

**WESTBROOK XPRESS PHASE III PROJECT PRECEDENT AGREEMENT**

This PRECEDENT AGREEMENT for Firm Natural Gas Transportation Service (the “**Precedent Agreement**”) is dated and effective as of February 28, 2019, by and between **Portland Natural Gas Transmission System** (“**PNGTS**” or “**Transporter**”), and **Northern Utilities, Inc.** (“**Shipper**”). Transporter and Shipper are referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

**RECITALS**

**WHEREAS**, Transporter currently owns and operates a Federal Energy Regulatory Commission (“**FERC**”) regulated interstate natural gas transmission system (the “**System**”); and

**WHEREAS**, Transporter proposes to increase the amount of capacity available for firm natural gas transportation service on its System (the “**Project**”); and

**WHEREAS**, before Transporter will apply for regulatory approvals and permits to implement the Project, Transporter desires to obtain the execution of a binding precedent agreement with prospective shippers; and

**WHEREAS**, Shipper desires to obtain firm natural gas transportation service on the Project (the “**Service**”); and

**WHEREAS**, the Parties desire to enter into a binding precedent agreement that (i) sets forth the terms upon which Transporter will implement the Project and provide Shipper with Service; and (ii) sets forth the terms upon which the Parties will execute a firm transportation service agreement.

**NOW, THEREFORE**, in consideration of the understandings and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

**1. Project Open Season and Project Construction.**

(a) **Open Season.** Transporter intends to initiate a binding open season for capacity in connection with the Project by March 31, 2019 (“**Open Season**”). Upon execution by Shipper, this Precedent Agreement shall be deemed a qualifying and binding bid by Shipper in the Open Season.

(b) **Project Implementation.** Subject to the terms and conditions of this Precedent Agreement, Transporter will implement the Project in a manner determined by Transporter in its sole discretion, and as may be required by law. Transporter may, but is not obligated to make contractual arrangements and/or incur other costs in connection with the Project, all without being deemed to have waived any of the conditions precedent in Section 4.

**2. Service; In-Service Date; Term; Rate.**

**REDACTED**

(a) **Service.** Subject to the conditions set forth herein, including without limitation the conditions set forth in Section 4 and Section 5; any applicable terms and conditions that may be imposed by the FERC; and the terms and conditions of Transporter's FERC Gas Tariff, as amended from time to time ("**Tariff**"), Shipper shall purchase, and Transporter shall provide firm transportation service the Service. The Service shall be provided pursuant to one or more Rate Schedule FT Service Agreements (collectively, the "**Service Agreement**"), substantially similar to that attached hereto as Attachment A, and shall be subject to all of the terms and conditions of the Tariff, as may be revised from time to time, and all rules and regulations of governmental authorities having jurisdiction. Each Service Agreement shall include the capacity, receipt and delivery points and other terms set forth in Attachment B attached hereto, as applicable, and shall be entered into in accordance with the terms and conditions set forth below and consistent in all material respects with the terms of this Precedent Agreement.

(b) **In-Service Date.** Subject to the conditions set forth herein, Service under the Service Agreement will commence on the later of (i) the date that Transporter is physically capable and legally authorized to provide the Service; and (ii) November 1, 2022 (the date of such commencement shall be referred to as the "**In-Service Date**"). Transporter shall use reasonable efforts to provide at least 10 days advance notice to Shipper of the In-Service Date. In the event Transporter, for any reason, does not meet the targeted In-Service Date of November 1, 2022, the In-Service Date will be as soon as possible thereafter. [REDACTED]

Upon commencement of Service, Shipper shall be liable to Transporter for all FERC-approved charges allowed under the Service Agreement.

(c) **Term.** Service under the Service Agreement and Shipper's capacity commitment and obligation to pay the rates and applicable charges set forth therein will commence on the In-Service Date and continue for the term set forth in Attachment B (the "**Initial Term**").

(d) **Rate.** Shipper, aware of the availability of the maximum recourse rate under Transporter's FT Rate Schedule, elects to pay the discounted rates and applicable charges set forth in Attachment B.

**3. Additional Obligations of Parties.**

(a) **Execution of Service Agreement.** Subject to the terms and conditions of this Precedent Agreement, Shipper agrees to execute, within fifteen (15) days of tender by Transporter, the Service Agreement described in Section 2.

(b) **Creditworthiness Requirements.** Shipper shall satisfy the applicable creditworthiness requirements in Attachment C at the time of execution of this Precedent

Agreement and on a continuing basis during the term of this Precedent Agreement and the Initial Term.

(c) **Cooperation.** Each Party agrees to execute and deliver such other and additional instruments and documents and do such other acts as may be reasonably requested by the other Party to effectuate the terms and provisions of this Precedent Agreement and/or to gain regulatory acceptance/approval of the Service contemplated hereunder, including providing any information that is reasonably requested by Transporter in preparing applications for federal permits or by any governmental or regulatory body in connection with such applications; provided in all cases that Transporter is not acting in contravention of this Precedent Agreement. Shipper expressly agrees to cooperate with and to not oppose or protest, the efforts of Transporter to obtain any regulatory or governmental approvals Transporter deems necessary or desirable to implement the Project, in whole or in part, or otherwise to provide the Service, including without limitation each Certificate of Public Convenience and Necessity expected to be issued by the FERC under Section 7(c) of the Natural Gas Act of 1938, as amended, for the authority to construct and operate the Project (its "FERC Certificate"). [REDACTED]

[REDACTED]

(d) [REDACTED]

(e) **Publicity.** The Parties agree to use reasonable efforts to cooperate and coordinate public announcements related to the Project.

(f) **Progress Reports.** Transporter shall provide Shipper with a report regarding progress towards the In-Service Date, including the status of required approvals, permitting and acquisition of real property rights for the Project, on a quarterly basis.

4. Transporter's Conditions Precedent.

(a) **Conditions Precedent to Transporter's Obligations.** Notwithstanding Transporter's execution of this Precedent Agreement and Service Agreement as applicable, Transporter's duties and obligations under this Precedent Agreement and the Service Agreement with respect to the Project are expressly subject to the satisfaction or waiver (in the sole discretion of Transporter) of the following conditions precedent:

(i) [REDACTED]

(ii) [REDACTED]

(iii) [REDACTED]

(iv) [REDACTED]

(v) [REDACTED]

(vi) [REDACTED]

**REDACTED**

(vii) [REDACTED]

(b) **Notices of Satisfaction.** Transporter shall provide Shipper with written notice no later than thirty (30) days after each date set forth in Section 4(a), notifying Shipper either that: (1) the applicable condition precedent has been waived or satisfied; (2) Transporter will exercise its right to terminate this Precedent Agreement in accordance with Section 6; or (3) upon mutual written agreement of the Parties, the date by which the condition precedent must be satisfied is extended by a reasonable amount of time actually needed to satisfy the subject condition precedent. Failure to provide the required notice within such thirty (30) day period shall be deemed a waiver of the applicable condition precedent.

**5. Shipper's Conditions Precedent.**

(a) **Conditions Precedent to Shipper's Obligations.** Notwithstanding Shipper's execution of this Precedent Agreement and Service Agreement as applicable, Shipper's duties and obligations under this Precedent Agreement and the Service Agreement are expressly subject to the satisfaction or waiver (in the sole discretion of Shipper) of the following conditions precedent:

(i) [REDACTED]

(ii) [REDACTED]

(iii) Regulatory Approvals. Shipper receiving, on or before September 30, 2019, all approvals [REDACTED]

(iv) [REDACTED]

**REDACTED**

(v)

(b) **Notices of Satisfaction.** Shipper shall provide Transporter with written notice no later than thirty (30) days after each date set forth in Section 5(a), notifying Transporter either that: (1) the applicable condition precedent has been waived or satisfied; (2) Shipper will exercise its right to terminate this Precedent Agreement in accordance with Section 6; or (3) upon mutual written agreement of the Parties, the date by which the condition precedent must be satisfied is extended by a reasonable amount of time actually needed to satisfy the subject condition precedent. Failure to provide the required notice within such thirty (30) day period shall be deemed a waiver of the applicable condition precedent.

**6. Term and Termination.**

(a) **Term.** This Precedent Agreement is effective upon the Effective Date and shall continue in effect until (a) the In-Service Date or (b) it is terminated by a Party in accordance with the terms set forth herein.

(b) **Termination by Transporter.** Upon the occurrence of any of the events listed in this Section 6(b), and subject to all provisions that survive termination of this Precedent Agreement pursuant to the terms hereof, including those set forth in this Section 6, Transporter may terminate each Party's rights and obligations under this Precedent Agreement by providing written notice to Shipper specifying the grounds for such termination. Such termination shall be effective upon Transporter's provision of such notice, in accordance with Section 16, or as otherwise stipulated below.

(i) Any of the conditions precedent set forth in Section 4(a) are not satisfied, waived or deemed to be waived by the date set forth therein including any extension thereof pursuant to Section 4(b); or

(ii) A petition is filed, by or against Shipper, any of its affiliates, or any Guarantor of Shipper's obligations hereunder under any chapter of the United States Bankruptcy Code or any other legal jurisdiction, if applicable; or

(iii) Shipper fails to comply with any of its material obligations set forth in this Precedent Agreement; provided, however, Shipper shall have ten (10) days to remedy such failure following the receipt of written notice of such from Transporter.

(c) **Termination by Shipper.** Upon the occurrence of any of the events listed in this Section 6(c), and subject to all provisions that survive termination of this Precedent Agreement pursuant to the terms hereof, including those set forth in this Section 6, Shipper may terminate each Party's rights and obligations under this Precedent Agreement by providing written notice to Transporter specifying the grounds for such termination. Such termination shall be effective upon Shipper's provision of such notice in accordance with Section 16.

**REDACTED**

(i) Any of the conditions precedent set forth in Section 5(a) are not satisfied, waived, or deemed to be waived by the date set forth therein including any extension thereof pursuant to Section 5(b).

**(d) Liability Upon Termination**

(i)

[REDACTED]

(ii)

[REDACTED]

(iii) Any termination notice shall be in writing, shall be delivered to the other Party in accordance with the requirements of Section 16, and shall specify the Sections under which the Party is terminating. Any termination pursuant to Section 6(b) or Section 6(c) shall be effective upon the date notice of such termination is deemed to be effectively given in accordance with Section 16, and after any applicable cure periods have expired.

[REDACTED]

[REDACTED]

(iv)

[REDACTED]

(v)

[REDACTED]

(f) **Effect of Termination.** The termination of this Precedent Agreement shall not relieve any Party hereto from any right, liability or other obligation, or any remedy or limitation of remedies, to which it may be entitled at law or in equity arising from any breach by the other Party of any provision hereto that occurs during the term hereof; provided however, neither Party shall be liable for any damages to the other Party in the event of termination due to the failure of Transporter or Shipper to satisfy or waive a condition precedent set out in Sections 4 or 5, other than as provided in Section 6 of this Precedent Agreement. If this Precedent Agreement is terminated following the execution of the Service Agreement but prior to the In-Service Date, then the Service Agreement shall automatically terminate and Transporter shall have the right to decline to file for, or to withdraw, any requests or applications for regulatory approvals or have the right to not accept any resulting approvals. This Section 6 shall survive the termination of this Precedent Agreement or any portion thereof.

7. **Force Majeure.**

(a) **Definition.** “**Force Majeure**” means any event beyond the affected Party’s reasonable control and that is not due to the affected Party’s negligence or non-compliance with applicable law. An event of Force Majeure may include, but is not limited to flood, drought, earthquake, unusually severe weather, fire, lightning, tornadoes, washouts, or other Acts of God; epidemic; war, riot, civil disturbance or disobedience, terrorist acts; sabotage; blockades, arrests, strikes, lockouts or other labor disputes; restraint by a governmental authority; expropriation; failure or breakdown in machinery or facilities; or a Force Majeure event affecting a materials supplier, vendor, material man, or contractor engaged in the Project. Notwithstanding the foregoing, the term Force Majeure does not include (i) acts or omissions of any third party, including any materials supplier, vendor, material man, or contractor, unless such acts or omissions are themselves the result of Force Majeure; and (ii) changes in market conditions. The failure to prevent or settle any strike(s), lockout(s) or other labor dispute(s) shall not be considered to be a matter within the reasonable control of the affected Party. [REDACTED]



[REDACTED]

(b) **Excuse from Performance.** Neither Party shall be responsible or liable for any delay or failure in its performance under this Precedent Agreement, and no delay, failure, or other occurrence or event shall be deemed a breach of this Precedent Agreement, to the extent such delay, failure, occurrence or event is caused by Force Majeure, provided that:

(i) the affected Party gives the other Party prompt written notice (in accordance with the provisions of Section 16 hereafter) after the affected Party's discovery of such Force Majeure describing the particulars of the occurrence of the Force Majeure; except that, if the nature of the event of Force Majeure is such that written notice cannot be immediately given, then the affected Party shall provide verbal notice, the effectiveness of which shall be subject to the other Party confirming receipt thereof as soon as practicable;

(ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(iii) the affected Party proceeds with reasonable diligence to remedy its inability to perform; and

(iv) when the affected Party is able to resume performance of its obligations under this Precedent Agreement, that Party shall give the other Party notice to that effect; except that if the nature of the event of Force Majeure is such that written notice cannot be immediately given, then the affected Party shall provide verbal notice, the effectiveness of which shall be subject to the other Party confirming receipt thereof as soon as practicable.

(c) **Certain Exceptions.** Except as otherwise expressly provided for in this Precedent Agreement, the existence of a condition or event of Force Majeure shall not relieve Shipper of its obligation to meet Transporter's creditworthiness requirements set forth in Attachment C or to make payments hereunder.

**8. Representations and Warranties.**

Each Party represents and warrants to the other Party that, as of the execution date of this Precedent Agreement:

(a) Such Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is in good standing in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of such Party;

(b) The execution, delivery and performance of this Precedent Agreement by such

Party has been duly authorized by all necessary action on the part of such Party in accordance with such Party's charter documents;

(c) This Precedent Agreement constitutes the legal, valid, binding and enforceable obligation of such Party, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting creditor's rights generally and by general equitable principles;

(d) No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any governmental authority is required on the part of such Party in connection with the execution and delivery of this Precedent Agreement; and

(e) There is no pending or, to the best of such Party's knowledge, threatened suit, claim, action, litigation or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the financial condition or operations of such Party or the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement.

9. **Non-Exclusive Service.** Shipper acknowledges and agrees that Transporter is an open-access interstate natural gas pipeline transporter, and is required to offer available capacity on a not unduly discriminatory basis on the Project to other potential customers.

10. **LIMITATION OF LIABILITY/EXCLUSIVE REMEDIES.** NOTWITHSTANDING ANYTHING IN THIS PRECEDENT AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND OR CHARACTER RESULTING FROM OR ARISING OUT OF THE ACTIONS TAKEN BY OR THE OMISSIONS OF SUCH PARTY UNDER THIS PRECEDENT AGREEMENT, INCLUDING, WITHOUT LIMITATION, DAMAGES RELATED TO LOSS OF USE, INCREASED COST OF OPERATIONS, LOSS OF PROFIT OR REVENUE, LOSS OF PRODUCT OR PRODUCTION, OR BUSINESS INTERRUPTIONS, AND EACH PARTY RELEASES THE OTHER PARTY AND WAIVES ANY RIGHT OF RECOVERY FOR SUCH DAMAGES REGARDLESS OF WHETHER ANY SUCH DAMAGES ARE CAUSED BY THE OTHER PARTY'S SOLE, JOINT, CONCURRENT, ACTIVE, PASSIVE, OR GROSS NEGLIGENCE, FAULT, BREACH OF WARRANTY, BREACH OF AGREEMENT, STATUTE, STRICT LIABILITY OR OTHERWISE; PROVIDED THAT WHENEVER A REMEDY IS SPECIFIED IN THIS PRECEDENT AGREEMENT, THE SPECIFIED REMEDY SHALL NOT BE CONSTRUED TO BE PRECLUDED UNDER THIS SECTION 10 AND SUCH REMEDY SHALL BE THE SOLE REMEDY AVAILABLE TO THE PARTIES TO THE EXCLUSION OF ANY OTHER RIGHTS, POWERS, PRIVILEGES OR REMEDIES PROVIDED BY LAW, UNLESS IT IS SPECIFICALLY STATED HEREIN THAT SUCH REMEDY IS NON-EXCLUSIVE.

ANY CLAIMS AND ACTIONS BROUGHT AGAINST PNGTS ARE LIMITED TO THE ASSETS OF PNGTS, SHIPPER, AND ANY BENEFICIARY THEREOF, EXPRESSLY WAIVE THEIR RIGHT TO PROCEED AGAINST THE PARTNERS OF PNGTS INDIVIDUALLY.

**11. Legal Action.** This Precedent Agreement, and any actions, claims, demands or settlements hereunder shall be governed by and construed, interpreted, and enforced in accordance with the laws of the State of Texas, excluding any conflict of laws principles that would require the application of the laws of another jurisdiction. Venue for all legal proceedings arising out of this Precedent Agreement or breach thereof shall be in an appropriate state or federal court of competent jurisdiction located in Houston, Harris County, Texas, and the Parties agree that any litigation regarding this Precedent Agreement shall be brought exclusively in the state or federal courts located in Houston, Harris County, Texas. Either Party may enforce this Precedent Agreement by appropriate legal action and the prevailing Party shall recover its reasonable attorneys' fees, court costs, and reasonable expenses in connection therewith from the other Party. The determination of which Party prevails for the purposes of awarding fees, costs, and expenses under this Section 11 shall be made by the judge or other adjudicator, as applicable.

**12. Applicable Laws.** This Precedent Agreement and the obligations of the Parties hereunder are subject to all applicable laws, regulations, rules, decisions and orders of all governmental and regulatory bodies having jurisdiction.

**13. Assignment.** Except as hereinafter provided in this Section 13 and in Attachment C, Shipper may not assign or transfer in any manner, in whole or in part, any rights or obligations under this Precedent Agreement, without first obtaining the prior written consent of the Transporter, which consent shall not be unreasonably withheld or delayed, and any attempted assignment, transfer or permanent release of capacity without such consent need not be recognized or accepted by Transporter. Consent shall not be considered to be unreasonably withheld if Transporter has a reasonable basis to conclude that it will not be financially indifferent to the assignment, transfer or permanent release of capacity. No assignment or transfer of any rights or obligations under this Precedent Agreement shall be effective unless and until (i) the Shipper and the assignee notify Transporter of the proposed assignment or transfer, (ii) the aforementioned consent is granted, and (iii) the assignee acknowledges in writing for the benefit of Transporter that such assignee has assumed the obligations of the Shipper under this Precedent Agreement and is bound by the terms and conditions therein. Transporter may assign this Precedent Agreement to an entity proposing to provide the Services described in Section 2 in a manner substantially consistent with the terms and conditions contained in this Precedent Agreement. Subject to the foregoing, this Precedent Agreement shall inure to the benefit of, and be binding upon, the Parties and their respective successors and permitted assigns.

**14. Parties in Interest.** Nothing in this Precedent Agreement, whether express or implied, is intended to confer any rights or remedies to third parties, and no provision in this Precedent Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Transporter or Shipper.

**15. Confidentiality.** This Precedent Agreement and the terms set forth herein are confidential and the Parties agree to not disclose such terms other than as otherwise set forth in this Precedent Agreement and as required by applicable laws, regulations or any securities exchange. In this connection, the Parties acknowledge that Transporter may file information with FERC in a public manner disclosing the content of this Precedent Agreement as necessary or desirable to support its FERC Certificate application, and Shipper may file information with applicable regulatory authorities having jurisdiction over Shipper in a public manner disclosing the content of this Precedent Agreement as necessary or desirable. In addition, the Parties acknowledge that, unless otherwise restricted by applicable law or regulations, each Party may disclose the terms hereof to its affiliates, its partners, members or shareholders, and its and their respective directors, officers, employees, agents, consultants and advisors (including, without limitation, financial advisors, lenders, attorneys and accountants) that have a *bona fide* need to know such information and to potential assignees of their interests under this Precedent Agreement that have agreed to use this information only for the purposes intended herein and who agree to keep such information confidential; provided further, that the disclosing party shall be responsible for any such breach of these confidentiality provisions by the parties to which it disclosed such information. To the extent which any content of this Precedent Agreement shall be disclosed to FERC in a public non-confidential manner in connection with Transporter's FERC Certificate application, such disclosure shall constitute a permanent waiver by the Parties to claims of confidentiality under this Section 15 with respect to the content so disclosed.

The provisions of this Section 15 shall survive termination of this Precedent Agreement until the date that is one (1) calendar year after such termination; provided, however, that the Parties acknowledge that Transporter may file this Precedent Agreement with the FERC as necessary or desirable to support its FERC Certificate application.

**16. Notices.** All notices and other communication (“**Notices**”) given or made pursuant to this Precedent Agreement will be in writing and sent by facsimile transmission, overnight courier service, personal delivery, mail or electronic mail (“e-mail”) to the persons and at the addresses for the Parties noted below, or to such other address(es) or number(s) for a Party as such Party may designate by prior notice given in accordance with this provision to the other Party. Notices will be deemed duly provided: (i) when sent by facsimile transmission, provided that the sender has received electronic or voice confirmation of the recipient's receipt of such transmission; (ii) if sent by overnight or international courier service, when receipt by the recipient is confirmed by such service; (iii) if mailed or delivered by personal delivery, when received by the recipient; or (iv) when sent by e-mail, provided that the sender has received electronic or voice confirmation that the recipient has read such transmission (e.g., a “read receipt” or a reply).

