

Bay State!  
Northern



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100 Cummings Center  
Suite 457G  
Beverly, MA 01915  
Telephone: (978) 922-1194  
Fax: (978) 922-1195

## MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement ("Agreement") is made this 22<sup>nd</sup> day of ~~November~~, 2005 by and among **Northeast Gas Markets LLC ("NEGM")**, a Massachusetts corporation, **Alberta Northeast Gas Limited (ANE)**, a Canadian corporation; and (i) Bay State Gas Company; Boston Gas Company d/b/a KeySpan Energy Delivery New England; Central Hudson Gas & Electric Corporation ("Central Hudson"); Colonial Gas Company d/b/a KeySpan Energy Delivery New England, Connecticut Natural Gas Corporation; KeySpan Utility Services LLC as agent for The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York ("Brooklyn Union"); EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England; Essex Gas Company d/b/a KeySpan Energy Delivery New England; KeySpan Utility Services LLC as agent for KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island ("Gas East"); National Fuel Gas Distribution Corporation ("National Fuel"); New England Gas Company, Northern Utilities, Inc.; The Southern Connecticut Gas Company; Yankee Gas Services Company (herein "Short Haul Customers"); and (ii) New York State Electric and Gas Company and Consolidated Edison of New York, Inc. (together with Central Hudson, Brooklyn Union, and Gas East, the "Long Haul Customers"). The Long Haul Customers, together with the Short Haul Customers, are the "ANE Customers".

Registered Office:  
Alberta Northeast Gas, Limited  
c/o Bennett Jones  
4500 Bankers Hall East  
855 Second Street, SW  
Calgary, Alberta T2P 4K7

**W I T N E S S E T H:**

**WHEREAS**, ANE was formed pursuant to the Canada Business Corporations Act for the purpose of exporting natural gas from Canada on behalf of the ANE Customers;

**WHEREAS**, the Short Haul Customers have entered into certain agreements (the “Transportation Agreements”) with Union Gas Limited (“Union”) and TransCanada PipeLines Limited (“TransCanada”);

**WHEREAS**, pursuant to that certain Agency Agreement among the Short Haul Customers and ANE (“Agency Agreement” or “AA”), the Short Haul Customers have appointed ANE as their agent to act on their behalf for all purposes under the Transportation Agreements, which AA provides that ANE would perform its duties and obligations, and enforce its rights, under the AA through a Management Services Agreement with NEGM;

**WHEREAS**, ANE has entered or will shortly enter into Long Haul Term Gas Supply Service Agreement(s) with BP Canada Energy Company, Cinergy Canada, Inc., Nexen Marketing and/or other natural gas suppliers, and intends to enter into succeeding long haul term gas supply service agreements with the same or other gas suppliers at the termination of the agreements with BP, Cinergy and Nexen (collectively, the “Gas Sales Agreements”) pursuant to which ANE will purchase natural gas for resale to the Long Haul Customers pursuant to the Back to Back Agreements for each Gas Sales Agreement (collectively, the “Back to Back Agreements”);

**WHEREAS**, ANE and/or the ANE Customers may enter into additional long haul gas supply and/or transportation service agreements for natural gas service for the period November 1, 2006 to October 31, 2007 (the “Bridging Agreements”);

**WHEREAS**, ANE and/or the ANE Customers may enter into other natural gas service agreements, including agreements for the purchase and/or storage of natural gas in connection with the Transportation Agreements and “winter only” natural gas service agreements, which

ANE and/or the ANE Customers may wish NEGM to manage pursuant to the terms of this Agreement (the “Other Designated Gas Agreements”).

**WHEREAS**, ANE and the ANE Customers seek to secure the services of NEGM to implement and administer on behalf of ANE and the ANE Customers the transactions governed by the Transportation Agreements, the Gas Sales Agreements, the Back to Back Agreements, the Bridging Agreements and the Other Designated Gas Agreements, including without limitation those agreements set forth on Exhibit I (collectively, the “ANE II Project Agreements”); and,

**WHEREAS**, NEGM is willing to implement and administer on behalf of ANE and the ANE Customers the ANE II Project Agreements on the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises and mutual covenants contained herein, NEGM, ANE and the ANE Customers mutually agree as follows:

## **ARTICLE I**

### **DEFINITIONS**

Unless otherwise provided, all terms defined in the ANE II Project Agreements and the Agency Agreement shall have the same meaning when used in this Agreement. The term “Suppliers,” when used in this Agreement, shall mean any natural gas suppliers providing natural gas supply service to ANE and/or the ANE Customers pursuant to the ANE II Project Agreements, and shall include suppliers of storage service to the extent elected by ANE and/or the ANE Customers. The term “Canadian Transporters,” when used in this Agreement, shall mean TransCanada, Union and any other Canadian natural gas pipelines providing natural gas transportation service to ANE and/or the ANE Customers pursuant to the ANE II Project Agreements.

**ARTICLE II**  
**MANAGEMENT SERVICES**

**Section 1 – Scope of Operations:** NEGM will render all management, contract administration, coordination, reporting, accounting and bookkeeping services necessary for the ongoing business of ANE and the ANE Customers insofar as it relates to the administration of the ANE II Project Agreements, subject to the provisions and limitations of all applicable regulatory authorizations (see Article VIII, Section 8). NEGM, subject to review and approval by ANE and the ANE Customers, shall maintain and update as necessary an operating manual detailing the procedures to be followed by NEGM, ANE and the ANE Customers and shall provide a copy of such operating manual and updates thereto to each ANE Customer.

