

SERVICE CONTRACT
BETWEEN EVERSOURCE ENERGY SERVICE COMPANY
AND AQUARION COMPANY

AGREEMENT made and entered into as of the 4th day of December, 2017, by and between EVERSOURCE ENERGY SERVICE COMPANY (hereinafter referred to as "Service Company") and AQUARION COMPANY and its direct and indirect subsidiaries as of the date hereof listed on Appendix B, (hereinafter referred to as "Associate Company").

WHEREAS, the Federal Energy Regulatory Commission (hereinafter referred to as "FERC") regulates the activities of service companies associated with holding companies registered under the Federal Power Act, as amended (the "Act") to the extent and in the manner provided in the Act; and

WHEREAS, Service Company is a wholly owned subsidiary service company of Eversource Energy (hereinafter referred to as "Eversource"); and

WHEREAS, Service Company is willing to render services as provided herein to Eversource and its associated subsidiaries (hereinafter collectively referred to as the "System") at cost, determined in accordance with applicable rules and regulations under the Act; and

WHEREAS, economies, increased efficiencies and other benefits will result to the System and to Associate Company from the performance by Service Company of services as herein provided:

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein, it is agreed as follows:

Section 1. Agreement to Furnish Services and Services to be Performed.

Service Company agrees to furnish to Associate Company if and to the extent requested by Associate Company, upon the terms and conditions herein provided, (a) certain accounting, corporate, finance, internal audit, legal and treasury services, and (b) such other services Associate Company may request, at such times and for such periods as may be required.

In supplying services hereunder, Service Company may arrange for services of such executives, financial advisers, accountants, attorneys, technical advisers, engineers and other persons as are required for or pertinent to the rendition of such services.

Officers and other employees of Service Company will, on request of Associate Company, serve, without charge other than as herein provided, as officers or representatives of Associate Company.

Section 2. Agreement to Pay for Services

Associate Company agrees to pay to Service Company the cost, determined as herein provided, of such services as are requested by Associate Company and are provided by Service Company. It is the intent of this Agreement that all disbursements and expenses of the service company for service performed for associate companies are recoverable from such companies, including reasonable compensation for necessary capital as permitted by applicable rules and requirements of FERC under the Act. The methods and procedure for determining the cost of services performed for Associate Company are set forth in Appendix A hereto.

Bills will be rendered for each calendar month on or before the twentieth day of the succeeding month and will be payable upon presentation and not later than the last day of that month. Monthly charges may be made in whole or in part for particular expenses on an estimated basis, subject to adjustment. Notwithstanding any other provisions of this Agreement, Service Company shall ensure that all charges billed to Associate Company hereunder shall be reasonable, purposeful and consistent with historical precedent and cost allocations to other System companies.

Section 3. Term of Agreement.

This Agreement shall renew on the date of execution of this Amendment and shall continue in effect for a term of one year, and then continuing from year to year, subject to the right of either party after the expiration of the initial term to terminate this Agreement upon the giving of written notice one year in advance. Notwithstanding any such termination of this Agreement, Associate Company shall remain fully liable for all charges for Services performed or requested prior to the effective date of such termination. In addition, all the terms and provisions of this Agreement shall remain in full force and effect notwithstanding any such termination with respect to any Services which are not fully performed by Service Company prior to the effective date of the termination of this Agreement.


Section 4. Regulatory Review.

The amount of compensation to be paid under this Agreement, to the extent affected by the provisions hereof, shall be subject to review and determination by the Federal Energy Regulatory Commission, the Massachusetts Department of Public Utilities, the Connecticut Public Utilities Regulatory Authority and/or the New Hampshire Public Utilities Commission.