All Notices to be sent to Transporter shall be addressed and delivered to:

Portland Natural Gas Transmission System  
700 Louisiana Street  
Houston, TX 77002-2700

Attention: Director, Business Development

Phone: 832-320-5656  
Fax Number: 832-320-5555  
Email: jim\_downs@transcanada.com

All Notices to be sent to Northern Utilities, Inc. shall be addressed and delivered to:

Northern Utilities, Inc.  
6 Liberty Lane West  
Hampton, NH 03842

Attention: Christine L. Vaughan  
Title: Chief Financial Officer  
Phone: 603-773-6483  
Email: vaughanc@unitil.com

Attention: Robert S. Furino  
Title: Director, Energy Contracts  
Phone: 603-773-6452  
Email: furino@unitil.com

**17. Entire Agreement.** This Precedent Agreement and the Service Agreement contain the entire agreement between the Parties concerning the subject matter hereof, and supersede and replace all prior agreements, covenants, understandings, representations and warranties, whether written or oral, relating to such subject matter. None of the agreements referenced in this Section 17 may be amended except through a written agreement executed and delivered by duly authorized representatives of the Parties.

**18. Severability.** In the event that any of the provisions of this Precedent Agreement are held to be unenforceable or invalid by a court of competent jurisdiction, the Parties shall negotiate an equitable adjustment to the provisions of this Precedent Agreement with a view toward effecting to the extent possible the original purpose of this Precedent Agreement, and the validity and enforceability of the remaining provisions, or portions or applications thereof shall not be affected thereby.

**19. Waivers and Enforcement.** Except as expressly set forth herein, either Party may, but only by a written instrument, waive compliance by the other Party with any term or provision of this Precedent Agreement. The waiver by either Party of a default or breach of any term or provision of this Precedent Agreement shall not be construed as a waiver of any other default or breach of any term or provision of this Precedent Agreement. The failure of either Party to give written notice of default or breach of any term or provision of this Precedent Agreement, or to enforce any terms or conditions of this Precedent Agreement, shall not operate as or be construed as a permanent waiver of any of the terms, conditions, rights or remedies contained in this Precedent Agreement.

20. **Attachments.** The following Attachments are attached hereto and expressly made part of this Precedent Agreement:

- Attachment A: Service Agreement
- Attachment B: Commercial Terms
- Attachment C: Creditworthiness and Adequate Assurance

21. **Definitions.** All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Tariff.


22. **No Drafting Presumption.** For the purposes of contractual interpretation, the terms, conditions and provisions of this Precedent Agreement shall not be construed against any Party as a result of the preparation or drafting thereof.

23. **Interpretation.** The headings contained in this Precedent Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Precedent Agreement. The singular form of any noun shall be deemed to include the plural, and the plural form of any noun shall be deemed to include the singular.

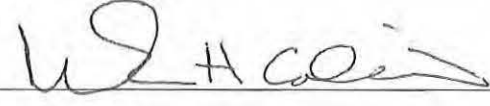
24. **Counterpart Execution.** This Precedent Agreement may be executed in any number of counterparts, each of which will be an original, but which together will constitute one and the same instrument. A signature delivered by facsimile or other electronic means shall be deemed to be an original signature for purposes of this Precedent Agreement.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this Precedent Agreement.

**PORTLAND NATURAL GAS  
TRANSMISSION SYSTEM**  
By its Operator,  
**TransCanada Northern Border Inc.**

By:   
Name: \_\_\_\_\_  
Jon A. Dobson  
Its: \_\_\_\_\_  
Corporate Secretary  
Date: 4/1/2019

**NORTHERN UTILITIES, INC.**

By:   
Name: MARK H. COLLIN  
Its: SENIOR VICE PRESIDENT  
Date: 2/27/2019

By: 

Legal  
RS  
3-13-19  
Date

Name: NATHAN BROWN

Its: CHIEF FINANCIAL OFFICER

Date: April 1, 2019

## ATTACHMENT A

### PRO FORMA SERVICE AGREEMENT FOR SERVICE ON PNGTS

#### GAS TRANSPORTATION CONTRACT FOR FIRM TRANSPORTATION SERVICE

This Gas Transportation Contract ("Contract") is made as of the \_\_\_\_ Day of \_\_\_\_\_ by and between the Portland Natural Gas Transmission System, a Maine general partnership, herein "Transporter" and [name of Shipper], herein "Shipper," pursuant to the following recitals and representations:

WHEREAS, Shipper intends to enter into natural gas supply arrangements, including transportation upstream of Transporter's System, and to make arrangements for the delivery of such gas supply for the account of Shipper to the receipt point(s), and to make arrangements for the receipt and transportation of such gas downstream of the delivery point(s) on Transporter's System;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein assumed, Transporter and Shipper agree as follows:

1. Shipper shall apply for or cause to be applied for and use reasonable best efforts to obtain all of the agreements and governmental authorizations or exemptions necessary to enable Shipper to deliver to and receive from Transporter the transportation quantities specified below.

2. Subject to the condition herein, Transporter hereby agrees to provide to Shipper, and Shipper hereby agrees to accept, firm natural gas transportation service on Transporter's System under Transporter's Rate Schedule FT, providing for firm transportation from the receipt point(s) of the quantities of natural gas specified below. Such firm transportation service shall be provided for the term specified in Schedule 1. The transportation service, unless otherwise agreed upon, will be provided at the maximum applicable rate as approved by the FERC in the Tariff, as the Tariff may be changed from time to time, subject to the rate discount provisions set forth below.

#### ARTICLE I - SCOPE OF CONTRACT

1. On the Commencement Date and each Day thereafter on which Shipper and Transporter schedule Gas for transportation hereunder, Shipper shall cause the Scheduled Quantity, up to the Maximum Daily Quantity (MDQ), to be delivered to Transporter at the Receipt Point(s).

2. On the Commencement Date and each Day thereafter, Transporter shall make the Scheduled Quantity available to or on behalf of Shipper at the Delivery Point(s) on a firm basis.

3. Shipper shall be solely responsible for securing faithful performance by gas supplier(s) and/or any applicable upstream or downstream shippers and transporters in all matters



which may affect Transporter's performance hereunder, and Transporter shall not be liable hereunder to Shipper as a result of the failure of gas supplier(s) and/or any applicable upstream or downstream shippers and transporters to so perform.

## ARTICLE II - RESERVATION OF FIRM TRANSPORTATION CAPACITY

1. Shipper hereby reserves the right to cause Transporter to receive from or for the account of Shipper at each Receipt Point on any Day such quantities of Gas up to the MDQ for such Receipt Point as set forth on the currently effective Schedule 1 appended hereto and Transporter shall make available to or on behalf of Shipper at each Delivery Point on any Day such quantities of Gas up to the MDQ for such Delivery Point as set forth on the currently effective Schedule 1 appended hereto. Schedule 1 is hereby incorporated as part of this Contract.

2. Transporter shall make available to Shipper the service reserved under this Article II on the Days and for the quantities of Gas for which such service has been reserved, subject to Shipper's compliance with the terms and conditions of this Contract.

## ARTICLE III - ALLOCATION OF OFF-PEAK CAPACITY

On any Day during the period from April 1 through October 31 that System Capacity is not otherwise scheduled under any Rate Schedule, such capacity will be allocated pro rata to Rate Schedule FT Shippers whose Gas Transportation Contracts have initial terms of twenty (20) Years or longer, and were in existence prior to June 1, 2013, based on these Shippers' annual reservation charges under Rate Schedules FT.

## ARTICLE IV - RATE

1. For each Month, Shipper agrees to pay the Recourse Usage Rate, or a usage rate mutually agreed to in writing by Shipper and Transporter as set forth on the currently effective Schedule 1 attached hereto, multiplied by the sum of the Delivery Point Scheduled Quantity or Quantities during such Month; provided, however, that in the event that Transporter determines, in its sole discretion on a basis that is not unduly discriminatory, or otherwise pursuant to this Contract, to render service on behalf of Shipper for a discounted usage rate, Transporter shall notify Shipper in writing of the amount of such discounted usage rate, the Day(s) on which such rate shall be in effect and the quantities to which such rate applies. For each DTH of Scheduled Quantity to which a discounted usage rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable discounted usage rate in lieu of the maximum usage rate.

2. For each Month, Shipper agrees to pay the Recourse Reservation Rate, or the Seasonal Recourse Reservation Rate if applicable, or a rate mutually agreed to in writing by Shipper and Transporter as set forth on the currently effective Schedule 1 attached hereto, multiplied by the Shipper's Maximum Contract Demand as specified in this Contract; provided however, that in the event that Transporter determines, in its sole discretion or otherwise pursuant to this Contract, to render service on behalf of Shipper for a discounted reservation rate, Transporter shall notify Shipper in writing of the amount of such discounted reservation rate, the

Day(s) on which such rate shall be in effect and the quantities of which such rate applies. For each DTH of the Maximum Contract Demand to which a discounted reservation rate applies, as set forth in Transporter's notice, Shipper agrees to pay and shall pay the applicable discounted reservation rate in lieu of the maximum reservation rate.

3. Shipper agrees to pay and shall pay all applicable charges specified in Rate Schedule FT.

4. For all capacity allocated to Shipper under Article III herein, Shipper shall not pay reservation charges but Shipper shall pay transportation usage charges, surcharges, fees, and other charges allocated to such capacity or the quantities transported.

#### ARTICLE V - RESERVED FOR FUTURE USE

[Credit Provisions from Precedent Agreement to be incorporated into Article V]

#### ARTICLE VI - RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Contract and all provisions contained or incorporated herein are subject to the provisions of Rate Schedule FT and of the General Terms and Conditions of Transporter's Tariff, as such may be revised or superseded from time to time, all of which by this reference are made a part hereof. The General Terms and Conditions and Rate Schedule FT shall control in the event of a conflict between the General Terms and Conditions or Rate Schedule FT and this Contract. All of the terms defined in Transporter's Tariff shall have the same meaning wherever used in this Contract.

(if applicable)

Shipper shall be entitled to the Right of First Refusal provided for in Section 6.13.3(b)(6), of the General Terms and Conditions of Transporter's Tariff, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.13.3.

#### ARTICLE VII - TERM

1. This Contract shall be effective as of [INSERT DATE].

2. This Contract shall continue in force and effect until [expiration date], and [ ] thereafter unless terminated by either party upon at least [ ] prior written notice to the other; provided, however, that if the FERC authorizes Transporter to abandon service to Shipper on an earlier date, this Contract shall terminate as of such earlier date.

3. The termination of this Contract by expiration of fixed Contract term or by termination notice provided by Shipper triggers pregranted abandonment under Section 7 of the Natural Gas Act as of the effective date of the termination.

4. Any provision of this Contract necessary to correct imbalances or to make payment under this Contract as required by the Tariff will survive the other parts of this Contract until such time as such balancing or payment has been accomplished.

#### ARTICLE VIII - NOTICES

Notices to Transporter shall be addressed to:

Portland Natural Gas Transmission System  
One Harbour Place, Suite 375  
Portsmouth, New Hampshire 03801

Notices to Shipper hereunder shall be addressed to:

[Name of Shipper]  
[address]

Either party may change its address under this Article by written notice to the other party.

#### ARTICLE IX - TRANSFER AND ASSIGNMENT OF CONTRACT

Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of either Transporter or Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Contract. Any party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Contract or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of Shipper in the event of an assignment by Transporter, or Transporter in the event of an assignment by Shipper, which consents shall not be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this Article IX shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

Shipper acknowledges that Transporter intends to make a collateral assignment of this Contract to financial institutions (collectively, the "Lenders") in connection with a Financing Agreement and agrees that if the Lenders succeed to the interest of Transporter by foreclosure or otherwise Shipper shall accord the Lenders the same rights as Transporter hereunder.

In order to facilitate obtaining financing or refinancing for the System, Shipper shall execute such consents, agreements or similar documents with respect to a collateral assignment hereof to the Lenders, and any credit support documents, and shall deliver an opinion of counsel on behalf of Shipper and any provider of credit support, as Lenders may reasonably request in connection with the documentation of the financing or refinancing for the System, which consent and opinion shall, among other things warrant or opine the enforceability of this Contract and of

any credit support documents under the applicable governing law(s) and the compliance thereof with all applicable law.

#### ARTICLE X - NONRECOURSE OBLIGATION OF PARTNERSHIP AND OPERATOR

Shipper acknowledges and agrees that: (a) Transporter is a Maine general partnership; (b) Shipper shall have no recourse against any partner in Transporter with respect to Transporter's obligations under this Contract and that its sole recourse shall be against the partnership assets, irrespective of any failure to comply with applicable law or any provision of this Contract; (c) no claim shall be made against any partner under or in connection with this Contract; (d) Shipper shall have no right of subrogation to any claim of Transporter for any capital contributions from any partner to Transporter; (e) no claims shall be made against the Operator, its officers, employees, and agents, under or in connection with this Contract and the performance of Operator's duties as Operator (provided that this shall not bar claims resulting from the gross negligence or willful misconduct of Operator, its officers, employees or agents) and Shipper shall provide Operator with a waiver of subrogation of Shipper's insurance company for all such claims; and (f) this representation is made expressly for the benefit of the partners in Transporter and Operator.

#### ARTICLE XI - LAW OF CONTRACT

Notwithstanding conflict-of-laws rules, the interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Maine.

#### ARTICLE XII - CHANGE IN TARIFF PROVISIONS

Shipper agrees that Transporter shall have the unilateral right to file with the Federal Energy Regulatory Commission or any successor regulatory authority any changes in any of the provisions of its Tariff, including of any of its Rate Schedules, or the General Terms and Conditions, as Transporter may deem necessary, and to make such changes effective at such times as Transporter desires and is possible under applicable law.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized, as of the date first hereinabove written.

ATTEST: PORTLAND NATURAL GAS TRANSMISSION SYSTEM  
By Its Operator, TransCanada Northern Border Inc.

By: \_\_\_\_\_

ATTEST: [NAME OF SHIPPER]

By: \_\_\_\_\_



ATTACHMENT B

WESTBROOK XPRESS PHASE III COMMERCIAL TERMS

Primary Receipt Point(s)	Primary Delivery Point(s) <sup>A</sup>	Transportation Demand*	Initial Term**	Daily Demand Rate**	Daily Commodity Rate***	Rate Schedule
Pittsburg, New Hampshire, MS #01-0100	Dracut, Massachusetts MS # 05-1150	10,000 Dth/day	The In-Service Date through fifteen (15) years thereafter	[REDACTED]	Maximum applicable under PNGTS Rate Schedule FT	FT

<sup>A</sup> Subject to the availability of capacity, the provisions of the Tariff, and all FERC policy and regulations, Shipper shall have the right to specify any upstream point on Transporter's System as its Primary Delivery Point.

\* Reflects Transportation Demand volume requested by Shipper. Actual Transportation Demand volume is subject to the results of the open season contemplated in Section 1(a) of this Precedent Agreement, and any issuance(s) by FERC. After the conclusion of such open season, PNGTS shall notify Shipper of the specific Transportation Demand volume allocated to it, pursuant to the terms of such open season. To the extent Shipper's requested Transportation Demand volume differs from the specific Transportation Demand volume allocated to Shipper after such open season, the latter shall control.

\*\* [REDACTED]

\*\*\* The following terms apply:

• [REDACTED]

**REDACTED**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**REDACTED**

**ATTACHMENT C**

**TO WESTBROOK XPRESS PHASE III PROJECT PRECEDENT AGREEMENT**

**CREDITWORTHINESS AND ADEQUATE ASSURANCE**

1. During the term of the Precedent Agreement and the Initial Term of the Service Agreement resulting from the Precedent Agreement, Shipper understands and agrees that it will establish and maintain creditworthiness. The determination of creditworthiness shall be in accordance with Section 6.3.4.1 of Transporter's Tariff. If Shipper is not deemed creditworthy pursuant to Section 6.3.4.1, Shipper shall provide and maintain Adequate Assurance pursuant to Attachment C Section 2 below.

2. [REDACTED]

(A) [REDACTED]

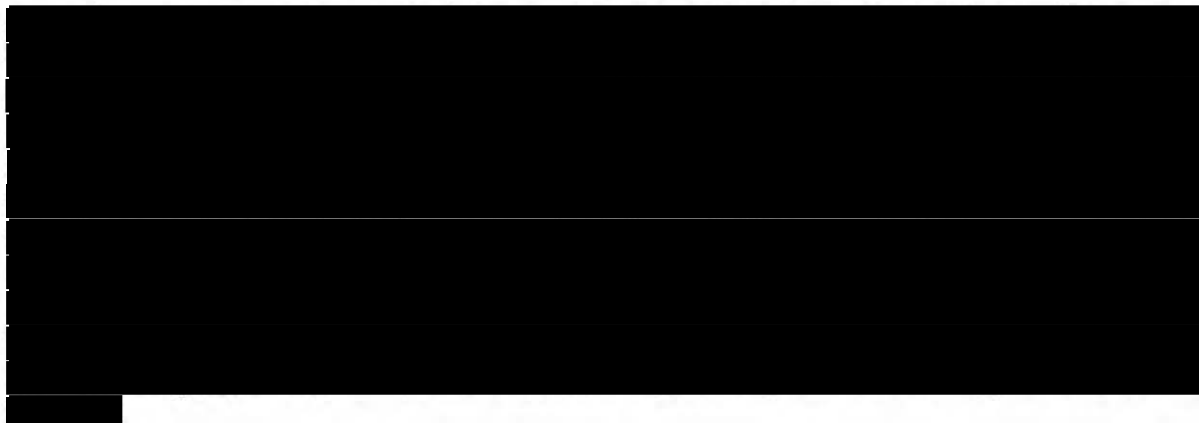
(B) [REDACTED]

[REDACTED]

(C) [REDACTED]

[REDACTED]

3. [REDACTED]



4. The creditworthiness requirements of this Attachment C shall apply to any assignee pursuant to an assignment (in whole or part) of this Precedent Agreement or the Service Agreement or to any permanent capacity release, in whole or part, of the Service Agreement. Transporter may refuse to allow Shipper to assign (in whole or part) this Precedent Agreement or the Service Agreement or permanently release capacity from its Service Agreement if Transporter has a reasonable basis to conclude that it will not be financially indifferent to the assignment or release. If Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Shipper of such denial and shall include in the notification the reasons for such denial.

5. The credit terms and provisions set forth in this Attachment C, subject to any required FERC approval, will be incorporated into the Service Agreement.

## FIRST AMENDMENT TO PRECEDENT AGREEMENT

This first amendment (“Amendment”), to that certain precedent agreement (“Agreement”) entered into by and between **PORTLAND NATURAL GAS TRANSMISSION SYSTEM** (“PNGTS”) and **NORTHERN UTILITIES, INC.** (“Shipper”) and dated February 28, 2019, as may be amended, is made and effective as of June 11, 2019 (the “Effective Date”), by and between PNGTS and Shipper. PNGTS and Shipper are collectively referred to herein as the “Parties.”

**WHEREAS**, the Parties desire to amend the Agreement to reflect certain changes that are acceptable and agreeable to both Parties.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, for itself and for its successors and permitted assigns, hereby agree as follows:

1. Section 5(a)(iii) and Section 5(a)(iv) of the Agreement are hereby amended by removing the language “September 30, 2019” therefrom and replacing it with the language “October 31, 2019”.

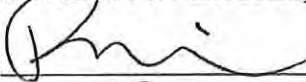
2. Except as provided in this Amendment, all terms and conditions in the Agreement shall remain unchanged and continue in full force and effect. In case of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

3. Each of the Parties agrees that a scanned PDF of its signature that is delivered via electronic mail may be regarded as an original signature, and that this Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the Effective Date.

**NORTHERN UTILITIES, INC.**

By:   
Title: Vice President  
Date: 6/11/19

**PORTLAND NATURAL GAS TRANSMISSION SYSTEM**

By:   
Title: Chief Financial Officer  
Date: 6/14/19

Legal  
KE  
6-11-19  
Date

By:   
Title: Jon A. Dobson  
Corporate Secretary  
Date: 6/14/2019

**REDACTED****Precedent Agreement**

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**PRECEDENT AGREEMENT**

THIS PRECEDENT AGREEMENT made as of the 21st day of January, 2019.

