

**NEW HAMPSHIRE REGISTRATION FOR COMPETITIVE NATURAL GAS  
SUPPLIER**

**PUC 2003.01**

- 1) The legal name of the applicant as well as any trade name(s) under which it intends to operate;**

Shell Energy North America, (US), L.P.

- 2) The applicant's business address, principal place of business, telephone number, facsimile number and email address;**

909 Fannin Street  
Plaza Level 1  
Houston, Texas 77010  
Phone (713) 230-7812  
Fax (713) 265-4812  
[amy.gold@shell.com](mailto:amy.gold@shell.com)

- 3) The applicant's place of incorporation;**

Delaware

- 4) The names, titles, business addresses, telephone numbers and facsimile numbers of the applicant's principal officers;**

See Attachment 1

The business address for all officers is:  
909 Fannin Street  
Plaza Level 1  
Houston, TX 77010

The phone number is (713) 767-5400  
The fax number is (713) 230-2901

- 5) A copy of the applicant's most recent audited financial statement;**

See Confidential Attachment 2 is a copy of the audited financial statements for the applicant, Shell Energy North America (US), L.P.

**6) The following regarding any affiliate and/or subsidiary of the applicant:**

No affiliates or subsidiaries are conducting business in New Hampshire.

- a. The name and business address of the entity N/A**
- b. A description of the business purpose of the entity; and N/A**
- c. Regarding any agreements with any affiliated New Hampshire jurisdictional gas distribution company, a description of the nature of the agreement; N/A**

**7) The toll free telephone number of the customer service department or the name, title and toll free telephone number of the customer service contact person;**

Roberta Orris  
Manager-Marketing CIA – US Northeast  
Shell Energy North America (US), L.P.  
120 Quarry Dr.  
Milford, MA 01757  
Phone (508) 422-4470  
Fax (508) 422-4471

**8) Name, title business address, telephone number, facsimile number and email address of the individual responsible for responding to commission inquiries;**

Amy Gold, General Manager, Regulatory Affairs  
909 Fannin Street, Plaza Level 1  
Houston, TX 77010  
Phone (713) 230-7812  
Fax (713) 265-4812  
E-mail: amy.gold@shell.com

**9) Name, title, business address and telephone number of the applicant's registered agent in New Hampshire for service of process;**

CT Corporation System  
9 Capital Street  
Concord, NH 03301

**10) A copy of the applicant's authorization to do business in New Hampshire from the New Hampshire secretary of state;**

See Attachment 3

**11) Description of geographic areas of New Hampshire in which the applicant intends to provide service, described by:**

**a. A distribution company's existing franchise area;**

- i. National Grid, formerly Keyspan Energy Delivery
- ii. Northern Utilities
- iii. Granite State Gas Transmission

**b. Existing town boundaries; or**

**c. A map with boundary limits delineated;**

**12) A description of the types of customers the applicant intends to serve, and the customer classes as identified in the applicable utility's tariff within which those customer are served;**

Shell Energy North America (US), L.P. plans to serve commercial and industrial customers in the medium and large commercial, industrial , cities and towns, electric generation, and power station rate classes.

**13) Demonstration of a minimum level of financial resources and the ability to provide customers with the level of service they agree to purchase consistent with the applicable terms and conditions of the approved tariff of the LDC:**

See Attachment 4 for the credit opinion of Moody's Investor Service regarding the financial resources of Shell Energy North America (US), L.P. Shell Energy North America (US), L.P. is consistently one of the largest top 10 gas marketers in North America. This status would not be possible without considerable operational expertise and a strong commitment to providing excellent service to our customers.

Attachment 5 is a continuous bond in the amount of \$100,000.00.

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

There have been no complaints filed against Shell Energy North America (US), L.P.

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

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

None of Shell Energy North America (US), L.P.'s partners have been convicted of any felony.

**16) A statement as to whether the applicant or any of the persons listed in (14) above has, within the 10 years immediately prior to registration:**

- a. Had any civil, criminal or regulatory sanctions or penalties imposed against them pursuant to any state or federal consumer protection law or regulation; b. Settled any civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation; or**
- b. Is currently the subject of any pending civil, criminal or regulatory investigation or complaint involving any state of federal consumer protection law or regulation;**

Shell Energy North America (US), L.P. has not had any civil, criminal or regulatory sanctions or penalties imposed, pursuant to any state or federal consumer protection law or regulation.

Shell Energy North America (US), L.P. has not had any settlements for any civil, criminal or regulatory investigations or complaints involving any state or federal consumer protection law or regulation.

Shell Energy North America (US), L.P. is not the subject of any pending civil, criminal or regulatory investigation or complaint involving any state or federal consumer protection law or regulation.

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

N/A

**18) A statement that the applicant will:**

- a. Maintain a list of consumers who request being place on a do-not-call list for the purposes of telemarketing;**
- b. Obtain, no less than semi-annually, access to updated telephone preference service lists maintained by the Direct Marketing Association; and**
- c. Not initiate calls to New Hampshire customers who have either requested being placed on do-not-call lists of customers who are listed on the Direct Marketing Association's telephone reference lists;**

Shell Energy North America (US), L.P. does not intend to telemarket.

