

EXHIBIT II  
Service Request

The undersigned requests from National Grid Corporate Services LLC (formerly named "KeySpan Corporate Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
Corporate Affairs	<u>X</u>	—
Customer Service	<u>X</u>	—
Environmental Services	<u>X</u>	—
Executive and Administrative	<u>X</u>	—
Financial Services		—
Accounting/Auditing	<u>X</u>	—
Financial Planning	<u>X</u>	—
Investor Relations and Shareholder Serv.	<u>X</u>	—
Risk Management	<u>X</u>	—
Tax	<u>X</u>	—
Treasury/Finance	<u>X</u>	—
Human Resources	<u>X</u>	—
Information Technology	<u>X</u>	—
Legal and Regulatory		—
Legal and Regulatory	<u>X</u>	—
Corporate Secretary's Office	<u>X</u>	—
Operating Services		—
Facilities Management & Real Estate	<u>X</u>	—
Fleet Management	<u>X</u>	—
Materials Management and Purchasing	<u>X</u>	—
Security	<u>X</u>	—
Strategic Planning and Corp Performance	<u>X</u>	—
Fuel Management	<u>X</u>	—
Marketing and Sales	<u>X</u>	—
Meter Operations	<u>X</u>	—
Research and Development	<u>X</u>	—
Gas and Electric Transmission and Distribution Planning	<u>X</u>	—

EnergyNorth Natural Gas, Inc.  
(Client Company)

By Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

EnergyNorth Natural Gas, Inc.  
One MetroTech Center  
Brooklyn, NY 11201

EXHIBIT II  
Service Request

The undersigned requests from National Grid Utility Services LLC (formerly named "KeySpan Utility Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
Fuel Management	<u>X</u>	___
Marketing and Sales	<u>X</u>	___
Meter Operations	<u>X</u>	___
Research and Development	<u>X</u>	___
Gas and Electric Transmission and Distribution Planning	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

EnergyNorth Natural Gas, Inc.  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

EnergyNorth Natural Gas, Inc.  
One MetroTech Center  
Brooklyn, NY 11201

EXHIBIT II  
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Executive and Administrative	<u>X</u>	—
Financial Services		—
Accounting/Auditing	<u>X</u>	—
Financial Planning	<u>X</u>	—
Investor Relations and Shareholder Serv.	<u>X</u>	—
Risk Management	<u>X</u>	—
Tax	<u>X</u>	—
Treasury/Finance	<u>X</u>	—
Human Resources	<u>X</u>	—
Information Technology	<u>X</u>	—
Legal and Regulatory		—
Legal and Regulatory	<u>X</u>	—
Corporate Secretary's Office	<u>X</u>	—
Operating Services		—
Facilities Management & Real Estate	<u>X</u>	—
Fleet Management	<u>X</u>	—
Materials Management and Purchasing	<u>X</u>	—
Security	<u>X</u>	—
Strategic Planning and Corp Performance	<u>X</u>	—

GRANITE STATE ELECTRIC COMPANY  
(Client Company)

By: Lorraine M Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

Granite State Electric Company  
9 Lowell Road  
Salem, NH 03079

EXHIBIT II  
Service Request

The undersigned requests from National Grid Engineering & Survey Inc. (formerly named "KeySpan Engineering & Survey Inc.") the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
General Engineering	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

GRANITE STATE ELECTRIC COMPANY  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

Granite State Electric Company  
9 Lowell Road  
Salem, NH 03079

EXHIBIT II  
Service Request

The undersigned requests from National Grid Corporate Services LLC (formerly named "KeySpan Corporate Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

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Corporate Affairs	<u>X</u>	—
Customer Service	<u>X</u>	—
Environmental Services	<u>X</u>	—
Executive and Administrative	<u>X</u>	—
Financial Services		—
Accounting/Auditing	<u>X</u>	—
Financial Planning	<u>X</u>	—
Investor Relations and Shareholder Serv.	<u>X</u>	—
Risk Management	<u>X</u>	—
Tax	<u>X</u>	—
Treasury/Finance	<u>X</u>	—
Human Resources	<u>X</u>	—
Information Technology	<u>X</u>	—
Legal and Regulatory		—
Legal and Regulatory	<u>X</u>	—
Corporate Secretary's Office	<u>X</u>	—
Operating Services		—
Facilities Management & Real Estate	<u>X</u>	—
Fleet Management	<u>X</u>	—
Materials Management and Purchasing	<u>X</u>	—
Security	<u>X</u>	—
Strategic Planning and Corp Performance	<u>X</u>	—

NEW ENGLAND ELECTRIC  
TRANSMISSION CORPORATION  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Electric Transmission Corporation  
9 Lowell Road  
Salem, NH 03079