BETWEEN:

**TRANSCANADA PIPELINES LIMITED**  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

AND:

**NORTHERN UTILITIES, INC.**  
a corporation incorporated under the laws of  
the State of New Hampshire  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

**WHEREAS** TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border (the "TransCanada System"); and

**WHEREAS** TransCanada utilizes capacity available from the TransCanada System and from its firm transportation service contracts on the natural gas transmission systems of the TBO Pipelines (the "TBO Contracts") to enable it to provide transportation service to its customers (such capacity on the TransCanada System and the TBO Contracts is collectively defined as the "Combined Capacity"); and

**WHEREAS** pursuant to a new capacity open season which closed on November 14, 2018 (the "New Capacity Open Season"), Shipper requested TransCanada to transport up to 10,660 GJ/d of natural gas from the Union Parkway Belt receipt point (the "Receipt Point") to the East Hereford delivery point (the "Delivery Point") for delivery for the account of Shipper commencing the 1st day of November, 2022 (the "In-Service Date") or as soon as possible thereafter for a term of 180 months (the "Requested Service"); and

**WHEREAS** others have requested gas transportation services pursuant to the New Capacity Open Season (the "Other Requests"); and

## **Precedent Agreement**

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**WHEREAS** TransCanada and Shipper recognize that, taking into account Shipper's request for the Requested Service and the Other Requests, an increase to the Combined Capacity may be necessary to accommodate the Requested Service and, subject to the terms and conditions of this Precedent Agreement, TransCanada is willing to use reasonable efforts to increase the Combined Capacity to the extent necessary, taking into account Shipper's request for the Requested Service and the Other Requests, in order to provide Shipper with the Requested Service, it being recognized that the extent to which it is necessary to increase the Combined Capacity may change from time to time (the "**Required Increase**"); and

**WHEREAS** TransCanada will use reasonable efforts to provide the Requested Service, Other Requests and Required Increase in the most efficient manner which may or may not require an increase to the Combined Capacity; and

**WHEREAS** Shipper will support TransCanada's efforts to provide the Requested Service, Other Requests and Required Increase using the most efficient manner, including without limitation, consideration of options which may or may not require the installation of additional pipeline facilities; and

**WHEREAS** TransCanada and Shipper recognize that the Required Increase may rely on the installation of facilities which are required solely on account of Shipper's request for the Requested Service and/or facilities which are required on account of both Shipper's request for the Requested Service and one or more of the Other Requests; and

**WHEREAS** Shipper and TransCanada agree that, upon an Event of Cancellation, Shipper shall bear the risk of all reasonably incurred financial obligations and outlays in connection with TransCanada's efforts to increase the Combined Capacity to the extent necessary, taking into account the Requested Service and TransCanada's obligations pursuant to the Other Requests, in order to provide Shipper with the Requested Service, subject to the cost allocations and limitations set forth herein; and

**WHEREAS** Shipper has provided TransCanada with evidence of natural gas supply, market and upstream and downstream transportation arrangements corresponding to the Requested Service, as applicable; and

**WHEREAS** TransCanada and Shipper have executed a financial assurances agreement dated effective as of the Effective Date of this Precedent Agreement (such financial assurances agreement, as amended from time to time, being hereinafter called the "**Financial Assurances Agreement**"), pertaining to the financial security that TransCanada may require from Shipper in connection with the payment of transportation charges for the provision of the Requested Service; and

**WHEREAS** subject to the terms and conditions of this Precedent Agreement, TransCanada and Shipper desire to enter into a firm transportation service contract substantially in the form attached hereto as Exhibit "A" (the "**Firm Transportation Service Contract**").

## Precedent Agreement

**NOW THEREFORE THIS CONTRACT WITNESSES THAT**, in consideration of the covenants and agreement contained herein, the Parties hereto covenant and agree as follows:

1. Except where the context expressly states otherwise, the following capitalized terms, when used in this Precedent Agreement, shall have the following meanings:

### **DEFINITIONS:**

(a) "**Additional Information**" shall have the meaning given to it in Paragraph 2(b).

(b) "**Affiliate**" means, in relation to a Party, any company, corporation, partnership or association which:

(i) directly or indirectly controls the Party;

(ii) is directly or indirectly controlled by the Party; or

(iii) is directly or indirectly controlled by a company or corporation which directly or indirectly controls the Party;

where "controls", "controlled by" and "under common control with" mean the possession directly, or indirectly through one or more intermediaries, of more than 50% of the outstanding voting stock of the company in question, or the power to direct or cause the direction of management policies of, any person, whether through ownership of stock, as a general partner or trustee, by contract or otherwise.

(c) "**Allocated Cancellation Costs**" means all Cancellation Costs which are not included in the definition of Shipper Specific Cancellation Costs.

(d) "**Availability Provisions**" shall have the meaning given to it in Paragraph 2(a).

(e) "**Banking Day**" shall have the meaning ascribed thereto in the General Terms and Conditions of TransCanada's Canadian Mainline Transportation Tariff, as amended from time to time.

(f) "**Cancellation Charges**" means, to the extent such costs and charges arise from, are attributable to or are incurred in respect of an Event of Cancellation, all reasonably incurred costs and charges whatsoever which TransCanada incurs or becomes obligated to pay as a result of:

(i) not fulfilling all or any of its obligations under; or

(ii) cancelling or terminating all or any portion of;

## Precedent Agreement

any third party contract or agreement entered into in respect of, in whole or in part, the design, engineering, procurement, manufacture, construction or supply of any property, equipment, services or other components whatsoever related to, arising from or attributable to Shipper's request for the Requested Service and/or the Required Increase, regardless of whether such costs or charges are incurred prior to or after an Event of Cancellation.

- (g) "**Cancellation Costs**" means the sum of all the following amounts, whether such amounts were incurred prior to or after the Effective Date of this Precedent Agreement and provided that to the extent any amount falls within more than one of the categories described in this definition such amount shall only be accounted for once:
- (i) all Cancellation Charges; plus
  - (ii) all Financial Loss; plus
  - (iii) all Monthly Carrying Costs incurred in respect of Retained Equipment and until such time as such Retained Equipment and Materials are utilized, or otherwise disposed of, by TransCanada; plus
  - (iv) all Project Costs not otherwise accounted for pursuant to subparagraphs (i), (ii) or (iii) of this definition; plus
  - (v) TBO Costs; plus
  - (vi) any other financial obligations and outlays reasonably incurred by TransCanada not otherwise accounted for pursuant to subparagraphs (i), (ii), (iii), (iv) or (v) of this definition to the extent they arise from, are attributable to or are incurred in respect of Shipper's request for the Requested Service, regardless of whether such obligations and outlays are incurred prior to or after an Event of Cancellation ("**Other Financial Obligations and Outlays**").
- (h) "**Combined Capacity**" shall have the meaning given it in the 2<sup>nd</sup> recital.
- (i) "**Delivery Point**" shall have the meaning given to it in the 3<sup>rd</sup> recital.
- (j) "**Effective Date**" shall mean February 28, 2019.
- (k) "**Estimated Liability Limit**" shall have the meaning given to it in Paragraph 15(a).
- (l) "**Estimated Liability Limit Notice**" shall have the meaning given to it in Paragraph 15(c).



## Precedent Agreement

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(m) "**Event of Cancellation**" shall mean any one of the following events:

- (i) any declaration of an **Event of Cancellation** made in accordance with the terms and conditions of this Precedent Agreement becoming effective; or
- (ii) in accordance with Paragraph 10 hereof, Shipper withdrawing its request for the **Requested Service** at any time prior to the execution of the **Firm Transportation Service Contract**.

(n) "**Financial Assurances**" shall have the meaning given to it in Paragraph 20.

(o) "**Financial Assurances Agreement**" shall have the meaning given to it in the 11<sup>th</sup> recital.

(p) "**Financial Assurances Request**" shall have the meaning given to it in Paragraph 20.

(q) "**Financial Loss**" means, to the extent arising from, attributable to or incurred in respect of an **Event of Cancellation**, any negative variance between cash proceeds received by TransCanada from the sale, disposal or return of property, equipment, materials, services or other components whatsoever related to, arising from or attributable to Shipper's request for the **Requested Service** (less any reasonably incurred costs of TransCanada related to such sale, disposal or return), and TransCanada's reasonably incurred costs (including, without limitation, costs for design, engineering, procurement, manufacture, construction, supply and any related costs) incurred in originally acquiring same, regardless of whether such amounts are incurred prior to or after an **Event of Cancellation**.

(r) "**Firm Transportation Service Contract**" shall have the meaning given to it in the 12<sup>th</sup> recital.

(s) "**GJ**" shall mean gigajoule, being 1,000,000,000 joules and include the plural as the context requires.

(t) "**In-Service Date**" shall have the meaning given to it in the 3<sup>rd</sup> recital.

(u) "**Monthly Carrying Costs**" means the monthly financial costs that TransCanada shall charge Shipper in respect of **Retained Equipment and Materials**, which costs shall be calculated, for any calendar month, by multiplying the aggregate amount of all out-of-pocket expenses incurred in the acquisition of **Retained Equipment and Materials** pursuant to this Precedent Agreement (calculated on the last day of such month) by that percentage amount equal to one twelfth (1/12) of the sum of the Canadian Imperial

## Precedent Agreement

Bank of Commerce's prime lending rate per annum for Canadian dollar commercial loans in effect on the last day of such month plus one (1) percent.

- (v) "**NEB**" means the National Energy Board.
- (w) "**New Capacity Open Season**" shall have the meaning given to it in the 3<sup>rd</sup> recital.
- (x) "**Notice**" shall have the meaning given to it in Paragraph 23.
- (y) "**Other Request Allocated Cancellation Costs**" means, with respect to each of the Other Requests pursuant to which a precedent agreement (similar to this precedent agreement) has been entered into, the "Allocated Cancellation Costs" (as defined therein).
- (z) "**Other Requests**" shall have the meaning given to it in the 4<sup>th</sup> recital.
- (aa) "**Parties**" means TransCanada and Shipper, "Party" means either one of them.
- (bb) "**Precedent Agreement**" means this precedent agreement between TransCanada and Shipper.
- (cc) "**Project Costs**" means the reasonably incurred internal and third party costs, expenses and charges of TransCanada arising from, attributable to or incurred in respect of:
  - (i) any regulatory proceedings to the extent related to, arising from or attributable to Shipper's request for the Requested Service, including the preparatory work effected in connection therewith; and
  - (ii) all engineering, design, procurement and construction related costs, expenses and charges to the extent related to, arising from or attributable to Shipper's request for the Requested Service, regardless of whether such amounts are incurred prior to or after an Event of Cancellation. Internal costs, expenses and charges shall only be included in the definition of Project Costs if such amounts are directly and exclusively charged and attributable to the project or projects which are wholly or partially attributable to Shipper's request for the Requested Service.
- (dd) "**Receipt Point**" shall have the meaning given to it in the 3<sup>rd</sup> recital.
- (ee) "**Requested Service**" shall have the meaning given to it in the 3<sup>rd</sup> recital.
- (ff) "**Required Increase**" shall have the meaning given to it in the 5<sup>th</sup> recital.

## **Precedent Agreement**

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- (gg) "**Retained Equipment and Materials**" means property, equipment, materials, services or other components, to the extent that the purchase of such property, equipment, materials, services or other components relates to, arises from or is attributable to Shipper's request for the Requested Service and to the extent that the construction of the contemplated facilities into which such property, equipment, materials, services, or other components were to be incorporated has been cancelled in accordance with Paragraph 13 herein, that TransCanada, acting in a commercially reasonable manner, elects to retain rather than return, sell, cancel or otherwise divest.
- (hh) "**Shipper Authorizations**" shall have the meaning given to it in Paragraph 2(c).
- (ii) "**Shipper Specific Cancellation Costs**" means the Cancellation Costs which relate to, arise from or are attributable to contemplated facilities which are solely attributable to the Shipper's request for the Requested Service, if any.
- (jj) "**TBO Contracts**" shall have the meaning given to it in the 2nd recital.
- (kk) "**TBO Costs**" means any costs or charges TransCanada incurs or becomes obligated to pay to the TBO Pipeline(s) attributable to the Requested Service and/or the Required Increase including without limitation any and all costs to cancel the TBO Contract or any other contract TransCanada is required to enter into with the TBO Pipeline or any and all costs or charges payable throughout the term of the TBO Contract or any other contract TransCanada is required to enter into with the TBO Pipeline(s) if TransCanada is unable to cancel the TBO Contract or such other contracts with the TBO Pipeline(s).
- (ll) "**TBO Pipelines**" means any person or entity that owns and/or operates a natural gas transmission system that TransCanada has or may enter into a TBO Contract with, including Great Lakes Gas Transmission Limited Partnership, Union Gas Limited, Enbridge Gas Distribution Inc. and Trans Quebec & Maritimes Pipeline Inc..
- (mm) "**TransCanada Authorizations**" shall have the meaning given to it in Paragraph 3.
- (nn) "**TransCanada System**" shall have the meaning given to it in the 1st recital.

### **SHIPPER AUTHORIZATIONS**

2. Shipper shall use reasonable efforts to do, or cause to be done, all lawful acts that may be necessary to:

- (a) qualify Shipper for service under the Firm Transportation Service Contract by complying, inter alia, with Section 1.1 (b) of the "Availability" provisions of the FT Toll Schedule as set

## Precedent Agreement

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out in TransCanada's Canadian Mainline Transportation Tariff as amended from time to time (the "**Availability Provisions**");

- (b) present to TransCanada, any information requested by TransCanada, including information pertaining to Shipper's natural gas supply, markets, and upstream and downstream transportation arrangements that are related to Shipper's request for the Requested Service that TransCanada determines necessary to fulfill the requirements of Part III of the National Energy Board Act and the National Energy Board Filing Manual (both as amended from time to time) in seeking approval for TransCanada's facilities application(s) in relation to Shipper's request for the Requested Service (the "**Additional Information**"); and
- (c) as applicable, obtain, or have others obtain, such certificates, permits, orders, licenses and authorizations from regulators or other governmental agencies in the United States and Canada, as the case may be, as are necessary to enable Shipper, or others designated by Shipper, to receive and make use of the Requested Service, including where applicable, the authority to purchase the gas to be transported and to export from the United States and to import and deliver into Canada to TransCanada at the Receipt Point(s) and to receive from TransCanada, to export from Canada, and to import and deliver into the United States at the Delivery Point(s) the quantities of natural gas to be transported by TransCanada under the Firm Transportation Service Contract (individually, a "**Shipper Authorization**" and collectively, the "**Shipper Authorizations**") provided that nothing herein shall obligate Shipper to appeal any decision of a regulatory or judicial authority which has the effect of denying any such certificate, permit, order, license or authorization or granting same on conditions unsatisfactory to the Parties hereto.

### TRANSCANADA AUTHORIZATIONS

3. TransCanada shall, taking into account Shipper's request for the Requested Service, Other Requests and Required Increase, use reasonable efforts to do, or cause to be done, all lawful acts that may be necessary to obtain, or cause to be obtained, such certificates, permits, licenses, orders, approvals and other authorizations TransCanada determines are necessary on terms and conditions satisfactory to TransCanada to enable it to provide the Requested Service, Other Requests and Required Increase in the most efficient manner (individually, a "**TransCanada Authorization**" and collectively the "**TransCanada Authorizations**") provided that nothing herein shall obligate TransCanada to appeal, or seek a review of, any decision of a regulatory or judicial authority which has the effect of denying any such certificate, permit, order, license or authorization or granting same on conditions unsatisfactory to either of the Parties hereto. Shipper shall actively support TransCanada's efforts to obtain the TransCanada Authorizations, provided however that such obligation to actively support TransCanada's efforts shall not obligate Shipper to actively support any aspect of TransCanada's efforts to the extent that it would not be reasonable or prudent for Shipper to do so having regard to any material adverse impact TransCanada's efforts may have on Shipper. Notwithstanding the foregoing, if Shipper fails to provide such support as determined by TransCanada, TransCanada may declare

## **Precedent Agreement**

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an Event of Cancellation. Notwithstanding anything to the contrary herein, the National Energy Board's leave to open with respect to the Required Increase shall not be included within the definition of TransCanada Authorizations.

### **SHIPPER'S FAILURE TO PROVIDE ADDITIONAL INFORMATION**

4. If Shipper does not provide TransCanada with the Additional Information requested pursuant to Paragraph 2(b) in a form satisfactory to TransCanada, TransCanada may declare an Event of Cancellation by providing Notice of its intention to do so to Shipper. Any such declaration of an Event of Cancellation shall become effective on the expiration of fifteen (15) days following receipt of such Notice by Shipper, unless prior to the expiration of such period Shipper has provided TransCanada with the Additional Information or given satisfactory reasons (in TransCanada's sole opinion) for not providing such Additional Information within such period.

### **ACCEPTANCE OR REJECTION OF SHIPPER'S AUTHORIZATIONS**

5. Upon obtaining each Shipper Authorization and Shipper having exercised any avenue of appeal or review with respect to such Shipper Authorizations, Shipper shall promptly provide to TransCanada a copy of such Shipper Authorizations (as varied, if applicable). TransCanada shall within thirty (30) days of receipt of such Notice from Shipper give Notice to Shipper of TransCanada's acceptance or rejection of such Shipper Authorization. If TransCanada does not respond to Shipper's Notice within such thirty (30) day period, TransCanada shall be deemed to have accepted such Shipper Authorization. Acceptance of any Shipper Authorization by TransCanada shall not be unreasonably withheld and any Notice of rejection of a Shipper Authorization shall be accompanied by written reasons for such rejection. TransCanada acknowledges that it shall not reject an otherwise acceptable Shipper Authorization in the nature of an import or export permit by reason only that such permit is for a term which is shorter than the term of the Firm Transportation Service Contract. Shipper acknowledges that TransCanada's acceptance of any Shipper Authorization shall in no way constitute a representation by TransCanada that such Shipper Authorization will satisfy any regulatory requirements for obtaining acceptable TransCanada Authorizations.

### **ACCEPTANCE OR REJECTION OF TRANSCANADA'S AUTHORIZATIONS**

6. Upon obtaining each TransCanada Authorization and TransCanada having exercised any avenue of appeal or review with respect to such TransCanada Authorization and as TransCanada, in its sole discretion, decides to undertake, TransCanada shall promptly provide to Shipper a copy, where applicable, of such TransCanada Authorization (as varied, if applicable) and Notice of TransCanada's acceptance or rejection of such TransCanada Authorization. Acceptance of any TransCanada Authorization by TransCanada shall not be unreasonably withheld and any Notice of rejection of a TransCanada Authorization shall be accompanied by written reasons for such rejection. TransCanada acknowledges that it will not reject any TransCanada Authorization provided such TransCanada Authorization is issued to TransCanada in the form and substance TransCanada applied for and provided such TransCanada

## **Precedent Agreement**

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Authorization is not subject to any conditions which are unacceptable to TransCanada, acting reasonably.

### **FAILURE TO OBTAIN TRANSCANADA'S AUTHORIZATIONS**

7. In the event of a failure to obtain any TransCanada Authorization on terms and conditions satisfactory to TransCanada or rejection by TransCanada of a Shipper Authorization or a TransCanada Authorization, either Party shall thereafter have the right, but not the obligation, to declare an Event of Cancellation by providing Notice of its intention to do so to the other Party. Any such declaration of an Event of Cancellation shall become effective on the expiration of thirty (30) days following receipt of such Notice by the other Party, unless within such thirty (30) day period the Parties agree in writing that such declaration of an Event of Cancellation shall not become effective as aforesaid or, provided such Event of Cancellation is only with respect to a rejection of one or more Shipper Authorizations, Shipper waives the requirement for all such rejected Shipper Authorizations in accordance with the provisions of Paragraph 5.

### **BANKRUPTCY OR INSOLVENCY**

8. Upon any bankruptcy, winding-up, liquidation, dissolution, insolvency or other similar proceeding affecting Shipper or its assets or upon the commencement of any proceeding relating to the foregoing, TransCanada may declare an Event of Cancellation by providing Notice of its intention to do so to Shipper. Any such declaration of an Event of Cancellation shall become effective immediately upon receipt of such Notice by Shipper.

### **EXECUTION OF THE FIRM TRANSPORTATION SERVICE CONTRACT**

9. The Parties shall execute the Firm Transportation Service Contract forthwith after:

- (a) Shipper has complied to TransCanada's satisfaction, acting reasonably, with the Availability Provisions referred to in Paragraph 2(a) hereof;
- (b) TransCanada has received and accepted all of the TransCanada Authorizations pursuant to Paragraph 6 hereof;
- (c) Shipper has received, and TransCanada has accepted, all of the Shipper Authorizations pursuant to Paragraph 5 hereof; and
- (d) Shipper has supplied to TransCanada (where necessary) the financial assurances pursuant to Section 1 of the Financial Assurances Agreement.

Provided however, that if Shipper fails to execute and return to TransCanada the Firm Transportation Service Contract duly proffered by TransCanada within fifteen (15) days of receipt thereof by Shipper, TransCanada may, in its sole discretion, declare an Event of Cancellation by providing Notice of its intention to do so to Shipper. Any such declaration of an Event of

## **Precedent Agreement**

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Cancellation shall become effective on the expiration of five (5) days following receipt of such Notice by Shipper, unless within such five (5) day period Shipper has executed and returned the Firm Transportation Service Contract to TransCanada.

### **WITHDRAWAL OF REQUESTED SERVICE**

10. Shipper may withdraw its request for the Requested Service at any time prior to the execution of the Firm Transportation Service Contract.

### **SUNSET PROVISION**

11.

(a) Notwithstanding any other provision in this Precedent Agreement, if by May 1, 2022, any of the requirements referred to in Paragraph 9 hereof have not been satisfied, then either Party may thereafter declare an Event of Cancellation by providing Notice of its intention to do so to the other Party. If any of the requirements referred to in Paragraph 9 hereof remain unsatisfied on the fifteenth (15<sup>th</sup>) day next following receipt of such Notice, any such declaration of an Event of Cancellation shall become effective.

(b) If at any time TransCanada is of the opinion, acting reasonably, that any of the requirements referred to in Paragraph 9 will not be satisfied by May 1, 2022, despite the use of reasonable efforts, TransCanada may, in its sole discretion, declare an Event of Cancellation by providing Notice of its intention to do so to Shipper. Any such declaration of an Event of Cancellation shall become effective on the expiration of thirty (30) days following receipt of such Notice by Shipper, unless within such thirty (30) day period the Parties agree in writing that such declaration of an Event of Cancellation shall not become effective as aforesaid.

### **AUTHORIZATION TO SPEND**

12. Shipper hereby authorizes TransCanada, prior to the receipt of all regulatory approvals TransCanada, taking into account Shipper's request for the Requested Service and the Other Requests, determines necessary for the Required Increase, to forthwith acquire all materials, enter into all agreements with individuals and/or organizations and take such other actions which TransCanada, acting reasonably, considers necessary: (i) for the timely commencement of the Requested Service by the In-Service Date, or as soon as possible thereafter; and (ii) for the timely commencement of the service requested pursuant to the Other Requests by the in-service dates requested pursuant to the Other Requests, or as soon as possible thereafter. Shipper recognizes that the provision of the Requested Service may rely on the installation of facilities which are required for both the provision of the Requested Service and for the provision of service pursuant to one or more of the Other Requests and that TransCanada's actions, as described above, may be influenced by any obligations TransCanada has with respect to the Other Requests.