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

See Attachment 6

**20) A renewal \$250 registration fee;**

Included

**21) A copy of all customer contracts or representative samples of contracts the applicant intends to use;**

See Attachment 7

**22) Documentation sufficient to demonstrate that the CNGS is an approved shipper on the upstream pipelines and underground storage facilities on which the LDC will assign capacity, if any, to the CNGS, and**

Shell Energy North America (US), L.P. controls a substantial amount of long-term and interruptible transportation agreements as a shipper on most U.S. and Canadian pipelines, including Tennessee Gas Transmission pipeline system where Shell Energy North America (US), L.P. controls capacity through 2012.

**23) A statement certifying that the applicant has the authority to file the applications on behalf of the CNGS and that its contents are truthful, accurate and complete. See the following attached declaration.**

Declaration

I, Robert R. Reilley, Vice President Regulatory Affairs, declare that I have personally reviewed the above statements and that they are true and correct and complete in all material respects. I further declare that the information contained in this application was prepared and compiled under my supervision and control.

Dated this 21 of September, 2010 at Houston, Texas

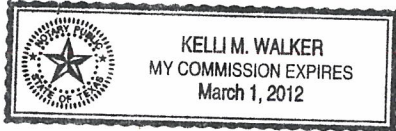
Signature: Robert Reilley

Title: U.P. Regulatory Affairs

Given under my hand and seal of office this 21st day of September, 2010.

Kelli M. Walker

Notary Public in and for the State of Texas



My Commission Expires on:

March 1, 2012

**September 20, 2010**

**Thomas O'Neill, Esq.  
National Grid  
201 Jones Rd., 5<sup>th</sup> Floor  
Waltham, MA 02451**

**Re: Renewal of Registration as a Competitive Natural Gas Supplier in New  
Hampshire of Shell Energy North America (US), L.P.**

**Dear Mr. O'Neill:**

**This letter is being sent to inform you today that Shell Energy North America (US), L.P. has filed for renewal of its registration as a competitive natural gas supplier in New Hampshire. Please feel free to contact me if you have questions regarding this renewal registration.**

**Very truly yours,**

**Amy Gold  
General Manager, Regulatory Affairs  
Shell Energy North America (US), L.P.  
909 Fannin Street  
Plaza Level 1  
Houston, TX 77010  
(713) 230-7812  
[amy.gold@shell.com](mailto:amy.gold@shell.com)**

**September 20, 2010**

**Ms. Jackie Sydnor, Team Leader  
Granite State Gas Transmission, Inc.  
1700 MacCorkle Ave., Southeast  
Charleston, WV 25314**

**Re: Re: Renewal of Registration as a Competitive Natural Gas Supplier in New  
Hampshire of Shell Energy North America (US), L.P.**

**Dear Ms. Sydnor:**

**This letter is being sent to inform you today that Shell Energy North America (US),  
L.P. has filed for renewal of its registration as a competitive natural gas supplier in  
New Hampshire. Please feel free to contact me if you have questions regarding this  
renewal registration.**

**Very truly yours,**

**Amy Gold  
General Manager, Regulatory Affairs  
Shell Energy North America (US), L.P.  
909 Fannin Street  
Plaza Level 1  
Houston, TX 77010  
(713) 230-7812  
[amy.gold@shell.com](mailto:amy.gold@shell.com)**



## ATTACHMENT 1

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**Current Officers**

Name and Address	Type	Date Appointed	Last Election
Quartermain, Mark	President and Chief Executive Officer	04/01/2008	07/01/2010
Brandt, Thomas J.	Executive Vice President & General Counsel	07/01/2007	07/01/2010

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**Data Sheet**As Of 09/07/2010  
Printed 09/07/2010 12:39:54PM

Name Shell Energy North America (US), L.P.

State File #

2543833

**Current Officers**

Name and Address	Type	Date Appointed	Last Election
Bowman, Beth A.	Senior Vice President	08/01/2001	07/01/2010
Campbell, Doreen	Senior Vice President - Finance Manager	06/01/2009	07/01/2010
Flores, Michael	Senior Vice President	04/17/2002	07/01/2010
Henrikson, James L.	Senior Vice President	02/01/2000	07/01/2010
McComiskey, M. J.	Senior Vice President	01/04/2010	07/01/2010
McGrath, W. F.	Senior Vice President	11/25/2003	07/01/2010
Widner, Steve L.	Senior Vice President	10/31/2000	07/01/2010
Wright, Glenn T.	Senior Vice President	09/01/2008	07/01/2010
Brown, Edward	Vice President	07/01/2010	07/01/2010
Campbell, Scott	Vice President	07/01/2010	07/01/2010
Cifaratta, James J.	Vice President	07/01/2010	07/01/2010
De Georgio, Thomas J.	Vice President - Tax	07/01/2010	07/01/2010
Elder, Linda	Vice President	05/21/2008	07/01/2010
Gill, Mark	Vice President - Credit Manager	06/23/2005	07/01/2010
Huser, John A.	Vice President - Finance and Treasurer	09/01/2010	09/01/2010
Johansen, Brian C.	Vice President	07/01/2010	07/01/2010
Laderoute, Michael	Vice President	07/01/2010	07/01/2010
Long, Robert E.	Vice President and Assistant Treasurer	07/01/2007	07/01/2010
Martin, III, C. L.	Vice President	05/21/2008	07/01/2010
Meyer, Danny R.	Vice President	08/01/2001	07/01/2010

## Data Sheet

As Of 09/07/2010  
Printed 09/07/2010 12:39:54PM

Name Shell Energy North America (US), L.P.