## EXHIBIT II

### Service Request

The undersigned requests from National Grid Engineering & Survey Inc. (formerly named "KeySpan Engineering & Survey Inc.") the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
General Engineering	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

NEW ENGLAND ELECTRIC  
TRANSMISSION CORPORATION  
(Client Company)

By: Lorraine M Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

#### Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Electric Transmission Corporation  
9 Lowell Road  
Salem, NH 03079

EXHIBIT II  
Service Request

The undersigned requests from National Grid Corporate Services LLC (formerly named "KeySpan Corporate Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
Corporate Affairs	<u>X</u>	—
Customer Service	<u>X</u>	—
Environmental Services	<u>X</u>	—
Executive and Administrative	<u>X</u>	—
Financial Services		—
Accounting/Auditing	<u>X</u>	—
Financial Planning	<u>X</u>	—
Investor Relations and Shareholder Serv.	<u>X</u>	—
Risk Management	<u>X</u>	—
Tax	<u>X</u>	—
Treasury/Finance	<u>X</u>	—
Human Resources	<u>X</u>	—
Information Technology	<u>X</u>	—
Legal and Regulatory		—
Legal and Regulatory	<u>X</u>	—
Corporate Secretary's Office	<u>X</u>	—
Operating Services		—
Facilities Management & Real Estate	<u>X</u>	—
Fleet Management	<u>X</u>	—
Materials Management and Purchasing	<u>X</u>	—
Security	<u>X</u>	—
Strategic Planning and Corp Performance	<u>X</u>	—

NEW ENGLAND HYDRO-  
TRANSMISSION CORPORATION  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Hydro-Transmission Corporation  
9 Lowell Road  
Salem, NH 03079

## EXHIBIT II

### Service Request

The undersigned requests from National Grid Engineering & Survey Inc. (formerly named "KeySpan Engineering & Survey Inc.") the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
General Engineering	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

NEW ENGLAND HYDRO-  
TRANSMISSION CORPORATION  
(Client Company)

By: Lorraine M Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

#### Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Hydro-Transmission Corporation  
9 Lowell Road  
Salem, NH 03079



EXHIBIT II  
Service Request

The undersigned requests from National Grid Corporate Services LLC (formerly named "KeySpan Corporate Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
Corporate Affairs	<u>X</u>	—
Customer Service	<u>X</u>	—
Environmental Services	<u>X</u>	—
Executive and Administrative	<u>X</u>	—
Financial Services		—
Accounting/Auditing	<u>X</u>	—
Financial Planning	<u>X</u>	—
Investor Relations and Shareholder Serv.	<u>X</u>	—
Risk Management	<u>X</u>	—
Tax	<u>X</u>	—
Treasury/Finance	<u>X</u>	—
Human Resources	<u>X</u>	—
Information Technology	<u>X</u>	—
Legal and Regulatory		—
Legal and Regulatory	<u>X</u>	—
Corporate Secretary's Office	<u>X</u>	—
Operating Services		—
Facilities Management & Real Estate	<u>X</u>	—
Fleet Management	<u>X</u>	—
Materials Management and Purchasing	<u>X</u>	—
Security	<u>X</u>	—
Strategic Planning and Corp Performance	<u>X</u>	—

NEW ENGLAND POWER COMPANY  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Power Company  
40 Sylvan Road  
Waltham, MA 02451

## EXHIBIT II

### Service Request

The undersigned requests from National Grid Engineering & Survey Inc. (formerly named "KeySpan Engineering & Survey Inc.") the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
General Engineering	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

NEW ENGLAND POWER COMPANY  
(Client Company)

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

#### Notice to Client Company:

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

New England Power Company  
40 Sylvan Road  
Waltham, MA 02451

KeySpan Utility Services LLC

SERVICE AGREEMENT

This Service Agreement ("Agreement") dated as of January 1, 2008 by and between KeySpan Utility Services LLC ("KUS"), a New York limited liability company and each of the companies listed on Schedule A hereto (individually a "Client Company" and collectively, the "Client Companies"). KUS and the Client Companies may each be referred to herein as a "Party," and collectively referred to herein as the "Parties."

WITNESSETH:

WHEREAS, KUS is an indirect wholly owned subsidiary of National Grid USA ("National Grid") which is a holding company under the Public Utility Holding Company Act of 2005, as amended (the "Act");

WHEREAS, KUS is now deemed a Traditional Centralized Service Company, as defined under the Act and the provisions promulgated thereunder by the Federal Energy Regulatory Commission ("FERC"), and was an approved and authorized service company pursuant to Section 13(b) of the former Public Utility Holding Company Act of 1935, and the regulations promulgated thereunder; and

WHEREAS, KUS and the Client Companies desire for KUS to provide, and the Client Company to accept, the services provided for hereunder in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the mutual representations, covenants and agreements hereinafter set forth, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1  
SERVICES

1.1 Services Offered. Exhibit I to this Agreement describes the services that KUS offers to furnish to a Client Company (in accordance with the terms and conditions set forth herein) upon written request of such Client Company. In addition to the services described in Exhibit I hereto, KUS may also provide a Client Company with such special services, as may be requested by such Client Company in writing, which the Service Company concludes it is able to perform. In supplying services hereunder to a Client Company, KUS may arrange, where it deems appropriate, for the services of such experts, consultants, advisers and other persons with necessary qualifications as are required for, or pertinent to, the performance of such services.