## **Precedent Agreement**

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### **EVENT OF CANCELLATION**

13. Upon the occurrence of an Event of Cancellation, TransCanada's and Shipper's obligations pursuant to Paragraphs 2, 3, 5, 6 and 9 shall terminate. TransCanada may, at its discretion, decide to cancel, in whole or in part, the construction of facilities which arise from or are attributable to Shipper's request for the Requested Service or to continue with, in whole or in part, the construction of facilities which arise from or are attributable to Shipper's request for the Requested Service. In making such decision, TransCanada shall act in a commercially reasonable manner, having regard to all materially relevant matters, including any obligations TransCanada has with respect to the Other Requests. Shipper recognizes that any decision made by TransCanada as described above may be influenced by any obligations TransCanada has with respect to the Other Requests and that such decisions may impact Shipper's obligations pursuant to this Precedent Agreement. Shipper further recognizes that any decision made by TransCanada as described above may be subject to change upon any change in any obligations TransCanada has with respect to the Other Requests, and that such change may impact Shipper's obligations pursuant to this Precedent Agreement. Subject to the foregoing, TransCanada shall use commercially reasonable efforts to minimize all costs payable by Shipper to TransCanada pursuant to Paragraph 14 below, which shall include efforts to minimize costs committed to prior to TransCanada receiving and accepting all of the TransCanada Authorizations and efforts to utilize in a prospective expansion within a reasonable time period, equipment, materials or internal or third party work product arising out of facilities contemplated on account of the Requested Service and the Other Requests (the construction of which has been cancelled), provided that such efforts shall be subject to TransCanada's other obligations with respect to the Requested Service and the Other Requests, including TransCanada's obligations with respect to the In-Service Date for the Requested Service and the in-service date for the Other Requests. Upon making any determination, or changing any determination, of how it will proceed upon an Event of Cancellation, TransCanada shall provide Shipper with Notice describing the decision made.

### **PAYMENT OF CANCELLATION COSTS**

14. If an Event of Cancellation is declared on or after the Effective Date, Shipper shall pay to TransCanada the sum of the following amounts, subject to TransCanada's obligations pursuant to Paragraph 13 to use commercially reasonable efforts to minimize all costs payable by Shipper to TransCanada pursuant to this Paragraph 14:

- (a) 100% of the Shipper Specific Cancellation Costs, if applicable; plus
- (b) the product of:
  - (i) the sum of the Allocated Cancellation Costs plus the Other Request Allocated Cancellation Costs for each of the Other Requests pursuant to which a precedent agreement (similar to this precedent agreement) has been entered into and pursuant to which precedent agreements an "Event of Cancellation" (as defined therein) has occurred; multiplied by



**REDACTED****Precedent Agreement**

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- (ii) a fraction, the numerator of which equals Shipper's contract demand pursuant to the Requested Service (in GJ/Day), and the denominator of which equals the sum of the numerator plus the sum of the contract demand for each of the Other Requests pursuant to which a precedent agreement (similar to this precedent agreement) has been entered into and pursuant to which precedent agreements an "Event of Cancellation" (as defined therein) has occurred.

Payments will be paid in accordance with the procedures set forth in Paragraph 17 herein.

**ESTIMATED LIABILITY LIMIT AND PROJECT COSTS**

15.

- (a) Shipper's total liability pursuant to Paragraph 14 upon an Event of Cancellation shall be the actual amount payable pursuant to Paragraph 14. The estimated liability limit is [REDACTED] plus applicable taxes (the "Estimated Liability Limit"). The Estimated Liability Limit is calculated in accordance with the provisions set forth in Paragraph 16. TransCanada and Shipper acknowledge and agree that the Estimated Liability Limit is an estimate provided for information purposes only based upon the calculation described in Paragraph 16, and that to the extent Shipper's actual liability pursuant to Paragraph 14 is greater than or less than the Estimated Liability Limit Shipper's obligation to pay such amounts shall not be impacted by the provisions of this Paragraph 15. Shipper acknowledges that as of the Effective Date of this Precedent Agreement TransCanada's design of the facilities and the estimate, performed in accordance with Paragraph 16, are preliminary, and in particular, Shipper acknowledges that TransCanada's current design and estimate, performed in accordance with Paragraph 16, are based upon the assumption that all of the Other Requests will result in signed precedent agreements, similar to this Precedent Agreement.
- (b) Shipper acknowledges that it has been provided a quarterly estimated spend profile for the Project Costs. Where Shipper requests in writing from TransCanada a status update related to that spend profile, TransCanada shall provide an update of the key milestones and the aggregate of the Project Costs and future financial commitments if those costs exceed the estimated spend profile at that time. TransCanada shall provide such statement to Shipper within 30 days of the end of the calendar quarter in which Shipper made such request.
- (c) In the event that TransCanada determines at any time that the currently applicable Estimated Liability Limit is less than 80% of TransCanada's current estimate performed in accordance with Paragraph 16, then TransCanada shall give Shipper Notice (the "Estimated Liability Limit Notice") of such and, in such Estimated Liability Limit Notice, shall provide Shipper with a new estimate performed in accordance with Paragraph 16. The Estimated Liability Limit Notice shall also include an explanation of TransCanada's reasons for the changes to the Estimated Liability Limit.

## **Precedent Agreement**

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- (d) The Estimated Liability Limit Notice shall and is hereby deemed to constitute a request by TransCanada to amend Paragraph 15(a) of this Precedent Agreement by increasing the Estimated Liability Limit to the amount set forth in the new estimate contained in the Estimated Liability Limit Notice.
- (e) If Shipper agrees to the amendments set forth in the Estimated Liability Limit Notice, or fails to respond to the Estimated Liability Limit Notice within fifteen (15) days of receiving the Estimated Liability Limit Notice, Paragraph 15(a) shall be deemed amended to increase the Estimated Liability Limit to the amount set forth in the Estimated Liability Limit Notice.
- (f) If Shipper does not agree to the amendments set forth in the Estimated Liability Limit Notice, TransCanada shall thereupon have the right, in its sole discretion, to declare an Event of Cancellation by providing Notice of its intention to do so to Shipper, which Event of Cancellation shall become effective immediately upon receipt of such Notice by Shipper.

### **ESTIMATED LIABILITY LIMIT CALCULATION**

- 16. The Estimated Liability Limit is equal to the sum of the following:
  - (a) With respect to any contemplated facilities on the TransCanada System which, pursuant to TransCanada's current design, arise from or are attributable only to Shipper's request for the Requested Service, TransCanada's estimate of all internal and third party costs, expenses and charges TransCanada will incur to bring into service such facilities; and
  - (b) With respect to any contemplated facilities on the TransCanada System which, pursuant to TransCanada's current design, arise from or are attributable to both Shipper's request for the Requested Service and the Other Requests, TransCanada's estimate of all internal and third party costs, expenses and charges TransCanada will incur to bring into service such facilities multiplied by a fraction, the numerator of which equals Shipper's contract demand pursuant to the Requested Service (in GJ/Day), and the denominator of which equals the sum of the numerator plus the sum of the contract demand for each of the Other Requests, provided that in calculating such fraction, if calculated after the execution and delivery of this Precedent Agreement, the calculation of the denominator shall only be based upon the Other Requests which have resulted in a signed precedent agreement (similar to this Precedent Agreement).

### **INVOICING AND PAYMENT**

- 17. TransCanada shall invoice and Shipper shall pay all obligations under this Precedent Agreement to TransCanada as they may arise from time to time. Within fifteen (15) days following receipt of any invoices on account of such obligations, Shipper shall remit payment to TransCanada. If Shipper fails to pay any invoice in full within the time herein required, interest on the unpaid portion shall accrue from the date such payment is first overdue until payment is made

## **Precedent Agreement**

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at a rate of interest equal to the prime rate of interest per annum of the Canadian Imperial Bank of Commerce applicable to Canadian dollar commercial loans on the date such payment is first overdue, plus one (1) percent in addition thereto (with the exception of interest for TBO Costs which shall be determined pursuant to the TBO Contract), and such interest shall be immediately due and payable.

### **AUDIT RIGHTS**

18. Provided Shipper has paid to TransCanada all amounts invoiced hereunder, no earlier than fifteen (15) days after TransCanada has received a written request from Shipper, Shipper shall have the right, at its cost, to audit TransCanada's supporting documentation related to the particular invoice(s) to verify the accuracy of the invoice in question. Shipper's audit rights shall be granted during normal business hours. Shipper's audit rights shall not include any right to break down the standard labour rates charged by TransCanada. The total number of audits commenced in any calendar year shall not exceed one. Any audit request by Shipper must be received by TransCanada within a period of two years after the invoice in question was received pursuant to Paragraph 17.

### **RETAINED EQUIPMENT AND MATERIALS**

19. Upon an Event of Cancellation, TransCanada shall:

- (a) provide to Shipper details of the current costs to be recovered from Shipper at the time of invoicing; and
- (b) within thirty (30) days following the receipt of TransCanada's invoice(s), and not as precondition to payment:
  - (i) allow Shipper, upon Shipper's written request, to inspect any Retained Equipment and Materials on which Shipper has been invoiced a Monthly Carrying Cost; and
  - (ii) supply Shipper, upon Shipper's written request, copies of invoices relating to all Cancellation Charges, Retained Equipment and Materials and details of any Financial Loss, Project Costs and Other Financial Obligations and Outlays incurred by TransCanada.

If TransCanada shall not have disposed of or utilized any Retained Equipment and Materials within six (6) months from the date TransCanada makes a determination to cancel construction of the facilities to which such Retained Equipment and Materials related, then Shipper shall have the right to purchase from TransCanada such property, equipment, materials, services or other components which in whole or in part fall within the definition of Retained Equipment and Materials at the manufacturers' invoiced cost plus any costs of TransCanada related to the original purchase of such property, equipment, materials, services or other

## **Precedent Agreement**

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components and plus any costs of TransCanada related to the sale of such property, equipment, materials, services or other components to Shipper.

### **FINANCIAL ASSURANCES**

20. TransCanada may as a condition of entering into this Precedent Agreement and at any time and from time to time prior to or during the term of this Precedent Agreement request, by Notice to Shipper, that Shipper provide financial assurances in an amount, type and form acceptable to TransCanada for the performance of its obligations pursuant to this Precedent Agreement or (if applicable) request that Shipper replace, increase or otherwise amend any financial assurances for the performance of its obligations pursuant to this Precedent Agreement previously provided by Shipper to TransCanada ("**Financial Assurances**"), such Financial Assurances are to be in an amount that does not exceed TransCanada's estimate of the maximum payment obligations Shipper could be subject to upon an Event of Cancellation (the "**Financial Assurances Request**"). From time to time, and at any time, prior to or during the term of this Precedent Agreement TransCanada may assess the Shipper's creditworthiness related to the performance of its obligations pursuant to this Precedent Agreement. When performing any such assessment, TransCanada shall apply the same criteria in assessing Shipper's creditworthiness as it applies when determining whether to request Financial Assurances pursuant to TransCanada's Canadian Mainline Transportation Tariff (as amended from time to time) from a shipper on the TransCanada System. TransCanada shall not require Financial Assurances pursuant to this Paragraph 20 unless, pursuant to any assessment performed as described above, TransCanada makes a determination that Shipper is not creditworthy. No later than five (5) Banking Days from receipt of a Financial Assurances Request Shipper shall provide TransCanada with the Financial Assurances in the form and amount specified in such Financial Assurances Request. In addition to any other remedies TransCanada may have if Shipper fails to provide such Financial Assurances within five (5) Banking Days from receipt of such Financial Assurances Request, provided that no Event of Cancellation has occurred, TransCanada shall have the right, in its sole discretion, to declare an Event of Cancellation by providing Notice of its intention to do so to Shipper, which Event of Cancellation shall become effective immediately upon receipt of such Notice by Shipper.

### **TERM**

21. This Precedent Agreement shall remain in effect until the earlier of:
- (a) The date transportation service pursuant to the Firm Transportation Service Contract and the TBO Contract (if any) for all of the Requested Service has commenced; or
  - (b) The date where TransCanada has utilized or disposed of all the Retained Equipment and Materials, has invoiced the Shipper, and has been paid by Shipper for all obligations payable by Shipper, including Cancellation Costs pursuant to this Precedent Agreement.

### **WAIVER OF DEFAULT**

22. No waiver by TransCanada of any default by Shipper in the performance of any provision of or obligation under this Precedent Agreement shall operate or be construed as a waiver of any continuing or future default or defaults, whether of a like or different character.

**Precedent Agreement**

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**NOTICE**

23. Any notice, request or demand ("**Notice**") to or upon the respective **Parties** hereto shall be in writing and shall be validly communicated by the delivery thereof to its addressee, either personally or by courier, first class mail, or facsimile or other telecommunication to the address hereinafter mentioned:

**IN THE CASE OF TRANSCANADA      TRANSCANADA PIPELINES LIMITED**

(i) Mailing Address:                      450 - 1<sup>st</sup> Street SW  
Calgary, AB T2P 5H1

(ii) Delivery Address:                    450 - 1<sup>st</sup> Street SW  
Calgary, AB T2P 5H1

Attention:    Director, Commercial Services  
Facsimile:    (403) 920-2446  
Email:        mainline\_contracting@transcanada.com

**IN THE CASE OF SHIPPER      NORTHERN UTILITIES, INC.**

(i) Mailing Address:                      6 Liberty Lane West  
Hampton, NH USA  
03842

(ii) Delivery Address:                    Same as above

Attention:    Robert Furino  
Facsimile:    603-773-6647  
Email:        furino@unitil.com

Such Notice sent as aforesaid shall be deemed to have been received by the Party to whom it is sent: (a) at the time of its delivery if personally delivered or if sent by facsimile or e-mail, or (b) on the day following transmittal thereof if sent by courier, or (c) on the third day following the transmittal thereof if sent by first class mail; provided however, that in the event normal mail service, courier service, or facsimile service shall be interrupted by a cause beyond the control of the Parties hereto, then the Party sending the Notice shall utilize any service that has not been so interrupted or shall personally deliver such Notice. Each Party shall provide Notice to the other of any change of address for the purposes hereof.

## **Precedent Agreement**

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### **ASSIGNMENT**

24. Any company which shall succeed by purchase, merger or consolidation to the assets substantially or in entirety, of Shipper or TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor under this Precedent Agreement. Either Party may, without relieving itself of its obligations under this Precedent Agreement, assign any of its rights and obligations hereunder to an Affiliate of such Party without the consent of the other Party hereto, but otherwise no assignment of this Precedent Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of the other Party, such consent not to be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this paragraph shall not in any way prevent either Party to this Precedent Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. This Precedent Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties hereto.

### **APPLICABLE LAW**

25. This Precedent Agreement shall be construed and applied in accordance with, and be subject to, the laws of the Province of Alberta, and, where applicable, the laws of Canada, and shall be subject to the rules, regulations, decisions and orders of any regulatory or legislative authority having jurisdiction over the matters contained herein.

### **SEVERENCE**

26. If any provision of this Precedent Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall apply only to such provision and all other provisions hereof shall continue in full force and effect.

### **REPRESENTATION**

27. Shipper represents that neither Shipper nor any third party acting on behalf of Shipper have executed arrangements with other parties with respect to the acquisition of natural gas which would have the effect of eliminating Shipper's need for the Requested Service, and Shipper agrees that it shall not enter into any such arrangements without the prior written consent of TransCanada while this Precedent Agreement is in effect.

### **SOLE BENEFIT**

28. TransCanada and Shipper hereby stipulate and agree that this Precedent Agreement is executed for the sole benefit of TransCanada and Shipper, including all successors and assignees permitted under the terms of this Precedent Agreement. TransCanada and Shipper expressly intend that no rights under this Precedent Agreement inure to any other parties.

## **Precedent Agreement**

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### **TRANSCANADA'S INTERNAL APPROVAL**

29. If TransCanada fails to obtain any internal approvals it determines necessary, including Board of Director approval, for the transactions contemplated herein on or before June 1, 2019, TransCanada may, in its sole discretion, declare an Event of Cancellation by providing Notice of its intention to do so to Shipper within ten (10) days of such date. Any such declaration of an Event of Cancellation shall become effective on the expiration of five (5) days following receipt of such Notice to Shipper.

### **AMENDMENTS**

30. This Precedent Agreement may not be amended except by a written amending agreement signed by TransCanada and Shipper.

### **EFFICIENT PROVISION OF REQUESTED SERVICE**

31. Shipper acknowledges and agrees that TransCanada shall have the option to determine how the Requested Service, Other Requests and Required Increase will be provided in the most efficient manner, including, without limitation, consideration of options which may or may not require the installation of additional pipeline facilities.

### **TIMING OF IN-SERVICE DATE**

32.

(a) TransCanada will use reasonable efforts to facilitate the alignment of the In-Service Date with the in-service date of upstream and downstream pipeline systems (if applicable). TransCanada and Shipper shall as soon as reasonably practicable, inform the other Party of any delays that may impact the In-Service Date.

(b) Notwithstanding anything in this Precedent Agreement or the Firm Transportation Service Contract, Shipper agrees it shall have no cause of action or claims against TransCanada if TransCanada fails to meet the In-Service Date for any reason whatsoever, so long as TransCanada has used reasonable efforts to meet the In-Service Date.

### **FAILURE TO OBTAIN TBO CONTRACT**

33. If TransCanada fails to obtain any TBO Contract it determines is necessary for the Requested Service and/or the Required Increase on terms and conditions satisfactory to TransCanada, TransCanada may in its sole discretion, declare an Event of Cancellation by providing Notice to Shipper. Any such declaration of an Event of Cancellation shall become effective on the expiration of fifteen (15) days following receipt of such Notice by Shipper, unless within such fifteen (15) day period the Parties have mutually agreed in writing to an alternate arrangement that does not require TransCanada to enter into the TBO Contract.

**Precedent Agreement**

**LIMITATION OF LIABILITY**

34. TransCanada shall not be liable to Shipper for any:


- (a) damages including consequential, incidental, punitive and exemplary damages; and/or
- (b) losses including loss of revenue or loss of profit;

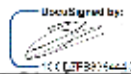
suffered, sustained, or incurred by Shipper as a result of this Precedent Agreement, unless such damages or losses occur as a result of TransCanada's willful default or gross negligence.

IN WITNESS WHEREOF, the duly authorized Parties hereto have executed this Precedent Agreement as of the date first above written.

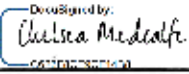
**NORTHERN UTILITIES, INC.**

**TRANSCANADA PIPELINES LIMITED**

By:   
 Name: MARK H. COWIN  
 Title: SENIOR VICE PRESIDENT

By:   
 Name: Stefan Baranski  
 Title: Director, Commercial East Markets

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

By:   
 Name: Chelsea Medcalfe  
 Title: Enter Title

Contract Approval	
Customer Service Leader	<u></u>
Customer Representative	<u></u>
Legal Review	<u></u>



**Exhibit "A"**

**Transportation Tariff**

**TransCanada PipeLines Limited**

FT CONTRACT

**FIRM TRANSPORTATION SERVICE CONTRACT**

THIS FIRM TRANSPORTATION SERVICE CONTRACT, made as of the [•] day of [•].

BETWEEN:

TRANSCANADA PIPELINES LIMITED  
a Canadian corporation  
("TransCanada")

OF THE FIRST PART

AND:

[•]  
an Entity Formed under the laws of  
[•]  
("Shipper")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS TransCanada owns and operates a natural gas pipeline system extending from a point near the Alberta/Saskatchewan border where TransCanada's facilities interconnect with the facilities of NOVA Gas Transmission Ltd. easterly to the Province of Quebec with branch lines extending to various points on the Canada/United States of America International Border; and

WHEREAS Shipper has satisfied in full, or TransCanada has waived, each of the conditions precedent set out in Sections 1.1 (b) and (c) of TransCanada's Firm Transportation Service Toll Schedule referred to in Section 7.1 hereof (the "FT Toll Schedule"); and

WHEREAS Shipper has requested and TransCanada has agreed to transport quantities of gas, that are delivered by Shipper or Shipper's agent to TransCanada at the Receipt Point(s) referred to in Section 3.2 hereof (the "Receipt Point(s)"), to the Delivery Point(s) referred to in Section 3.1 hereof (the "Delivery Point(s)") pursuant to the terms and conditions of this Contract; and

**Exhibit "A"****Transportation Tariff****TransCanada PipeLines Limited**

FT CONTRACT

WHEREAS the Parties hereto have heretofore entered into an agreement dated as of the [●] day of [●], 200[●], (the "Precedent Agreement") which bound them, subject to fulfillment or waiver of the conditions precedent therein set forth, to enter into a Contract substantially upon the terms and conditions hereinafter described; and

WHEREAS the conditions precedent of the Precedent Agreement have been satisfied or waived; and

WHEREAS the quantities of gas delivered hereunder by Shipper or Shipper's agent to TransCanada are to be removed from the province of production of such gas by Shipper and/or Shipper's suppliers and/or its (their) designated agent(s) pursuant to valid and subsisting permits and/or such other authorizations in respect thereof.

NOW THEREFORE THIS CONTRACT WITNESSES THAT, in consideration of the covenants and agreement herein contained, the Parties hereto covenant and agree as follows:

**ARTICLE I – COMMENCEMENT OF SERVICE**

1.1 TransCanada shall use reasonable efforts to have the additional facilities (and/or obtain such transportation arrangements on other gas transmission systems) as may be required to effect the transportation of the gas hereunder (the "Necessary Capacity") in place by the [●] day of [●], 20[●], or as soon as possible thereafter. TransCanada's ability to provide service by the [●] day of [●], 20[●], will be subject to, inter alia:

- a) the timing of receipt by Shipper and TransCanada of the authorizations referred to in paragraphs 1 and 2 of the Precedent Agreement which are required prior to the commencement of construction of TransCanada's facilities and the timing of the commencement of the services required by TransCanada (if any) on Other Pipelines; and
- b) the lead time required for the acquisition, construction and installation of those facilities required by TransCanada.