State File # 2543833

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### Current Officers

Name and Address	Type	Date Appointed	Last Election
Norman, Tammy S.	Vice President	07/01/2010	07/01/2010
Penney, Dan S.	Vice President	05/21/2008	07/01/2010
Preble, John	Vice President	07/01/2010	07/01/2010
Reilley, Robert R.	Vice President - Regulatory Affairs	02/23/1999	07/01/2010
Reynaud, Ann L.	Vice President, Assistant General Counsel & Assistant Secretary	12/12/2000	07/01/2010
Seigler, Thomas J.	Vice President	05/21/2008	07/01/2010
Sutton, Robyn L.	Vice President - Human Resources	01/04/2010	07/01/2010
Wolfe, Sarah B.	Vice President, Assistant General Counsel & Assistant Secretary	12/12/2000	07/01/2010
Paul, Stephen J.	Secretary	01/01/2006	07/01/2010

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## ATTACHMENT 3

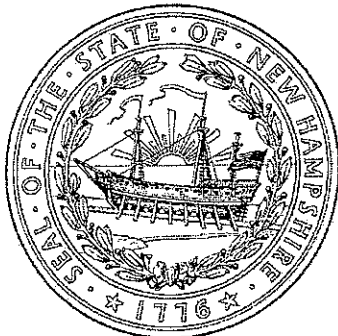
# State of New Hampshire

## Department of State

CERTIFICATE OF REGISTRATION FOR  
SHELL ENERGY NORTH AMERICA (US), L.P.  
A FOREIGN LIMITED PARTNERSHIP

The undersigned, as Secretary of State of the State of New Hampshire, hereby certifies that SHELL ENERGY NORTH AMERICA (US), L.P., a limited partnership duly organized under the laws of the State of Delaware, has this day qualified under the provisions of New Hampshire Revised Statutes Annotated, Chapter 304-B, and is authorized to do business in New Hampshire under the name SHELL ENERGY NORTH AMERICA (US), LIMITED PARTNERSHIP as provided by said statute.

Business ID#: 591571



IN TESTIMONY WHEREOF, I hereto  
set my hand and cause to be affixed  
the Seal of the State of New Hampshire,  
this 15th day of February, 2008 A.D.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner  
Secretary of State

# State of New Hampshire

Filed  
Date Filed: 02/15/2008  
Business ID: 591571  
William M. Gardner  
Secretary of State

Filing fee: \$50.00  
Fee for Form SRA: \$50.00  
Total fees: \$100.00  
Use black print or type.  
Form must be single-sided, on 8 1/2" x 11" paper;  
double sided copies will not be accepted.

Form FLP-1  
RSA 304-B:49

## APPLICATION FOR REGISTRATION OF FOREIGN LIMITED PARTNERSHIP

- (1) Limited Partnership name (see Note 1): Shell Energy North America (US), L.P.
- (2) Name used in New Hampshire: Shell Energy North America (US), Limited Partnership
- (3) State of Formation: Delaware Date of Formation: September 18, 1995
- (4) Name of Agent: CT Corporation System
- (5) Agent's Address: 9 Capitol Street, Concord, N.H. 03301
- (6) The Secretary of State is appointed agent for service of process if agent has not been appointed or cannot be found or served or agent's authority has been revoked.
- (7) Address of office in state of formation (if not required by laws of state of formation, address of principal office): Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801
- (8) Address at which is kept a list of the names and addresses of limited partners and their contributions. These records will be maintained until this registration is canceled or withdrawn: 909 Fannin, Please Level 1, Houston, Texas 77010
- (9) The sale or offer for sale of any ownership interests in this business will comply with the requirements of the New Hampshire Uniform Securities Act (RSA 421-B).
- (10) GENERAL PARTNERS (list additional general partners on separate sheet):

Name(s):  
Tejas Coral GP, LLC

Business Address(es):  
910 Louisiana  
Houston, Texas 77002

State of New Hampshire  
Form FLP 1 - Limited Partnership Registration 3 Page(s)



T0805031006

APPLICATION FOR REGISTRATION OF  
FOREIGN LIMITED PARTNERSHIP OF  
Shell Energy North America (US), L.P.

Form FLP-1  
(Cont.)

SIGNED: \_\_\_\_\_

(by a general partner)

S. J. Paul, Secretary of General Partner

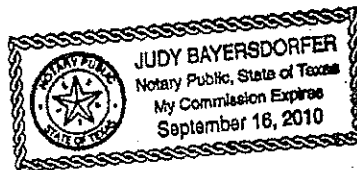
Print or type name

State of Texas

County of Harris ss.

Before me personally appeared S. J. Paul, Secretary of General Partner, who  
signed the foregoing instrument in my presence, on this 12<sup>th</sup> day of February, 2008.