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

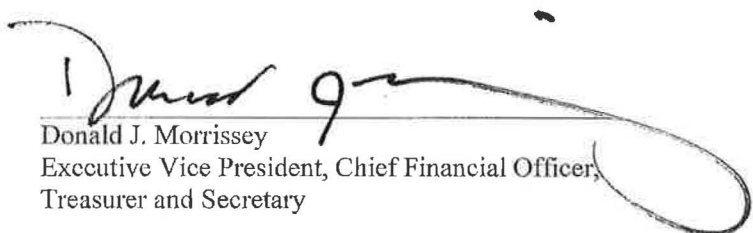
EVERSOURCE ENERGY SERVICE COMPANY

By:


Jay S. Butth
Vice President, Controller and
Chief Accounting Officer

AQUARION COMPANY

By:


Donald J. Morrissey
Executive Vice President, Chief Financial Officer,
Treasurer and Secretary

APPENDIX A

DESCRIPTION OF METHODS AND PROCEDURE FOR ALLOCATING COST OF SERVICES

ACCOUNTING FOR SERVICES PROVIDED

In the interest of minimizing questions as to the propriety of charges for reimbursement, the Service Company shall maintain a system for accumulating all costs. To the maximum extent possible, such costs shall be accumulated by direct charges. All employees, including officers, of the service company shall keep, within reasonable cost benefit standards, time records which permit ready identification of the hours or percentage of time worked, account numbers charged, department and other code designations that provide for proper charging of the service company costs. The accounting records will specify the nature of the services performed thereunder in sufficient detail that charges therefor may be determined as herein provided and properly accounted for by the Associate Company under its prescribed Uniform System of Accounts.

CHARGES FOR SERVICES

General

Charges for services rendered to Associate Company and other System companies will be made on the bases of benefits conferred and of actual cost (including reasonable compensation for necessary capital as permitted applicable rules and requirements of FERC under the Act), fairly and equitably allocated.

Specific Services

Charges for specific services performed will be recorded to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the specific services.

General Services

Charges for general services performed will be recorded to accumulate the charges applicable to the particular activity. These charges will include both direct and indirect costs involved in providing the general services.

NATURE OF CHARGES

Direct Charges

Direct charges consist of those costs which can practicably be recorded separately and identified not only by job or work order number and department but also as to source, such as time reports for each employee, vehicle reports, invoices and other source documents. Time reports will be maintained for each employee, including officers, in such detail as may be appropriate for such

employee and the nature of the services performed. Employees will record on their time reports time chargeable to the particular activity which can be used to identify the nature of the work performed.

Overhead Expenses

Overhead expenses consist of costs of the Service Company, other than direct charges described above. These charges may be classified into the following general category:

1. General Service Company Overheads (GSCOH) - These charges include costs which cannot be identified as applicable to either a particular job or work order number or department on a fair and equitable basis. The following items are illustrative, and not all-inclusive, of the types of costs which may be so-allocated to the extent above provided: medical benefits, payroll taxes, pension, rents, office supplies and expenses, depreciation, building operation and maintenance, insurance, reasonable compensation for necessary capital, general services, such as mail and other general overheads.

These overhead costs will be allocated based on the applicable directly charged service company labor. An allocation rate(s) will be developed and will be applied to actual service company labor. The GSCOH will be charged to the Associate Company on the same basis as service company labor. Allocated GSCOH charges will be recorded separately but in a manner that is attributable to the service company labor activity.

CHARGES FOR SPECIFIC SERVICES

Charges for specific services obtained from third parties on behalf of the Associate Company will be billed to the Associate Company.

BILLING

All invoices for services rendered to associate companies shall be submitted monthly with sufficient information and in sufficient detail to permit the associate company to identify and classify the charge in terms of the system of accounts prescribed by the regulatory authorities to which it is subject. Each month a statement shall be rendered to the associate company containing a summary of the accounts by which the charges, classified as direct cost, indirect cost, and compensation for use of capital, can be entered in the accounts of the associate company.

APPENDIX B

SUBSIDIARIES OF AQUARION COMPANY

Aquarion Water Company
Aquarion Water Capital of Massachusetts, Inc.
Aquarion Water Company of Massachusetts, Inc.
Aquarion Water Company of Connecticut
Aquarion Water Company of New Hampshire, Inc.
Homeowner Safety Valve Company