TransCanada shall use reasonable efforts to provide Shipper with ten (10) days advance Notice of the anticipated availability of the Necessary Capacity (the "Advance Notice"). TransCanada shall give Shipper Notice of the actual date of availability of the Necessary Capacity ("TransCanada's Notice), and service hereunder shall not commence prior to the actual date of availability of the Necessary Capacity.

**Exhibit "A"****Transportation Tariff****TransCanada PipeLines Limited**

FT CONTRACT

1.2 The date of commencement of service hereunder (the "Date of Commencement") shall be the earlier of :

- a) the date for which Shipper first nominates and TransCanada authorizes service hereunder; or
- b) the tenth (10<sup>th</sup>) day following the day on which Shipper received TransCanada's Notice;

PROVIDED that Shipper shall not be obligated to a Date of Commencement which is earlier than the [●] day of [●], 20[●], unless mutually agreed upon by both Parties.

**ARTICLE II – GAS TO BE TRANSPORTED**

2.1 Subject to the provisions of this Contract, the FT Toll Schedule, the List of Tolls, and the General Terms and Conditions referred to in Section 7.1 hereof, TransCanada shall provide transportation service hereunder for Shipper in respect of a quantity of gas which, in any one day from the Date of Commencement until the [●] day of [●], 20[●], shall not exceed [●] GJ/d (the "Contract Demand").

**ARTICLE III – DELIVERY POINT(S) AND RECEIPT POINT(S)**

3.1 The Delivery Point(s) hereunder are those points specified as such in Exhibit "1" which is attached hereto and made a part hereof.

3.2 The Receipt Point(s) hereunder are those points specified as such in Exhibit "1" hereof.

**ARTICLE IV -TOLLS**

4.1 Shipper shall pay for all transportation service hereunder from the Date of Commencement in accordance with TransCanada's FT Toll Schedule, List of Tolls, and General Terms and Conditions set out in TransCanada's Transportation Tariff as the same may be amended or approved from time to time by the National Energy Board ("NEB").

**Exhibit "A"****Transportation Tariff****TransCanada PipeLines Limited**

FT CONTRACT

**ARTICLE V – TERM OF CONTRACT**

5.1 This Contract shall be effective from the date hereof and shall continue until the [●] day of [●], 20[●].

**ARTICLE VI – NOTICES**

6.1 Any notice, request, demand, statement or bill (for the purpose of this paragraph, collectively referred to as "Notice") to or upon the respective parties hereto shall be in writing and shall be directed as follows:

**IN THE CASE OF TRANSCANADA:****TRANSCANADA PIPELINES LIMITED**

- |       |                   |   |
|-------|-------------------|---|
| (i)   | mailing address:  | P.O. Box 1000<br>Station M<br>Calgary, Alberta<br>T2P 4K5                     |
| (ii)  | delivery address: | TransCanada Tower<br>450 - 1st Street S.W.<br>Calgary, Alberta<br>T2P 5H1     |
|       |                   | Attention: Director, Customer Service<br>Telecopy: (403) 920 - 2446           |
| (iii) | nominations:      | Attention: Manager, Nominations and Allocations<br>Telecopy: (403) 920 - 2446 |
| (iv)  | invoices:         | Attention: Manager, Contracts and Billing<br>Telecopy: (403) 920 - 2446       |
| (v)   | other matters:    | Attention: Director, Customer Service<br>Telecopy: (403) 920 - 2446           |

**Exhibit "A"****Transportation Tariff****TransCanada PipeLines Limited**

FT CONTRACT

<b>IN THE CASE OF SHIPPER:</b>	<b>[•]</b>
(i) mailing address:	<b>[•]</b>
(ii) delivery address:	same as above
(iii) nominations:	Attention: <b>[•]</b> Telecopy: <b>[•]</b>
(iv) invoices:	Attention: <b>[•]</b> Telecopy: <b>[•]</b> E-mail address: <b>[•]</b>
(v) other matters:	Attention: <b>[•]</b> Telecopy: <b>[•]</b>

Notice may be given by telecopier or other telecommunication device and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event regular mail service, courier service, telecopier or other telecommunication service shall be interrupted by a cause beyond the control of the Parties hereto, then the Party sending the Notice shall utilize any service that has not been so interrupted to deliver such Notice. Each Party shall provide Notice to the other of any change of address for the purposes hereof. Any Notice may also be given by telephone followed immediately by personal delivery, courier, prepaid mail, telecopier or other telecommunication, and any Notice so given shall be deemed to be given as of the date and time of the telephone notice.

**ARTICLE VII – MISCELLANEOUS PROVISIONS**

7.1 The FT Toll Schedule, the List of Tolls, and the General Terms and Conditions set out in TransCanada's Transportation Tariff as amended or approved from time to time by the NEB are all by reference made a part of this Contract and operations hereunder shall, in addition to the terms and conditions of this Contract, be subject to the provisions thereof. TransCanada shall notify Shipper at any time that TransCanada files with the NEB revisions to the FT Toll Schedule, the List of Tolls, and/or the General Terms and Conditions (the "Revisions") and shall provide Shipper with a copy of the Revisions.

**Exhibit "A"**

**Transportation Tariff**

**TransCanada PipeLines Limited**

FT CONTRACT

7.2 The headings used throughout this Contract, the FT Toll Schedule, the List of Tolls, and the General Terms and Conditions are inserted for convenience of reference only and are not to be considered or taken into account in construing the terms or provisions thereof nor to be deemed in any way to qualify, modify or explain the effect of any such provisions or terms.

7.3 This Contract shall be construed and applied, and be subject to the laws of the Province of Alberta, and, when applicable, the laws of Canada, and shall be subject to the rules, regulations and orders of any regulatory or legislative authority having jurisdiction.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the date first above written.

[•]

**TRANSCANADA PIPELINES LIMITED**

Per: _____	Per: _____
Name: _____	Name: _____
Title: _____	Title: _____
Per: _____	Per: _____
Name: _____	Name: _____
Title: _____	Title: _____

Contract Approval	
Customer Service Leader	
Customer Representative	
Legal Review	Proforma Approved

**Exhibit "A"**

**Transportation Tariff**

**TransCanada PipeLines Limited**

FT CONTRACT

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**EXHIBIT "1"**

This is EXHIBIT "1" to the FIRM TRANSPORTATION SERVICE CONTRACT made as of the [●] day of [●] between TRANSCANADA PIPELINES LIMITED ("TransCanada") and [●] ("Shipper").

The Delivery Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and [●] which is located at:

[●]

The Receipt Point hereunder is the point of interconnection between the pipeline facilities of TransCanada and [●] which is located at:

[●]

**Financial Assurances Agreement**

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**FINANCIAL ASSURANCES AGREEMENT**

This Financial Assurances Agreement made as of the 21st day of January, 2019.

BETWEEN:

**TRANSCANADA PIPELINES LIMITED**  
a Canadian corporation  
(hereinafter called "TransCanada")

AND:

**NORTHERN UTILITIES, INC.**  
a corporation incorporated under the laws of  
the State of New Hampshire  
(hereinafter called "Shipper")

WITNESSES THAT:

WHEREAS, upon Shipper and TransCanada executing this Financial Assurances Agreement (hereinafter called the "Financial Assurances Agreement"), Shipper and TransCanada shall enter into a Precedent Agreement (hereinafter called the "Precedent Agreement") wherein both parties shall agree, subject to satisfaction of the conditions contained in the Precedent Agreement, to enter into a Firm Transportation Service Contract substantially in the form attached as Exhibit "A" to the Precedent Agreement (hereinafter called the "Contract"); and

WHEREAS, the Contract, upon execution, will be for gas transportation and related services where TransCanada determined it must construct facilities in order to provide such service ("Expansion Capacity Service"); and

WHEREAS, the Contract, upon execution, would provide for TransCanada to transport for the account of Shipper up to 10,660 GJ/d of natural gas from the Union Parkway Belt to the East Hereford commencing the 1st day of November, 2022 or as soon as possible thereafter; and

WHEREAS the General Terms and Conditions of TransCanada's Canadian Mainline Transportation Tariff that are applicable to the Contract, as such may be amended, replaced or varied from time to time (hereinafter called the "Tariff"), sets out that TransCanada may request and Shipper shall provide if TransCanada so requests, financial assurances for the payment of the charges to be paid by Shipper pursuant to the Contract; and

WHEREAS, the parties wish to enter into this Financial Assurances Agreement for the purpose of describing the manner in which such security is to be provided by Shipper.



## Financial Assurances Agreement

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NOW THEREFORE THIS FINANCIAL ASSURANCES AGREEMENT WITNESSES THAT, in consideration of the mutual covenants and agreements contained herein, Shipper and TransCanada agree as follows:

1. Prior to the execution of the Contract, TransCanada may request financial assurances from Shipper, in form and substance acceptable to TransCanada and in an amount determined in accordance with the Tariff for Expansion Capacity Service. Shipper shall provide such financial assurances within four (4) Banking Days of TransCanada's request or such other time as may be set forth by TransCanada in the request. Upon receipt by TransCanada of the requested financial assurances, section 9(d) of the Precedent Agreement shall be satisfied, and until receipt by TransCanada of the requested financial assurances, section 9(d) of the Precedent Agreement shall not be satisfied.
2. TransCanada may request that Shipper at any time and from time to time prior to and during service, provide TransCanada with financial assurances acceptable to TransCanada, in form and substance satisfactory to TransCanada and in an amount determined in accordance with the Tariff for Expansion Capacity Service (the "Financial Assurances Request").
3. Shipper shall provide TransCanada with the financial assurances requested in the Financial Assurances Request within the time period set out in the Tariff.
4. If Shipper fails to provide TransCanada with the financial assurances requested, then TransCanada may, in addition to any other remedy available to it, exercise any remedies available to it in the Precedent Agreement, the Contract, or the Tariff.
5. This Financial Assurances Agreement shall become effective on the February 28, 2019 and shall remain in effect until:
  - (a) the Precedent Agreement is terminated by either party in accordance with the terms thereof and all of the Shipper's obligations pursuant to the Precedent Agreement have been satisfied, and
  - (b) if the Contract is executed,
    - (i) the Contract is terminated by either party in accordance with the terms thereof and all of the Shipper's obligations pursuant to the Contract have been satisfied; or
    - (ii) all of the Shipper's obligations pursuant to the Contract for the Existing Term have been satisfied.

## **Financial Assurances Agreement**

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6. For greater certainty, this Financial Assurances Agreement is deemed to be a financial assurances agreement under the Tariff.
7. This Financial Assurances Agreement and the rights and obligations of the parties hereunder shall be subject to all present and future laws, rules, regulations, decisions and orders of any legislative body or duly constituted authority now or hereafter having jurisdiction over any of the matters contained herein, including without limitation the General Terms and Conditions of the Tariff.
8. Any notice, request or demand (hereinafter called a "Notice") to or upon the respective parties hereto, shall be in writing and shall be validly communicated by the delivery thereof to its addressee, either personally or by courier, first class mail, telecopier or email to the address hereinafter mentioned:

In the case of TransCanada: **TRANSCANADA PIPELINES LIMITED**

Delivery Address: TransCanada PipeLines Tower  
450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1

Mailing Address: P.O. Box 1000, Station M  
Calgary, Alberta  
T2P 4K5  
  
Attention: Director, Counterparty Risk  
Telecopier: (403) 920-2359

Email: counterparty\_risk@transcanada.com

In the case of Shipper: **NORTHERN UTILITIES, INC.**

Delivery Address: 6 Liberty Lane West  
Hampton, NH USA  
03842

Mailing Address: Same As Above

Attention: Robert Furino  
Telecopier: 603-773-6647

Email : Email Address: furino@unitil.com

Any Notice shall be sent in order to ensure prompt receipt by the other party. Such Notice sent as aforesaid shall be deemed to have been received by the party to whom it is sent: (a) at the time of

## **Financial Assurances Agreement**

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its delivery if personally delivered or if sent by telecopier or email, or (b) on the business day following transmittal thereof if sent by courier, or (c) on the third (3<sup>rd</sup>) Banking Day following the transmittal thereof if sent by first class mail; provided, however, that in the event normal mail service, courier service, telecopier or email shall be interrupted by a cause beyond the control of the parties hereto, then the party sending the Notice shall utilize any of the said services which has not been so interrupted or shall personally deliver such Notice. Each party shall provide Notice to the other of any change of address for the purposes hereof.

9. Any company which shall succeed by purchase, merger or consolidation to the assets substantially or in entirety, of Shipper or TransCanada, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor under this Financial Assurances Agreement. Either party may, without relieving itself of its obligations under this Financial Assurances Agreement, assign any of its rights and obligations hereunder to an affiliate (as such term is defined in the Canada Business Corporations Act) of such party without the consent of the other party hereto, but otherwise no assignment of this Financial Assurances Agreement or any of the rights or obligations hereunder shall be made unless there first shall have been obtained the written consent thereto of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, Shipper may not assign its rights or obligations hereunder unless Shipper concurrently assigns its rights and/or obligations under the Precedent Agreement or the Contract to the same assignee. It is agreed, however, that the restrictions on assignment contained in this paragraph shall not in any way prevent either party to this Financial Assurances Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. This Financial Assurances Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the parties hereto.
10. This Financial Assurances Agreement shall be construed and applied in accordance with, and be subject to, the laws of the Province of Alberta, and, where applicable, the laws of Canada.
11. If any provision of this Financial Assurances Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or enforceability shall apply only to such provision and all other provisions hereof shall continue in full force and effect.
12. TransCanada and Shipper hereby stipulate and agree that this Financial Assurances Agreement is executed for the sole benefit of TransCanada and Shipper, including all successors and assignees permitted under the terms of this Financial Assurances Agreement. TransCanada and Shipper expressly intend that no rights under this Financial Assurances Agreement inure to any other parties.


**Financial Assurances Agreement**


- 13. Shipper acknowledges and agrees that it has reviewed and is familiar with the terms, conditions and provisions of the Tariff.
- 14. TransCanada and Shipper agree that any upper case terms not defined herein shall have the meaning ascribed thereto in the Tariff.
- 15. This Financial Assurances Agreement may be so executed in counterpart and a complete set of counterpart pages shall be provided to each party.

IN WITNESS WHEREOF, the parties hereto have executed this Financial Assurances Agreement as of the date first above written.


**NORTHERN UTILITIES, INC.**



**TRANSCANADA PIPELINES LIMITED**

Per:   
 Name: MARK H. COLLIN  
 Title: SENIOR VICE PRESIDENT

Per:   
 Name: Stefan Baranski  
 Title: Director, Commercial East Markets

Per: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

Per:   
 Name: Chelsea Medcalfe  
 Title: Enter Title

Contract Approval	
Customer Service Leader	<u></u>
Customer Representative	<u></u>
Legal Review	Proforma

**Estimate of Shared Facilities Costs (\$)  
for 2021 & 2022 Eastern System Expansion  
(Confidential)  
February 20, 2019 (Revised)**

The following is an estimate provided for information purposes only and is without prejudice to the extent of the cost of the project as determined pursuant to the terms of the Proposed Agreement.

Northern Utilities - 10,660 GJ/d, Union Parkway Belt to East Hereford (Estimated Exposure Profile for Required Facilities)

Estimated Exposure (\$)	2019 (Cumulative)				2020 (Cumulative)				2021 (Cumulative)				2022 (Cumulative)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

**REDACTED**

**REDACTED**

PA for M12279

**PRECEDENT AGREEMENT**

**THIS PRECEDENT AGREEMENT** (“**Precedent Agreement**”) dated this 28<sup>th</sup> day of February, 2019 by and between **Enbridge Gas Inc.**, an Ontario corporation (“**Enbridge**”), and **Northern Utilities Inc.**, a company incorporated under the laws of the State of New Hampshire (“**Shipper**”) (Enbridge and Shipper may sometimes be referred to separately as “**Party**” or jointly as “**Parties**” in this Precedent Agreement) witness that:

**WHEREAS**, Enbridge owns and operates a natural gas transmission system in south-western Ontario, through which Enbridge offers firm transportation services;

**WHEREAS**, Enbridge intends, subject to Shipper’s execution of this Precedent Agreement, Shipper’s execution of the Transportation Agreement defined below, and Enbridge’s determination of capacity requirements, to own, build and operate any facilities necessary to provide the Transportation Services, proposed to be in service by November 1, 2022 and herein known as the “**Expansion Facilities**”;

**WHEREAS**, this Precedent Agreement is executed as evidence of Shipper’s binding request for firm transportation service as well as Shipper’s acknowledgement that Enbridge requires the benefit of certain construction and regulatory conditions precedent not contained in the tariff applicable to the Transportation Agreement;

**WHEREAS**, Shipper acknowledges that Enbridge is relying on Shipper’s commitments and obligations set forth in this Precedent Agreement in order to own, build and operate the Expansion Facilities;

**WHEREAS**, the design of the Expansion Facilities may change based on the final capacity requirements or project design as determined by Enbridge in Enbridge’s sole discretion, which may result in a reduction in scope or elimination of the requirement for Expansion Facilities;

**WHEREAS**, Shipper agrees to enter into a transportation agreement whereby Enbridge will provide service and Shipper will receive service in Ontario in accordance with and in the form included in Enbridge’s M12 Rate Schedule (such transportation agreement shall be referred to herein as the “**Transportation Agreement**”); and

**WHEREAS**, Shipper agrees to enter into a financial backstopping agreement (the “**Financial Backstopping Agreement**”) whereby Shipper agrees to financially indemnify Enbridge for the costs associated with developing and constructing the Expansion Facilities on the terms and conditions contained therein,

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, Enbridge and Shipper agree as follows:

**1.0 Effective Date and Term**

This Precedent Agreement shall become effective as of the date first stated above and shall remain in effect until the earlier of: (a) all of the conditions precedent in Section 3.0 have been satisfied or waived by the Party claiming the benefit thereof, or (b) either Enbridge or Shipper exercises their respective termination rights pursuant to this Precedent Agreement.

PA for M12279

## **2.0 Firm Transportation Services**

Shipper agrees that it will execute the firm Transportation Agreement necessary to satisfy Shipper's firm transportation requirements under the terms set forth below and in the form attached as Schedule 1 M12279. The Transportation Agreement shall provide firm transportation services including, without limitation, the following terms as described in M12279.

- (a) Contract Demand
- (b) Start and End Dates
- (c) Receipt Point(s)
- (d) Delivery Point(s)
- (e) Demand Charge

Shipper shall be responsible for all charges, pursuant to Enbridge's M12 Rate Schedule, as applicable.

## **3.0 Conditions Precedent**

3.1 The obligations of Enbridge to provide the Transportation Services (as defined in the Transportation Agreement) are subject to the conditions precedent for Enbridge's benefit in the Transportation Agreement and to the following conditions precedent, which are for the sole benefit of Enbridge and may be waived or extended, in whole or in part, in the manner provided for in this Precedent Agreement:

- (a) Enbridge shall have obtained, in form and substance satisfactory to Enbridge, and all conditions shall have been satisfied under, for all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required to:
  - i. construct and operate the Expansion Facilities; and
  - ii. provide the Transportation Services;

under a regulatory framework satisfactory to Enbridge, in its sole discretion;

- (b) Enbridge shall have obtained all internal approvals that are necessary or appropriate to construct and operate the Expansion Facilities and provide the Transportation Services;
- (c) Enbridge shall have completed and placed into service the Expansion Facilities;
- (d) Shipper shall have executed the Transportation Agreement and provided Enbridge with a copy thereof along with notification of the satisfaction or waiver of the conditions precedent for the benefit of Shipper outlined in Article XXI, Section 2 of Schedule "A2010" of the Transportation Agreement on or before February 28, 2019; and
- (e) Enbridge, shall have received from Shipper an executed Financial Backstopping Agreement, in form and substance reasonably acceptable to the Parties on or before February 28, 2019.

3.2 The obligations of Shipper under the Transportation Agreement are subject to the conditions precedent for the benefit of Shipper in the Transportation Agreement and to the following conditions precedent, which are for the sole benefit of Shipper, and which may be waived or extended in whole or in part in the manner provided for in this Precedent Agreement:

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(a) Shipper shall have obtained, all applicable regulatory approvals [REDACTED]

[REDACTED]

on or before September 30, 2019;

(b) [REDACTED]

[REDACTED]

(c) [REDACTED]

[REDACTED]

3.3 Enbridge and Shipper shall each use due diligence and reasonable efforts to satisfy and fulfill the conditions precedent, if applicable, specified in Sections 3.1 (a), (c), (d) and (e), and the conditions precedent specified in Section 3.2 (a), (b) and (c). Each Party shall notify the other forthwith in writing of the satisfaction or waiver of each condition precedent for such Party's benefit. Subject to Section 3.5 herein, if a Party concludes that it will not be able to satisfy a condition precedent that is for its benefit, that Party may, upon written notice to the other Party, terminate this Precedent Agreement and the Transportation Agreement and upon the giving of such notice, this Precedent Agreement and the Transportation Agreement shall be of no further force and effect and each of the Parties shall be released from all further obligations hereunder.

3.4 Subject to Section 3.5 herein, if any of the conditions precedent in Section 3.1 (d) or (e) are not satisfied or waived by the Party entitled to the benefit of such condition by the date provided therein, (or if any of the conditions precedent in Section 3.2 are not satisfied or waived by the Party entitled to the benefit of such condition, by the date provided therein), then either Party may, upon written notice to the other Party, terminate this Precedent Agreement and the Transportation Agreement and upon the giving of such notice, this Precedent Agreement and the Transportation Agreement shall be of no further force or effect and each of the Parties shall be released from all further obligations hereunder.