1.2 Services Selected.

(a) Each Client Company shall make its initial selection of the services set forth in Section 1.1 above that it agrees to receive from KUS by providing KUS an executed service request in the form set forth in Exhibit II.

(b) By December 1 of calendar year, KUS shall send an annual service proposal to each Client Company listing the services proposed for the next calendar year. By December 31, each Client Company shall notify KUS in writing of the services it elects to receive from KUS during the next calendar year.

1.3 Modification of Services. A Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) such amendment or alteration which results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by KUS, (ii) the cost for the services covered by the activity, project, program or work order shall include any expense incurred by KUS as a direct result of such amendment, alteration or rescission of the activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release a Client Company from liability for all costs already incurred by or contracted for by KUS pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed. Any request made by a Client Company pursuant to this Section 1.3 shall be in writing to KUS and shall take effect on the first day of the first calendar month which is at least thirty (30) days after the day that the Client Company sent the written notice to KUS.

1.4 Service Receipt Limitations.

(a) Each of the companies listed on Schedule B hereto agree that:

(i) they will not incur a charge hereunder except in accordance with their respective state and the rules, regulations and orders of their respective state Public Service Commission promulgated thereunder; and

(ii) they will not seek to reflect in rates any cost incurred hereunder to the extent disallowed by their respective state Public Service Commission.

(b) Notwithstanding anything in this Agreement to the contrary, KUS, and the companies listed on Schedule B hereto agree that because of the agreements set forth in Section 1.4(a) above, such companies listed on Schedule B will not accept services from KUS hereunder if the cost to be charged for such services differs from the amount of the charges such companies are permitted to incur under their respective state and the rules, regulations and orders of their respective state Public Service Commission promulgated thereunder.

ARTICLE 2  
COMPENSATION AND BILLING

2.1 Compensation. As and to the extent required by law, KUS shall provide the services hereunder at cost. Exhibit I hereto sets forth the rules KUS shall use for determining and allocating costs to the Client Companies. KUS shall advise the Client Companies from time to time of any material change in the method of assignment or allocation of costs hereunder.

2.2 Invoices. By the 20th day of each month, KUS shall render a monthly bill to each Client Company which shall reflect the billing information necessary to identify the costs charged for the services KUS provided in the preceding month. A Client Company shall pay its invoice by check, wire transfer or money pool transaction to KUS (at the account designated by KUS) within 30 days after receiving the invoice. If an invoice is not paid by the 30<sup>th</sup> day after the invoice is received (the "Due Date"), the Client Company shall pay interest on any amount outstanding after the Due Date at the current money pool rate.

ARTICLE 3  
TERM AND TERMINATION

3.1 Effective Date. This Agreement shall become effective on the date hereof, subject to receipt of all required federal or state regulatory approvals.

3.2 Termination. This Agreement shall continue in full force and effect with respect to KUS and a Client Company until (a) terminated by the Client Company upon sixty (60) days advance written notice to KUS, or (b) terminated by KUS upon sixty (60) days advance written notice to a Client Company. This Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Agreement may conflict with the Act or with any rule, regulation or order of the FERC adopted before or after the date of this Service Agreement.

ARTICLE 4  
MISCELLANEOUS

4.1 Modification. Except as set forth in Article 2 and Sections 1.3, 3.2 and 4.4, no amendment or other modification of this Agreement shall be effective unless made in writing and executed by all of the Parties to this Agreement.

4.2 Notices. Where written notice is required by this Agreement, said notice shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

To KUS:

KeySpan Utility Services LLC  
One Metrotech Center  
Brooklyn, New York 11201

To Client Company: The name and address of the person designated in writing to KUS on the date the Client Company executes this Agreement.

4.3 Accounts. All accounts and records of KUS shall be kept in accordance with the rules and regulations promulgated by FERC pursuant to the Act, in particular, the record retention requirements and the Uniform System of Accounts for Service Companies in effect from and after the date hereof. Upon request, KUS shall permit a Client Company reasonable access to the accounts and records of KUS relating to the services performed for such Client Company hereunder.

4.4 Additional Client Companies. After the effective date of this Agreement, any new or existing direct or indirect subsidiary of National Grid may become an additional Client Company under this Agreement by becoming a signatory to this Agreement.

