _____, a [state and corporate structure] ("Guarantor"), in favor of _____ a [state & corporate structure] ("Beneficiary").

WHEREAS, from time to time, _____, a _____ [state and corporate structure] ("Counterparty"), and Beneficiary have entered into that certain precedent agreement dated _____ ("Precedent Agreement"), as may be amended from time to time and that certain service agreement dated _____ ("Service Agreement"), as may be amended from time to time (both Precedent Agreement and Service Agreement are collectively referred as the "Agreement");

WHEREAS, Counterparty is a wholly-owned subsidiary of Guarantor; and Guarantor will directly or indirectly benefit from the Agreement to be entered into between Counterparty and Beneficiary; and

WHEREAS, as an inducement to Beneficiary to enter into the Agreement, Guarantor has agreed to provide this Guaranty; and

WHEREAS, Guarantor has agreed to execute and deliver this Guaranty with respect to Counterparty's payment obligations under the Agreement:

NOW THEREFORE, in consideration of the premises, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby absolutely, irrevocably and unconditionally guarantees the timely payment when due of Counterparty's payment obligations arising under any Agreement, as such Agreement may be amended or modified from time to time, together with any interest thereon and fees and costs of collection (including attorney's fees and court costs) in connection therewith ("Obligation"). In the event Counterparty defaults in the payment of any of the Obligation, within ten (10) days after receiving written notice from Beneficiary, Guarantor shall make such payment or otherwise cause same to be paid. This Guaranty may be enforced by Beneficiary at any time without the necessity of first resorting to or exhausting any other security or collateral. All amounts payable by Guarantor hereunder shall be in freely transferable funds.

2. **Effectiveness.** This Guaranty is effective as of the date set forth above and is a continuing guaranty which shall remain in full force and effect throughout the term of the Agreement, including any extensions or renewals thereof, until Guarantor has completely fulfilled the Obligation. If at any time during the effectiveness of this Guaranty, Guarantor no longer qualifies as Creditworthy as defined in Paragraph XX of the Precedent Agreement, Guarantor shall, or shall cause Counterparty to, immediately provide the collateral specified in Paragraph XX(X) of the Precedent Agreement.

3. **Waivers.** (a) Guarantor waives any right to require as a condition to its obligations hereunder any of the following should Beneficiary seek to enforce the obligations of Guarantor:

- (i) presentment, demand for payment, notice of dishonor or non-payment, protest, notice of protest, or any similar type of notice;
- (ii) any suit be brought against, or any other action be brought against, or any notice of default or other similar notice be given to, or any demand be made upon Counterparty or any other person or entity;
- (iii) notice of acceptance of this Guaranty, of the creation or existence of the Obligation, and/or any action by Beneficiary in reliance hereon or connection herewith;
- (iv) notice of entering into any Agreement between Counterparty and Beneficiary, and/or any amendments, supplements or modifications thereto, or any waiver of consent under any Agreement, including waiver of the payment and performance of the Obligation thereunder; and/or

(v) notice of any increase, reduction or rearrangement of Counterparty's Obligation under any Agreement, or any extension of time for payment of any amounts due Beneficiary under any Agreement.

(b) Guarantor also waives the right to require, substantively or procedurally, that a judgment has been previously rendered against Counterparty or any other person or entity, or that Counterparty or any other person or entity be joined in any action against Guarantor.

4. **Assignment.** Guarantor shall not assign its duties hereunder without the prior written consent of Beneficiary. Beneficiary shall be entitled to assign its rights hereunder in its sole discretion upon prior written notice to Guarantor. Any assignment without such prior written consent or notice, as applicable, shall be null and void and of no force or effect.

5. **Notice.** All demands, notices or other communications to be given by any party to another must be in writing and shall be deemed to have been given when delivered personally or otherwise actually received or on the third (3rd) day after being deposited in the United States mail if registered or certified, postage prepaid, or one (1) day after delivery to a nationally recognized overnight courier service, fee prepaid, return receipt requested, and addressed as follows:

Guarantor's Name & Address

Beneficiary's Name & Address

5400 Westheimer Court
Houston, TX 77056
Attn: Credit Director
Phone: 713-627-5446
Fax: 713-989-1717

or such other addresses as they may change from time to time by giving prior written notice to the other party.

6. **Applicable Law.** THIS GUARANTY SHALL IN ALL RESPECTS BE GOVERNED BY, ENFORCED UNDER AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

7. **Effect of Certain Events.** Guarantor agrees that its liability hereunder will not be released, reduced, impaired or affected by the occurrence of any one or more of the following events:

- (i) the insolvency, bankruptcy, reorganization, or disability of Counterparty;
- (ii) the renewal, consolidation, extension, modification or amendment from time to time of the Agreement;
- (iii) the failure, delay, waiver, or refusal by Beneficiary to exercise any right or remedy held by Beneficiary with respect to the Agreement;
- (iv) the sale, encumbrance, transfer or other modification of the ownership of Counterparty or the change in the financial condition or management of Counterparty; or
- (v) the settlement or compromise of any Obligation.

8. **Representations and Warranties.** Guarantor hereby represents and warrants the following:

- (i) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty;
- (ii) the execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets; and
- (iii) this Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy,

insolvency, reorganization and other similar laws and to general principles of equity.

9. **Subrogation**. Until all amounts which may be or become payable under the Agreement have been irrevocably and indefeasibly paid in full, Guarantor shall not by virtue of this Guaranty be subrogated to any rights of Counterparty or claim in competition with Beneficiary against Counterparty in connection with any matter relating to or arising from the Obligation or this Guaranty. If any amount shall be paid to Guarantor on account of such subrogation rights at any time before all of the Obligation has been irrevocably paid in full, such amounts shall be held in trust for the benefit of Beneficiary and shall promptly be paid to Beneficiary to be applied to the Obligation.

10. **Amendment**. No term or provision of this Guaranty shall be amended, modified, altered, waived, supplemented or terminated unless first agreed to by Guarantor and Beneficiary and then set forth in a written amendment to this Guaranty.

11. **Counterparts**. This Guaranty may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one document.

12. **Entire Agreement**. This Guaranty embodies the entire agreement and understanding between Guarantor and Beneficiary regarding payment of the Obligation under the Agreement and supersedes all prior agreements and understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty effective as of the date first herein written.

GUARANTOR' S NAME

By:_____

Name:_____

Title:_____

EXECUTION COPY

Attachment F Pro Forma Schedule

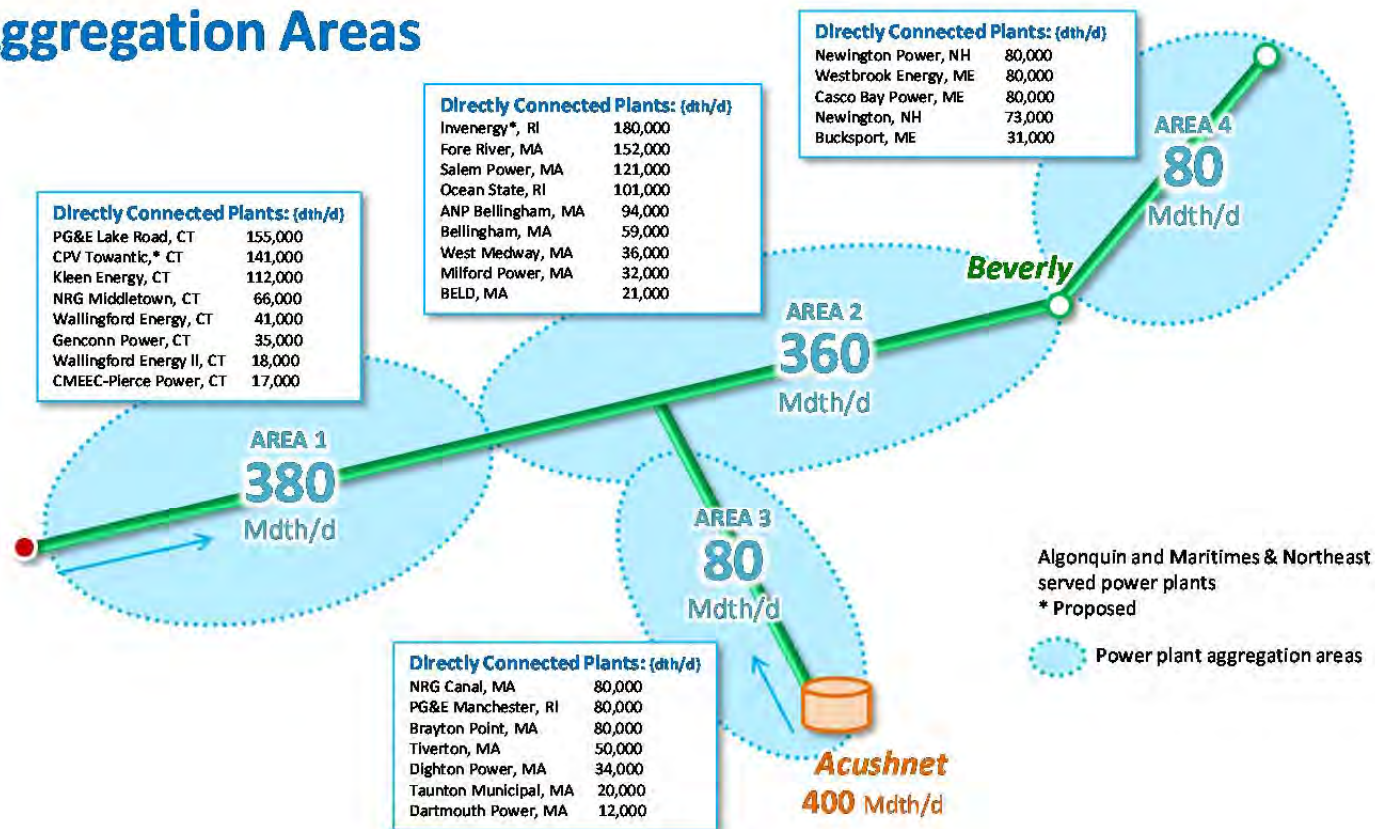
Deadline Description	Agreement Section	Agreement Provision	Calendar Deadline ¹

¹ Assumes Phase 1 Service Commencement Date of November 1, 2018. Date to be updated based on actual Service Commencement Date.