3.5 In the event of termination of the Precedent Agreement and Transportation Agreement pursuant to Sections 3.3 and/or 3.4 herein, then (i) such termination shall be without prejudice to any rights or remedies that a Party may have for breaches of this Precedent Agreement and the Transportation Agreement prior to such termination and any liability a Party may have incurred before such termination shall not thereby be released; and (ii) any obligations and any liabilities that the Shipper may have incurred or be liable for pursuant to the Financial Backstopping Agreement shall not thereby be released, affected or diminished.

[REDACTED]





**4.0 Enbridge's Authorizations and Approvals**

During the term of this Precedent Agreement, Shipper agrees to support and cooperate with, and to not oppose, obstruct or otherwise interfere with in any manner, the efforts of Enbridge to obtain all authorizations and/or exemptions and supplements and amendments thereto necessary for Enbridge to construct, own, operate, and maintain, under Enbridge's proposed regulatory framework, the Expansion Facilities and to provide the firm transportation service contemplated in this Precedent Agreement and to perform its obligations as contemplated by this Precedent Agreement. In addition, Shipper agrees to support and cooperate with, and to not oppose, obstruct or otherwise interfere with in any manner, the efforts of another party to obtain all authorizations and/or exemptions and supplements and amendments thereto necessary for that party to construct, own, operate, and maintain, under that party's proposed regulatory framework, facilities which are required in conjunction with the Expansion Facilities.

**5.0 Allocation of Capacity in the event of partial completion of Expansion Facilities**

If Expansion Facilities are required to satisfy any Transportation Service,

- (a) then to the extent that such Expansion Facilities are only partially completed and placed in service by the Commencement Date or at any time thereafter, then any firm capacity available on such partially completed Expansion Facilities (the "**Partial Expansion Capacity**") will be allocated in accordance with this Section 5.0 to all Transportation Agreements: (a) which require the same Expansion Facilities for the Contract Demand; and (b) under which all conditions precedent have been satisfied or waived except for such conditions precedent that relate to the completion and placing in-service of the Expansion Facilities.
- (b) Such allocation shall be made in priority of the NPV as such term is defined in Article XVI of Schedule "A2010" of the M12 Rate Schedule and allocated in accordance with said Article.
- (c) If, pursuant to this Section, a Transportation Agreement is allocated any portion of Partial Expansion Capacity, then the conditions precedent that relate to the completion and placing in-service of the Expansion Facilities shall be deemed to have been waived such that the Initial Term under the Transportation Agreement will commence. If a Transportation Agreement is not allocated the entirety of the Contract Demand under such Transportation Agreement, then such Contract Demand shall be deemed to be such lower allocated amount (and for greater certainty, the Initial Term shall nevertheless be deemed to have commenced) until such time as the Transportation Agreement is allocated additional Partial Expansion Capacity pursuant to this Section or until the entirety of the Expansion Facilities are completed and placed in-service.
- (d) The procedure contemplated by this Section will be applicable from time to time on each occasion that the Expansion Facilities are incrementally completed and placed in service.

## **6.0 Limitation of Damages**

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

## **7.0 Modification or Waiver**

No modification or waiver of the terms and provisions of this Precedent Agreement may be made except by the execution of a written amendment to this Precedent Agreement. The waiver by any Party of a breach or violation of any provision of this Precedent Agreement shall not operate as or be construed to be a waiver of any subsequent breach or violation thereof.

## **8.0 Supersedes Other Agreements**

This Precedent Agreement, the Transportation Agreement, and the Financial Backstopping Agreement reflect the whole and entire agreement among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the Parties with respect to the subject matter hereof.

## **9.0 Notices**

Notices under this Precedent Agreement must be sent,

### **If to Enbridge:**

**Enbridge Gas Inc.**  
50 Keil Drive North  
Chatham, ON N7M 5M1  
Attention: Libby Passmore, Strategic Sales  
Facsimile: (519) 436-4643

### **If to Shipper:**

**Northern Utilities, Inc.**  
6 Liberty Lane  
Hampton, NH 03842  
Attention: Rob Furino  
Facsimile: (603) 773-6652

Any Party may change its address by written notice to that effect to the other Party. Notices given under this Section are deemed to have been effectively given upon receipt, if mailed via prepaid overnight mail by a reputable carrier or if delivered by courier. Notices sent by mail will be deemed effectively given on the third (3rd) business day following the day when the notice properly addressed and postpaid is placed in the Canadian mail. It is expressly understood and agreed, however, that any notices must first be delivered by facsimile or other similar means, and if mailed or sent by courier, must be mailed or sent by courier as soon as practicable thereafter.

#### **10.0 Governing Law**

This Precedent Agreement shall be interpreted, performed, and enforced in accordance with the laws of the Province of Ontario and each of the parties shall attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

#### **11.0 No Third Party Beneficiaries**

This Precedent Agreement shall not create any rights in third parties, and no provision of this Precedent Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than the Parties.

#### **12.0 No Drafting Presumption**

No presumption shall operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Precedent Agreement.

#### **13.0 Recitals**

The recitals and representations appearing first above are hereby incorporated in and made a part of this Precedent Agreement.

#### **14.0 Counterparts**

This Precedent Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

#### **15.0 In Service Timing**

Notwithstanding anything in this Precedent Agreement or the Transportation Agreement, Shipper agrees that it shall have no cause of action or claims against Enbridge if the in-service date for the Expansion Facilities is later than the date stated in the Recitals. This Section 15.0 is intended to survive the termination of this Precedent Agreement.

#### **16.0 Definitions**

Capitalized terms used in this Precedent Agreement shall have the meaning given those terms in the Transportation Agreement, unless defined herein.

PA for M12279

**17.0 Assignment**

The Parties hereto shall not assign this Precedent Agreement without the prior written consent of the other Party, which shall not be unreasonably withheld. This Precedent Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their permitted successors and assigns. In no event will the assignment of this Precedent Agreement be permitted unless the Transportation Agreement and the Financial Backstopping Agreement are also assigned to the same permitted assignee.

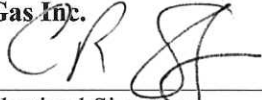
**18.0 Conflict**

For the period that this Precedent Agreement is in effect, in the event of any conflict between the provisions of the main body of this Precedent Agreement and the Transportation Agreement included as Schedule 1 herein, the provisions of the main body of this Precedent Agreement shall prevail over the Transportation Agreement.

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

**Enbridge Gas Inc.**

By:

  
\_\_\_\_\_  
Authorized Signatory

**Northern Utilities, Inc.**

By:

  
\_\_\_\_\_  
Authorized Signatory **MARK H. COLLINS, SENIOR VICE PRESIDENT**

By:

\_\_\_\_\_  
Authorized Signatory

February 28, 2019  
M12279

**Schedule 1 to the Precedent Agreement**

**Transportation Agreement**

**M12 TRANSPORTATION CONTRACT**

**ENBRIDGE GAS INC.**, a company existing under the laws of the Province of Ontario,  
(hereinafter referred to as “**Enbridge**”)

- and -

**NORTHERN UTILITIES, INC.**, a company existing under the laws of the State of New Hampshire,  
(hereinafter referred to as “**Shipper**”)

WHEREAS, Enbridge owns and operates a natural gas transmission system in south-western Ontario, through which Enbridge offers “**Transportation Services**”, as defined in Article II herein;

AND WHEREAS, Shipper wishes to retain Enbridge to provide such Transportation Services, as set out herein, and Enbridge has agreed, subject to the terms and conditions of this Contract, to provide the Transportation Services requested;

NOW THEREFORE, this Contract witnesses that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**ARTICLE I - INTERPRETATION AND DEFINITIONS**

1.01 Divisions, Headings and Index: The division of this Contract into Articles, Sections and Subsections, and the insertion of headings and any table of contents or index provided are for convenience of reference only, and shall not affect the construction or interpretation hereof.

1.02 Industry Usage: Words, phrases or expressions which are not defined herein and which, in the usage or custom of the business of the transportation, storage, and distribution or sale of natural gas have an accepted meaning shall have that meaning.

1.03 Extended Meaning: Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. The words “herein” and “hereunder” and words of similar import refer to the entirety of this Contract, including the Schedules incorporated into this Contract, and not only to the Section in which such use occurs.

1.04 Conflict: In the event of any conflict between the provisions of the main body of this Contract (including Schedule 1) and Enbridge’s M12 Rate Schedule, as defined below, the provisions of Enbridge’s M12 Rate Schedule shall prevail over the main body of this Contract.

1.05 Currency: All reference to dollars in this Contract shall mean Canadian dollars unless

otherwise specified.

1.06 Schedules: Refers to the schedules attached hereto which are specifically included as part of this Contract, and include:

Schedule 1 – Contract Parameters

1.07 Rate Schedule: “**Enbridge's M12 Rate Schedule**” or the “**M12 Rate Schedule**” or “**M12**” shall mean Enbridge’s M12 Rate Schedule, (including the Storage and Transportation Rates, Schedule “A 2010” (General Terms and Conditions), Schedule “B 2010” (Nominations), Schedule “C” (Monthly Fuel Rates and Ratios) and Schedule “D 2010” (Receipt and Delivery Points and Pressures)), or such other replacement rate schedule which may be applicable to the Transportation Services provided hereunder as approved by the Ontario Energy Board, and shall apply hereto, as amended from time to time, and which is incorporated into this Contract pursuant to Section 5.03 hereof.

1.08 Measurements: Units set out in SI (metric) are the governing units for the purposes of this Contract. Units set out in Imperial measurement in parentheses beside their SI (metric) equivalent are for reference only and in the event of a conflict between SI (metric) and Imperial measurement herein, SI (metric) shall prevail.

## ARTICLE II - TRANSPORTATION SERVICES

2.01 Transportation Services: Enbridge shall, subject to the terms and conditions herein, transport Shipper’s gas on a firm basis on Enbridge’s system (the “**Transportation Services**”). Shipper agrees to the following upon nomination to Enbridge for the provision of the Transportation Services:

(a) Contract Demand, and Receipt Points, Delivery Points and Transportation Service Paths shall be as set out in Schedule I.

(b) Gas Transported by Enbridge:

- (i) Enbridge agrees, on any Day, and subject to Sections (b) ii) and (b) iii), to receive on Shipper's behalf at the Receipt Point, any quantity of gas which Shipper nominates and which Enbridge has authorized for Transportation Service and to deliver that quantity of gas to Shipper at the Delivery Point as per Shipper’s nomination;
- (ii) Under no circumstances shall Enbridge be required to transport a quantity of gas in excess of the Contract Demand;
- (iii) Enbridge agrees that it shall, upon the request of Shipper, use reasonable efforts to transport gas in excess of the Contract Demand, as Authorized Overrun, on an interruptible basis; and
- (iv) Enbridge agrees that it shall, upon request of Shipper, use reasonable efforts to accommodate changes to either the Receipt Point or Delivery Point, after the Timely Nomination Cycle, on an interruptible basis.

(c) Fuel:

Shipper shall provide the fuel requirements per the M12 Rate Schedule based on the Authorized Quantity.

2.02 Accounting for Transportation Services: All quantities of gas handled by Enbridge shall be accounted for on a daily basis.

2.03 Commingling: Enbridge shall have the right to commingle the quantity of gas referenced herein with gas owned by Enbridge or gas being stored and/or transported by Enbridge for third parties.

2.04 Imbalances: The parties hereto recognize that with respect to Section 2.01, on any Day, receipts of gas by Enbridge and deliveries of gas by Enbridge may not always be exactly equal, but each party shall cooperate with the other in order to balance as nearly as possible the quantities transacted on a daily basis, and any imbalances arising shall be allocated to the Facilitating Agreements and shall be subject to the respective terms and charges contained therein, and shall be resolved in a timely manner.

### ARTICLE III - CHARGES AND RATES

3.01 Except as otherwise stated herein, the charges and rates to be billed by Enbridge and paid by Shipper for the Transportation Services provided under this Contract will be those specified in Enbridge's M12 Rate Schedule.

### ARTICLE IV - NOMINATIONS

4.01 Transportation Services provided hereunder shall be in accordance with the prescribed nominations procedure as set out in Schedule "B 2010" of Enbridge's M12 Rate Schedule.

### ARTICLE V - MISCELLANEOUS PROVISIONS

5.01 Notices: All communications provided for or permitted hereunder shall be in writing, personally delivered to an officer or other responsible employee of the addressee or sent by registered mail, charges prepaid, or by facsimile or other means of recorded electronic communication, charges prepaid, to the applicable address or to such other address as either party hereto may from time to time designate to the other in such manner, provided that no communication shall be sent by mail pending any threatened, or during any actual, postal strike or other disruption of the postal service. Shipper contact information, as provided to Enbridge, shall be found on the secured portion of Enbridge's website (the secured portion of Enbridge's website is known as "*Unionline*"). Enbridge's contact information shall be displayed on the unsecured portion of Enbridge's website. Any communication personally delivered shall be deemed to have been validly and effectively received on the date of such delivery. Any communication so sent by facsimile or other means of electronic communication shall be deemed to have been validly and effectively received on the Business Day following the day on which it is sent. Any communication so sent by mail shall be deemed to have been validly and effectively received on the seventh Business Day following the day on which it is postmarked.

Notwithstanding the above, nominations shall be made by facsimile or other recorded electronic means, subject to execution of an agreement for use of *Unionline*, or such other agreement, satisfactory to Enbridge, and will be deemed to be received on the same Day and same time as sent. Each party may

from time to time change its address for the purpose of this Section by giving notice of such change to the other party in accordance with this Section.

5.02 Law of Contract: Enbridge and Shipper agree that this Contract is made in the Province of Ontario and that, subject to Article X of the General Terms and Conditions, the courts of the Province of Ontario shall have exclusive jurisdiction in all matters contained herein. The parties further agree that this Contract shall be construed exclusively in accordance with the laws of the Province of Ontario.

5.03 Entire Contract: This Contract (including Schedule 1), all applicable rate schedules and price schedules, and any applicable Precedent Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. This Contract supersedes any prior or contemporaneous agreements, understandings, negotiations or discussions, whether oral or written, of the parties in respect of the subject matter hereof.

5.04 Time of Essence: Time shall be of the essence hereof.

5.05 Counterparts: This Contract may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original but all of which together shall constitute one and the same agreement. This Contract may be executed by facsimile or other electronic communication and this procedure shall be as effective as signing and delivering an original copy.


5.06 Severability: If any provision hereof is invalid or unenforceable in any jurisdiction, to the fullest extent permitted by law, (a) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intention of the parties as nearly as possible and (b) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of any provision in any other jurisdiction.

5.07 General Liability: The liability of the parties hereunder is limited to direct damages only and all other remedies or damages are waived. In no event shall either party be liable for consequential, incidental, punitive, or indirect damages, in tort, contract or otherwise.

THIS CONTRACT SHALL BE BINDING UPON and shall enure to the benefit of the parties hereto and their respective successors and permitted and lawful assigns.

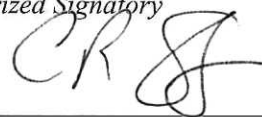
IN WITNESS WHEREOF this Contract has been properly executed by the parties hereto by their duly authorized officers as of the date first above written.

**NORTHERN UTILITIES, INC.**  
*Authorized Signatory*

By:   
MARK A. COLLIN

Title: SENIOR VICE PRESIDENT

**ENBRIDGE GAS INC.**  
*Authorized Signatory*

By:   
Chris Shorts

Title: Director S&T Sales



**CONTRACT PARAMETERS**

**Contract Demand**

Enbridge shall transport a quantity of gas, on a firm basis, on any one Day, of up to 10,875 GJ (10,307 MMBtu) (the “**Contract Demand**”).

**Receipt Points, Delivery Points and Transportation Services Paths**

A “**Receipt Point**”, as noted in the chart below, shall mean the point where Enbridge shall receive gas from Shipper on a firm basis and a “**Delivery Point**”, as noted in the chart below, shall mean the point where Enbridge shall deliver gas to Shipper on a firm basis, which points are more particularly described in the M12 Rate Schedule.

The Transportation Services are available for the following paths:

<b>Path</b>	<b>Receipt Point(s)</b>	<b>Delivery Point(s)</b>
1	Dawn	Parkway

**Term**

This Contract shall be effective as of the date of execution hereof; however, the obligations, terms and conditions for the Transportation Services herein shall commence on the later of:

- November 1, 2022; and
- the day following the date that all of the conditions precedent set out in Article XXI of Schedule “A 2010” of Enbridge’s M12 Rate Schedule have been satisfied or waived by the party entitled to the benefit thereof;
- and the day following the date that all of the conditions precedent set out in the agreement setting out certain construction and related conditions (“**Precedent Agreement**”) dated February 28, 2019 have been satisfied or waived by the party entitled to the benefit thereof;

(such later date being referred to as the “**Commencement Date**” and shall continue in full force and effect until October 31, 2037 (the “**Initial Term**”).

**Conditions Date**

As referred to in Article XXI of Schedule “A 2010”: February 28, 2019

SCHEDULE 1  
Page 2 of 2  
M12279

**Shipper's Representations and Warranties**

If Shipper requests Enbridge to zero rate the GST/HST on any gas transportation charges, Shipper must provide Enbridge with an executed declaration in the form provided by Enbridge.

**Special Provisions**

*Intentionally blank*

## DECLARATION

### Zero Rate Goods and Services Tax ("GST") and Harmonized Sales Tax ("HST")

**Northern Utilities Inc. ("Shipper")** hereby represents, warrants and covenants that throughout the term of the Transportation Contract (including all amendments thereto) ("**Contract**") (M12279), dated February 28, 2019 that, in consideration of Enbridge Gas Inc. ("**Enbridge**") zero rating the GST/HST on any gas transportation charges pursuant to the Contract:

1. All gas under the Contract shall be shipped for export outside of Canada and the gas transportation service to be supplied by Enbridge is part of a continuous outbound freight movement (within the meaning of Part VII of Schedule VI to the *Excise Tax Act*) in respect of the gas.
2. Shipper acknowledges and agrees that Enbridge will zero rate the GST/HST on any gas transportation charges only if *all* gas shipped under the Contract, is exported outside of Canada.
3. Should any quantities of gas shipped under the Contract be directed to any other party in Canada, Shipper shall immediately notify Enbridge of same.
4. Shipper shall be liable to and shall indemnify and hold harmless Enbridge for any expenses, costs, (including legal costs on a solicitor-client basis) taxes, penalties or interest which may be incurred by or assessed against Enbridge as a result of this Declaration or Enbridge zero rating the GST/HST on any gas transportation charges under the Contract.
5. This Declaration is valid, binding upon and enforceable against the Shipper.
6. This Declaration is made by the Shipper with full knowledge that Enbridge is relying on it and Shipper acknowledges and agrees that absent such Declaration, Enbridge would charge the current applicable GST and/or HST rate as set by the Canada Revenue Agency on all gas transportation charges under the Contract.
7. Shipper acknowledges and agrees that the provisions of this Declaration shall survive any cancellation, termination or expiration of this Contract.


IN WITNESS WHEREOF this Declaration is made effective the 28<sup>th</sup> day of February, 2019.

Acknowledged and Accepted

**Northern Utilities Inc.**

*Authorized Signatory*

By:

  
MARK H. COLLIN

Title:

SENIOR VICE PRESIDENT

**THIS FINANCIAL BACKSTOPPING AGREEMENT** made as of the 28<sup>th</sup> day of February, 2019

BETWEEN:

**ENBRIDGE GAS INC.**, a company existing under the laws of the Province of Ontario,  
(hereinafter referred to as “**Enbridge**”)

- and -

**NORTHERN UTILITIES, INC.**, a company existing under the laws of the State of New Hampshire,  
(hereinafter referred to as “**Shipper**”)

**WHEREAS** Shipper has participated in an Open Season held by Enbridge and is one of a group of shippers that have requested and entered into agreements with Enbridge for the provision by Enbridge of transportation services requiring all or a portion of the Expansion Facilities (collectively, the “**Open Season Shippers**”);

**AND WHEREAS** Enbridge and Shipper have entered into a Precedent Agreement dated February 28, 2019 (the “**Precedent Agreement**”) and an associated firm transportation contract M12279, dated February 28, 2019 (the “**Contract**”), for transportation service on Enbridge’s pipeline system;

**AND WHEREAS** pursuant to the Precedent Agreement, Expansion Facilities, as defined therein, must be constructed in order to enable Enbridge to provide the required transportation service for Shipper and potentially other Open Season Shippers by the Commencement Date, as set out in the Contract;

**AND WHEREAS** the conditions precedent for the benefit of Shipper outlined in Article XXI, Section 2 of Schedule “A2010” of the Contract and Section 3.2 of the Precedent Agreement (if any) (the “**Shipper Conditions**”) must be satisfied or waived by Shipper prior to the applicable date(s) provided in the Contract and the Precedent Agreement, as applicable, (each date a “**Shipper Conditions Precedent Date**”);

**AND WHEREAS** the Contract and Precedent Agreement provide for certain conditions precedent for the benefit of Enbridge;

**AND WHEREAS** Enbridge is currently engaging in development and construction activities related to the Expansion Facilities and Shipper has agreed to financially indemnify Enbridge, subject to certain limitations as provided herein, for Shipper’s share of Pre-Service Costs, as defined hereinafter;

**THIS CONTRACT WITNESSETH** that in consideration of the foregoing and mutual covenants herein contained, the parties hereto agree as follows:

REDACTED

## 1. DEFINITIONS

“**Cancelled Facilities**” means that portion of the Expansion Facilities not built as a result of Enbridge’s decision pursuant to the provisions of Subsection 3.a. herein.