4.5 Waiver. Except as otherwise provided in this Agreement, any failure of a Party to comply with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

4.6 No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any other person except the Parties any rights or remedies hereunder or shall create any third party beneficiary rights in any person. No provision of this Agreement shall create any rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement except as expressly provided for thereunder.

4.7 Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of New York (regardless of the laws that might otherwise govern under applicable principles of conflicts of law).

4.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.9 Entire Agreement. This Agreement including the exhibits referred to herein or therein, constitutes the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement. KUS and each Client Company may enter into

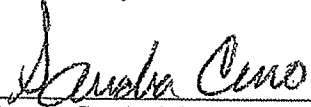
non-binding service level agreements (as described more fully in KUS' policies and procedures manual), the purpose of which will be to set forth in general terms the shared service expectations between KUS and the Client Company as a managerial tool to facilitate matching the Client Companies needs to the capabilities of KUS. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein or therein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the transactions contemplated by this Agreement.

4.10 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect.

4.11 Assignment. KUS shall not assign this Agreement, or any of its rights or obligations hereunder without the prior written consent of the Client Companies, such consent not to be unreasonably withheld. A Client Company shall not assign this Agreement, or any of its rights or obligations hereunder without the prior written consent of KUS. This Agreement shall inure to the benefit and shall be binding upon the Parties and their permitted successors and assigns.

IN WITNESS WHEREOF, KUS and the Client Companies have caused this Service Agreement to be signed by their respective duly authorized officers as of the date first above written.

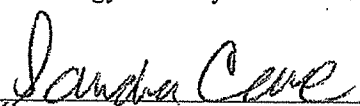
KeySpan Utility Services LLC

By:   
Name: Sandra M. Cano  
Title: Assistant Secretary

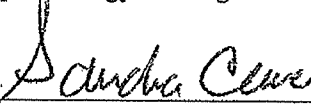
KeySpan Gas East Corporation d/b/a KeySpan  
Energy Delivery Long Island

By: \_\_\_\_\_  
Name: Philip A. DeCicco, Jr.  
Title: Assistant Secretary

The Brooklyn Union Gas Company d/b/a  
KeySpan Energy Delivery New York

By:   
Name: Sandra M. Cano  
Title: Assistant Secretary

KeySpan Energy Trading Services LLC

By:   
Name: Sandra M. Cano  
Title: Assistant Secretary

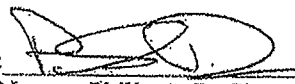


IN WITNESS WHEREOF, KUS and the Client Companies have caused this Service Agreement to be signed by their respective duly authorized officers as of the date first above written.

KeySpan Utility Services LLC

By: \_\_\_\_\_  
Name: Sandra M. Cano  
Title: Assistant Secretary

KeySpan Gas East Corporation d/b/a KeySpan  
Energy Delivery Long Island

By:  \_\_\_\_\_  
Name: Philip A. DeCicco, Jr.  
Title: Assistant Secretary

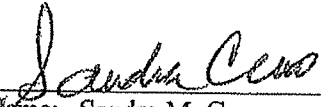
The Brooklyn Union Gas Company d/b/a  
KeySpan Energy Delivery New York

By: \_\_\_\_\_  
Name: Sandra M. Cano  
Title: Assistant Secretary

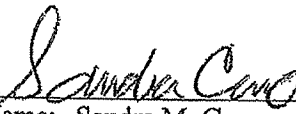
KeySpan Energy Trading Services LLC

By: \_\_\_\_\_  
Name: Sandra M. Cano  
Title: Assistant Secretary

KeySpan Electric Services LLC

By:   
Name: Sandra M. Cano  
Title: Assistant Secretary

KeySpan Generation LLC

By:   
Name: Sandra M. Cano  
Title: Assistant Secretary

(Continued Signature Page to the KeySpan Utility Services LLC Service Agreement)

Colonial Gas Company

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Essex Gas Company

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

Boston Gas Company

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

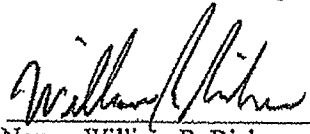
EnergyNorth Natural Gas, Inc.