EXECUTION COPY

Attachment G Aggregation Areas

Aggregation Areas



Each Rate Schedule ERS customer will have the ability to deliver natural gas to each electric power generator within an aggregation area up to such customer's pro rata share of the applicable capacity limit shown in the figure above. For the electric power generators identified as proposed or future generation projects, those delivery points will only become available, subject to Section 6.3 of Rate Schedule ERS, once the generator's facilities and the interconnection facilities are placed into service.

ATTACHMENT EVER-JGD-3

Regional Coordination



NEW ENGLAND GOVERNORS' COMMITMENT TO REGIONAL COOPERATION ON ENERGY INFRASTRUCTURE ISSUES

Securing the future of the New England economy and environment requires strategic investments in our region's energy resources and infrastructure. These investments will provide affordable, clean, and reliable energy to power our homes and businesses; make our region more competitive by reducing energy costs; attract more investment to the region; and protect our quality of life and environment.

As the region's electric and natural gas systems have become increasingly interdependent, ensuring that we are efficiently using existing resources and securing additional clean energy supplies will be critical to New England's economic future. To ensure a reliable, affordable and diverse energy system, we need investments in additional energy efficiency, renewable generation, natural gas pipelines, and electric transmission. These investments will also serve to balance intermittent generation, reduce peak demand, and displace some of the least efficient and most polluting fossil fuel generation, enabling the states to meet clean energy and greenhouse gas reduction goals while improving the economic competitiveness of our region.


New England ratepayers can benefit if the states collaborate to advance our common goals. The Governors therefore commit to continue to work together, in coordination with ISO-New England and through the New England States Committee on Electricity (NESCOE), to advance a regional energy infrastructure initiative that diversifies our energy supply portfolio while ensuring that the benefits and costs of transmission and pipeline investments are shared appropriately among the New England States. At the same time, we must respect individual state perspectives, particularly those of host states, as well as the natural resources, environment, and economy of the States, and ensure that the citizens and other stakeholders of our region, including NEPOOL, are involved in the process. The Governors are committed to achieving consensus as we move forward, consistent with laws and policies across the region.

The New England States believe that investments in local renewable generation, combined heat and power, and renewable and competitively-priced heating for buildings will support local markets and result in additional cost savings, new jobs and economic opportunities, and environmental gains. The New England States further believe that these investments must be advanced in a coordinated approach in order to maximize ratepayer savings and system integrity. We will continue to advocate at ISO-New England, NEPOOL, and elsewhere for greater integration and utilization of renewable generation; development of new natural gas pipeline infrastructure; maximizing the use of existing transmission infrastructure; investment, where appropriate, in new transmission infrastructure; and continuation of the inclusion of energy efficiency – and the addition of distributed generation – in load forecasting and transmission planning.

New England Governors' Commitment to Regional Cooperation on Energy Infrastructure Issues

We have directed our appropriate staff to work together with NESCOE to ensure that we are taking all necessary steps to meet our common needs and goals. Our commitment to work together on energy infrastructure issues will be informed by recent regional energy infrastructure studies conducted by the States, ISO-New England, and other regional organizations. We believe that by working together we can expand economic development, promote job growth, improve the competitiveness of our industries, enhance system reliability, and protect and increase the quality of life of our citizens. Expanding our existing efforts will ensure that we are on a course toward a transformed energy, environment, and economic future for our region that offers a model for the nation.


Signed,




Dannel P. Malloy
Governor of Connecticut




Paul R. LePage
Governor of Maine



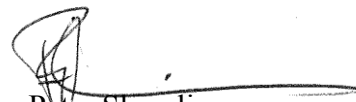
Deval L. Patrick
Governor of Massachusetts



Maggie Hassan
Margaret Wood Hassan
Governor of New Hampshire



Lincoln D. Chafee
Governor of Rhode Island



Peter Shumlin
Governor of Vermont

5 of 6 New England States Addressing Gas Capacity Issues

Electric Distribution Co. (EDC) Purchase of Natural Gas Pipeline Capacity

CT

Public Act 15-107 enacted June 22, 2015. RFPs under development and allows for procurement of up to 375 mmcf/day of gas infrastructure. DEEP to seek stakeholder comments on RFP prior to issuing this year.

MA

Eversource filed EDC contracts with Access Northeast on December 15, 2015 in MA DPU 15-181. National Grid filed EDC contracts with Access Northeast and TGP NED on January 15, 2016 in MA DPU 16-05 & 16-07.

NH

PUC opened docket in April (IR 15-124: "Investigation into Potential Approaches to Ameliorate Adverse Wholesale Electricity Market Conditions in New Hampshire"). Staff report released September 15, 2015 and Commission issued ORDER 25,860 on January 19, 2016 accepting the findings in the report and establishing process for approval.

ME

Established procedural schedule under Docket No. 2014-00071 - Re: Investigation of Parameters for Exercising Authority Pursuant to the Maine Energy Cost Reduction Act, 35-A M.R.S. §1901 which begins in February 2016.

000190

RI

2014 Energy Security Act allows RI EDCs to pursue contracts. National Grid issued an RFP with bids due November 13, 2015. Responses under review.

VT

TBD

ATTACHMENT EVER-JGD-4

Request for Proposals, Issued October 23, 2015



October 23, 2015

To Providers of Gas Infrastructure in New England

On October 2, 2015, The Massachusetts Department of Public Utilities (“MDPU” or the “Department”) issued a policy decision in D.P.U. 15-37, authorizing Massachusetts Electric Distribution Companies to propose innovative mechanisms to secure new natural gas capacity for the region to benefit electric customers (the “Order”). The Department determined in the decision that it has the legal authority under G.L. c. 164, § 94A (“Section 94A”) to review and approve contracts filed by Electric Distribution Companies for pipeline capacity.

Consistent with the policy statement, Eversource and National Grid are issuing this Request for Proposals to solicit proposals for interstate capacity/gas supplies to further the goals of reduction of the cost of electricity and increasing the reliability of the New England electric system to benefit electric distribution customers. Eversource and National Grid may be referred to herein as “EDCs”.

The Department stated in the Order that the Electric Distribution Companies must demonstrate that they have conducted a fair and reasonable procurement to identify potential alternatives (Order at 45). The Department also stated in its Order that the Electric Distribution Company must demonstrate that a proposed agreement results in net benefits for the Mass EDCs’ customers and compares favorably to the range of alternative options reasonably available to it at the time of acquisition of the resource or contract negotiation (id).

In keeping with these statements, the Electric Distribution Companies must demonstrate that their proposed contracts and strategies for reducing the costs of electricity for their electric customers is the most appropriate alternative of the range of alternatives that may be leveraged to achieve reduced electricity costs while ensuring reliability for customers. Therefore, this RFP requests proposals

for pipeline expansion projects, LNG supply alternatives, and regional storage projects for that purpose.

If the EDCs determine that proposals submitted in response to this RFP provide the necessary benefits to its retail electricity customers at a reasonable cost, they intend to negotiate with the selected Bidder(s) and to finalize a contract that will be filed with the MDPU for approval. Any such determination would be made individually by EDCs on behalf of their respective Electric Distribution Companies.

Multiple states within New England are considering the procurement of natural gas resources to improve electric supply reliability and to meet other goals. Although this RFP is issued on behalf of EDCs' electric customers, EDCs are committed to working to further the collective interests of the New England States to procure natural gas capacity resources on behalf of customers in the region. To the extent that other States or utilities pursue their own solicitation processes for natural gas resources, and if the goals of such States and utilities are aligned with the goals set forth in this RFP, EDCs may use proposals from this RFP as necessary to coordinate the procurement of natural gas resources to maximize customer benefits. EDCs also generally reserve the right to modify, withdraw and reissue this RFP at any time.

Proposals must be submitted by November 13th, 2015 at 12:00 P.M – EST in accordance with the terms of this RFP.

Sincerely,

James Daly
Vice President Energy Supply
Eversource Energy

John Vaughn
Vice President Energy Procurement
National Grid

NOTICE OF REQUEST FOR PROPOSALS (RFP)

NATURAL GAS CAPACITY, LIQUIFIED NATURAL GAS (LNG), AND NATURAL GAS STORAGE PROCUREMENT

INTRODUCTION

On October 2, 2015, The Massachusetts Department of Public Utilities (“MDPU” or the “Department”) issued a policy decision in D.P.U. 15-37, authorizing Massachusetts Electric Distribution Companies to propose innovative mechanisms to secure new natural gas capacity for the region to benefit electric customers (the “Order”). The Department determined in the decision that it has the legal authority under G.L. c. 164, § 94A (“Section 94A”) to review and approve contracts filed by Electric Distribution Companies for pipeline capacity. The Department also established a standard of review for such contracts and identified the filing requirements for such proposals.