“**Indemnity Date**” [REDACTED]

“**Pre-Service Costs**” shall mean all costs incurred by Enbridge, or which have accrued to or will accrue to Enbridge, or which have been allocated to or which will be allocated to Enbridge, or for which Enbridge is contractually obligated to pay, which are, or have been, incurred on or after the Indemnity Date, in conjunction with its efforts to develop and construct the Expansion Facilities. Pre-Service Costs shall include, but shall not be limited to, those expenditures and/or costs (including cancellation costs, carrying costs, costs to mitigate, third party claims and litigation costs), incurred by Enbridge, or which have accrued to or will accrue to Enbridge, or which have been allocated to or which will be allocated to Enbridge, or for which Enbridge is contractually obligated to pay associated with engineering, construction, materials and equipment, environmental, the obtaining of land rights, regulatory, and/or legal activities, interest during construction, internal overhead and administration (including amounts paid to affiliates for services rendered in accordance with the Affiliate Relationships Code as established by the Ontario Energy Board) and any other costs, expenses, losses, demands, damages and obligations incurred in furtherance of Enbridge’s efforts to develop and construct the Expansion Facilities. All amounts specified in this Financial Backstopping Agreement are in Canadian Dollars.

## 2. CONSTRUCTION

Unless the context requires otherwise: (a) any capitalized term used herein not specifically defined shall have the definition given to it in the Precedent Agreement or the Contract; (b) the gender (or lack of gender) of all words used in this Financial Backstopping Agreement includes the masculine and feminine; (c) the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (d) “shall” and “will” have equal force and effect; (e) the words “include,” “including,” or “includes” shall be read to be followed by the words “without limitation” or words having similar import; and (f) the word “or” will have the inclusive meaning represented by the phrase “and/or”.

## 3. TERMS

a. **Cancelled Facilities, with Precedent Agreement Terminated:** If Shipper fails to satisfy or waive any Shipper Conditions by the associated Shipper Conditions Precedent Date and the Precedent Agreement is terminated in accordance with the terms thereof, and Enbridge, based on such Shipper’s failure, has decided to:

- i. cancel the development and construction of all of the Expansion Facilities, or
- ii. cancel the development and construction of a portion of the Expansion Facilities,

then such Shipper shall reimburse Enbridge for the Pre-Service Costs pertaining to the Cancelled Facilities.

In addition, in the event that Enbridge has decided to:

- i. cancel the development and construction of all of the Expansion Facilities; or
- ii. cancel the development and construction of a portion of the Expansion Facilities,

based on Shipper's failure to satisfy or waive any Shipper Conditions by the associated Shipper Conditions Precedent Date and the Precedent Agreement is terminated in accordance with the terms thereof AND the similar failure of any other Open Season Shippers to satisfy or waive their shipper conditions by the associated shipper conditions precedent date; then Shipper shall reimburse Enbridge for Shipper's proportionate share (as prorated based on initial contract demand (GJ/d) among the other Open Season Shippers who failed to satisfy or waive their shipper conditions by the associated shipper conditions precedent date and whose transportation services would have required the development and construction of the Cancelled Facilities) of Pre-Service Costs pertaining to the Cancelled Facilities.

**b. Enbridge Unable to Satisfy or Waive Conditions Precedent, with Precedent Agreement Terminated: If:**

- i. any of the conditions precedent for Enbridge's benefit in Article XXI, Section 1 of Schedule "A2010" of the Contract are not satisfied or waived and the Precedent Agreement is terminated in accordance with the terms thereof; or
- ii. any of the conditions precedent for Enbridge's benefit set out in Subsection 3.1 in the Precedent Agreement are not satisfied or waived, and the Precedent Agreement is terminated in accordance with the terms thereof,

then Shipper shall reimburse Enbridge for Shipper's proportionate share (as prorated based on initial contract demand (GJ/d) among all Open Season Shippers whose transportation services would have required the development and construction of the Expansion Facilities) of Pre-Service Costs.

- c. **Enbridge Obligation to Minimize Pre-Service Costs:** Enbridge shall use commercially reasonable efforts to minimize all Pre-Service Costs payable by Shipper to Enbridge, including without limitation, mitigating costs by soliciting one or more replacement customers for excess transportation services, if applicable.
- d. **Shipper's Pre-Service Costs Not to Exceed:** Notwithstanding any other provisions in this Financial Backstopping Agreement, Shipper's share of Pre-Service Costs [REDACTED]

**4. FINANCIAL ASSURANCES**

From time to time, Enbridge may request, and Shipper shall provide to Enbridge, the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of this Financial Backstopping Agreement in the form and amount reasonably required by Enbridge (the "FBA Financial Assurances"). The FBA Financial Assurances, if required, will be as determined solely by Enbridge.

## 5. INVOICING PROCESS

Upon final determination by Enbridge of any amounts owing by Shipper under this Financial Backstopping Agreement, Enbridge shall provide an invoice to Shipper, and Shipper shall pay, such amounts within fifteen (15) days following Shipper's receipt of any invoices. Shipper acknowledges and understands that the final determination of any amounts owing by Shipper might not be capable of determination until such time as the Expansion Facilities are completed and placed into service. If Shipper fails to pay any invoice in full within the time herein required, interest on the unpaid portion shall accrue from the date such payment is first overdue until payment is made at a rate of interest equal to an effective monthly interest rate of 1.5%, compounded monthly, for an effective annual interest rate of 19.56%, and such interest shall be immediately due and payable.

## 6. TERMINATION OF AGREEMENT

This Financial Backstopping Agreement shall terminate on the later of (i) date that the Expansion Facilities are placed into service; or (ii) the date Shipper has paid all of its share of the Pre-Service Costs, inclusive of any interest pursuant to Section 5 herein, as applicable; provided however, that any rights or remedies that a party may have for breaches of this Financial Backstopping Agreement prior to such termination and any liability a party may have incurred pursuant to the Financial Backstopping Agreement before such termination shall not thereby be released and only such liability shall remain due and owing in accordance with the terms hereof and any applicable invoice.

## 7. ESTIMATE OF PRE-SERVICE COSTS

Enbridge shall provide an estimate for the Pre-Service Costs (the "Estimated Pre-Service Costs") and Shipper's proportionate share of the Estimated Pre-Service Costs within thirty (30) days of the end of each calendar quarter, beginning at the end of the second quarter of 2019 in a form similar to Schedule 1. Once Shipper's share of the Pre-Service Costs reaches or exceeds the amount provided in Subsection 3d. herein, Enbridge is not obligated to send any quarterly updates to Shipper. Shipper and Enbridge acknowledge and agree that the Estimated Pre-Service Costs are estimates provided for information purposes only and that to the extent Shipper's liability pursuant to this Financial Backstopping Agreement is greater than or less than any Estimated Pre-Service Costs (subject to Subsection 3d. herein), Shipper shall be obligated to pay its share of Pre-Service Costs as calculated pursuant to the provisions of this Financial Backstopping Agreement.

## 8. MISCELLANEOUS

- a. The parties hereto shall not assign this Financial Backstopping Agreement without the prior written consent of the other party, which shall not be unreasonably withheld. This Financial Backstopping Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their permitted successors and assigns. In no event will the assignment of this Financial Backstopping Agreement be permitted unless the Precedent Agreement and Contract are also assigned to the same permitted assignee.

- b. This Financial Backstopping Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each of the parties shall attorn to the exclusive jurisdiction of the courts of the Province of Ontario.
- c. This Financial Backstopping Agreement was negotiated and prepared by both parties with the advice and participation of counsel. The parties have agreed to the wording of this Financial Backstopping Agreement and none of the provisions hereof shall be construed against one party on the ground that such party is the author of this Financial Backstopping Agreement or any part hereof.
- d. The recitals and representations appearing first above are hereby incorporated in and made a part of this Financial Backstopping Agreement.
- e. This Financial Backstopping Agreement may be executed in multiple counterparts (including by means of facsimile or electronic signature pages), each of which shall be deemed an original and all of which shall constitute one and the same instrument.
- f. A waiver of any default, breach of non-compliance under this Financial Backstopping Agreement is not effective unless in writing and signed by the party to be bound by the waiver. No waiver shall be inferred from or implied by any failure to act or delay in acting by a party in respect of any default, breach, non-observance or by anything done or omitted to be done by the other party. The waiver by a party of any default, breach or non-compliance under this Financial Backstopping Agreement shall not operate as a waiver of the party's rights under this Financial Backstopping Agreement in respect of any continuing or subsequent default, breach or non-compliance (whether of the same or any other nature).
- g. This Financial Backstopping Agreement, the Precedent Agreement and the Contract reflect the whole and entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect to the subject matter hereof.
- h. For the period this Financial Backstopping Agreement is in effect, in the event of any conflict between the provisions of this Financial Backstopping Agreement and the main body of the Precedent Agreement and/or the Contract, the provisions of this Financial Backstopping Agreement shall prevail over the main body of the Precedent Agreement and the Contract.



*[signature page follows]*



**IN WITNESS WHEREOF** this Financial Backstopping Agreement has been properly executed by the parties hereto by their duly authorized officers effective as of the date first above written.

**NORTHERN UTILITIES, INC.**



Name: **MARK H. COLIN**

Title: **SENIOR VICE PRESIDENT**

\_\_\_\_\_  
Name:

Title:

**ENBRIDGE GAS INC.**



Name: **Chris Shorts**

Title: **Director S&T Sales**

PA for M12279

**Amending Agreement #1 (“Agreement”)**

**THIS AGREEMENT** dated as of June 7, 2019, (the “**Effective Date**”) between Enbridge Gas Inc. (“**Enbridge**”) and Northern Utilities Inc. (“**Shipper**”) witnesses that:

**WHEREAS** Enbridge and Shipper are parties to a Precedent Agreement, dated February 28, 2019 (the “**Contract**”);

**AND WHEREAS** Shipper has requested, and Enbridge has agreed, to revise Shipper’s conditions precedent dates as provided in the Contract;

**AND WHEREAS** the parties wish to amend the Contract to revise the conditions precedent date as herein described;

**NOW THEREFORE** in consideration of the foregoing recitals and the agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

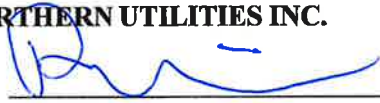
1. **Amendment.** The Contract is hereby amended as follows, effective as at the Effective Date:
  - 1.1 By deleting the date “September 30, 2019” in both Subsection 3.2 (a) and Subsection 3.2 (c) and replacing such date, in each Subsection, with “October 31, 2019”.
2. **Acknowledgement.** The parties acknowledge that save as otherwise indicated herein, the Contract shall continue unamended, is in all respects confirmed, ratified and preserved.
3. **Definitions.** Capitalized terms that are used but not expressly defined in this Agreement shall have the meanings ascribed to them in the Contract.
4. **Conflict.** In the event of any conflict between this Agreement and the Contract, the terms of this Agreement shall prevail to the extent of any conflict.
5. **Further Assurances.** The parties shall, at all times hereafter at the reasonable request of the other, execute and deliver to the other all such further documents and instruments and shall do and perform such acts as may be necessary to give full effect to the intent and meaning of this Agreement.
6. **Governing Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, without regard to the principles governing the conflict of laws.
7. **Counterparts.** This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one agreement.

*[intentionally blank]*

**IN WITNESS WHEREOF** the parties have executed this Agreement effective as at the Effective Date.

**NORTHERN UTILITIES INC.**

By: \_\_\_\_\_



Authorized Signatory

Name:

Robert S. Furino

Title:

Vice President

**ENBRIDGE GAS INC.**

By: \_\_\_\_\_



Authorized Signatory

Name:

Chris Shorts Director S&T Sales

Title:

**Schedule 1**

**Estimated Pre Service Costs**

The following is an estimate provided for informational purposes only and without prejudice:

Shipper's Proportional Share (based on total awarded volumes)

[REDACTED]

[REDACTED]

**REDACTED**

# Westbrook XPress Phase III Project

## Binding Open Season

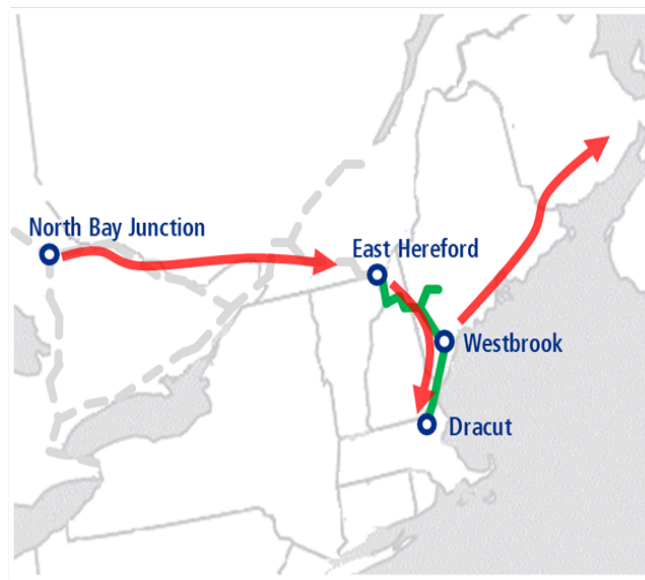
*March 6, 2019 through March 12, 2019*

### Notice of Binding Open Season

Portland Natural Gas Transmission System (“PNGTS”) is pleased to announce a binding open season for its Westbrook XPress Phase III Project (“WXP III” or “Project”). The Project’s binding open season will commence at 9:00 AM EDT on March 6, 2019, and close at 5:00 PM EDT on March 12, 2019 (“Open Season”).

### Project Background

In response to market demand, PNGTS plans to expand its existing facilities to provide firm transportation service with receipts at Pittsburg, New Hampshire, and, subject to the availability of capacity, primary delivery point options on PNGTS’s system at, or upstream of, Dracut, Massachusetts, including into Maritimes & Northeast Pipeline, L.L.C. (“MNE”) at Westbrook, Maine.



PNGTS has executed binding precedent agreements with multiple shippers that provide PNGTS sufficient support to move forward with the Project (“Committed Shippers”). Such executed precedent agreements will also serve as same shippers’ binding bids in this Open Season. The purpose of the Open Season is to provide all interested parties the opportunity to bid on Project capacity pursuant to the terms set forth below.

### Project Structure

- The Project has an anticipated in-service date of November 1, 2022, depending upon the Project’s economics and the timing of regulatory approvals.

PNGTS is offering each bidder an option to select between the two paths with the following total approximate capacity:

- Primary deliveries to Westbrook (“Westbrook Path”): up to 18,080 Dth/day;
- Primary deliveries to Dracut and all upstream points\* (“Dracut Path”): up to 10,000 Dth/day.

\* Deliveries to upstream points are subject to the availability of capacity

### Required Bid Information for Each Path Selected

Parties bidding in the Open Season must bid a rate, term, selected path and a total amount of capacity for the Project.

PNGTS will award and allocate capacity of the Project in accordance with the terms set forth below. Any bid that specifies a minimum contract term of less than fifteen (15) years may be rejected by PNGTS.

### **Participation in the Open Season**

The WXP III precedent agreements executed by the Committed Shippers will serve as their binding bids for capacity being offered as part of this Open Season. Subject to the terms and conditions of this Open Season, additional interested parties wishing to submit a binding bid must complete and sign a Request for Service form (attached) before the close of the Open Season. Upon receipt of a bidder's conforming and signed Request for Service form, PNGTS will provide such bidder with a precedent agreement that must be executed by such bidder within thirty (30) days after the close of the Open Season. If the bidder does not execute a precedent agreement by such deadline, PNGTS reserves the right to reject such bidder's bid, cease negotiations with such bidder, and reallocate the associated capacity.

**Bidders are responsible for securing their own transportation arrangements on pipeline or processing facilities upstream and downstream of the designated receipt and delivery point(s), including ensuring upstream and downstream connections are able to deliver and receive gas to/from PNGTS at PNGTS's prevailing line pressure, in accordance with PNGTS's FERC Gas Tariff Third Revised Volume No. 1, as may be amended from time to time (its "Tariff").**

**By submitting and signing a Request for Service form, a bidder is committing to proceed in good faith to negotiate and execute a precedent agreement with PNGTS within thirty (30) days after the close of the Open Season that incorporates the terms set forth in the bidder's Request for Service form, to the extent such terms are acceptable to PNGTS.**

### **Awarding of Capacity**

PNGTS will evaluate a bidder's request for capacity in the Project, and for each of the Westbrook Path and the Dracut Path, separately, with the Dracut Path evaluated first, for the purposes of optimizing each successful bidder's proportioned allocation of capacity by delivery path, and evaluating economics on a not unduly discriminatory basis according to the net present value bid evaluation methodology in Section 6.13 of the Tariff. If a bidder's requested Dracut Path deliveries are prorated, such bidder has an option to have the remaining volume of such requested deliveries considered a bid for Westbrook Path deliveries under the same commercial terms.

All bidders (including the Committed Shippers) will be notified by PNGTS no later than five (5) business days from the close of the Open Season, of their capacity allocation quantities and bidders other than the Committed Shippers will be required to negotiate in good faith and execute a binding precedent agreement with PNGTS, as set forth above.

### **Project Rates**

Bidders may submit a discounted daily reservation rate bid or an estimated and indicative Project daily reservation recourse rate bid of \$0.8543 per Dth per day.

### **Commodity, Fuel and Surcharges**

In addition to the applicable Project rates above, all shippers will pay all maximum applicable demand and commodity surcharges, including but not limited to measurement variance and unit charges, specified under Rate Schedule FT set forth in the Tariff, in addition to any charges associated with mandated compliance with new or revised regulations or legislation (i.e. environmental, modernization and safety). All shippers will be charged an incremental fuel retainage to be determined and ultimately approved by FERC under PNGTS' Rate Schedule FT.

### **Reservations of Rights**

PNGTS reserves the right to reject any bid, in a not unduly discriminatory manner that (a) is not complete and conforming; (b) contains delayed in-service dates, partial year terms, or other contingencies; (c) could adversely affect the economics or operational viability of the Project; (d) contains terms unacceptable to PNGTS; (e) does not provide a sufficient level of

detail to aid in the development of the Project; (f) does not present sufficient economic value; or (g) does not conform or otherwise qualify for service in accordance with all applicable provisions of PNGTS's Tariff. PNGTS also reserves the right to determine, in a not unduly discriminatory manner, whether to reject or accept bids and/or material it receives after the close of this Open Season.

Moreover, PNGTS explicitly reserves the right to (1) conduct additional open seasons/reverse open seasons; (2) determine or re-determine the size, scope, and cost of the Project; and/or (3) clarify bids. PNGTS also reserves the right to reject bids from any party that do not qualify for service in accordance with all applicable provisions of PNGTS's Tariff.

### **Solicitation of Turnback Capacity**

Existing shippers who currently hold firm transportation capacity on PNGTS and who believe such capacity could be used in lieu of a portion(s) of the proposed Project are invited to notify PNGTS, through a Request for Service form, of their desire to permanently relinquish their capacity for use in the Project. For PNGTS to consider turnback requests, such notifications must be received by PNGTS by the close of the Open Season. This solicitation of turnback capacity is not binding on PNGTS. Turnback requests are subject to rejection or proration by PNGTS on a not unduly discriminatory basis for any reason, including but not limited to PNGTS's evaluation of the results of this Open Season.

### **Contact Information**

Interested parties should contact the following person to discuss any questions or to seek additional information about this Open Season:

Andrew Isherwood  
Manager, Business Development USPL  
832-320-5903 (Office)  
713-828-4609 (Cell)  
[andrew\\_isherwood@transcanada.com](mailto:andrew_isherwood@transcanada.com)

### **For Creditworthiness Requirements:**

Rita Homan  
U.S. Counterparty Risk  
832-320-5449 (Office)  
832-530-0054 (Cell)  
[rita\\_homan@transcanada.com](mailto:rita_homan@transcanada.com)

# Westbrook XPress Phase III Project - Binding Open Season

## Request for Service Form

Please return this Request for Service Form by email on or before 6:00PM EDT March 12, 2018

To: Andrew\_isherwood@transcanada.com (Please include the phrase "Westbrook XPress Phase III Project – Request for Service Form" in the subject line)

Delivery to Westbrook, Maine (Westbrook Path)  Delivery to Dracut, Massachusetts (Dracut Path)

Contract Term: \_\_\_\_\_ years \_\_\_\_\_ months \_\_\_\_\_ days

Rate (check one):  Discounted Rate \_\_\_\_\_  Estimated Project Recourse Rate

Requested Volume: \_\_\_\_\_ Dth/day

Minimum Acceptable Volume: \_\_\_\_\_ Dth/day

If my requested deliveries to Dracut, Massachusetts, are prorated, please consider the remaining volume of such request a bid for deliveries to Westbrook, Maine, under the same terms set forth above

### Request for Turnback:

Contract No: \_\_\_\_\_

Path: \_\_\_\_\_

Volume: \_\_\_\_\_

Company: \_\_\_\_\_

Contact: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

\_\_\_\_\_  
Signature by authorized representative of bidder

\_\_\_\_\_  
Title of authorized representative of bidder

By completing and signing this Request for Service form, subject to the acceptance of bidder's request for service and bidder's receipt of notification from PNGTS of the quantities of capacity allocated to bidder, bidder hereby agrees to enter into good faith negotiations with PNGTS toward execution of a binding precedent agreement. If bidder has not executed a binding precedent agreement within thirty (30) days of tender by PNGTS, bidder recognizes PNGTS reserves the right to reject bidder's request for service and allocate capacity among the remaining Project bidders.