By: Lorraine M. Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

The Narragansett Electric Company

By: \_\_\_\_\_  
Name: John G. Cochrane  
Title: Treasurer

Niagara Mohawk Power Corporation

By:  \_\_\_\_\_  
Name: William R. Richer  
Title: Assistant Treasurer and  
Assistant Controller

The Narragansett Electric Company

By: John G. Cochrane  
Name: John G. Cochrane  
Title: Treasurer

Niagara Mohawk Power Corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **Schedule A**

KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island  
The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York  
KeySpan Generation LLC  
KeySpan Electric Services LLC  
KeySpan Energy Trading Services LLC  
Colonial Gas Company  
Essex Gas Company  
Boston Gas Company  
EnergyNorth Natural Gas, Inc.  
The Narragansett Electric Company  
Niagara Mohawk Power Corporation

**Schedule B**

KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island  
The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York  
KeySpan Generation LLC  
Colonial Gas Company  
Essex Gas Company  
Boston Gas Company  
EnergyNorth Natural Gas, Inc.  
The Narragansett Electric Company  
Niagara Mohawk Power Corporation

## EXHIBIT I

### Description of Services, Cost Accumulation, Assignment and Allocation Methodologies for KUS

#### A. Description of Services Offered by KeySpan Utility Services

##### 1. Fuel Management

Manage Client Companies' purchase, sale, movement, transfer and accounting of gas quantities to ensure continued recovery of all prudently incurred energy purchase costs through local jurisdictional cost recovery mechanisms.

Provide services and systems dedicated to energy marketing, including marketing and trading of gas and energy price risk management. Develop marketing and sales programs in physical and financial markets for regulatory and specific contractual requirements. Activities include short-term planning, billing and reconciliations.

##### 2. Marketing and Sales

Plan, formulate and implement marketing and sales programs, as well as provide associated marketing services to assist Client Companies with improving customer satisfaction, load retention and shaping, growth of residential, commercial/industrial energy sales and deliveries, energy conservation and efficiency. Assist Client Companies in carrying out policies and programs for the development of plant locations and of industrial, commercial and wholesale markets. Develop and administer Marketing research and planning programs as well as advertising/telemarketing programs. Perform load research, econometric modeling, and sales and revenue forecasting for jurisdictional gas subsidiaries.

##### 3. Meter Operations

Purchase, repair and refurbish meters for Client Companies.

##### 4. Research and Development

Investigate and conduct research relating to production, utilization, testing, manufacture, transmission, storage and distribution of energy. Keep abreast of and evaluate for Client Companies all research developments and programs of significance affecting Client Companies and the energy industry. Advise and assist in the solution of technical problems arising out of Client Companies' operations.



#### 5. Gas and Electric Transmission and Distribution Planning

Provide gas and electric transmission and distribution planning services as related to system and safety reliability, expansion and load handling capabilities.

#### 6. Executive and Administrative

Advise and assist Client Companies in the formulation and execution of general plans and policies of Client Companies. Advise and assist Client Companies as to operations, the preparation of filings arising out of or required by the various federal and state securities, business, public utilities and corporation laws, the selection of executive and administrative personnel, the representation of Client Companies before regulatory bodies, proposals for capital expenditures, budgets, acquisition and disposition of properties, expansion of business, rate structures and other related matters.

#### B. Methods of Allocation

Cost of service will be determined in accordance with the Act and the rules and regulations and orders thereunder, and will include all costs of doing business incurred by KUS, including a reasonable return on capital which will reflect a capitalization of KUS of no more than equity of ten percent (10%), and all associated taxes.

KUS will maintain an accounting system for accumulating all costs on a project, activity or other appropriate basis. The accounting system will use codes to assign charges to the applicable costs center, project, activity and account. Records will be kept by each cost center of KUS in order to accumulate all costs of doing business. Expenses of the department will include salaries and wages of employees, materials and supplies and all other expenses attributable to the department. Labor cost will be loaded for fringe benefits and payroll taxes. To the extent practicable, time records of hours worked by all service company employees, including all officers of such company (i.e., Chief Executive Officer, President and Vice Presidents), will be kept by project and activity. In supplying services, KUS may arrange where it deems appropriate, for the services of experts, consultants, advisors and other persons with necessary qualifications as are required to perform such services. KUS will establish annual budgets for controlling the expenses of each department.

Monthly KUS costs will be directly assigned to Client Companies where possible. Amounts that cannot be directly assigned will be allocated to Client Companies by means of equitable allocation formulae or clearing accounts. To the extent possible, such allocations shall be based on cost-causation relationships. All other allocations will be broad based. In some instances, KUS cost centers which perform work for other service company cost centers may use a surrogate allocation method that mimics the allocations of the receiver cost center. Each formula will have an appropriate basis such as meters, square footage, etc.

Each Client Company will take agreed upon services and such additional or general or special services, whether or not now contemplated, as are requested from time to time by such Client Company and which KUS concludes it is able to perform. No amendment, alteration or rescission of an activity or project shall release a Client Company from liability for all costs already incurred by, or contracted for, by KUS pursuant to the project or activity regardless of whether the services associated with such costs have been completed.

Allocation percentages will be calculated on historical data where appropriate and updated annually. Due to the unique nature of the management services agreement contract with the Long Island Power Authority (LIPA), the bases of the LIPA (such as revenues, assets, etc. managed on their behalf) will be included, with the applicable Client Company's data, in order to determine appropriate allocations.