Consistent with the policy statement, Eversource and National Grid are issuing this Request for Proposals to solicit proposals for interstate capacity/gas supplies to further the goals of reduction of the cost of electricity and increasing the reliability of the New England electric system to benefit electric distribution customers. Eversource and National Grid may be referred to herein as “EDCs”.

The Department stated in the Order that the Electric Distribution Companies must demonstrate that they have conducted a fair and reasonable procurement to identify potential alternatives (Order at 45). The Department also stated in its Order that the Electric Distribution Company must demonstrate that a proposed agreement compares favorably to the range of alternative reliable and least cost resource options reasonably available to it at the time of acquisition or contract negotiation (id). In keeping with these statements, the Electric Distribution Companies must demonstrate that their proposed contracts and strategies for reducing the costs of electricity for their electric customers is the most appropriate alternative of the range of alternatives that may be leveraged to achieve reduced electricity costs while ensuring reliability for customers. Therefore, this RFP requests proposals for pipeline expansion projects, LNG supply alternatives, and regional storage projects for that purpose.

BACKGROUND

If the EDCs determine that proposals submitted in response to this RFP are commercially reasonable and sufficiently sized to address region-wide electric supply cost and reliability concerns, they intend to negotiate with the selected Bidder(s) and to finalize a contract that will be filed with the MDPU for approval. Any such determination would be made individually by EDCs on behalf of their respective Electric Distribution

Companies. It is anticipated that any contract(s) filed for approval with the MDPU would contain cost support of the associated proposed project(s) reflective of the cost that would apply to MA EDCs electric distribution customers based on such customers share of New England region-wide load.

Multiple states within New England are considering the procurement of natural gas resources to improve electric supply reliability and to meet other goals. Although this RFP is issued on behalf of EDCs' electric customers, EDCs are committed to working to further the collective interests of the New England States to procure natural gas capacity resources on behalf of customers in the region. To the extent that other States or utilities pursue their own solicitation processes for natural gas resources, and if the goals of such States and utilities are aligned with the goals set forth in this RFP, the EDCs may revise this RFP as necessary to coordinate the procurement of natural gas resources to maximize customer benefits. The EDCs also generally reserve the right to modify, withdraw and reissue this RFP at any time.

PROPOSAL DEADLINE

Proposals must be submitted by November 13th, 2015 at 12:00 P.M – EST. **Applications or supporting documents received after that date and time will not be considered.**

A. OBJECTIVE OF RFP

The primary objective of this RFP is to identify cost-effective resources that would function to increase the reliability of electric service and reduce electric costs for the benefit of the EDCs' electric customers. The primary firm gas supply resources solicited in this RFP are intended to be utilized by gas-fired generators in the New England region to improve regional electric supply reliability and lower the regional cost of retail electricity in substantial and timely manner. Currently there are inadequate gas supplies and transportation infrastructure to meet generation requirements, which threatens the reliability of the grid, especially during cold winter weather. This RFP is designed to identify alternatives for alleviating those constraints and improving winter electric supply reliability at the lowest cost for customers, by allowing the EDCs to contract for primary firm natural gas resources, which may include Natural Gas Capacity, LNG, and/or Natural Gas Storage for the benefit of customers. Capacity and/or storage rights will be released by the EDCs to gas-fired generators for the purpose of ensuring a reliable supply of natural gas to power generation. The EDCs intend to have competitive bidding for capacity releases.

B. REQUIREMENTS

Each proposal is required to address all of the following:

1. Delivery and Receipt locations: Provide physical locations where natural gas will

be delivered to and transported from, including but not limited to a description of the upstream supplies that would support the proposed resource. For pipeline project proposals, Bidders should discuss the liquidity at proposed receipt points as well as any known pipeline constraints upstream of such receipt points. For LNG proposals, Bidders should discuss the source of LNG supply including the country(ies) of origin and mode of transportation. Specifically, Bidders must supply a list of power generators within New England for which the delivery of primary firm gas supply is possible under the proposal, including identification of the volumes of gas that can be delivered to each facility under peak demand conditions. Bidders are responsible for the development of incremental infrastructure for the delivery of natural gas to generators in New England on a primary firm basis. A bidder shall submit receipt and delivery point MDQs. Bidders are encouraged to provide delivery point flexibility to the extent possible such that volumes of gas can be delivered to multiple generators within operational segments of the pipeline.

Given that the objective of this RFP is to benefit regional electric customers, Bidders are required to demonstrate that the proposal will provide reliable delivery of natural gas on a primary firm basis to multiple generating facilities on critical peak days across multiple load zones. Preference will be given to proposals that provide incremental delivery capacity that are most likely to yield substantial regional benefits to New England electric customers on an efficient, reliable and sustainable basis.

2. Service Type and Operational Flexibility: Bidder should indicate the type of service that will be provided and a detailed explanation of the operational flexibility afforded by the respective resource. The explanation of operational flexibility should set forth how the proposed project or service offering can meet the needs of gas-fired generation that frequently runs at a higher level during specific hours of the day (i.e. on-peak hours). The project or existing facility must be able to demonstrate that it can provide the required natural gas on a primary firm basis to generator delivery meters for the duration of the contract.
3. Quantity: EDCs may procure up to their respective load share of regional power demand for the natural gas resources, but the total quantity of natural gas resources purchased in the region through the expansion of this RFP and/or complimentary procurement processes undertaken by other States and utilities would not exceed 2,000,000 MMBtu/day nor shall be any individual project be less than 500,000 MMBtu/day. Accordingly, alternative proposals may be submitted for alternative total project facility and size configurations. Bidders should identify which generation facilities can be served at different levels of discrete investment. The proposal and each supply configuration should clearly delineate: i) the total project size; ii) the quantity already committed to other parties (via contracts, precedent agreements or other mechanisms); iii) the quantity, or range of quantities, offered to other entities; and, iv) the minimum quantity or range of quantities required to make each facility configuration

economically viable. There is no limit to the number of alternate quantity proposals that may be included, but Bidders must clearly specify any implications to the proposed project, including but not limited to schedule and rate impacts associated with such scaling. Bidders should identify all service commencement dates applicable to all quantity proposals, including the quantity and associated service commencement date, as well as associated receipt and delivery points, specific to each phase of any proposals consisting of a multi-phased implementation of service.

Bids for LNG and storage must include both the MDQ and maximum annual quantity of commodity or storage space and indicate the extent to which reinjection can take place during the winter season. Bids including a liquefaction/injection component must also specify the point at which natural gas must be tendered for firm injection. Bids for LNG and storage must also include transportation via interstate pipeline to generators in New England on a primary firm basis.

4. Price: Each Bidder is required to provide the price of the resource, including but not limited to any fixed or variable charges that the customer would incur by executing a contract with the selected bidder. All Bids must specify the maximum rate to be charged for the services offered. Any bids based on cost of service must also specify a cap (maximum rate). Bidders must identify all relevant pricing terms including relevant price indices. In order to facilitate potential coordination in other states in which the EDCs New England affiliates offer distribution service, any bid must be applicable for incorporation into Precedent Agreements that may be submitted for regulatory approval in such states. Bidders are required to maintain all offers firm through December 31, 2015. Beyond such date, winning bid(s) are anticipated to be incorporated into an executed Precedent Agreement(s) subject to the terms and conditions therein.
5. Contract Term and Renewal Rights: Bidders are required to identify the expected in-service date of all Proposals as well as a guaranteed in-service date. Bidders are also required to specify the minimum required term (not less than 15 years but not to exceed 20 years) as well as corresponding renewal rights.
6. Pro-forma Contract/Precedent Agreements: Each Bidder is required to submit a contract or precedent agreement applicable and appropriate to the type of resource offered. A pro-forma precedent agreement is attached in Exhibit 1. Bidders who have not already tendered a form agreement must include a marked version showing any proposed changes to the Pro-forma Contract / Precedent Agreement with their bid, and it is assumed that Bidders would be willing to execute the marked-up pro-forma Contract/Precedent Agreement included in their bids. Alternatively, Bidders may provide a form of precedent agreement that has been approved previously by the MDPU or other New England jurisdiction with any markup changes proposed for a project bid under this RFP. Bidders are discouraged from proposing material changes to the Pro-forma

Contract/Precedent Agreements. A Natural Gas Base Contract is attached in Exhibit B, which represents standard terms and provisions from the North American Energy Standards Board, Inc. (NAESB), for contracting for Natural Gas supplies. Additional Special Provisions have been outlined in Exhibit B, and EDCs reserve the right to further update all contract provisions, including but not limited to those related to financial parameters, legal proceedings, warranties, terminations and force majeure.

7. Tariffs and Pro-forma Service Agreements: Bidders should submit existing and proposed Tariffs and Pro-forma Service agreements. Bidders that are submitting proposals for LNG and Natural Gas Storage should submit Tariffs and Pro-forma Service agreements as well. Pipelines, LNG, and Natural Gas Storage Bidders should also submit provisions, if any, for No-Notice Service.
8. Documentation of Experience with development and management of natural gas resources: Bidders are required to document their experience in developing and managing natural gas resources, identifying the scope of the activities for which they were responsible, the companies they served, and the periods in which the services were provided. Bidders are requested to highlight their experience in the northeastern US market.
9. Regulatory/Siting/Approvals/Timing: Bidders are required to list all regulatory/siting approvals necessary from agencies at the Federal, State and Municipal levels that will be required for the proposed resource.

Bidders are required to itemize all of the physical assets and/or facilities that are required to provide the services proposed in response to this RFP, including a list of all permits required (to the extent not already obtained). Preference will be given to those bidders that can provide the expected benefits in a timely manner and with the highest probability of success.