Judy Bayersdorfer  
(Notary Public or Justice of the Peace)



**Note 1:** List actual limited partnership name on (1). If name does not contain "limited partnership" without abbreviation, add to name on (2). If using an assumed name, insert assumed name on (2) and file trade name application (Form TN-1, \$50.00).

**DISCLAIMER:** All documents filed with the Corporate Division become public records and will be available for public inspection in either tangible or electronic form.

Mail fee, DATED AND SIGNED DUPLICATE ORIGINALS AND FORM SRA to: Corporate Division, Department of State, 107 North Main Street, Concord NH 03301-4989.



**Form SRA – Addendum to Business Organization and Registration Forms**  
**Statement of Compliance with New Hampshire Securities Laws**

**Part I – Business Identification and Contact Information**

Business Name: Shell Energy North America (US), L.P.

Business Address (include city, state, zip): 909 Fannin, Plaza Level 1, Houston, Texas 77010

Telephone Number: ( 713 ) 241-5658

E-mail: judy.bayersdorfer@shell.com

Contact Person: Judy Bayersdorfer

Contact Person Address (If Different): \_\_\_\_\_

**Part II – Check ONE of the following items in Part II. If more than one item is checked, the form will be rejected.**  
[PLEASE NOTE: Most small businesses registering in New Hampshire qualify for the exemption in Part II, Item 1 below.  
However, you must insure that your business meets all of the requirements spelled out in A), B), and C)]:

1. \_\_\_\_\_ Ownership interests in this business are exempt from the registration requirements of the state of New Hampshire because the business meets ALL of the following three requirements:

- A) This business has 10 or fewer owners; and
- B) Advertising relating to the sale of ownership interests has not been circulated; and
- C) Sales of ownership interests – if any – will be completed within 60 days of the formation of this business.

2. \_\_\_\_\_ This business will offer securities in New Hampshire under another exemption from registration or will notice file for federal covered securities. Enter the citation for the exemption or notice filing claimed - \_\_\_\_\_

3. \_\_\_\_\_ This business has registered or will register its securities for sale in New Hampshire. Enter the date the registration statement was or will be filed with the Bureau of Securities Regulation - \_\_\_\_\_

4. ☒ This business was formed in a state other than New Hampshire and will not offer or sell securities in New Hampshire.

**Part III – Check ONE of the following items in Part III:**

1. ☒ This business is not being formed in New Hampshire.

2. \_\_\_\_\_ This business is being formed in New Hampshire and the registration document states that any sale or offer for sale of ownership interests in the business will comply with the requirements of the New Hampshire Uniform Securities Act.

**Part IV – Certification of Accuracy**

(NOTE: The information in Part IV must be certified by: 1) all of the incorporators of a corporation to be formed; or 2) an executive officer of an existing corporation; or 3) all of the general partners or intended general partners of a limited partnership; or 4) one or more authorized members or managers of a limited liability company; or 5) one or more authorized partners of a registered limited liability partnership or foreign registered limited liability partnership.)

I (We) certify that the information provided in this form is true and complete. (Original signatures only)

Name (print): Tejas Coral GP, LLC by S. J. Paul, Secre.

Signature: \_\_\_\_\_

Name (print): \_\_\_\_\_

Signature: \_\_\_\_\_

Name (print): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: February 12 2008



# State of New Hampshire

## Department of State

Corporation Division  
107 North Main Street  
Concord, N.H. 03301-4989  
603-271-3246



Enclosed is your certificate. It acknowledges this office's receipt and processing of your documents.

Should you have any questions, you may contact the Corporation Division at the above number or email us at [corporate@sos.state.nh.us](mailto:corporate@sos.state.nh.us). Please reference your Business ID # located in the filed section of the enclosed acknowledgement copy.

Please visit our website for helpful information regarding all your business needs.

Regards,

New Hampshire Department of State  
Corporation Division

Business ID#: 591571

## ATTACHMENT 4



Moody's Investors Service

Global Credit Research  
Credit Opinion  
31 JUL 2009

Credit Opinion: Shell Energy North America (US), L.P.

Shell Energy North America (US), L.P.

Houston, Texas, United States

#### Ratings

Category	Moody's Rating
Outlook	Stable
Issuer Rating	A2
Ult Parent: Royal Dutch Shell Plc	
Outlook	Stable
Issuer Rating -Dom Curr	Aa1
Senior Unsecured MTN	Aa1
Subordinate Shelf	(P)Aa3
Commercial Paper	P-1
Parent: Shell Oil Company	
Outlook	Stable
Issuer Rating	Aa2

#### Contacts

Analyst	Phone
Francois Lauras/London	44.20.7772.5454
Thomas S. Coleman/New York	1.212.553.1653
David G. Staples/London	

#### Opinion

##### Corporate Profile

Issued from the merger of four companies owned by Royal Dutch Shell ("Shell"), Shell Energy North America (US) LP ("Shell Energy"), formerly named Coral Energy Holding, L.P., is a Delaware limited partnership. It is 100% indirectly owned by Shell Oil Company ("Shell Oil"), which is, in turn, an indirectly wholly-owned subsidiary of Shell.