**Section 2 – Specific Responsibilities:** Without limiting the generality of Section 1, NEGM shall provide the following services under this Agreement:

**A. Operations/Management**

1. Complete and maintain records of quantities and total heating value of Gas sold by the Suppliers to ANE and/or the ANE Customers and transportation volumes allocated at the Niagara and Chippawa check meters by Tennessee Gas Pipeline Company (“Tennessee”), at the Dawn check meter by Union and at the Waddington check meter by Iroquois Gas Transmission System (“Iroquois”) to the account of each ANE Customer, and verify that such allocation conforms to the allocation of volumes by Canadian Transporters reflected in monthly invoices rendered by the Suppliers;
2. Transmit promptly to the respective ANE Customers all notices received from Suppliers and from Canadian Transporters, receive notices from the ANE Customers of their nominations, and transmit to the Suppliers and Canadian Transporters the nominations of each ANE Customer;
3. Coordinate re-offerings of Gas and/or transportation capacity not nominated by individual ANE Customers to other ANE Customers, and, to the extent not required by the ANE Customers, coordinate the offering of such Gas and transportation capacity to third parties, in all cases in compliance with applicable U.S. and Canadian export/import rules, regulations, procedures and protocols;
4. Notify the ANE Customers as soon as practicable of the effective monthly Supplier and Canadian Transporter prices and, when applicable, the effective daily and/or alternate prices;

5. Resolve disputes among ANE, the Suppliers, Canadian Transporters and/or the ANE Customers arising under the ANE II Project Agreements in a mutually agreeable manner and, if directed to do by ANE or the ANE Customers, implement the appropriate dispute, default or force majeure provisions thereof;
6. Analyze and reconcile the nominated and received Gas volumes;
7. Review periodic meter station inspections reports concerning Iroquois, Tennessee and/or Canadian Transporters' check meter facilities, and if necessary, witness annual inspection of same;
8. Acknowledge the receipt, and verify the accuracy, of invoices from the Suppliers, Canadian Transporters and from third parties, including but not limited to taxing authorities, vendors, lawyers and consultants;
9. Promptly render invoices to each ANE Customer for amounts due in accordance with the terms of the respective ANE II Project Agreements, the Agency Agreement and this Agreement;
10. Monitor receipt of amounts due from each ANE Customer in accordance with the terms of the respective ANE II Project Agreements, the Agency Agreement and this Agreement;
11. Remit promptly sums due and owing by ANE and/or the ANE Customers to the Suppliers, Canadian Transporters and third parties (including fees due under this Agreement);
12. Maintain such office facilities, personnel and equipment as may be necessary for NEGM to perform its services pursuant to this Agreement;
13. Regularly monitor and analyze market conditions to enable NEGM to make recommendations regarding contract pricing and terms for use in contract negotiations that may arise in connection with the ANE II Project Agreements; and
14. Prepare and administer requests for proposals for gas supplies, gas transportation services and/or other services for purchase by the ANE Customers, as directed by the ANE Customers.

**B. Treasury**

1. Assure timely filing of required U.S. Customs forms and disburse funds to pay duly authorized levies pertaining to the importation of natural gas, if any;
2. Prepare and file any U.S. or Canadian federal, state, provincial, local income, franchise or other tax returns for ANE on a timely basis and disburse ANE funds to pay assessed taxes, if any; and monitor ANE and/or ANE Customer compliance with any applicable Canadian Gross Sales Tax and/or other applicable Canadian gas transaction charges;
3. Open and maintain such bank accounts as may be necessary for the effective performance of service pursuant to this Agreement;
4. Prepare ANE's annual budgets, monthly budget variance reports and financial statements;

5. Cause the prompt remittance of sums due and owing by ANE or the ANE Customers in connection with the ANE II Project Agreements to third parties, including but not limited to taxing authorities, vendors, lawyers and/or consultants (including fees due under this Agreement); and

6. Arrange and coordinate external and internal audits.

**C. Regulatory**

1. Prepare and file on behalf of ANE and the ANE Customers all operational reports which may be required by the U.S. and Canadian federal agencies having jurisdiction, including the U.S. Department of Energy, the Canadian National Energy Board and/or the Ontario Energy Board;

2. Conduct appropriate regulatory, government affairs and public relations in support of ANE's operations and interests;

3. Prepare, file and coordinate all applications for additional or amended regulatory authority which may be required by ANE or the ANE Customers in connection with implementation of the ANE II Project Agreements, and provide specific support to the ANE Customers in connection with state regulatory filings and state regulatory agency relationships; and

4. Monitor and represent ANE and the ANE Customers in TransCanada Tolls Task Force and Union Gas Customer Group proceedings, and report to ANE and the ANE Customers on such proceedings.

**D. Administration**

1. Coordinate regular meetings of representatives of the ANE Customers, Suppliers and/or Canadian Transporters for the purpose of discussing and resolving commercial and operational issues, regulatory and policy matters, and such other business as is necessary for effective operations;

2. Prepare and conduct the annual meeting of ANE;

3. Retain legal counsel and other outside professional consulting services as necessary to the business of ANE as directed by ANE and the ANE Customers;

4. Coordinate and conduct all ANE Customer sanctioned committees and ANE Customer/Supplier/Canadian Transporter meetings, including the appropriation and accounting of funding for such activities; and

5. If directed to do so by ANE and the ANE Customers; make arrangements with outside persons or organizations for the performance of necessary services such as auditing, tax preparation, etc. on behalf of ANE, pursuant to written agreements between such persons or organizations and ANE. Any such agreement for outside services shall set forth the rate of compensation and the scope of services to be performed and billed to the ANE Customers at cost through the monthly invoices.

**E. Other**

1. Such other acts or matters as may be necessary or appropriate to proper and effective operations as directed from time to time by the ANE Customers.
2. If, when and to the extent that the Long Haul Customer transactions are restructured, provide each of the foregoing services as applicable for such transactions under the restructured agreements.