10. Audited Financial Statements, Annual Reports, and Credit Ratings. Bidders should provide a copy of their audited financial statements with notes for at least the past three years and their most recent annual report with management's discussion and analysis. Bidders should also provide documentation of their current credit ratings from Moody's Investor Services, Standard and Poor's, or Fitch Ratings. Preference will be given to entities with a credit rating of investment grade or above and with a positive outlook.
11. Business Condition and Financial Reports: Bidders shall provide an overview of their firm, including corporate profile, ownership structure, and financial condition. Bidders should include how the project or service will be financed or supported, including but not limited to the financial instruments and structures the company will utilize in both development and operation of its resource proposal. Bidders should also be prepared to provide other relevant information relating to their

qualifications, business and operations. Preference will be given to entities with substantial, proven operating experience and financial strength in providing the services offered under this RFP.

12. Disclosure of Legal Matters and Conflicts of Interest: Bidders shall provide details of any claims, disputes, litigation, FERC, SEC or state regulatory action, enforcement action, investigation or other legal proceedings relating to their firm or individual personnel referenced in the proposal (in their business capacity) in the three preceding years. Describe any activities or relationships in which the Bidder or its personnel are engaged with the EDCs or their affiliates, or which may constitute a conflict of interest in providing the services to the EDCs, and any claims or disputes with EDCs or any of their affiliates.

C. PROCEDURES AND BIDDER CERTIFICATION

All communications pertaining to this Notice must be submitted via e-mail with the subject line "EDC Pipeline Capacity/Supply Procurement" to the following:

Eversource:

Edna Karanian at: edna.karanian@eversource.com

Eric Soderman at: eric.soderman@eversource.com

National Grid:

John Allocca at: John.Allocca@nationalgrid.com

Timothy Brennan at: TIMOTHY.J.BRENNAN@nationalgrid.com

Samara Jaffe at: Samara.Jaffe@nationalgrid.com

The following is the schedule (subject to change) for this RFP process:

Issue RFP	October 23, 2015
Bidder questions deadline	October 30, 2015
Proposals Due	November 13, 2015

SUBMISSION REQUIREMENTS

Responses to this RFP must be made in writing and be made by mail and electronically. All electronic and hardcopy proposals must be received by November 13th, 2015 at 12:00PM Eastern Time. EDCs will not accept by mail any proposal from a bidder sent as a follow up to its email proposal that differs from its email proposal.

Each proposal shall contain the full name and business address of the bidder

and bidder's contact person and shall be signed by an authorized representative of the bidder. Each proposal must be submitted by an authorized representative of the bidder, and by its submission of its bid the bidder certifies that:

- The bidder has reviewed the RFP and all attachments and has investigated and informed itself with respect to all matters pertinent to the RFP and its proposal;
- The bidder's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws;
- Each bid is being bid independently and that it the bid was prepared without knowledge of the substance of any other proposal being submitted by a non-affiliated bidder in response to this RFP;
- The bidder has not disclosed and will not disclose prior to any award hereunder, any information relating to its proposal which could have an effect on whether another bidder submits a proposal to this RFP, or on the contents of such proposal that another bidder would be willing to submit in response to this RFP, which may include, as an example, the fact that the bidder is submitting a proposal in response to this RFP, the bidder's proposal[s], the quantities of each product bid, the bidder's estimation of the value of a product, the bidder's estimation of the risks associated with supplying a product, and the bidder's preference for bidding on one or several products; and
- The bidder has bound any agents, consultants or other third parties retained or otherwise used in connection with the preparation and submission of its proposal to observe these same restrictions and requirements concerning its proposal and maintain the confidentiality of information concerning its proposal.

EDCs shall have the exclusive right to select or reject any or all of the proposals submitted at any time, for any reason. EDCs may also disregard any bid submission not in accordance with the requirements contained in this RFP. Further, EDCs expressly reserve the right, in their sole and absolute discretion (exercised individually), to seek clarifications of any submissions, to seek modifications to any submissions, to unilaterally change the schedule described herein or modify any of the rules and procedures set forth herein or subsequently issued, to terminate the process described herein, and to invite any (or none) of the Respondents to participate further in the process, all without prior notice.

D. CONFIDENTIALITY

Bidder and EDCs agree to use commercially reasonable efforts to maintain the confidentiality of the Bidder's proposal. However, it is understood by all parties that any contract resulting from this procurement will need to be filed by EDCs for approval with the MDPU. The EDCs will also be required to disclose the details of any contract to their respective consultants as part of the analysis for these filings. It is also understood that a resulting contract may be filed or disclosed by a Bidder as part of the Bidder's regulatory filing and approval process. The confidentiality of commercially sensitive documents required to be filed at the MDPU or in other regulatory proceedings will be governed by applicable laws and regulations.

E. EVALUATION OF PROPOSALS AND SELECTION PROCESS

Once proposals are received, the proposals will be subject to a review, evaluation and selection process.

In order to obtain approval by the MDPU, an EDC must demonstrate that the proposed contract (1) results in net benefits for the Massachusetts Electric Distribution Company's customers at a reasonable cost, and (2) compares favorably to the range of alternative options reasonably available to the Electric Distribution Company at the time of acquisition of the resource or contract negotiation. An Electric Distribution Company must show that the price of the resource is competitive and that the contract satisfies other non-price factors such as reliability of service and diversity of supply. D.P.U. 15-37, October 2, 2015, p.43-44. Any selected Bidder is expected to fully support EDCs in their efforts to satisfy these requirements in order to receive MDPU approval.

All proposals will be evaluated on the price and non-price factors consistent with applicable MDPU policies, decisions and precedents.

F. REGULATORY APPROVAL

Any contract developed by the parties will be filed for approval with the MDPU and will not become effective unless approved by the MDPU. Should responses to this RFP be of a scale requiring approvals of related contracts in other states, Bidders agree to support the pursuit of regulatory approvals in those states. It is possible that the MDPU may condition approval of any contract that results from this RFP on approvals of related contracts in other states.

EXHIBIT A

Precedent Agreement

PRECEDENT AGREEMENT

This PRECEDENT AGREEMENT ("Precedent Agreement") is made and entered into this ____ day of _____, 2015 ("Effective Date"), by and between [TRANSPORTER], [STATE] [ENTITY TYPE] ("Transporter"), and [SHIPPER], a [STATE] [ENTITY TYPE] ("Shipper"). Transporter and Shipper are sometimes referred to individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, Transporter owns and operates an interstate natural gas transmission system in (specify STATES);

WHEREAS, Shipper desires that Transporter expand such interstate natural gas transmission system and purchase firm natural gas transmission service under (insert applicable Tariff existing/new) in connection with the _____ Project (the "Project");

WHEREAS, subject to the terms and conditions of this Precedent Agreement, Transporter is willing to construct the Project and provide the firm transportation service that Shipper desires;

NOW, THEREFORE, in consideration of the mutual covenants herein assumed, and intending to be legally bound, Transporter and Shipper agree as follows:

1. Transporter Obligations.

- a) Subject to the terms and conditions of this Precedent Agreement, Transporter shall proceed with due diligence to obtain from all governmental and regulatory authorities authorizations necessary[y: (i)] for Transporter to construct, install, own, operate, and maintain the Project facilities, and, if applicable, abandon existing facilities, necessary to provide the firm transportation service

contemplated herein ("Transporter's Authorizations")], and (ii) for Transporter to perform its obligations as contemplated in this Precedent Agreement, including the obligation to seek authorization from the Federal Energy Regulatory Commission ("FERC") for receipt point flexibility as described in the following sentence.] [Placeholder - To be further defined] Furthermore, Transporter agrees to seek any necessary authorization or waiver from FERC that may be required to allow Shipper to release capacity to electric generators on a preferential basis.

- b) Transporter reserves rights to (i) file and prosecute any and all applications for such authorizations and, (ii) request for rehearing or court review, that are consistent with this Precedent Agreement, the FTSA (defined below in Paragraph 3) and the Negotiated Rate Agreement (in the form attached as Attachment A-2 hereto ("Negotiated Rate Agreement")).
- c) Transporter agrees to (i) provide Shipper with an opportunity to review and comment on the text of Transporter's FERC application, before filing, and shall, in good faith, work with Shipper to address any concerns raised by Shipper with respect to such application, (ii) promptly notify Shipper in writing when each of Transporter's Authorizations is received, obtained, rejected or denied and, (ii) promptly notify Shipper in writing as to whether a Transporter Authorization that has been received or obtained is acceptable to Transporter.
- d) During the term of this Precedent Agreement, Transporter agrees to use reasonable efforts to support and cooperate with, and to not oppose, obstruct or otherwise interfere with, Shipper in Shipper's efforts to obtain

Shipper Authorizations as referenced below. The term of the Precedent Agreement will commence on the Effective Date and continue until the Precedent Agreement is terminated.

2. Shipper Obligations.

- a) Subject to the terms and conditions of this Precedent Agreement, Shipper shall proceed with due diligence to obtain all necessary and appropriate authorizations and approvals from governmental and regulatory authorizations necessary for Shipper to perform its obligations as contemplated in this Precedent Agreement, the FTSA and the Negotiated Rate Agreement referenced in this agreement as ("Shipper's Authorizations").
- b) Shipper reserves the right to file and prosecute applications for Shipper Authorizations, and any court review, if necessary, in a manner it deems to be in its best interest. Shipper agrees to promptly notify Transporter in writing when each of Shipper Authorizations is received, obtained, rejected or denied.
- c) Shipper shall promptly notify Transporter in writing as to whether each of Shipper Authorizations that has been received or obtained is acceptable to Shipper.
- d) During the term of this Precedent Agreement, Shipper agrees to use reasonable efforts to support its obligations as contemplated by this Precedent Agreement. Nothing herein shall be construed to limit or waive Shipper's rights to intervene or protest any filing by Transporter to the extent Shipper determines in good faith that such filing is not consistent with Transporter's obligations or Shipper's rights under this Precedent Agreement, the FTSA or the Negotiated Rate Agreement.