The method of assignment or allocation of costs shall be reviewed annually or more frequently if appropriate. If the use of a basis of allocation would result in an inequity because of a change in operations or organization, then KUS may adjust the basis to effect an equitable distribution.

The applications of Service Allocations are described more fully below.

<u>Service Department Or Function</u>	<u>Basis of Allocation</u>
Marketing and Sales	3-point formula
Fuel Management	sendout 3-point formula
Research and Development	3-point formula
Meter Operations	#of meters
Gas and Electric Transmission and Distribution Planning	Property
Executive and Administrative	3-point formula

Definition of Allocation Factors to be used by KUS

Assets - A ratio based on total assets at the end of the year, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

# of Meters – A ratio based on the number of meters at the end of the year, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

Payroll - A ratio based on total wages, salaries, commissions and other forms of compensation paid during the year which are reportable, for federal income tax purposes, as taxable income to the employee, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

Property - A ratio based on gross fixed assets, valued at original acquisition costs, and investments owned in other companies, including construction work in progress, at the end of the year, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

Revenue - A ratio based on the revenue for the previous calendar year, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

Sendout - A ratio based on the sendout for the previous calendar year, including gas used by the Client entity but excluding Transportation customer volumes delivered for another gas supplier, the numerator of which is for a specific client company and the denominator being all recipient client companies. This ratio will be calculated annually based on actual experience.

3-Point Formula – This formula consists of three factors. It is designed to be an equitable and feasible tool to act as a surrogate when direct charging or cost causal relationships can not be established. It is a calculated ratio, which compares each of the formula factors for the Client Company to the total of the same factors for all recipient Client Companies. The factors are an equal weighting of Revenue, Assets, and Expenses. This ratios will be calculated annually based on actual experience.

Accession to  
National Grid Utility Services LLC Service Agreement

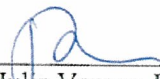
Effective as of January 1, 2011 ("*Effective Date*")

Reference is made to that certain Service Agreement by and between National Grid Utility Services LLC (formerly known as KeySpan Utility Services LLC) and Client Companies dated as of January 1, 2008 (the "*Service Agreement*"). Any capitalized term used but not defined herein shall have the meaning specified for such term in the Service Agreement.


As of the Effective Date, each of the undersigned companies shall be deemed to be a Client Company under the Service Agreement and shall be bound by the terms of the Service Agreement.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed by their respective duly authorized officers as of the Effective Date.

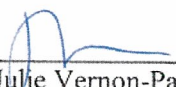
GRANITE STATE ELECTRIC COMPANY

By:   
Name: Julie Vernon-Parry  
Title: Assistant Treasurer

MASSACHUSETTS ELECTRIC COMPANY

By:   
Name: Julie Vernon-Parry  
Title: Assistant Treasurer

NANTUCKET ELECTRIC COMPANY

By:   
Name: Julie Vernon-Parry  
Title: Assistant Treasurer

*Agreed and accepted:*

NATIONAL GRID UTILITY SERVICES LLC



By:   
Name: Lorraine Lynch  
Title: Assistant Treasurer

EXHIBIT II  
Service Request

The undersigned requests from National Grid Utility Services LLC (formerly named "KeySpan Utility Services LLC") all of the services selected below. The services requested hereunder shall commence on January 1, 2011 and be provided through December 31, 2011.

<u>Service</u>	<u>Yes</u>	<u>No</u>
Fuel Management	<u>X</u>	___
Marketing and Sales	<u>X</u>	___
Meter Operations	<u>X</u>	___
Research and Development	<u>X</u>	___
Gas and Electric Transmission and Distribution Planning	<u>X</u>	___
Executive and Administrative	<u>X</u>	___

Nantucket Electric Company  
(Client Company)

By:   
Name: Julie Vernon-Parry  
Title: Assistant Treasurer

Notice to Client Company

Written notice pursuant to Section 4.2 of this Agreement to the Client Company should be sent to:

Nantucket Electric Company  
40 Sylvan Road  
Waltham, MA 02451

## UTILITY MONEY POOL AGREEMENT

This Utility Money Pool Agreement (the "Agreement"), dated as of January 1, 2011, is made and entered into by and among KeySpan Corporation ("KeySpan"), a New York corporation and a holding company under the Public Utility Holding Company Act of 2005, as amended (the "Act"), National Grid Corporate Services LLC ("NGCS"), a New York limited liability company and a subsidiary service company of KeySpan (in its role as administrator of the money pool), and each of the KeySpan utility subsidiaries, namely, The Brooklyn Union Gas Company ("Brooklyn Union"), KeySpan Gas East Corporation ("Gas East"), Boston Gas Company ("Boston"), Colonial Gas Company ("Colonial") and EnergyNorth Natural Gas, Inc. ("EnergyNorth") (each a "Party" and collectively, the "Parties").