**ARTICLE III**

**ANE CUSTOMER AUTHORITY**

It is understood and agreed that NEGM shall receive its instructions from and shall report exclusively to ANE and the ANE Customers or as directed by ANE and the ANE Customers in the performance of this Agreement. With respect to any matter to be decided jointly by the Long Haul Customers, ANE shall act upon the instructions of the Long Haul Customers as evidenced by a vote of 60% of aggregate Long Haul Customer capacity entitlements. With respect to any matter to be decided jointly by the Short Haul Customers, ANE shall act as agent for the Short Haul Customers upon the instructions of the Short Haul Customers as evidenced by a vote of 60% of Short Haul Customer capacity entitlements. With respect to any matter to be decided jointly by the Long Haul and Short Haul Customers, ANE shall act upon the instructions of the ANE Customers as evidenced by a vote of 60% of aggregate Long Haul and Short Haul Customer entitlements.

It is understood and agreed that if any ANE Customer or such ANE Customer's affiliates owns a majority equity interest in NEGM, such ANE Customer shall not participate in any renegotiation of, or vote with respect to, the terms of compensation for NEGM pursuant to this Agreement (see Article V, Section 1). Such Customer holding a majority equity interest in NEGM shall, however, be entitled to vote on any other matters coming before the parties to this Agreement in respect of any other terms or provisions of this Agreement or the activities of the ANE Customers or ANE.

## **ARTICLE IV**

### **BOOKS AND RECORDS; RIGHT TO AUDIT**

NEGM shall cause detailed books and records pertaining to the services rendered hereunder to be kept in accordance with generally accepted accounting principles and all applicable regulatory requirements. All such books and records shall be the property of NEGM and shall be kept available for use, audit and inspection by ANE and the ANE Customers or their authorized representatives during the term of this Agreement and for six years thereafter.

## **ARTICLE V**

### **PAYMENTS**

**Section 1 – Compensation for NEGM Services:** As compensation for all services required to be rendered by NEGM pursuant to this Agreement, commencing in the month in which each ANE Customer's obligation to make payments for gas transportation capacity pursuant to the ANE II Project Agreements commences, each ANE Customer shall pay to NEGM (either directly or through ANE, as applicable) a monthly fee equal to the product of \$0.0110 (the "Operations Demand Charge" or "ODC") per dth of gas transportation capacity to which it is entitled under the ANE II Project Agreements (as shown in Table 1 attached hereto, modified from time to time to reflect changes in capacity entitlements during the term of this Agreement) and the number of Days in each Month, without regard to the actual quantities of gas delivered to each ANE Customer for that month. The ODC fee shall be included in the monthly invoices rendered by NEGM to ANE and the ANE Customers pursuant to the Back to Back Agreements, the Transportation Agreements, the Agency Agreement and/or the relevant documents for any other agreements for which NEGM is rendering management services hereunder. By written notice given between October 31, 2010 and January 31, 2011, any of NEGM, ANE, or the ANE Customers (acting pursuant to Article III) may require renegotiation of the ODC. If pursuant to any such renegotiation, there is agreement upon a modification to the



ODC, such modification shall become effective as of November 1, 2011. If renegotiation does not result in an agreed modification of the ODC, then this Agreement shall remain in effect, but, on November 1, 2011, may be terminated effective November 1, 2012, by any of NEGM, ANE or the ANE Customers (acting pursuant to Article III).

**Section 2 - Reimbursement for Outside Services:** NEGM may arrange with outside persons or organizations to perform services necessary to the administration of the ANE II Project Agreements, such as legal, consulting, internal and external audits, and bank escrow services (to the extent authorized by Article II, Sections 2.D.3 and 2.D.5). Such services shall be performed pursuant to written agreements between such persons or organizations and NEGM. Any such agreement for outside services shall set forth the rate of compensation and the scope of services to be performed. Each ANE Customer shall be responsible for the charges and related expenses for any such services in the same proportion that its aggregate gas transportation capacity under the ANE II Project Agreements bears to the sum of all ANE Customers' aggregate gas transportation capacity under the ANE II Project Agreements. Such charges and related expenses shall be billed by the provider of such service to NEGM and shall be included in the monthly invoices rendered by NEGM to ANE Customers as set forth in Article 5, Section 1. NEGM shall remit sums due for such services promptly upon receipt of payment therefore from ANE Customers. In no event shall NEGM be required to disburse monies from its own funds for such services.

**Section 3 – Invoices to ANE Customers:** The parties hereto acknowledge that, pursuant to the Back to Back Agreements, the Transportation Agreements and the Agency Agreement (and the relevant documents for any other agreements for which NEGM is rendering management services hereunder), NEGM is to render monthly invoices to the ANE Customers. It is understood and agreed that such monthly invoices shall be prepared and rendered by NEGM to each ANE Customer and shall include amounts due and payable by such ANE Customer to ANE pursuant to the Back to Back Agreements, to Canadian Transporters, to the Suppliers, to NEGM

pursuant to Article 5, Section 1 of this Agreement and to third parties under Article 5, Section 2 of this Agreement. It is further understood and agreed that deposits made by each ANE Customer pursuant to such invoices shall include all such amounts due and payable by such ANE Customer as set forth on such monthly invoices, subject to such ANE Customer's rights, if any, to dispute amounts due to Canadian Transporters and the Suppliers. NEGM shall disburse (a) to the Suppliers and Canadian Transporters, by the applicable due date, the amounts due and payable by each ANE Customer and (b) the amounts due and payable to NEGM and to third parties by the dates due in accordance with Article 5, Sections 1 and 2 hereof.

## **ARTICLE VI**

### **INDEMNITY**

**Section 1** - NEGM shall be indemnified and held harmless by ANE and the ANE Customers against any and all claims and demands arising out of ANE's or the ANE Customers' obligations under their respective ANE II Project Agreements, ANE's or NEGM's actions as agent under the Agency Agreement or NEGM's performance of services under this Agreement, except for claims and demands caused by NEGM's gross negligence or willful misconduct, including, but not limited to, criminal actions, provided, however, that the obligations and liabilities of each ANE Customer under its respective ANE II Project Agreements, the Agency Agreement and this Agreement are several, and not joint or collective.