3. Firm Transportation Service Agreement ("FTSA").

- a) FTSA. Subject to the conditions set forth herein, Shipper and Transporter agree that no later than XXX (to be specified) days following the date on which the FERC issues an order granting Transporter a certificate of public convenience and necessity to construct the Project facilities to allow Transporter to commence the construction of the Project (or such other mutually agreed date) Transporter and Shipper will execute the FTSA in the form attached as Attachment A-1 hereto under Rate Schedule _____ which (i) specifies a Maximum Daily Quantity ("MDQ") of XX,XXX Dth/d, exclusive of fuel requirements, effective on the Service Commencement Date (as determined in accordance with Paragraph 4 of this Precedent Agreement), (ii) specifies a primary term of [_____] (XX) years commencing on the Service Commencement Date ("Primary Term"), (iii) specifies Primary Point(s) of Receipt at [_____] and a Maximum Daily Receipt Quantity ("MDRQ") of XX,XXX Dth/d; (iv) specifies the following Primary Points of Delivery and Maximum Daily Delivery Quantities ("MDDQ"): *[location description and meter number(s)]*; and (v) incorporates the terms of the Negotiated Rate Agreement (the "FTSA"). (vi) Project shall provide details of any proposed Hourly flexibility. Transporter will accept its FERC certificate of public convenience and necessity to construct the Project facilities no later than TBD days after the execution of the FTSA between Transporter and Shipper.

- b) Rate. Transporter and Shipper further agree that they will execute, in accordance with Transporter's Tariff, the Negotiated Rate Agreement, consistent with the terms of this Precedent Agreement, as set forth on Attachment A-2 hereto, subject to approval by the FERC, which shall become effective on the Service Commencement Date.
- c) Primary Term Extension. Not less than X months prior to the end of the Primary Term, Shipper may, at its option, extend the Primary Term for up to 100% of the MDQ for TBD years (each a "Primary Term Extension"). The applicable rates during the term of such extension shall be as set forth in the Negotiated Rate Agreement.
- d) Renewal. Shipper shall have an evergreen right to extend the term of the FTSA after the end of the Primary Term or the Primary Term Extension for all or any portion of the MDTQ at the then-effective rate set forth in the Negotiated Rate Agreement, subject to Shipper providing Transporter written notice at least _____ (TBD) months prior to the end of the Primary Term or Primary Term Extension, as applicable, and subject to the right of first refusal ("ROFR") provisions as set forth in Transporter's FERC Gas Tariff.
- e) Right of First Refusal. Upon Transporter's termination of the FTSA at the end of the Primary Term, Primary Term Extension or annual renewal terms, Shipper shall have a Right of First Refusal pursuant to Transporter's Tariff to be applicable, at Shipper's discretion, to all or a portion of the Shipper's MDTQ, exercisable in accordance with the notice and other applicable provisions of the Tariff.

- f) Most Favored Nation Right. Shipper shall have a Most Favored Nation Right as set forth in the Negotiated Rate Agreement.
4. Commencement of Service.
- a) Subject to the terms and conditions of this Agreement, Transporter and Shipper agree to execute and deliver the FTSA in accordance with the provisions of Paragraph 3 (FTSA) and subject to the Conditions Precedent stated in this Agreement. Unless Transporter and Shipper amend this Agreement otherwise, service under the Firm Transportation Agreement shall commence no later than [DATE] The Firm Transportation Agreement shall have a primary term ending _____ (XX) years after the Commencement Date (the "Primary Term").
5. Design and Permitting of Project Facilities. Transporter will undertake with due diligence the design of the Project facilities and any other preparatory actions necessary for Transporter to complete and file its application(s) related to the Project with the FERC or other governmental authority as appropriate.
6. Construction of Project. Upon satisfaction of the conditions precedent set forth in Paragraphs 7 of this Precedent Agreement, or written waiver of the same by Transporter or Shipper, as applicable, Transporter shall proceed with due diligence to complete construction of the authorized Project facilities to implement the firm transportation service contemplated in this Precedent Agreement by [DATE].
7. Conditions Precedent. Commencement of service under the FTSA and Transporter's and Shipper's rights and obligations under the FTSA are expressly made subject to satisfaction of the following conditions precedent in this

Paragraph 7 (only Transporter shall have the right to waive the conditions precedent set forth in Paragraph 7(a) and only Shipper shall have the right to waive the conditions precedent set forth in Paragraph 7(b)):

a) Transporter's Conditions Precedent.

- i. Transporter's receipt of approval, on or before [Date], from its Board of Directors, or similar governing body, to construct the Project facilities and/or to execute the FTSA;
- ii. Transporter's receipt, on or before [Date], of all Transporter's Authorizations pursuant to Paragraph 1;
- iii. Transporter's procurement, on or before [Date], of all rights-of-way, easements or permits necessary for the construction and operation of the Project facilities;
- iv. Transporter's completion of construction of the Project facilities and all other facilities required to render firm transportation service for Shipper pursuant to the FTSA, on or before [DATE]

b) Shipper's Conditions Precedent.

- i. Shipper's receipt of approval, on or before [DATE], from its Board of Directors, or similar governing body, to participate in the Project;
- ii. Shipper's receipt and acceptance by [DATE], of any necessary Shipper Authorizations identified in accordance with Paragraph 2 of this Precedent Agreement;
- iii. Transporter's receipt by [DATE] of Transporter's Authorizations to provide the firm transportation service on the terms contemplated herein and in

the FTSA and the Negotiated Rate Agreement, and to perform its other obligations contemplated herein; and

- iv. Transporter's completion of construction of the Project facilities and all other facilities required to render firm transportation service for Shipper pursuant to the FTSA, on or before [DATE]
 - v. Receipt of Authorization from the FERC on or before [DATE] allowing Shipper to release capacity to electric generators on a preferential basis.
- c) With respect to each condition precedent set forth in Paragraph 7(a) of this Precedent Agreement, Transporter shall use commercially reasonable efforts to provide notice to Shipper within (TBD) days of the date that such condition precedent has been satisfied or waived. With respect to the conditions precedent set forth in Paragraphs 7(b)(i) and (ii) of this Precedent Agreement, Shipper shall use commercially reasonable efforts to provide notice to Transporter that such condition precedent has been satisfied or waived.
- d) Unless otherwise provided for herein, Transporter's Authorizations contemplated in Paragraph 1 of this Precedent Agreement and otherwise associated with the FTSA and Negotiated Rate Agreement contemplated by this Precedent Agreement must be issued in form and substance reasonably satisfactory to both Parties hereto; provided that this Paragraph 7(d) does not give rise to a termination right for either Party independent of Transporter's termination right pursuant to Paragraphs 9(a) and 10(a) or Shipper's termination right pursuant to Paragraphs 9(b) and 10(b) hereof. Transporter shall provide written notice to Shipper not later than (TBD) days after issuance of any of Transporter's

Authorizations, and shall offer to meet with Shipper promptly upon the issuance of any such authorization(s) to discuss any concerns or issues related thereto. For purposes of this Precedent Agreement, Transporter's Authorizations shall be deemed satisfactory to Shipper if such Authorizations are consistent with the terms of this Precedent Agreement, the FTSA and the Negotiated Rate Agreement and do not impose conditions or obligations that adversely affect Shipper. To the extent Shipper determines in Shipper's sole reasonable judgment that the Transporter's Authorizations do not satisfy the requirements of the immediately preceding sentence, Shipper shall notify Transporter in writing not later than (TBD) days after receipt of Transporter's notice of such Authorizations, and shall detail the basis of such determination. Designated representatives of the Parties shall meet promptly and negotiate in good faith to reach mutual agreement on a reasonable modification or an agreeable alternative to address the unsatisfactory elements of such Authorizations, and each Party agrees to discuss in good faith any positions advanced by the other Party in accordance with the foregoing. All other governmental authorizations, approvals, permits and/or exemptions that Transporter must obtain must be issued in form and substance reasonably acceptable to Transporter. All governmental approvals that Transporter is required by this Precedent Agreement to obtain must be duly granted by the FERC or other governmental agency or authority having jurisdiction, and must be final and no longer subject to rehearing or appeal; provided, however, Transporter may waive the requirement that such authorization(s) and approval(s) be final and no longer subject to

rehearing or appeal. Transporter shall provide quarterly updates to Shipper regarding Transporter's progress in obtaining Transporter's Authorizations.

8. Limitation of Liability. NEITHER PARTY HERETO SHALL BE LIABLE FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, BY STATUTE, IN TORT OR CONTRACT OR OTHERWISE.