Shell Energy is the exclusive marketer of Shell's equity natural gas and LNG in North America. As a leader in gas and power marketing, Shell Energy and its subsidiaries, trade and market natural gas, wholesale power, environmental products and risk management products with counterparties and customers throughout the region. Today, Shell Energy is one of the leading players in the natural gas and power trading markets, trading 16.5 billion of equivalent of natural gas and power on average per day (90% gas) in Q1 2009. In the first quarter of 2009, Shell Energy ranked #2 in natural gas marketing and #4 in wholesale power marketing volumes in North America according to Platts' Gas Daily and Megawatt Daily, respectively.

##### Credit Strengths

- Support at the Shell level for wholesale energy trading strategies and centralised oversight of trading and risk management controls
- Balance sheet and liquidity bolstered by significant shareholder financial support including a sizeable equity base, substantial Shell borrowing lines and Shell Oil's guarantees of large capacity charges related to tolling agreements
- Risk management and trading book activities largely concentrated in relatively short-dated liquid transactions. Exposure management enhanced by the merger of four separate subsidiaries into a single entity
- Integral part of Shell's leading global energy trading business and essential component of Shell's value chain

##### Credit Challenges

- Challenging market environment reflected in depressed US natural gas prices amid uncertain economic outlook
- Inherent volatility in operating profitability and cash flow generation mitigated by a continued focus on enhancing working capital management
- Merchant power projects and long-term tolling agreements to continue to weigh on Shell Energy's profitability and financial returns
- Uncertainties arising from litigation and ongoing regulatory proceedings into power supply contracts and alleged market manipulation during the California energy crisis

#### Rating Rationale

Shell Energy's A2 issuer rating reflects its ownership by and ratings linkage to Shell (issuer rating and guaranteed long-term debt rated Aa1 with stable outlook), which owns 100% of Shell Energy through Shell Oil Company (Issuer Rating Aa2 with a stable outlook).

Shell Energy's counterparty trading obligations are not guaranteed by Shell Oil Company or any other Shell entity. However, given the liquidity risks and earnings and cash flow volatility that characterise wholesale energy trading, Shell Energy's A2 Issuer Rating reflects considerable ratings uplift above its standalone credit quality. Shell Oil provides liquidity support and guarantees capacity charges on certain tolling arrangements. Moreover, Shell has in recent years restructured and strengthened its financial support to Shell Energy, which it regards as the North American conduit for its global gas and power initiatives. Shell Energy exclusively markets 1.557 Bcf/d of Shell equity natural gas volume or virtually all of Shell's North American equity gas production. It is also the sole provider of risk management services under energy marketing service agreements with various power joint ventures with third parties.

Shell directly oversees trading, risk management and counterparty credit risk of Shell Energy, which is an integral part of the global Shell Trading network. Shell Energy's capitalisation has benefited from direct equity support and from sizable liquidity facilities that have grown in line with its business needs. In addition, Shell Oil provides liquidity support through certain L/C facilities and guarantees capacity payments on Shell Energy's energy conversion (tolling) agreements under long-term contracts up to 20 years.

Despite challenging market conditions, Shell Energy's posted robust results in fiscal 2008 driven by higher profits from the marketing and trading business and despite further losses, albeit reduced, generated by the non-core tolling portfolio. Longer-term, Shell Energy should benefit from and will act as the marketer for Shell's growing LNG sales into North America from its major LNG producing areas, including Russia, Nigeria, Australia, and other locales. Potential litigation and regulatory proceeding exposures related to the California energy crisis have not, to date, had a material impact on Shell Energy. We will continue to monitor progress in resolving those claims.

#### Rating Outlook

Shell Energy's stable issuer rating is based on the strong support of its indirect parent, Shell Oil Company, and its strategic importance to Shell's North American and global energy marketing strategy.

#### What Could Change the Rating - Up

Absent Shell parent level joint and several or Shell Oil Company guarantees of Shell Energy's financial and counterparty trading obligations on a blanket basis, the issuer rating is not likely to be upgraded.

#### What Could Change the Rating - Down

The A2 issuer rating could be downgraded if Shell were to significantly retrench or withdraw from gas and power trading, which would imply reduced support for the trading subsidiary's activities. Because of its strong ratings linkage, the issuer rating also could be notched down relative to any future actions affecting Shell Oil Company or Shell parent level ratings.

CREDIT RATINGS ARE MOODY'S INVESTORS SERVICE, INC.'S (MIS) CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MIS DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS DO NOT CONSTITUTE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS ARE NOT RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. CREDIT RATINGS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MIS ISSUES ITS CREDIT RATINGS

**WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

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## ATTACHMENT 5

**License/Permit Bond**  
(License or Permit – Continuous)

Bond No. 8213-84-16

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, Shell Energy North America (US), L.P., as Principal, and Federal Insurance Company, a corporation duly incorporated under the laws of the State of Indiana and authorized to do business in the State of New Hampshire, as Surety, are held and firmly bound unto New Hampshire Public Utility, as Obligee, in the Penal sum of One Hundred Thousand and No/100 (\$100,000.00) Dollars, for the payment of which we hereby bind ourselves, our heirs, executors and administrators, jointly and severally, firmly by these presents.