**Section 2** – ANE and the ANE Customers shall be indemnified and held harmless by NEGM against any and all claims and demands arising out of NEGM's activities unrelated to its actions as agent under the Agency Agreement or its performance of services under this Agreement and any and all claims and demands arising out of or in any way connected with the Agency Agreement or this Agreement which arise out of NEGM's gross negligence or willful misconduct, including, but not limited to, criminal actions. This Article VI is not intended to limit the remedies available to a party in the event of a material breach of this Agreement.

## **ARTICLE VII**

### **TERM**

This Agreement shall be effective as of the date hereof and, except as provided in Article 5, Section 1 and as hereafter provided in this Article 7, shall continue in full force and effect for a primary term expiring on November 1, 2016 and from year to year thereafter unless terminated by any party on one year's prior notice; provided that, this Agreement may be terminated by ANE or by any individual ANE Customer effective October 31, 2011, on two years' prior notice. If this Agreement is terminated by one or more but not all of the ANE Customers effective October 31, 2011, NEGM shall have the right to terminate this Agreement as to the remaining ANE Customers effective October 31, 2011, on one year's prior written notice, and, if this Agreement is terminated by one or more but not all of the ANE Customers during the evergreen period, NEGM shall also have the right to terminate this Agreement as to the remaining ANE Customers, on six months' written notice. In addition, ANE and/or any ANE Customer shall have the right to terminate or suspend this Agreement, effective thirty (30) days after giving notice thereof, in the event of (a) a material breach of this Agreement by NEGM not cured by NEGM within thirty (30) days of notice to NEGM of such breach or (b) three or more material breaches of this Agreement by NEGM over any consecutive sixty (60) day period, provided that ANE (in the case of the Long Haul Customers) and/or the ANE Customer has not caused, or taken any action to contribute to, any such material breach or breaches.

## **ARTICLE VIII**

### **OTHER**

1. NEGM's status under this Agreement shall be that of independent contractor and no relationship of partnership, joint venture or other association between or among NEGM, ANE and/or the ANE Customers is to be constituted by this Agreement.

2. Nothing in this Agreement limits the ability of any party to engage in any business, in any transaction or in any relationship with any entity.

3. It is understood and agreed that NEGM shall receive its instructions from, and report to, each ANE Customer with respect to its respective ANE II Project Sales Agreements, but in no event shall have any liability to the Suppliers or Canadian Transporters .

4. All notices and communications made pursuant to this Agreement shall be in writing, shall be addressed as specified in Exhibit II , and shall, if transmitted and confirmed by facsimile, telecopier, or other similar form of telecommunication or by email during normal business hours, be deemed to have been given or made on the day on which so transmitted, and if sent by overnight courier and delivery is confirmed, or if mailed by registered or certified mail, return receipt requested, shall be deemed to have been given or made on the day on which delivered.

5. No waiver by any party of any default in the performance of any provisions of this Agreement shall be construed as a waiver of any other default whether of a like or different nature.

6. This Agreement shall not be amended except by written agreement of the parties.

7. This Agreement shall be governed and interpreted in accordance with the laws of the State of New York.

8. NEGM agrees to perform all services hereunder in compliance with all applicable laws, rules and regulations. This Agreement shall be subject to all applicable laws, rules and regulations and orders of all governmental and regulatory bodies having jurisdiction and shall terminate to the extent that performance may conflict with any rule, regulation or order of the Securities and Exchange Commission adopted before or after the effective date hereof.

9. It is agreed that each party hereto will maintain this Agreement, and any proprietary information to which it has access as a consequence of this Agreement, in strict confidence, and

that it will not cause or permit disclosure of same to any third party without the express written consent of the party owning such proprietary information, provided that disclosure by a party is permitted in the event and to the extent disclosure is required (1) in the course of routine audit procedures or to enforce the provisions of this Agreement or (2) by a court or agency exercising jurisdiction over the subject matter hereof, by order or regulation or law, provided that in the event a party becomes aware of a judicial or administrative proceeding that has resulted or may result in such a requirement or need to disclose, it shall (A) so notify the affected party immediately, (B) utilize all reasonably available means to limit the scope of the required disclosure, and (C) take all actions reasonably necessary to prevent disclosure to the public as a result of disclosure to the court or administrative body.

10. This Agreement may be executed in separate counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

11. NONE OF THE PARTIES HERETO SHALL BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO, LOST BUSINESS, LOST PROFITS, LOST REVENUES, OR LOST DATA) HOWEVER ARISING, WHETHER CLAIMS FOR SAID LOSSES OR DAMAGES ARE PREMISED ON CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, IRRESPECTIVE OF THE NUMBER OR NATURE OF THE CLAIMS.

12. The Equal Opportunity clause in Section 202, Paragraphs 1 through 7 of Executive Order 11246, as amended; and Section 503 of the Rehabilitation Act of 1973, 29 U.S.C. §793, as amended; and Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, 38 U.S.C. §4211-12; and the Americans with Disabilities Act of 1990, 42 U.S.C. §12101, et seq., as amended, relating to equal employment opportunity; and the implementing

Rules and Regulations of the Office of Federal Contracts Compliance Programs as set forth in 41 C.F.R. Chapter 60 are incorporated herein by specific reference.

13. The captions and headings are for convenience only and are not to be construed as a part of this Agreement, nor shall the same be construed as defining or limiting in any way the scope or intent of the provisions hereof.

14. NEGM shall furnish or cause to be furnished the insurance listed below. Insurance shall be placed with insurance carriers acceptable to the ANE Customers. Any insurance carrier providing such insurance must have at least an A- rating as defined by A. M. Best. NEGM shall maintain or cause to be maintained this insurance at all times during performance of this Agreement. In addition, if insurance is written on a "claims-made" basis, such insurance shall be maintained or caused to be maintained by NEGM for a minimum period of three years after the completion of the Agreement. NEGM may elect to extend the discovery period under the existing policy for not less than three years.