9. Termination of Precedent Agreement for Failure of Conditions Precedent

a) If the conditions precedent set forth in Paragraph 7(a) of this Precedent Agreement have not been fully satisfied or waived by Transporter by the applicable dates specified therein or the Service Commencement Dates have not occurred by [DATE], and this Precedent Agreement has not been terminated pursuant to Paragraphs 10 or 11 hereof, then Transporter—may thereafter terminate this Precedent Agreement (and the FTSA, if executed), by providing (TBD) days' prior written notice of its intention to terminate to Shipper; provided, however, if the conditions precedent are satisfied, or waived by Transporter within such (TBD) day notice period, then termination notice of such agreements will be null and void. Transporter's termination right pursuant to this Paragraph 9(a) expires if it is not exercised within (TBD) days after the deadline giving rise to such termination right. In the event of such termination, Shipper shall have no financial or other obligation to Transporter.

b) If the conditions precedent set forth in Paragraph 7(b) of this Precedent Agreement have not been fully satisfied or waived by Shipper by the applicable dates specified therein or if Service Commencement Date has not occurred by [DATE] and this Precedent Agreement has not been terminated pursuant to

Paragraphs 10 or 11 hereof, then Shipper may thereafter terminate this Precedent Agreement (and the FTSA, if executed) by providing (TBD) days' prior written notice of its intention to terminate to Transporter; provided, however, if the conditions precedent are satisfied, or waived by Shipper within such (TBD) day notice period (as applicable), then termination of such agreements will not be effective. Shipper's termination right pursuant to this Paragraph 9(b) expires if it is not exercised within (TBD) days after the deadline giving rise to such termination right. In the event of such termination, Shipper shall have no financial or other obligation to Transporter.

10. Additional Termination Rights.

- a) Transporter Termination Right. In addition to the provisions of Paragraph 9 hereof, Transporter may terminate this Precedent Agreement (and the FTSA, if executed) by providing written notice of termination to Shipper if: (i) by the earlier of (a) the sixtieth (60th) day following the issuance of the FERC certificate for the Project, provided that no other material Transporter's Authorizations are outstanding, or (b) by [DATE], Transporter, in its sole and reasonable discretion, determines for any reasons that the Project contemplated herein is no longer economically viable; [or (ii) as of [DATE], substantially all precedent agreements, FSAs or other contractual agreements for the firm service to be made available by the Project are terminated, other than by reason of commencement of service] In the event of such termination, Shipper shall have no financial or other obligation to Transporter.

11. Shipper Termination Right. In the event that (i) Transporter's certificates and authorizations from the FERC are not in form and substance reasonably satisfactory to

Shipper, (ii) Shipper notifies Transporter in writing pursuant to Paragraph 7(d) that such Transporter's certificates and authorizations are not satisfactory, including the basis for such determination, and (iii) Transporter does not receive a subsequent order from the FERC prior to the deadline in Paragraph 7(a)(ii) eliminating such basis and rendering the same reasonable satisfactory to Shipper, Shipper may terminate this Precedent Agreement by providing (TBD) days' prior written notice of its intention to terminate to Transporter; provided that Shipper's termination right pursuant to this Paragraph 10(b) expires if it is not exercised within (TBD) days of the deadline in Paragraph 7(a)(ii). In the event of such termination, Shipper shall have no financial or other obligation to Transporter.

12. Termination upon Service Commencement Date. If this Precedent Agreement is not terminated pursuant to Paragraphs 9 or 10 hereof, then this Precedent Agreement will terminate by its express terms on the Service Commencement Date and thereafter Transporter's and Shipper's rights and obligations related to the transportation service contemplated herein shall be determined pursuant to the terms and conditions of the FTSA, the Negotiated Rate Agreement and Transporter's FERC Gas Tariff, as effective from time to time. Notwithstanding any termination of this Precedent Agreement pursuant to Paragraphs 9, 10 or 11 hereof, or otherwise, to the extent that a provision of this Precedent Agreement contemplates that one or both Parties may have further rights and/or obligations hereunder following such termination, the provision shall survive such termination as necessary to give full effect to such rights and/or obligations.

13. Creditworthiness.

- a) In exchange for Transporter's execution of this Agreement, the FTSA, the Negotiated Rate Agreement and any other related agreements, and as a condition precedent to Transporter's obligations pursuant to such agreements, Shipper shall satisfy the following credit assurance provisions as of the effective date of this Agreement, and shall have a continuing obligation to satisfy the credit assurance provisions of this Agreement throughout the term of this Agreement, and such provisions of the FTSA, the Negotiated Rate Agreement and any other related agreements as may be in effect from time to time.
- b) Shipper - credit worthiness standards such as: [Shipper's senior unsecured debt or corporate credit rating is at least BBB- (outlook stable) by Standard & Poor's Financial Services LLC ("S&P") and at least Baa3 (outlook stable) by Moody's Investor Service ("Moody's") or equivalent rating from a nationally recognized statistical rating organization, registered with the Securities and Exchange FERC, and acceptable to Transporter; provided, however, that if Shipper is only rated by one agency, then only that rating shall be considered ("Credit Ratings"). For the purpose of this Paragraph 13(b), in the event of a split rating the lower rating applies.]
- c) If, at any time, Shipper does not meet the creditworthiness provisions of Paragraph 13(b), then Shipper shall provide to Transporter credit assurance in the form of either a guaranty from a guarantor which meets the creditworthiness standards in Paragraph 13(b), and in a form reasonably acceptable to Transporter, a letter of credit from an institution acceptable to Transporter and in a form reasonably acceptable to Transporter, or a cash security deposit, as

follows: (i) during the first (____) years of the Primary Term an amount equal to (TBD) months of reservation charges, and (ii) at the beginning of year _____ (____) and until the end of the Primary Term, an amount equal to (TBD) months of reservation charges. At end of the Primary Term and all subsequent extension periods, credit assurance (if any) shall then be based on Paragraph_____ of the General Terms & Conditions of Transporter's Tariff.

- d) The credit assurance provided to Transporter in this Paragraph 13 shall continue in effect until the earlier of (i) Shipper satisfies the Credit Ratings standards, (ii) the execution of a credit agreement to replace this provision, or (iii) the end of the Primary Term, and full payment of all undisputed balances and charges and resolution of any asserted claims with respect thereto has been made by Shipper.
- e) If Shipper does not remedy its failure to demonstrate or furnish acceptable credit assurance as required by this Paragraph 13 within (TBD) days of receipt of written notice of such failure from Transporter, then Transporter shall, in addition to any other remedy available under this Agreement, have the right to terminate this Agreement, the FTSA, and any other related agreements in accordance with the terms of Transporter's Tariff upon (TBD) days written notice to Shipper, provided that such Transporter notice of termination shall be null and void if Shipper has demonstrated or furnished the required credit assurance prior to the expiration of such (TBD) days written notice.

14. Amendments. This Precedent Agreement may not be modified or amended unless the Parties execute written agreements to that effect.
15. Prior Agreements. This Precedent Agreement and its attachments, when executed, supersede all prior agreements and understandings, whether oral or written, with respect to the Project.
16. Successors; Assignments. Any company which succeeds by purchase, merger, or consolidation of title to the properties, substantially as an entirety, of Transporter or Shipper, will be entitled to the rights and will be subject to the obligations of its predecessor in title under this Precedent Agreement. Otherwise, neither Shipper nor Transporter may assign any of its rights or obligations under this Precedent Agreement without the prior written consent of the other Party hereto, provided that such consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Transporter and Shipper shall each have the right, without obtaining the other Party's consent, to pledge or assign its rights under this Precedent Agreement and/or the FTSA as collateral security for indebtedness incurred by such Party or its affiliate.
17. No Third-Party Rights. Except as expressly provided for in this Precedent Agreement, nothing herein expressed or implied is intended or shall be construed to confer upon or give to any person not a Party hereto any rights, remedies or obligations under or by reason of this Precedent Agreement.
18. Joint Efforts: No Presumptions. Each and every provision of this Precedent Agreement shall be considered as prepared through the joint efforts of the Parties and shall not be construed against either Party as a result of the preparation or

drafting thereof. It is expressly agreed that no consideration shall be given or presumption made on the basis of who drafted this Precedent Agreement or any specific provision hereof

19. Choice of Law. This Precedent Agreement shall be governed by, construed, interpreted, and performed in accordance with the laws of the Commonwealth of Massachusetts without recourse to any laws governing the conflict of laws.
20. Notice. Any notice and/or request provided for in this Agreement or any notice either Party may desire to give to the other shall be transmitted in writing (overnight delivery, U.S. Mail, or electronic mail) such that it is received before (TBD) p.m. time on the due date.

Transporter:

Shipper:

Notice is effective as of the date of confirmed receipt, or, in the absence of confirmed receipt, as of the date actually received.

21. Defined Terms. When used in this Precedent Agreement, and unless otherwise defined herein, capitalized terms shall have the meanings set forth in Transporter's FERC Gas Tariff on file with the FERC, as amended from time to time.
22. Waivers. The waiver by either Party of a breach or violation of any provision of this Precedent Agreement will not operate as or be construed to be a waiver of any subsequent breach or violation hereof.