WHEREAS, the Principal has obtained or is about to obtain a license or permit for Competitive Natural Gas Supplier.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION ARE SUCH, that if the Principal shall faithfully perform all duties and protect said Obligee from any damage caused by the Principal's non-compliance with or breach of any laws, statutes, ordinances, rules or regulations, pertaining to the license or permit issued, then this obligation shall be null and void; otherwise to remain in full force and effect.

This bond shall become effective on the 1st day of April, 2008.

PROVIDED, that regardless of the number of years this bond is in force, the Surety shall not be liable hereunder for a larger amount, in the aggregate, than the penal sum listed above.

PROVIDED FURTHER, that the Surety may terminate its liability hereunder as to future acts of the Principal at any time by giving thirty (30) days written notice of such termination to the Obligee.

SIGNED, SEALED AND DATED this 1st day of April, 2008.

Shell Energy North America (US), L.P.  
By: Kalvin Muller  
Principal

Federal Insurance Company  
By: Gina A. Rodriguez  
Gina A. Rodriguez, Attorney-in-Fact





**Chubb  
Surety**

**POWER  
OF  
ATTORNEY**

**Federal Insurance Company  
Vigilant Insurance Company  
Pacific Indemnity Company**

**Attn: Surety Department  
15 Mountain View Road  
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint **Donald R. Gibson, Melissa Haddick, Jacqueline Kirk, Tannis Mattson, Terri L. Morrison, Sandra Parker and Gina A. Rodriguez of Houston, Texas**

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this **20th** day of **February, 2004**

Kenneth C. Wendel, Assistant Secretary

Frank E. Robertson, Vice President

STATE OF NEW JERSEY } ss.  
County of Somerset

On this **20th** day of **February, 2004**, before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Frank E. Robertson, and knows him to be Vice President of said Companies; and that the signature of Frank E. Robertson, subscribed to said Power of Attorney is in the genuine handwriting of Frank E. Robertson, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



**Karen A. Price**  
Notary Public State of New Jersey  
No. 2231647

Commission Expires Oct. 23, 2004  
CERTIFICATION

Notary Public

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **1st** day of **April** **2008**



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY  
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com

## ATTACHMENT 6



Shell Energy North America (US), L.P.

SALES Invoice

ATTN:  
Phone:  
Fax:

Invoice No:  
Contract No:  
SAP Cust Id:  
SAP No:  
GST No:  
Invoice Date:  
Due Date:

Prod	Deal	Meter/ Pool#	Description	Quantity	Unit	Avg. Price	HC/ UOM	Amount Due
Month	Key	Pipeline						
200806	S - 482284	MARITIMES	DRACUT	DRACUT	MM8TU			
200806	S - 486148	MARITIMES	NEWINGTON	NEWINGTON	MM8TU			
200806	S - 487078	MARITIMES	NEWINGTON	NEWINGTON	MM8TU			
200806	S - 489603	MARITIMES	DRACUT	DRACUT	MM8TU			
200806	S - 493810	MARITIMES	DRACUT	DRACUT	MM8TU			
200806	S - 493810	MARITIMES	NEWINGTON	NEWINGTON	MM8TU			
200806	S - 495775	MARITIMES	DRACUT	DRACUT	MM8TU			
200806	S - 495775	MARITIMES	NEWINGTON	NEWINGTON	MM8TU			
200806	S - 496930	MARITIMES	NEWINGTON	NEWINGTON	MM8TU			

Subtotal for MARITIMES

Comments:  
NOTE: OUR NEW CITIBANK ACCOUNT INFORMATION EFFECTIVE AS OF JAN. 15TH, 2008

Questions Contact: Lilia Peregniak  
Phone: (403) 518-8810  
Fax: (403) 718-3520  
lilia.peregniak@shell.com  
CITIBANK N.A.  
Please Wire Amount To: Shell Energy North America (US), L.P.  
NEW YORK, NY  
Account# 30603902  
ABA/Transit# 021000089  
Bank#  
Shell Energy North America (US), L.P.

Please Remit Check To:  
Shell Energy North America (US), L.P.

Please Fax or email Payment Detail To:  
Accounts Receivable Department  
Fax (713) 285-1701  
Receivables@shell.com  
General Customer Service Number  
1 800-281-2824

## ATTACHMENT 7

## 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:

Shell Energy North America (US), L.P.  
Duns Number: 01-501-4421  
Contract Number: \_\_\_\_\_  
U.S. Federal Tax ID Number: 76-0505584

Duns Number: \_\_\_\_\_  
Contract Number: \_\_\_\_\_  
U.S. Federal Tax ID Number: \_\_\_\_\_

### Notices:

909 Fannin, Plaza Level 1, Houston, TX 77010  
Attn: Contract Administration  
Phone: (713) 230-7505 Fax: (713) 767-5644

Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### Confirmations:

909 Fannin, Plaza Level 1, Houston, TX 77010  
Attn: Contract Administration  
Phone: (713) 230-7505 Fax: (713) 265-2171

Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### Invoices and Payments:

909 Fannin, Plaza Level 1, Houston, TX 77010  
Attn: Gas Accounting  
Phone: (713) 767-5400 Fax: (713) 767-5445

Attn: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### Wire Transfer or ACH Numbers (if applicable):

BANK: Citibank, N.A.  
ABA: 021000089  
ACCT: 30603902  
Other Details: \_\_\_\_\_

BANK: \_\_\_\_\_  
ABA: \_\_\_\_\_  
ACCT: \_\_\_\_\_  
Other Details: \_\_\_\_\_

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

<b>Section 1.2</b> ♦ Oral (default) Transaction Procedure □ Written	<b>Section 7.2</b> ♦ 25 <sup>th</sup> Day of Month following Month of delivery (default) Payment Date □ ____ Day of Month following Month of delivery
<b>Section 2.5</b> ♦ 2 Business Days after receipt (default) Confirm Deadline □ ____ Business Days after receipt	<b>Section 7.2</b> ♦ Wire transfer (default) Method of Payment □ Automated Clearinghouse Credit (ACH) □ Check
<b>Section 2.6</b> □ Seller (default) Confirming Party □ Buyer ♦ Shell Energy North America (US), L.P.	<b>Section 7.7</b> ♦ Netting applies (default) Netting □ Netting does not apply
<b>Section 3.2</b> ♦ Cover Standard (default) Performance Obligation □ Spot Price Standard	<b>Section 10.3.1</b> ♦ Early Termination Damages Apply (default) Early Termination Damages □ Early Termination Damages Do Not Apply
<b>Note:</b> The following Spot Price Publication applies to both of the immediately preceding.	<b>Section 10.3.2</b> ♦ Other Agreement Setoffs Apply (default) Other Agreement Setoffs □ Other Agreement Setoffs Do Not Apply
<b>Section 2.26</b> ♦ Gas Daily Midpoint (default) Spot Price Publication □	<b>Section 14.5</b> Choice Of Law _____ Texas
<b>Section 6</b> ♦ Buyer Pays At and After Delivery Point (default) Taxes □ Seller Pays Before and At Delivery Point	<b>Section 14.10</b> ♦ Confidentiality applies (default) Confidentiality □ Confidentiality does not apply
♦ Special Provisions Number of sheets attached: One (1) □ Addendum(s): None	

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

Shell Energy North America (US), L.P.  
Party Name

Party Name

By \_\_\_\_\_ [NOT FOR EXECUTION]  
Name:  
Title:

By \_\_\_\_\_ [NOT FOR EXECUTION]  
Name:  
Title:

General Terms and Conditions

# Base Contract for Sale and Purchase of Natural Gas

## SECTION 1. PURPOSE AND PROCEDURES

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

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

### Oral Transaction Procedure:

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

### Written Transaction Procedure:

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

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

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

## SECTION 2. DEFINITIONS

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

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

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

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

2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.

2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.

2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.

2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.

2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.

2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.

2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party, the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.

2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.

2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.

2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.

2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.

2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.

2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.

2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.

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

2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.

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

2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.

2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

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

2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes

the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

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

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

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

### SECTION 3. PERFORMANCE OBLIGATION

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

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

#### Cover Standard:

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

#### Spot Price Standard:

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

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

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

### SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

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

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

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance



Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

## SECTION 5. QUALITY AND MEASUREMENT

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

## SECTION 6. TAXES

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

### Buyer Pays At and After Delivery Point:

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

### Seller Pays Before and At Delivery Point:

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

## SECTION 7. BILLING, PAYMENT, AND AUDIT

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

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

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

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

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

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

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

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

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

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

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

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

## SECTION 9. NOTICES

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

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

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

## SECTION 10. FINANCIAL RESPONSIBILITY

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

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

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

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

**Early Termination Damages Apply:**

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

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

**Early Termination Damages Do Not Apply:**

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

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

**Other Agreement Setoffs Apply:**

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

**Other Agreement Setoffs Do Not Apply:**

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

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

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

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

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

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

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

## SECTION 11. FORCE MAJEURE

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

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

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

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

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

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

## SECTION 12. TERM

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

## SECTION 13. LIMITATIONS

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



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

## SECTION 14. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

**TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY**

EXHIBIT A

Letterhead/Logo	Date: _____ Transaction Confirmation #: _____	
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.		
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	
Contract Price: \$ _____ /MMBtu or _____		
Delivery Period: Begin: _____ End: _____		
<b>Performance Obligation and Contract Quantity: (Select One)</b>		
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2 at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Delivery Point(s):</b> (If a pooling point is used, list a specific geographic and pipeline location): _____		
<b>Special Conditions:</b>		
Seller: <b>[NOT FOR EXECUTION]</b> By: _____ Title: _____ Date: _____	Buyer: <b>[NOT FOR EXECUTION]</b> By: _____ Title: _____ Date: _____	

SPECIAL PROVISIONS TO BASE CONTRACT FOR  
SALE AND PURCHASE OF NATURAL GAS  
(FORM NAESB Standard 6.3.1)  
BY AND BETWEEN Shell Energy North America (US), L.P. (SENA) AND  
COUNTERPARTY NAME  
DATED \_\_\_\_\_, 20\_\_

SECTION

1.2 Oral Transaction Procedure:

Delete the fifth sentence, and replace with the following: "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 the Section 1.2 (Oral Transaction Procedure); provided, however, the parties agree that with respect to any transaction having a Delivery Period of less than one Month that such transactions shall be documented by a recording of the telephone transaction and that neither party shall submit a written Transaction Confirmation. If any transaction having a Delivery Period of less than one Month is not recorded by the Confirming Party, then the Confirming Party shall, and the other party may, confirm such transaction by sending a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means. The failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties."