NEGM shall have ANE Customers named as additional insureds under the insurance policies required below (with the exception of the workers' compensation policy), including any excess or umbrella policies. The coverage shall be provided on a primary non-contributing basis and the limits will be exhausted before any other insurance is to apply.

Each insurance policy required by this section shall contain a waiver of the right of subrogation, as well as the right of set off and any right of deduction, by the respective underwriter(s) of such policy, and shall be endorsed to provide for severability of interest, cross liability or cross suit protection, so that each insured is treated separately under the policy. The waiver of the right of subrogation, setoff and deduction shall also extend to parent companies, subsidiaries and affiliates of ANE Customers and the officers, directors, agents, and employees of such entities. These provisions shall survive expiration, termination or cancellation of this Agreement. The following insurance policies are required:

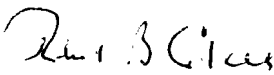
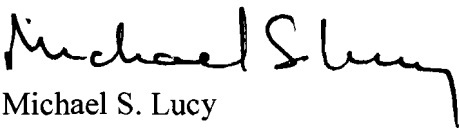

- Workers' Compensation and Employer's Liability Insurance - NEGM shall maintain or cause to be maintained Workers' Compensation and Employer's Liability Insurance of the state in which the services are to be performed. If a legally permitted and qualified self-insurer in the state in which services are to be performed, NEGM may furnish proof that it is such a self-insurer in lieu of submitting proof of insurance. NEGM shall determine if the work to be performed under this Agreement requires coverage by any Federal Compensation statutes including, but not limited to, the Longshoremen's and Harbor Workers' Compensation Act or Jones Act and provide such coverage. The Commercial Umbrella and/or Employer's Liability limits shall be in an amount not less than the amount for each accident included in the workers' compensation policy or separately obtained in those states that do not provide employer liability under the workers' compensation policy.
- Commercial General Liability and Commercial Umbrella Liability Insurance - Commercial general liability insurance and commercial umbrella liability insurance with a combined limit of not less than \$1,000,000 USD (One Million U.S. Dollars) each occurrence. Such insurance policies shall include, at a minimum, coverage for contractual liability, personal injury, broad form property damage, premises/operations, independent contractors, and products and completed operations along with broad form named insured provision.
- Professional Liability Insurance - Professional liability insurance with a limit of not less than \$1,000,000 each occurrence and aggregate. This is to provide coverage for claims arising out of the performance of professional services under this Agreement and caused by any error, omission, or act for which NEGM is held liable. NEGM shall maintain or cause to be maintained this insurance for a minimum period of five years after the completion of the Agreement.

NEGM shall, at the request of any ANE Customer, provide acceptable certificates of insurance stating that the insurance carrier has issued the policies providing for the insurance specified herein, that such policies are in force, that ANE Customers are additional insureds under the policies, that all policies contain contractual liability coverage, and that the insurance carrier will give ANE Customers thirty (30) days prior written notice of any material change in, or cancellation of, such policies. If such insurance policies are subject to any exceptions to the terms specified herein, such exceptions shall be explained in full in such certificates. ANE Customers may, at their discretion, require NEGM to obtain insurance policies that are not subject to any exceptions. For such time as insurance is required under this Agreement, NEGM shall, at the request of any ANE Customer, provide current certificates of insurance. At the request of any ANE Customer, NEGM shall provide current copies of all insurance policies and related endorsements required under this section.

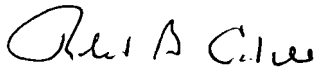
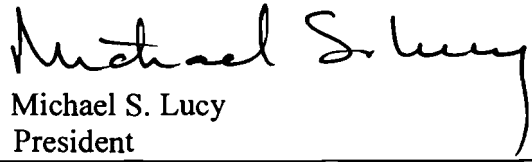





FAILURE TO MAINTAIN THE INSURANCE COVERAGE PROVIDED HEREIN THROUGHOUT THE LIFE OF THIS AGREEMENT SHALL CONSTITUTE A MATERIAL BREACH OF THE AGREEMENT. IT IS NEGM'S OBLIGATION TO PROVIDE ANE CUSTOMERS WITH CURRENT CERTIFICATES OF INSURANCE.




IN WITNESS WHEREOF, the Parties have executed this Agreement.

<div>ALBERTA NORTHEAST GAS LIMITED</div> <div> By: Robert B. Catell Its: Chairman</div>	<div>NORTHEAST GAS MARKETS LLC</div> <div> By: Michael S. Lucy Its: President</div>
<div>BAY STATE GAS COMPANY</div> <div>By: Its:</div>	<div>BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By: Its:</div>
<div>CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION</div> <div> By: <i>Cathleen R. Zylstra</i> Its: <i>SENIOR VICE PRESIDENT</i></div>	<div>CONNECTICUT NATURAL GAS CORPORATION</div> <div>By: Its:</div>
<div>KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSPAN ENERGY DELIVERY NEW YORK</div> <div>By: Its:</div>	<div>KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LONG ISLAND</div> <div>By: Its:</div>
<div>ENERGYNORTH NATURAL GAS INC. d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By: Its:</div>	<div>ESSEX GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By: Its:</div>
<div>NATIONAL FUEL GAS DISTRIBUTION COMPANY</div> <div>By: Its:</div>	<div>NEW ENGLAND GAS COMPANY</div> <div>By: Its:</div>

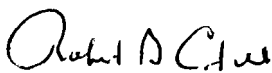
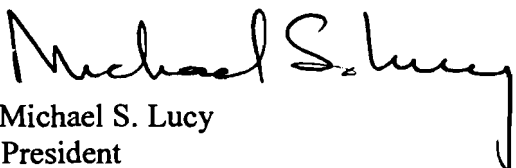

IN WITNESS WHEREOF, the Parties have executed this Agreement.