23. Counterparts. This Precedent Agreement may be executed in any number of counterparts, each of which will be an original, but such counterparts together will constitute one and the same instrument.
24. Headings. The headings contained in this Precedent Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Precedent Agreement.
25. Representations and Warranties. Each Party represents and warrants to each other as follows:
- (i) Ability to execute and perform this Precedent Agreement.
 - (ii) This Precedent Agreement has been duly executed and delivered by such Party.
26. Confidentiality and Disclosures.
- (a) The substance and terms of this Precedent Agreement are confidential. Either Party may disclose the substance and terms of this Precedent Agreement to its or its affiliate's directors, officers, employees, representatives, agents, consultants, attorneys or auditors ("Representatives") who have a need to know the substance and terms of this Precedent Agreement. Transporter and Shipper agree not to disclose or communicate, and will cause their respective Representatives not to disclose or communicate, the substance or terms of this Precedent Agreement to any other person, entity, firm, or corporation without the prior written consent of the other Party, provided that either Party may disclose the substance or terms of this Precedent Agreement as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party first give the other Party five TBD business days' notice of same or as much notice as possible under the circumstances, so that a protective order or other protective arrangements may be

sought. Notwithstanding the foregoing, the Parties acknowledge that (A) Transporter may, in its sole discretion, exercised reasonably, (i) file a copy of this Precedent Agreement with the FERC under seal in connection with the FERC certificate application, (ii) place on public file with the FERC a description of the terms of any negotiated rate prior to the commencement of firm transportation service under the FTSA, and (iii) use the terms and conditions of this Precedent Agreement (excluding any information proprietary to Shipper) in Transporter's preparation of the pro forma precedent agreement for other Shippers under the Project, and (B) Shipper, in its sole discretion, may provide Project information, including a copy of this Precedent Agreement, to the MDPU; provided Transporter or Shipper will request confidential treatment for any such filing or written disclosure of confidential information. Such filings will not constitute a breach of this confidentiality provision and will not require compliance with the foregoing five TBD day notice provision.

[signature page follows]

27. Execution of Agreement. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument.

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

By: _____

Name:_____

Title:_____

By: _____

Name:_____

Title:_____

Attachment A-1
Form of Rate Schedule _____
Firm Transportation Service Agreement

(To be attached)

Attachment A-2 Negotiated Rate Agreement

(To include critical provisions and representations related to rate and other negotiated anchor shipper clauses such as Most Favored Nation (“MFN”), which is intended to provide anchor shipper with longer term economic and service rights protection and benefits)

STATEMENT OF NEGOTIATED RATES (Footnotes)

Shipper Name: [SHIPPER]

FTSA: [INSERT CONTRACT NUMBER]

Term of Negotiated Rate:

Rate Schedule:

MDQ / Dth on the Service Commencement Date

Reservation Rate: Shipper shall pay a negotiated reservation rate of \$[____] per Dth, per month of MDQ.

Commodity Charge:

Primary Receipt Point(s):

Primary Delivery Points:

Recourse Rate(s): The Recourse Rate(s) applicable to this service is the applicable maximum rate(s) stated on Transporter's Statement of Rates for Rate Schedule _____ at the applicable time.

FOOTNOTES:

- 1/ This negotiated rate complies with Transporter's FERC Gas Tariff.
- 2/ This Negotiated Rate shall apply only to transportation service under this Contract No. [INSERT CONTRACT NUMBER], up to Shipper's specified MDQ, Primary Receipt Point and Primary Delivery Point designated herein, and any secondary receipt and delivery points available under Rate Schedule ____.
- 3/ Construction cost caps - Bidders must submit how costs will be managed to ensure the best possible rate is achieved. A rate cap is required and a proposal to address construction cost under- and over-runs if construction of facilities are necessary.
- 4/ Notice Provisions - Proposals should include details on applicable notice provisions

5/ Transporter and Shipper agree that Contract No. [INSERT CONTRACT NUMBER] is a ROFR Agreement.

6/ Shipper shall pay a commodity charge which shall be (TBD).

7/ Renewal rates are described: Bidders should provide a description of renewal rate options at the end of the primary term.

8/ Most Favored Nations (MFN)

Designed and included to protect project anchor shippers' economic position, in the event future projects are constructed and/or capacity is sold using the Projects' assets and resulting in a lower rate than the negotiated rate paid by anchor shippers.

1. Identifies applicable project capacity, length of time such MFN is in effect, mechanism by which projects are compared and the resulting reduction in anchor shippers' Negotiated Rate, if a subsequent project is determined to render a lower rate.

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

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT B

**North American Energy Standards
Board, Inc.**

Natural Gas Base Contract

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		PARTY NAME	PARTY B	
		ADDRESS		
		BUSINESS WEBSITE		
		CONTRACT NUMBER		
		D-U-N-S® NUMBER		
<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER		TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:	
Delaware		JURISDICTION OF ORGANIZATION		
<input 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"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other	
		GUARANTOR (IF APPLICABLE)		
CONTACT INFORMATION				
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ COMMERCIAL	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ SCHEDULING	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ CONTRACT AND LEGAL NOTICES	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ CREDIT	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ TRANSACTION CONFIRMATIONS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
ACCOUNTING INFORMATION				
ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____		▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	ATTN: _____ TEL#: _____ FAX#: _____ EMAIL: _____	
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____		WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	
ATTN: _____ ADDRESS: _____		CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____	
BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____		ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____	

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 2.9.

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.

SECTION 2. DEFINITIONS

2.1. 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.

- 2.2. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.
- 2.3. "Affiliate" shall mean, 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. "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.
- 2.5. "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.
- 2.6. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.7. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.8. "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.
- 2.9. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.10. "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, all of which shall form a single integrated agreement between the parties.
- 2.11. "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.
- 2.12. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.13. "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.
- 2.14. "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.
- 2.15. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.16. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.17. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.18. "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.
- 2.19. "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.
- 2.20. "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.

2.21. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.

2.22. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.

2.23. "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.

2.24. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

2.25. "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.

2.26. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.

2.27. "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.

2.28. "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.

2.29. "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.

2.30. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

2.31. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.

2.32. "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.

2.33. "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.

2.34. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.

2.35. "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.

2.36. "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) excluding any quantity for which no replacement is available; 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) excluding any quantity for which no sale is available; and (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 for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. 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 without undue delay. 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 assume 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 15.8, 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 (including death) 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 (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. 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, 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.

9.2. 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.

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.

9.4. 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 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 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 prepayment, a security interest in an asset or 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.

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; (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; or ix) be the affected party with respect to any Additional Event of Default; 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 ("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 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:

Bilateral Setoff Option:

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 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.

Triangular Setoff Option:

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 is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

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 against any margin or other collateral held by a party 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 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 10.3.2, 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 as adjusted by setoffs, 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, 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 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 Contract; (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, Section 10, Section 13, 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. MARKET DISRUPTION

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 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. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "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. 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.

SECTION 15. MISCELLANEOUS

15.1. 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.

15.2. 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.

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

15.4. 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.

15.5. 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.

15.6. 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.

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

15.8. 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.

15.9. 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.

15.10. 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 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; or (v) 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.

15.11. 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

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

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%; border: none;"><tr><td style="width: 33%; vertical-align: top; padding: 5px;">Firm (Fixed Quantity): _____ MMBtus/day <input type="checkbox"/> EFP</td><td style="width: 33%; vertical-align: top; padding: 5px;">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; padding: 5px;">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		
Primary Delivery Point(s): _____				
Special Conditions: 1.) Seller must utilize pipeline contracts with primary firm capacity to the Primary Delivery Point.				
Seller: _____ By: _____ Title: _____ Date: _____	Buyer: _____ By: _____ Title: _____ Date: _____			

Special Provisions to Base Contract

_____, and _____, hereby agree, effective as of ("Effective Date"), to the following special provisions ("Special Provisions"), which hereby modify and amend the North American Energy Standards Board, Inc. ("NAESB") Base Contract for Sale and Purchase of Natural Gas, with the Effective Date _____ ("Base Contract"). Unless specifically agreed to otherwise in a Transaction Confirmation by the parties, the Base Contract, as modified by these Special Provisions, shall apply to all transactions for the purchase and sale of Gas between the parties. All capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Base Contract.

- 1) Section 3.4 is amended by adding the following:

A performing party shall have the option to terminate an Affected Transaction by providing written notice to the non-performing party designating an Early Termination Date on which the Affected Transaction shall terminate. An "Affected Transaction" means a Firm Transaction with a Delivery Period of at least 30 Days in respect of which there has occurred either three consecutive Failure Days or five total Failure Days during the Term of such Firm Transaction. A "Failure Day" means a Day on which the non-performing party has failed to purchase and receive, or sell and deliver, as applicable, an amount equal to or greater than 96% of the Contract Quantity to be purchased and received or sold and delivered on such Day, which failure is not excused because of the non-performance of the performing party or by Force Majeure.

- 2) Section 5 shall be deleted in its entirety and replaced with following:

All Gas delivered by Seller shall meet the pressure, quality, heat content and interchangeability standards provided in the effective tariff at the time of delivery of the respective 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 provided in the effective tariff at the time of delivery of the Receiving Transporter.

- 3) This section shall be added as new 11.7.

Notwithstanding anything to the contrary in Section 11, Force Majeure shall not include any act, event or circumstances occurring in a country in which LNG is produced or procured or any event that affects an LNG vessel prior to such vessel's departure from the LNG Loading Facilities (including but not limited to Gas liquefaction trains and associated liquefaction facilities, LNG storage and loading facilities, berth and marine facilities and other facilities, at which LNG is loaded onto LNG vessels) or during its voyage to the regasification or storage terminal for eventual delivery to selected delivery points.

ATTACHMENT EVER-JGD-5

Proposed Electric Reliability Service Program

Electric Reliability Service Program

December 18, 2015

I. Purpose:

The purpose of the Electric Reliability Service Program ("ERSP") is to remedy an electric-reliability concern in the natural gas-fired and dual-fuel generation market by acquiring natural gas pipeline and storage capacity specifically designed to serve these plants under all operating conditions. The ERSP has the objective of increasing available gas supply for generation; thereby suppressing price volatility in electricity markets associated with natural gas fuel constraints. The ERSP is designed to provide electric generators with access to pipeline capacity and supply, specifically dedicated with firm, primary delivery rights to the respective generation-facility meters. Natural gas-fired electric generators do not currently maintain this type of capacity rights for fuel requirements. The ERSP will be directed by an Electric Distribution Company (EDC) Gas Asset Executive Committee ("EDC-EC"), administered by a Capacity Manager. The EDCs are subject to state public utility commission jurisdiction and the ERSP is subject to the approval of the respective regulatory authority.