### WITNESSETH:

WHEREAS, the Parties desire to establish a Money Pool (the "Utility Money Pool") to coordinate and provide for certain of their short-term cash and working capital requirements; and

WHEREAS, the KeySpan utility subsidiaries, including Brooklyn Union, Gas East, Boston, Colonial and EnergyNorth, that will participate in the Utility Money Pool (each a "Subsidiary" and collectively, the "Subsidiaries") will from time to time have a need to borrow funds on a short-term basis, and certain of the Parties will from time to time have funds available to loan on a short-term basis; and

WHEREAS, Brooklyn Union and Gas East will be limited in their participation in the Utility Money Pool to only be authorized to borrow funds from time to time from the Utility Money Pool; and

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, the Parties hereto agree as follows:

### ARTICLE I CONTRIBUTIONS AND BORROWINGS

#### Section 1.01 - Contributions to Utility Money Pool.

Subject to applicable regulatory restrictions, if any, each Party will determine each day, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a Party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by such Party's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion.

Each Party may withdraw any of its funds at any time upon notice to NGCS as administrative agent of the Utility Money Pool.

#### Section 1.02 - Rights to Borrow.

Subject to the provisions of Section 1.04(c) of this Agreement, short-term borrowing needs of the Parties, with the exception of KeySpan, will be met by funds in the Utility Money Pool to the extent such funds are available. Each Party (other than KeySpan) shall have the right to make short-term borrowing from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein and in the applicable orders and any subsequent orders, rules or regulations promulgated by the Federal Energy Regulatory Commissions ("FERC"). Each Party (other than KeySpan) may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of FERC and other regulatory authorities, resolutions of such Party's Board of Directors, such Party's governing corporate documents, and agreements binding upon such Party. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by, KeySpan.

#### Section 1.03 - Source of Funds.

(a) Funds will be available through the Utility Money Pool from the following sources for use by the Parties from time to time: (1) surplus funds in the treasuries of Parties other than KeySpan, (2) surplus funds in the treasury of KeySpan, and (3) proceeds from bank borrowings by Parties or the sale of commercial paper by KeySpan and each other Party ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such other order as NGCS, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to companies borrowing from the Utility Money Pool, consistent with the individual borrowing needs and financial standing of the Parties providing funds to the Utility Money Pool.

(b) Borrowing Parties will borrow pro rata from each lending Party in the proportion that the total amount loaned by such lending Party bears to the total amount then loaned through the Utility Money Pool. On any day when more than one fund source (e.g., surplus treasury funds of KeySpan and other Utility Money Pool participants ("Internal Funds") and External Funds), with different rates of interest, is used to fund loans through the Utility Money Pool, each borrowing Party will borrow pro rata from each fund source in the same proportion that the amount of funds provided by that fund source bears to the total amount of short-term funds available to the Utility Money Pool.

#### Section 1.04 - Authorization.

(a) Each loan shall be authorized by the lending Party's chief financial officer, treasurer, controller or comptroller or by a designee thereof.

(b) NGCS, as administrator of the Utility Money Pool, will provide each Party with periodic activity and cash accounting reports that include, among other things, reports of cash activity, the daily balance of loans outstanding and the calculation of interest charged.

(c) All borrowings from the Utility Money Pool shall be authorized by the borrowing Party's chief financial officer, treasurer, controller or comptroller or by a designee thereof. No Party shall be required to effect a borrowing through the Utility Money Pool if such Party determines that it can (and is authorized to) effect such borrowing at lower cost directly from banks, through the sale of its own commercial paper, or otherwise.

(d) Brooklyn Union and Gas East will be prohibited from directly or indirectly loaning or transferring funds borrowed from the Utility Money Pool to National Grid plc, National Grid USA and all other non-participants in the Utility Money Pool.

#### Section 1.05 - Interest.

The daily outstanding balance of all loans to any Subsidiary shall accrue Interest as follows:

(a) If only Internal Funds comprise the daily outstanding balance of all loans outstanding during a calendar month, the interest rate applicable to such daily balances shall be the rates for high-grade unsecured 30-day commercial paper of major corporations sold through dealers as quoted in The Wall Street Journal (the "Average Composite").

(b) If only External Funds comprise the daily outstanding balance of all loans outstanding during a calendar month, the interest rate applicable to such daily outstanding balance shall be the lender's cost for such External Funds or, if more than one Party had made available External Funds at any time during the month, the applicable interest rate shall be a composite rate, equal to the weighted average of the costs incurred by the respective Parties for such External Funds. The interest rate applicable to External Funds borrowed by a Subsidiary for fuel purchases shall be the actual applicable interest rate attributable to such External Funds for a calendar month.