ALBERTA NORTHEAST GAS LIMITED   By: Robert B. Catell Its: Chairman	NORTHEAST GAS MARKETS LLC   By: Michael S. Lucy Its: President
BAY STATE GAS COMPANY  By: Its:	BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Ron Lukas Its: Vice President 
CENTRAL HUDSON GAS & ELECTRIC CORPORATION  By: Its:	CONNECTICUT NATURAL GAS CORPORATION  By: Its:
KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSPAN ENERGY DELIVERY NEW YORK  By: Ron Lukas  Its: Vice President	KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LONG ISLAND  By: Ron Lukas  Its: Vice President
ENERGYNORTH NATURAL GAS INC. d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Ron Lukas  Its: Vice President	ESSEX GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Ron Lukas  Its: Vice President
NATIONAL FUEL GAS DISTRIBUTION COMPANY  By: Its:	NEW ENGLAND GAS COMPANY  By: Its:

NORTHERN UTILITIES, INC.  By: Its:	NEW YORK STATE ELECTRIC & GAS CORPORATION  By: Its:
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  By: Its:	THE SOUTHERN CONNECTICUT GAS COMPANY  By: Its:
YANKEE GAS SERVICES COMPANY  By: Its:	COLONIAL GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND  By: Ron Lukas Its: Vice President 

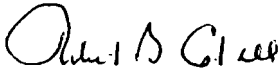
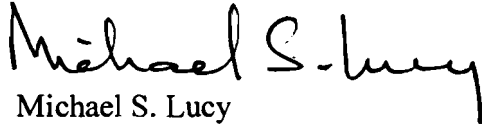
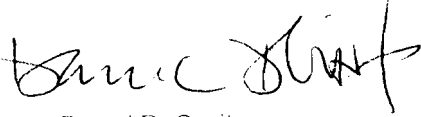
NORTHERN UTILITIES, INC.  By: Its:	NEW YORK STATE ELECTRIC & GAS CORPORATION  By: Its:
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  By: Its:	THE SOUTHERN CONNECTICUT GAS COMPANY  By: Its:
YANKEE GAS SERVICES COMPANY  By: <i>Matt. Gidycz</i> Its: <i>Director - Gas Supply Management</i>	COLONIAL GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND  By: Its:

IN WITNESS WHEREOF, the Parties have executed this Agreement.


ALBERTA NORTHEAST GAS LIMITED   By: Robert B. Catell Its: Chairman	NORTHEAST GAS MARKETS LLC   By: Michael S. Lucy Its: President
BAY STATE GAS COMPANY  By: Its:	BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:
CENTRAL HUDSON GAS & ELECTRIC CORPORATION  By: Its:	CONNECTICUT NATURAL GAS CORPORATION  By: Its:
KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSPAN ENERGY DELIVERY NEW YORK  By: Its:	KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LONG ISLAND  By: Its:
ENERGYNORTH NATURAL GAS INC. d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:	ESSEX GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:
NATIONAL FUEL GAS DISTRIBUTION CORPORATION   By:	NEW ENGLAND GAS COMPANY  By:

**Bruce D. Heine**  
Vice President

IN WITNESS WHEREOF, the Parties have executed this Agreement.

<div>ALBERTA NORTHEAST GAS LIMITED</div> <div></div> <div>By: Robert B. Catell</div> <div>Its: Chairman</div>	<div>NORTHEAST GAS MARKETS LLC</div> <div></div> <div>By: Michael S. Lucy</div> <div>Its: President</div>
<div>BAY STATE GAS COMPANY</div> <div></div> <div>By: Daniel D. Gavito</div> <div>Its: V.P. Energy Supply Services</div>	<div>BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By:</div> <div>Its:</div>
<div>CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION</div> <div>By:</div> <div>Its:</div>	<div>CONNECTICUT NATURAL GAS CORPORATION</div> <div>By:</div> <div>Its:</div>
<div>KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSPAN ENERGY DELIVERY NEW YORK</div> <div>By:</div> <div>Its:</div>	<div>KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LONG ISLAND</div> <div>By:</div> <div>Its:</div>
<div>ENERGYNORTH NATURAL GAS INC. d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By:</div> <div>Its:</div>	<div>ESSEX GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND</div> <div>By:</div> <div>Its:</div>
<div>NATIONAL FUEL GAS DISTRIBUTION COMPANY</div> <div>By:</div> <div>Its:</div>	<div>NEW ENGLAND GAS COMPANY</div> <div>By:</div> <div>Its:</div>

CONFIDENTIAL

NORTHERN UTILITIES, INC.  By:  Its: Daniel J. Gavito V.P. Energy Supply Services, Inc.	NEW YORK STATE ELECTRIC & GAS CORPORATION  By: Its:
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  By: Its:	THE SOUTHERN CONNECTICUT GAS COMPANY  By: Its:
YANKEE GAS SERVICES COMPANY  By: Its:	COLONIAL GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND  By: Its:

IN WITNESS WHEREOF, the Parties have executed this Agreement.


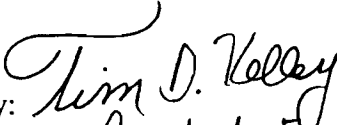
ALBERTA NORTHEAST GAS LIMITED  <i>Robert B. Catell</i> By: Robert B. Catell Its: Chairman	NORTHEAST GAS MARKETS LLC  By: Michael S. Lucy Its: President
BAY STATE GAS COMPANY  By: Its:	BOSTON GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:
CENTRAL HUDSON GAS & ELECTRIC CORPORATION  By: Its:	CONNECTICUT NATURAL GAS CORPORATION  By: Its:
KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSPAN ENERGY DELIVERY NEW YORK  By: Its:	KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSPAN GAS EAST CORPORATION d/b/a KEYSPAN ENERGY DELIVERY LONG ISLAND  By: Its:
ENERGYNORTH NATURAL GAS INC. d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:	ESSEX GAS COMPANY d/b/a KEYSPAN ENERGY DELIVERY NEW ENGLAND  By: Its:
NATIONAL FUEL GAS DISTRIBUTION COMPANY  By: Its:	NEW ENGLAND GAS COMPANY  By: <i>Starridge</i> Its:



*1/20/06*



IN WITNESS WHEREOF, the Parties have executed this Agreement.