II. Roles and Operating Parameters:

(1) Electric Distribution Company

a. Natural Gas Infrastructure Acquisition:

- i. The EDCs will acquire natural gas infrastructure in the form of pipeline capacity, storage assets or supply that enables the reliable delivery of natural gas to gas-fired power generators in the ISO New England ("ISO-NE") control area on a primary firm basis. The EDCs will enlist a Capacity Manager to administer the release of capacity and/or gas supply to electric generators and to the general market, if not acquired by the generators.

b. Governance of Program

- i. The EDC Gas Asset Executive Committee, or EDC-EC, will be comprised of representatives of each participating EDC. The EDC-EC will define and oversee the role of the Capacity Manager in accordance with the state-approved program requirements. The EDC-EC also has the authority to review and approve the Policy and Procedures referenced below. The EDC-EC is the arbitrator for any disputes between the EDC Gas Asset Working Committee (EDC-WC) and the Capacity Manager.
- ii. The EDC-WC will be comprised of a minimum of one representative from each EDC and will create and establish the Policy and Procedures for the Capacity Manager. The Policy and Procedures will be approved by the EDC-EC. The EDC-WC will meet as needed to address any issues associated with the gas assets and the Capacity Manager. The EDC-WC will interact and guide the actions of the Capacity Manager including the establishment of the Policies and Procedures, consistent with the state-approved program requirements.
- iii. *Reporting and Coordinating with the State Regulatory Commission (Quarterly).* The EDC-EC will file a cost allocation and status report with the respective State Regulatory Commission within 60 days of the close of each quarter following the commencement of capacity release transactions under the Program.

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- iv. The EDC-EC will monitor the program activity and recommend changes as needed to adjust the parameters should regulatory requirements or operating or market conditions require.

(2) Capacity Manager

- a. The Capacity Manager role is administrative and operational where the manager will handle the full range of capacity-release transactions and would release capacity to electric generators and the general market, as permitted under the Policy and Procedures.
- b. The Capacity Manager would release capacity as directed by EDC-WC, according to results of request for proposals from “generator pools” for capacity.
- c. The Capacity Manager would sell liquefied natural gas (“LNG”) and day-ahead capacity as needed to generator pools.

(3) Program Parameters and Release Structure

- a. The ERSP will make available to eligible capacity-release participants, which are classified as all gas-fired generators with interconnected meters (directly/indirectly) to the corresponding pipeline located in the ISO-NE control area.
- b. The release schedule will coincide with ISO-NE Forward Capacity Market (“FCM”) bidding windows such that generators can acquire fuel capacity prior to commitments in the FCM. The actual dates will be set once ISO-NE releases its annual schedule for the corresponding year. The remainder of the capacity will be made available in bidding windows corresponding to the traditional natural gas trading periods.
- c. Release Schedule Outline (See figure 1 for more detail)
 - i. 1 Year Release (FCM1)- 3 years prior to the calendar year
 - ii. 1 Year Release (FCM2) - 2 years prior to the calendar year
 - iii. 1 Year Release - 1 year prior to the calendar year
 - iv. Seasonal Release - Prior to the start of each period
 - v. 1 Monthly Release (FCM) - 2 month prior to the month of flow
 - vi. 1 Monthly Release - 1 month prior to the month of flow
 - vii. Daily (Weekend/Holiday) - 2 days prior to the day of flow

“To achieve the intended objectives of the ERSP, the release schedule outline and parameters are subject to change as the EDC-WC evaluates impacts and program effectiveness over time.”

- d. In each of the scheduled releases listed above, all capacity paths will be made available in percentages equal to the ratio of the specific path to the total capacity being released.

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(4) Capacity Release and LNG Sales

- a. The Capacity Manager may release the EDC capacity to various electric generators, as the directed by the EDC-WC. The “Capacity Release” is the release of the EDCs’ contracted interstate pipeline capacity by the Capacity Manager directly to New England gas-fired electric generators or directly to duly authorized agents serving New England gas-fired electric generators. EDCs release their respective capacity to the Capacity Manager, subject to provisions of the management agreement between EDC and Capacity Manager. The Capacity Manager can then either combine all similar contracts to allow releases to the market under one contract for each path (i.e., through a contract “roll up”) or may release the capacity as separate contracts. In either case, the Capacity Manager is the new shipper and is responsible to pay the max rate.
- b. Each month the Capacity Manager invoices each EDC the difference between the max rate, less the capacity release margins, plus the Capacity Management fee. The EDCs will pay the Capacity Manager before the invoices are due to the pipeline to reduce capital requirements of the Capacity Manager. This will require a Capacity Manager with credit adequate to meet pipeline standards and will require the Capacity Manager to have strong accounting processes to ensure each EDC receives the appropriate credits in a transparent and traceable manner¹. The EDC-EC will monitor the release protocols and recommend changes as needed to accommodate the most efficient releasing mechanism to ensure a reliable and cost effective supply to EDC customers.
- c. For each capacity release, the Capacity Manager will follow the following process:
 - i. The Capacity Manager will issue a request for proposal (“RFP”) prior to each release to establish the prearranged shipper.
 - ii. Results of the RFP will go directly to the EDC-WC and not the Capacity Manager.
 - iii. The EDC-WC will notify the Capacity Manager of the pre-arranged shipper for each contract, as the confidentiality of the generator bids is imperative.
 - iv. The Capacity Manager will ensure the release is executed in accordance with Federal Energy Regulatory Commission (“FERC”) rules, including pipeline posting (notice) requirements, and will provide the appropriate exemption language in the release.
 - v. Capacity will be released on a “non-re-releasable” basis such that it cannot be released by generators once it has been acquired.
 - vi. Capacity shall be released on a “recallable” basis should the generator default on payment and/or performance in accordance with this state-approved program.
- d. LNG Storage Capacity and Sales
 - i. The LNG storage capacity and inventory can be retained by the EDCs, released to the generators or as a bundled service release for a period of 1 year.
 - ii. LNG supply will only be available to generators.

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- iii. Generators will have the right to call the Capacity Manager for supply, as needed and available throughout the gas day to access gas on a “no-notice” basis.
 - iv. The quantity of supply made available to electric generators each day during the winter period will be based on inventory and the daily design rule curve.
 - v. The EDC-WC will determine the design rule curve for each generator who has acquired storage at the beginning of the winter season.
 - vi. The EDC-WC may determine other criteria such as HDD triggers, or ISO-NE action alert days (i.e. OP4) that may be exceptions to the design rule curve to support the reliability of the region.
 - vii. LNG supply will be sold to electric generators at the applicable daily midpoint price index or a mutually agreed price between generator and the Capacity Manager under the guidance of the EDC-WC.
 - viii. Supply purchases for LNG
 - ix. EDCs will require the Capacity Manager to buy supply for liquefaction.
 - x. Summer Long Haul capacity will be retained to purchase supply for LNG from the receipt points on the transportation portion of the capacity to the LNG plant on a primary firm basis.
 - xi. The Capacity Manager will issue an RFP for supply at the Long Haul receipt point.
 - xii. The Capacity Manager will nominate and schedule supply on the interstate pipelines electronic bulletin board for delivery to LNG facility.
 - xiii. The Capacity Manager will verify purchased supply with receipt quantities to validate invoices.
- e. FERC Capacity Release Rules

Program implementation is contingent upon FERC approval.

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Figure 1 – Capacity Release Schedule

	Release Term	Award Period (prior to release)	Eligible Participants	Capacity Available for Release (% of Total Managed Capacity)
I	1 Year (ISO-NE FCM1)	3 Years Prior	Generators Only	Up to a maximum of 10%
II	1 Year (ISO-NE FCM2)	2 Years Prior	Generators Only	Up to a maximum of 20% (including releases in I)
III	1 Year	3 Months Prior	Generators Only	Up to a maximum of 30% (including releases in I&II)
IV	Winter Season (Dec – Mar)	3 Months Prior	Generators Only	Up to a maximum of 50% (including releases in I thru III)
V	Summer Season (Apr-Nov)	3 Months Prior	Generators 1 st Market 2 nd	Up to a maximum of 50% (including releases in I thru III)
VI	Summer Peak (Jul-Aug)	3 Months Prior	Generators 1 st	Up to a maximum of 50% (including releases in I thru III)
VII	Monthly (ISO-NE FCM)	2 Months Prior	Generators Only	Up to a maximum of 60% (including releases in I thru VI)
VIII	Monthly (Gas “Bid Week”)	7 Business Days (1 st) 5 Business Days (2 nd)	Generators 1 st Market 2 nd	Up to a maximum of 60% (Dec-Mar, Jul, Aug) Up to a maximum of 70% (other months) (including releases in I thru VII)
IX	Daily (Incl. Weekends and Holidays)	2 Business Days Prior to Gas Flow Day	Generators 1 st Market 2 nd	Up to a maximum of 75% (Dec-Feb) Up to a maximum of 85% (Nov, Mar, Jul, Aug) Up to a maximum of 95% (Apr, May, Jun, Sep, Oct) (including releases in I thru VIII)
X	“Intraday”/ “Sameday”	Real-time as available	Generators 1 st Market 2 nd	Remaining capacity after all other releases subject to LNG reserve requirements during Winter Season.