1.4 At the end of Section 1.4, insert the following text: "For those transactions documented by telephone recordings, no such transaction shall be vitiated should a malfunction occur in equipment regularly utilized for recording transactions or retaining any recorded transactions or the operation thereof, and in such event the transaction shall be evidenced by the written and computer records of the parties concerning the transaction made contemporaneously with the telephone conversation."

2.27 At the end of the sentence add the phrase: "except for those transactions having a Delivery Period of less than one Month which are documented by telephone recordings pursuant to Section 1.2."

5 Add the following sentence at the end of the paragraph: "EXCEPT FOR THE OTHER PROVISIONS IN THIS SECTION 5, SELLER HEREBY NEGATES ALL EXPRESS, IMPLIED, OR STATUTORY REPRESENTATIONS AND WARRANTIES OF ANY KIND, INCLUDING THOSE RELATING TO MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE."

10.1 At the end of Section 10.1, insert the following sentence: "In the event that Shell Energy North America (US), L.P.'s credit support provider, Shell Energy North America (US), L.P., maintains either an S&P issuer rating of BBB- or a Moody's corporate issuer rating of Baa3, or higher, then Shell Energy North America (US), L.P. shall not be required to provide any Adequate Assurance of Performance other than the guaranty of its credit support provider."

10.3.1 Add the following sentence to the end of the first paragraph of Section 10.3.1: "If the determination pursuant to clauses (x) and (y) above of the difference between the Market Value(s) and Contract Value(s) of all the Terminated Transactions does not result in an amount being owed to the Non-Defaulting Party, it shall be deemed that such difference is zero."

11.2 Insert the phrase "and (vi) a claim of Force Majeure of the foregoing type by a third party supplying the Gas delivered or to be delivered hereunder" before the period and after the word "jurisdiction" in the seventh line of Section 11.2.

12 Delete the second sentence of Section 12 and replace it with the following: "The rights of either party pursuant to: (i) Section 7.6, (ii) Section 10, (iii) Section 13, (iv) Section 14.10, (v) Waiver of Jury Trial provisions (if applicable), (vi) Arbitration provisions (if applicable), (vii) the obligation to make payment hereunder, and (viii) the obligation of either party to indemnify the other pursuant hereto, shall survive the termination of the Base Contract or any transaction."

14.10 Add the following new sentence to the end of the first paragraph of Section 14.10: "With respect to financial statements provided in connection with the Contract, this obligation shall survive for a period of three (3) years following the date such financial statements were provided to a party."

INITIAL/APPROVAL

COUNTERPARTY	
SENA	

## ATTACHMENT 7



## LETTERS TO UTILITY COMPANIES



September 20, 2010

Shell Energy North America  
Two Houston Center  
909 Fannin, Plaza Level 1  
Houston, TX 77010  
Tel 1+ 713 767 5400  
[www.shell.com/us/energy](http://www.shell.com/us/energy)

Ms. Jackie Sydnor, Team Leader  
Granite State Gas Transmission, Inc.  
1700 MacCorkle Ave., Southeast  
Charleston, WV 25314

Re: Re: Renewal of Registration as a Competitive Natural Gas Supplier in New  
Hampshire of Shell Energy North America (US), L.P.

Dear Ms. Sydnor:

This letter is being sent to inform you today that Shell Energy North America (US), L.P. has filed for renewal of its registration as a competitive natural gas supplier in New Hampshire. Please feel free to contact me if you have questions regarding this renewal registration.

Very truly yours,

A handwritten signature in cursive script that reads "Amy Gold".

Amy Gold  
General Manager, Regulatory Affairs  
Shell Energy North America (US), L.P.  
909 Fannin Street  
Plaza Level 1  
Houston, TX 77010  
(713) 230-7812  
[amy.gold@shell.com](mailto:amy.gold@shell.com)



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Two Houston Center  
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[www.shell.com/us/energy](http://www.shell.com/us/energy)

September 20, 2010

Thomas O'Neill, Esq.  
National Grid  
201 Jones Rd., 5<sup>th</sup> Floor  
Waltham, MA 02451

Re: Renewal of Registration as a Competitive Natural Gas Supplier in New  
Hampshire of Shell Energy North America (US), L.P.

Dear Mr. O'Neill:

This letter is being sent to inform you today that Shell Energy North America (US), L.P. has filed for renewal of its registration as a competitive natural gas supplier in New Hampshire. Please feel free to contact me if you have questions regarding this renewal registration.

Very truly yours,

A handwritten signature in cursive script that reads "Amy Gold".

Amy Gold  
General Manager, Regulatory Affairs  
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Houston, TX 77010  
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