(c) In cases where the daily outstanding balances of all loans outstanding at any time during the month include both Internal Funds and External Funds, the interest rate applicable to the daily outstanding balances for the month shall be equal to the weighted average of the (i) cost of all Internal Funds contributed by Parties, as determined pursuant to Section 1.05(a) of this Agreement, and (ii) the cost of all such External Funds, as determined pursuant to Section 1.05(b) of this Agreement.



(d) The interest rate applicable to Loans made by a Subsidiary to the Utility Money Pool under Section 1.01 of this Agreement shall be the Average Composite as determined pursuant to Section 1.05(a) of this Agreement.

#### Section 1.06 - Certain Costs.

The cost of compensating balances and fees paid to banks to maintain credit lines and accounts by Parties lending External Funds to the Utility Money Pool shall initially be paid by the Party maintaining such line. A portion of such costs shall be retroactively allocated every month to the Subsidiaries borrowing such External Funds through the Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

#### Section 1.07 - Repayment.

Each Subsidiary receiving a loan from the Utility Money Pool hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 365 days of the date on which such loan was made. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

#### Section 1.08 - Form of Loans to Subsidiaries.

Loans to the Subsidiaries from the Utility Money Pool shall be made as open-account advances, pursuant to the terms of this agreement. A separate promissory note will not be required for each individual transaction. Instead, a promissory note evidencing the terms of the transactions shall be signed by the Parties to the transaction. Any such note shall: (a) be dated as of the date of the initial borrowing; (b) mature on demand or on a date agreed by the Parties to the transaction, but in any event not later than one year after the date of the applicable borrowing; and (c) be repayable in whole at any time or in part from time to time, without premium or penalty.

## ARTICLE II OPERATION OF UTILITY MONEY POOL

#### Section 2.01 - Operation.

Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by NGCS under the authority of the appropriate officers of the Parties. NGCS shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. NGCS will administer the Utility Money Pool on an "at cost" basis. Separate records shall be kept by NGCS for the Utility Money Pool established by this Agreement and any other money pool administered by NGCS.

## Section 2.02 - Investment of Surplus Funds in the Utility Money Pool.

Funds not required for the Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than "A" by a nationally recognized rating agency; (iv) commercial paper rated not less than "A-1" by S&P or "P-1" by Moody's, or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar funds; and (viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder.

## Section 2.03 - Allocation of Interest Income and Investment Earnings.

The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the Parties in accordance with the proportion each Party's contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool and the cost of any External Funds provided to the Utility Money Pool by such Party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

## Section 2.04 - Event of Default.

If any Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Party seeking to adjudicate it bankrupt or insolvent, then NGCS, on behalf of the Utility Money Pool, may, by notice to the Subsidiary, terminate the Utility Money Pool's commitment to the Subsidiary and/or declare the principal amount then outstanding of, and the accrued interest on, the loans and all other amounts payable to the Utility Money Pool by the Subsidiary hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Subsidiary.

## ARTICLE III MISCELLANEOUS

### Section 3.01 -- Term

This Agreement shall be effective from January 1, 2011 through December 31, 2011.

### Section 3.02 - Amendments

This Agreement may be amended by the parties hereto at any time by execution of an instrument in writing signed on behalf of each of the parties hereto, subject to all applicable approvals by FERC and any applicable state utility regulatory commission.

### Section 3.03 - Legal Responsibility

Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

### Section 3.04 - Rules for Implementation

The Parties may develop a set of guidelines for implementing the provisions of this Agreement, provided that the guidelines are consistent with all of the provisions of this Agreement.

### Section 3.05 - Governing Law

This Agreement shall be governed by and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.


National Grid Corporate Services LLC

By: Lorraine M Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

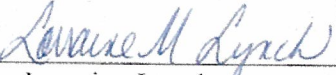
KeySpan Corporation

By: Lorraine M Lynch  
Name: Lorraine Lynch  
Title: Assistant Treasurer

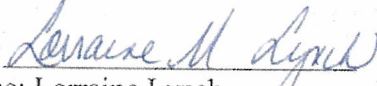
KeySpan Gas East Corporation

By:   
Name: Julie Vernon-Parry  
Title: Assistant Treasurer

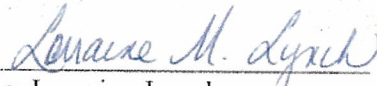
The Brooklyn Union Gas Company

By:   
Name: Lorraine Lynch  
Title: Assistant Treasurer

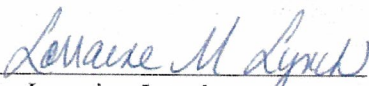
Boston Gas Company

By:   
Name: Lorraine Lynch  
Title: Assistant Treasurer

Colonial Gas Company

By:   
Name: Lorraine Lynch  
Title: Assistant Treasurer

EnergyNorth Natural Gas, Inc.

By:   
Name: Lorraine Lynch  
Title: Assistant Treasurer