<div>ALBERTA NORTHEAST GAS LIMITED</div> <div></div> <div>By: Robert B. Catell</div> <div>Its: Chairman</div>	<div>NORTHEAST GAS MARKETS LLC</div> <div></div> <div>By: Michael S. Lucy</div> <div>Its: President</div>
<div>BAY STATE GAS COMPANY</div> <div></div> <div>By:</div> <div>Its:</div>	<div>BOSTON GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND</div> <div></div> <div>By:</div> <div>Its:</div>
<div>CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION</div> <div></div> <div>By:</div> <div>Its:</div>	<div>CONNECTICUT NATURAL GAS CORPORATION</div> <div></div> <div>By: Tim D. Kelley</div> <div>Its: Vice President - Energy Services</div>
<div>KEYSPAN UTILITY SERVICES AS AGENT FOR THE BROOKLYN UNION GAS COMPANY d/b/a/ KEYSpan ENERGY DELIVERY NEW YORK</div> <div></div> <div>By:</div> <div>Its:</div>	<div>KEYSPAN UTILITY SERVICES AS AGENT FOR KEYSpan GAS EAST CORPORATION d/b/a KEYSpan ENERGY DELIVERY LONG ISLAND</div> <div></div> <div>By:</div> <div>Its:</div>
<div>ENERGYNORTH NATURAL GAS INC. d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND</div> <div></div> <div>By:</div> <div>Its:</div>	<div>ESSEX GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND</div> <div></div> <div>By:</div> <div>Its:</div>
<div>NATIONAL FUEL GAS DISTRIBUTION COMPANY</div> <div></div> <div>By:</div> <div>Its:</div>	<div>NEW ENGLAND GAS COMPANY</div> <div></div> <div>By:</div> <div>Its:</div>

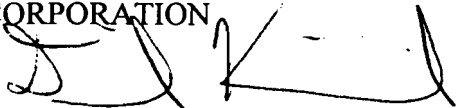
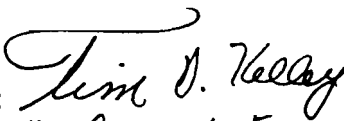
NORTHERN UTILITIES, INC.  By: Its:	NEW YORK STATE ELECTRIC & GAS CORPORATION  By: David J. Kimiecik Its: Vice President - Energy Supply
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.  By: Its:	THE SOUTHERN CONNECTICUT GAS COMPANY  By: Tim J. Kelley Its: Vice President - Energy Services
YANKEE GAS SERVICES COMPANY  By: Its:	COLONIAL GAS COMPANY d/b/a KEYSpan ENERGY DELIVERY NEW ENGLAND  By: Its:

TABLE 1

## ANE II PROJECT GAS TRANSPORTATION CAPACITY ALLOCATION

ANE II Volumes Company	Total ANE II		2006											
	(Dth/d)	(%)	(SH)	(%)	(LH)	(%)	Total	(%)	(SH)	(%)	(LH)	(%)	Total	(%)
<b>Energy East</b>														
Connecticut Natural	25,292	5.61%	16,945	8.85%	0	0.00%	16,945	5.03%	8,347	9.28%	0	0.00%	8,347	7.33%
Southern Connecticut	45,409	10.08%	32,763	17.12%	0	0.00%	32,763	9.73%	12,646	14.06%	0	0.00%	12,646	11.11%
NYSEG	17,199	3.82%	0	0.00%	6,829	4.70%	6,829	2.03%	0	0.00%	10,370	11.53%	10,370	9.11%
	<b>87,900</b>	<b>19.50%</b>	<b>49,708</b>	<b>25.97%</b>	<b>6,829</b>	<b>4.70%</b>	<b>56,537</b>	<b>16.79%</b>	<b>20,993</b>	<b>23.34%</b>	<b>10,370</b>	<b>11.53%</b>	<b>31,363</b>	<b>27.54%</b>
<b>Con Ed</b>	<b>60,234</b>	<b>13.36%</b>	<b>0</b>	<b>0.00%</b>	<b>51,128</b>	<b>35.16%</b>	<b>51,128</b>	<b>15.18%</b>	<b>0</b>	<b>0.00%</b>	<b>9,106</b>	<b>38%</b>	<b>9,106</b>	<b>8.00%</b>
<b>KeySpan</b>														
Gas West	92,935	20.62%	12,142	6.34%	52,466	36.08%	64,608	19.18%	28,327	31.50%	0	0%	28,327	24.88%
Gas East	65,760	14.59%	16,086	8.40%	28,327	19.48%	44,413	13.19%	21,347	23.73%	0	0%	21,347	18.75%
Boston Gas	8,645	1.92%	8,645	4.52%	0	0.00%	8,645	2.57%	0	0.00%	0	0%	0	0.00%
Colonial	6,070	1.35%	6,070	3.17%	0	0.00%	6,070	1.80%	0	0.00%	0	0%	0	0.00%
Essex	2,023	0.45%	2,023	1.06%	0	0.00%	2,023	0.60%	0	0.00%	0	0%	0	0.00%
Energy North	4,047	0.90%	4,047	2.11%	0	0.00%	4,047	1.20%	0	0.00%	0	0%	0	0.00%
	<b>179,480</b>	<b>39.82%</b>	<b>49,013</b>	<b>25.61%</b>	<b>80,793</b>	<b>55.56%</b>	<b>129,806</b>	<b>38.54%</b>	<b>49,674</b>	<b>55.23%</b>	<b>0</b>	<b>0%</b>	<b>49,674</b>	<b>43.62%</b>
<b>Central Hudson</b>	<b>20,234</b>	<b>4.49%</b>	<b>10,117</b>	<b>5.29%</b>	<b>5,666</b>	<b>3.90%</b>	<b>15,783</b>	<b>4.69%</b>	<b>0</b>	<b>0.00%</b>	<b>4,451</b>	<b>19%</b>	<b>4,451</b>	<b>3.91%</b>
<b>National Fuel Gas</b>	<b>10,141</b>	<b>2.25%</b>	<b>10,141</b>	<b>5.30%</b>	<b>0</b>	<b>0.00%</b>	<b>10,141</b>	<b>3.01%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0.00%</b>
<b>New England Gas</b>	<b>1,012</b>	<b>0.22%</b>	<b>0</b>	<b>0.00%</b>	<b>1012</b>	<b>0.70%</b>	<b>1,012</b>	<b>0.30%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0.00%</b>
<b>Yankee</b>	<b>59,690</b>	<b>13.24%</b>	<b>40,417</b>	<b>21.12%</b>	<b>0</b>	<b>0.00%</b>	<b>40,417</b>	<b>12.00%</b>	<b>19,273</b>	<b>21.43%</b>	<b>0</b>	<b>0%</b>	<b>19,273</b>	<b>16.93%</b>
<b>NiSource</b>	<b>32,000</b>	<b>7.10%</b>	<b>32,000</b>	<b>16.72%</b>	<b>0</b>	<b>0.00%</b>	<b>32,000</b>	<b>9.50%</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0.00%</b>
<b>Total ANE II</b>	<b>450,691</b>	<b>100.00%</b>	<b>191,396</b>	<b>100.00%</b>	<b>145,428</b>	<b>100.00%</b>	<b>336,824</b>	<b>100.00%</b>	<b>89,940</b>	<b>100.00%</b>	<b>23,927</b>	<b>100%</b>	<b>113,867</b>	<b>100.00%</b>

## APPENDIX II

### ANE II PROJECT AGREEMENTS

#### I. TRANSPORTATION AGREEMENTS

1. Firm Transportation Contracts and Financial Backstopping Agreements between each Short Haul Customer and Union dated February 25, 2005, for gas transportation services to be provided by Union on behalf of each Short Haul Customer commencing on or about November 1, 2006

2. Precedent Agreements between each Short Haul Customer (other than National Fuel) and TransCanada dated February 11, 2005, Financial Assurances Agreements between each Short Haul Customer and TransCanada dated February 11, 2005, and Firm Transportation Service Contracts entered into between National Fuel and TransCanada dated February 11, 2005 and to be entered into by each other Short Haul Customer and TransCanada pursuant to the terms of the Precedent Agreements, for gas transportation services to be provided by TransCanada on behalf of each Short Haul Customer commencing on or about November 1, 2006

3. Firm Transportation Contracts and Financial Backstopping Agreements between certain of the Short Haul Customers and Union dated August 11, 2005, for gas transportation services to be provided by Union on behalf of such Short Haul Customers commencing on or about November 1, 2007

4. Precedent Agreements and Financial Assurances Agreements between certain of the Short Haul Customers and TransCanada dated July 28, 2005, and Firm Transportation Service Contracts to be entered into by such Short Haul Customers and TransCanada pursuant to the terms of the Precedent Agreements, for gas transportation services to be provided by TransCanada on behalf of such Short Haul Customers commencing on or about November 1, 2007

5. Such additional gas transportation agreements as may be required in connection with the ANE II Project by the Short Haul Customers and the Long Haul Customers pursuant to the terms of this Agreement

II. GAS SALES AGREEMENTS (as defined in this Agreement)

III. BACK TO BACK AGREEMENTS (as defined in this Agreement)

IV. BRIDGING AGREEMENTS (as defined in this Agreement)

V. OTHER DESIGNATED GAS AGREEMENTS (as defined in this Agreement)

## APPENDIX III

### NOTICES

**Northeast Gas Markets LLC  
Alberta Northeast Gas Limited**

Michael S. Lucy  
100 Cummings Center  
Suite 457G  
Beverly, MA 01915-6132  
Tel. #: 978.922.1194  
Fax #: 978.922.1195

**KeySpan Energy Delivery New York**

**KeySpan Energy Delivery Long Island**

John Allocca  
KeySpan Gas  
One MetroTech Center, 21st Floor  
Brooklyn, NY 11201-3850  
Tel #: 718.403.2009  
Fax #: 718.403.6306

**KeySpan Energy Delivery New England**

Elizabeth Arangio  
52 Second Avenue  
Waltham, MA 02454  
Tel. #: 781.466.5057  
Fax #: 781.290.0186

**Bay State Gas Company  
Northern Utilities**

F. Chico DaFonte,  
300 Friberg Parkway  
Westborough, MA 01581  
Tel. #: 508.836.7253  
Fax #: 508.870.2294

**Connecticut Natural Gas Company  
New York State Electric and Gas  
Company**

**The Southern Connecticut Gas Company**  
John Rudiak  
77 Hartland Street, 1<sup>st</sup> Floor  
East Hartford, CT 06108  
Tel #: 860-727-3075  
Fax #: 860-727-3387

**Consolidated Edison Company of New  
York, Inc.**

James J. Stanzione  
4 Irving Place  
New York, New York 10003  
Tel #: 212.460.4898  
Fax #: 212.539.8254

**National Fuel Gas Distribution  
Corporation**

Ken McAvoy  
6363 Main Street  
Williamsville, NY 14221  
Tel. #: 716.857.7960  
Fax #: 716.857.7823

**Central Hudson Gas & Electric Corp.**

Vito Cracchiolo  
284 South Avenue  
Poughkeepsie, NY 12601  
Tel. #: 845.486.5562  
Fax #: 845.486.5626

**Yankee Gas Services Company**

Jay Fletcher  
107 Seldon Street  
Berlin, CT 06037  
Tel. #: 860.665.5933  
Fax #: 860.665.6296

**New England Gas Company**

Gary Beland  
100 Weybossett Street  
Providence, RI 02903  
Tel. #: 401.574.2223  
Fax #: 401.333.3527