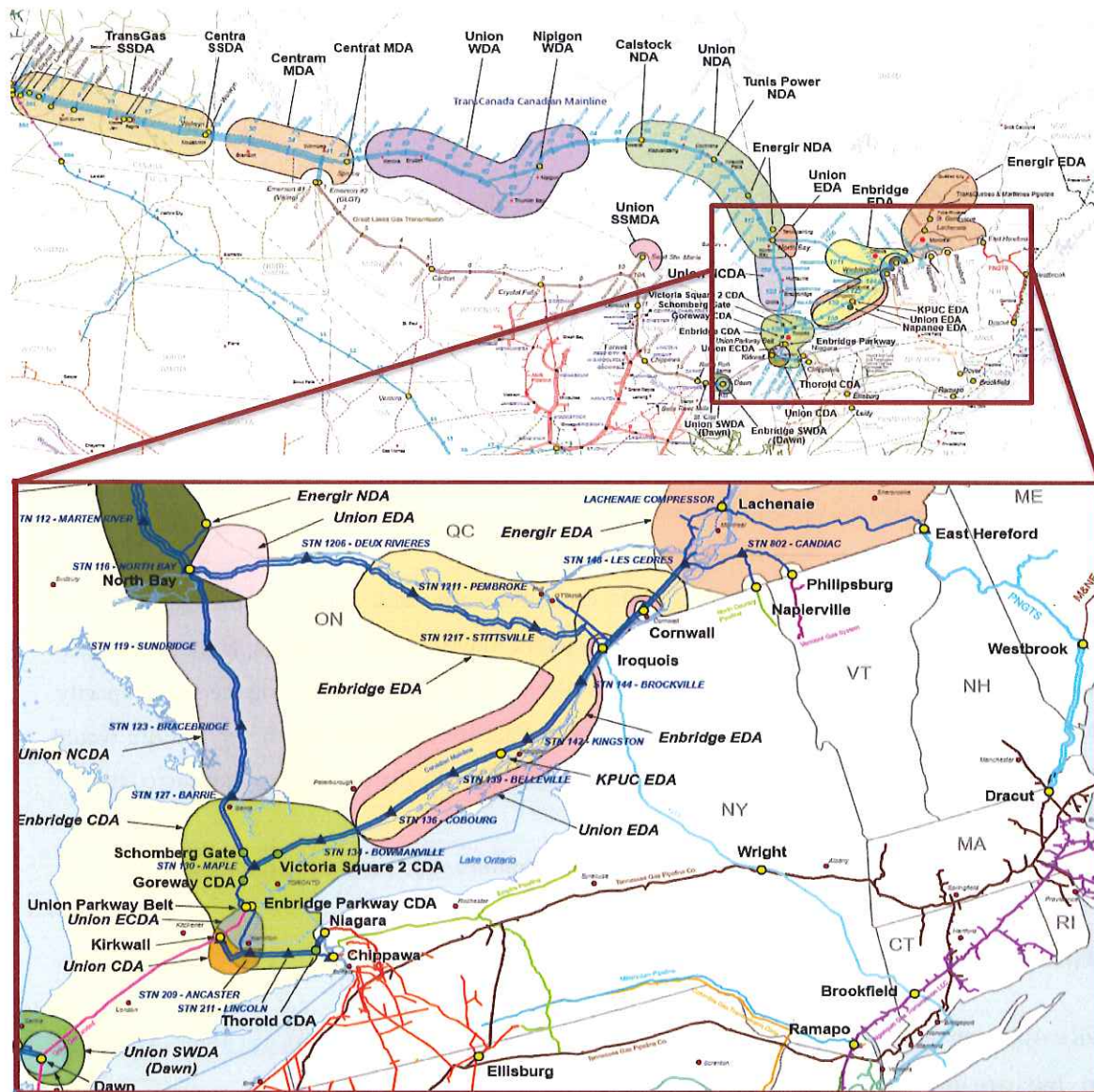
# TransCanada's Firm Transportation New Capacity Open Season

October 15, 2018 to November 14, 2018



In response to requests from shippers, TransCanada PipeLines Limited ("TransCanada") is pleased to announce that it is holding a new capacity open season for new firm transportation service ("NCOS") on the Canadian Mainline System (Figure 1) with targeted in-service dates of November 1, 2021 and November 1, 2022 (the "2021/2022 NCOS"). Capitalized terms not defined within have the meaning ascribed to them under the TransCanada Mainline Transportation Tariff ("Tariff").

Figure 1 - Mainline System



# TransCanada’s Firm Transportation New Capacity Open Season



## Minimum Term:

The minimum term for service requests is 15 years.

## Transportation Tolls:

Current Tolls for TransCanada’s transportation service, as well as the Abandonment Surcharge and Delivery Pressure Charges where applicable, can be found [here](#). These are subject to change, as authorized by the National Energy Board.

## Coordinated Open Seasons:

The following interconnecting pipeline company will also be offering capacity to align with this 2021/2022 NCOS:

- [Union Gas Limited](#)

## This 2021/2022 NCOS and the provision of service hereunder, are subject to the following terms and conditions:

TransCanada and regulatory approvals	TransCanada will require internal and external approvals, including any regulatory approvals that it determines necessary to construct facilities and provide the service as a result of this 2021/2022 NCOS, all on terms and conditions satisfactory to TransCanada in its sole discretion.
Transportation by Other (TBO) Capacity	TransCanada obtaining, prior to the New Service Start Date of the requested service, transportation service on other pipeline systems that it determines necessary (“TBO Capacity”) on terms and conditions acceptable to TransCanada in its sole discretion.
Conditional Bidding	Bids may be conditioned on TransCanada’s acceptance of another TransCanada bid submitted in this 2021/2022 NCOS.
Minimum Acceptable Quantity	Service Applicants may specify a minimum acceptable quantity in the event that TransCanada needs to prorate the New Capacity.
Notification to Service Applicants and Allocation of Capacity	TransCanada will notify all Successful Bidders within fifteen (15) Banking Days of the close of the 2021/2022 NCOS. All bids received will be evaluated pursuant to the Transportation Access Procedures (“TAPs”).

## TransCanada's Firm Transportation New Capacity Open Season



<p>Supporting Documentation for New Services</p>	<p>Successful Bidders must provide supporting documentation for their requested service as set out in the NEB Filing Manual in order to qualify as acceptable bids under the <a href="#">TAPs</a>. This information must be provided to TransCanada within five (5) Banking Days from the date the Successful Bidder receives a Precedent Agreement from TransCanada. Successful Bidders are encouraged to contact their Customer Account Manager to discuss filing requirements. The information provided will provide justification and will form the basis of TransCanada's NEB application.</p> <p>Information provided by Successful Bidders will be held on a confidential basis up to the time of a regulatory application to the NEB. The Successful Bidder acknowledges and agrees that TransCanada may use any such information it determines necessary in its NEB application. Any specific requirements for confidentiality can be addressed on an individual basis.</p>
<p>Other Terms and Conditions of the Open Season</p>	<p>TransCanada may, in its sole discretion, require other terms and conditions which will be included in the Precedent Agreement provided to the Successful Bidder.</p>
<p>GST/HST Procedures</p>	<p>TransCanada is required to charge the Goods and Services Tax (GST) or Harmonized Sales Tax (HST), whichever is applicable, on transportation of gas that is consumed in Canada. Shippers may zero-rate GST or HST on contracts intended to serve an export market by making a Declaration on the nomination line in NrG Highway. Shippers may also provide a monthly Declaration for any Unutilized Demand Charges (UDC). For more information, please see <a href="#">GST/HST Procedures</a>.</p>

### Questions:

For inquiries regarding this 2021/2022 NCOS please direct questions to your Mainline Customer Account Manager.

<p><b>Calgary</b></p>	
<p>Gordon Betts</p>	<p>403.920.6834</p>
<p>Michael Mazier</p>	<p>403.920.2651</p>
<p><b>Toronto</b></p>	
<p>Amelia Cheung</p>	<p>416.869.2115</p>
<p>Reena Mistry</p>	<p>416.869.2159</p>

**This Open Season closes at 1 pm Eastern Standard Time on November 14, 2018.**

**Bid forms can be found at the following links:**

**[Paper Bid Form](#)**

## **Dawn to Parkway M12 Firm Transportation Open Season**

### *Accessing liquid, diverse, abundant supply sources*

#### **August 29, 2018**

Union Gas Limited (“Union Gas”), an Enbridge company, is holding an open season for firm M12 transportation service (“Open Season”) for up to 350,000 GJ/d of capacity beginning in 2021 and up to 250,000 GJ/d of capacity beginning in 2022 along the following transportation paths:

- (a) Dawn to Parkway;
- (b) Dawn to Kirkwall; and
- (c) Kirkwall to Parkway.

Union Gas is also offering a portion of this Open Season capacity through the flexible M12-X firm transportation service which includes Dawn, Parkway and Kirkwall as receipt and delivery points. This service provides a shipper with the flexibility to transport gas between the three interconnects on the Union Gas Dawn Parkway System in any direction on a firm basis.

A limited amount of capacity may also be available as early as November 1, 2019. Please contact your [account manager](#) directly to discuss.

The Open Season closes and all bids are due on or before **1:00 PM Eastern Time, November 16, 2018**. Union Gas will contact all responding parties on or before November 19, 2018. Union Gas expects to award capacity on or before December 7, 2018.

The Open Season offers firm access to not only the liquidity and diversity of the Dawn Hub, but also access to Appalachian supplies at the Dawn Hub and through the Niagara and Chippawa supply points. Customers in eastern Canada and the U.S. Northeast can access these supply points by aligning Union Gas transportation service with downstream pipeline capacity offered on TransCanada and other interconnecting systems in the United States and Canada.

The Dawn Hub is the largest integrated natural gas storage facility in Canada and one of the largest in North America. The Dawn Hub is fully integrated into the North American supply and transportation system providing shippers with the ability to access competitive, diverse and flexible supply options.

Dawn to Parkway / Dawn to Kirkwall / Kirkwall to Parkway M12 Firm Transportation Service
<b>Total Capacity Available:</b> up to 350,000 GJ/d starting in 2021 and up to 250,000 GJ/d starting in 2022*
<b>Start Date(s):</b> November 1, 2021 and/or November 1, 2022
<b>Term:</b> Minimum of 15 Years
<b>Receipt Point(s):</b> Dawn or Kirkwall
<b>Delivery Point:</b> Kirkwall or Parkway
<b>Rate:</b> Service in accordance with the OEB approved Union Gas <a href="#">M12 Rate Schedule</a>
<b>Fuel:</b> In accordance with the OEB approved Union Gas <a href="#">M12 Rate Schedule</a>
<ul style="list-style-type: none"> <li>• <a href="#">Standard Contract</a></li> <li>• <a href="#">M12 Rate Schedule</a></li> </ul>

M12-X Firm Transportation Service
<b>Total Capacity Available:</b> up to 350,000 GJ/d starting in 2021 and up to 250,000 GJ/d starting in 2022*
<b>Start Date:</b> November 1, 2021 and/or November 1, 2022
<b>Term:</b> Minimum of 15 Years
<b>Receipt Point(s):</b> Dawn, Parkway, Kirkwall
<b>Delivery Point:</b> Dawn (Facilities), Parkway, Kirkwall
<b>Rate:</b> Service in accordance with the OEB approved Union Gas <a href="#">M12-X Rate Schedule</a>
<b>Fuel:</b> In accordance with the OEB approved Union Gas <a href="#">M12-X Rate Schedule</a>
<ul style="list-style-type: none"> <li>• <a href="#">Standard Contract</a></li> <li>• <a href="#">M12-X Rate Schedule</a></li> </ul>

*\*Total capacity available for M12 and M12-X firm transportation service combined is up to 350,000 GJ/d in 2021 and up to 250,000 GJ/d in 2022.*

### Submitting a Bid for Service

Union Gas, at its sole discretion, reserves the right to reject any and all proposals received, terminate the Open Season, or modify or extend the Open Season or related documents. All capacity requests that meet the respective service parameters during this Open Season will be awarded as per Union Gas' Allocation Procedures in Section XVI of the Union Gas M12 tariff [General Terms and Conditions](#), starting with those bids with the highest economic value. If the economic values of two or more independent bids are equal, then service shall be allocated on a pro-rata basis. The economic value shall be based on the net present value which shall be calculated based on the proposed per unit rate and the proposed term of the contract and without regard to the proposed contract demand.

Any suggested conditions precedent proposed by the bidder should be clearly articulated and attached to the bid form and will be considered during the capacity allocation process. Successful bidders will be expected to enter into a definitive **Precedent Agreement** with Union Gas within 30 days of awarding the Open Season capacity.

A **Financial Backstopping Agreement** may also be required. The need for such an agreement will be determined by the facilities required to provide the transportation service requested by the shipper. Contact your [account manager](#) to discuss the Financial Backstopping Agreement in more detail.

Any party wishing to submit a bid for M12/M12-X service should complete, sign and return the appropriate Firm Transportation Bid Form by email to Dave Janisse:

**Email:** [djanisse@uniongas.com](mailto:djanisse@uniongas.com)      **Phone:** (519) 436-5442



## UNION GAS M12/M12-X FIRM TRANSPORTATION SERVICE BID FORM

Please complete and submit this Bid Form on or before 1:00 PM, EST, November 16, 2018.

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The purpose of this Open Season is for Union Gas to determine the facility design requirements to support market needs. Union Gas will determine whether or not to proceed with offering any of the services defined in this Open Season based on the assessment of the results from this Open Season.

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Shippers may submit more than one Bid Form. Please indicate your requirements below:

### Firm Transportation Bid

Service:	M12	M12-X
Receipt Point (select one per bid):		
Delivery Point (select one per bid):		
Start Date (select one per bid):	Nov 1, 2021	Nov 1, 2022
Quantity (GJ/d):		
Term (Years, 15 year minimum ending October 31):		

---

### Bidder Information:

Shipper Legal Name:

Contact Person:

Telephone Number:

Email Address:

Y N: Is the bid subject to any conditions precedent in addition to the standard preconditions in Section XXI of Union Gas' [M12 General Terms and Conditions](#)? If so, please articulate those conditions and attach them to this Bid Form.

---

Date (mm/dd/yyyy):

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

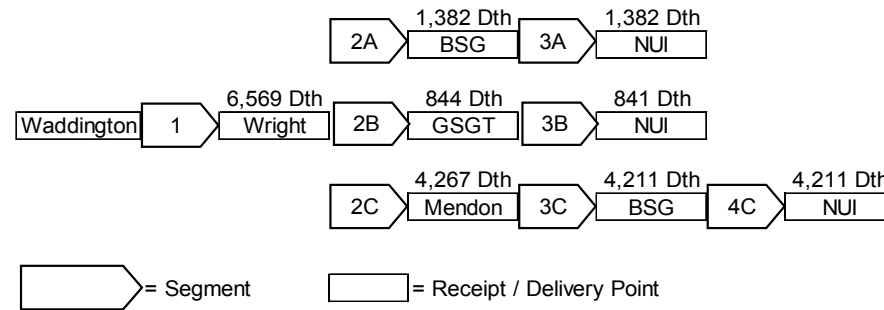
**Northern Utilities, Inc.**  
**Existing, Pending and Proposed Long-Term Portfolio Resources**

November 1, 2022 Capacity Paths	Resource Type	Max Daily Quantity	Method of Assignment	Status
Iroquois Receipts Path	Pipeline	6,434	Company-managed	Existing
Tennessee Niagara Capacity	Pipeline	2,327	Capacity Release	Existing
Tennessee Long-haul Capacity	Pipeline	13,109	Capacity Release	Existing
Algonquin Receipts Path	Pipeline	1,251	Company-managed	Existing
Tennessee Firm Storage Capacity	Storage	2,644	Capacity Release	Existing
Dawn Storage Path	Storage	39,863	Capacity Release	Existing
Lewiston On-System LNG Plant	Peaking	6,500	Company-managed	Existing
<b>Existing Long-Term Capacity</b>		<b>72,128</b>		<b>Existing</b>
Portland XPress Project	Pipeline	9,965	Capacity Release	Pending
Atlantic Bridge Capacity	Pipeline	7,500	Capacity Release	Pending
<b>Pending Long-Term Capacity</b>		<b>89,593</b>		<b>Pending</b>
Westbrook XPress Project	Pipeline	9,965	Capacity Release	Proposed
<b>Proposed Long-Term Capacity</b>		<b>99,558</b>		<b>Proposed</b>

Northern Utilities, Inc.  
Capacity Path: Iroquois Receipts Path  
Source of Supply: Iroquois Receipts

Method of Assignment: Company-managed\*

Capacity Path Diagram



Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Transportation	Iroquois	R181001	RTS-1	10/31/2024	6,569	Dth	Year-Round	Waddington	Wright	Tennessee
2A	Transportation	Tennessee	95196	FT-A	10/31/2022	1,382	Dth	Year-Round	Wright	Bay State City Gate	Granite
3A	Exchange	Bay State Gas	NA	NA	Renewal Clause	1,382	Dth	Year-Round	Bay State City Gate	Northern City Gates	
2B	Transportation	Tennessee	95196	FT-A	10/31/2022	844	Dth	Year-Round	Wright	Pleasant St.	
3B	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	841	Dth	Year-Round	Granite	Northern City Gates	Algonquin
2C	Transportation	Tennessee	41099	FT-A	10/31/2022	4,267	Dth	Year-Round	Wright	Mendon	
3C	Transportation	Algonquin	93200F	AFT-1	10/31/2018	4,211	Dth	Year-Round	Mendon	Bay State City Gate	
4C	Exchange	Bay State Gas	NA	NA	Renewal Clause	4,211	Dth	Year-Round	Bay State City Gate	Northern City Gates	
Total Path Deliverable						6,434	Dth				

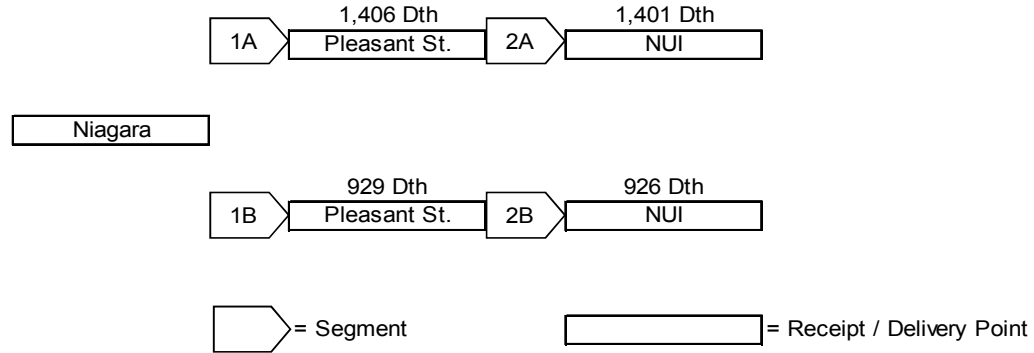
\* The contract quantities associated with the 844 Dth that feed into Granite are assigned via Capacity Release



Northern Utilities, Inc.  
Capacity Path: Tennessee Niagara Capacity  
Source of Supply: Niagara (Interconnection of TransCanada and Tennessee Pipelines)

Method of Assignment: Capacity Release

Capacity Path Diagram



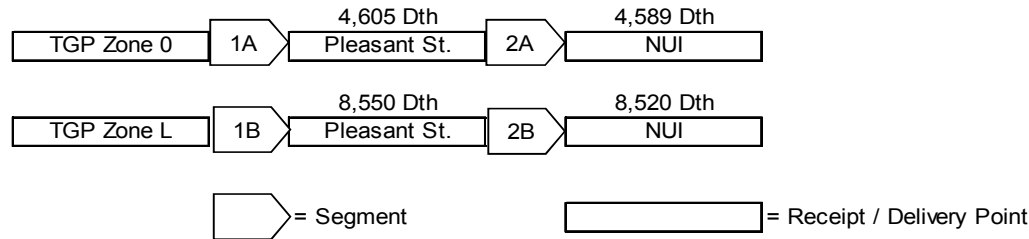
Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1A	Transportation	Tennessee	5292	FT-A	3/31/2025	1,406	Dth	Year-Round	Niagara	Pleasant St.	Granite
2A	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	1,401	Dth	Year-Round	Granite	Northern City Gates	
1B	Transportation	Tennessee	39735	FT-A	3/31/2025	929	Dth	Year-Round	Niagara	Pleasant St.	Granite
2B	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	926	Dth	Year-Round	Granite	Northern City Gates	
Total Path Deliverable						2,327	Dth				

Northern Utilities, Inc.  
Capacity Path: Tennessee Long-haul Capacity  
Source of Supply: Tennessee Production Area

Method of Assignment: Capacity Release

Capacity Path Diagram



Capacity Path Detail

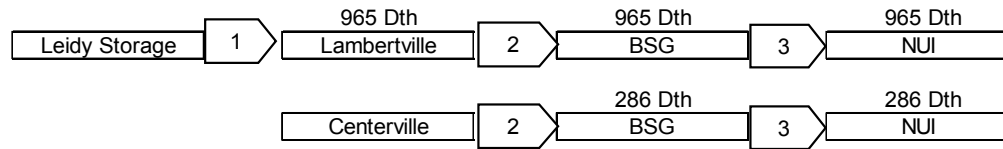
Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1A	Transportation	Tennessee	5083	FT-A	10/31/2023	4,605	Dth	Year-Round	Zone 0, 100 Leg	Pleasant St.	Granite
2A	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	4,589	Dth	Year-Round	Granite	Northern City Gates	
1B	Transportation	Tennessee	5083	FT-A	10/31/2023	8,550	Dth	Year-Round	Zone L, 500 & 800 Legs	Pleasant St.	Granite
2B	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	8,520	Dth	Year-Round	Granite	Northern City Gates	
Total Path Deliverable						13,109	Dth				

Note 1: Tennessee Contract No. 5083 also allows for firm delivery rights to Bay State Gas city gates. As such, Tennessee Production could also be delivered to Northern City Gates via the Bay State Exchange.

Northern Utilities, Inc.  
Capacity Path: Algonquin Receipts Path  
Source of Supply: Leidy Storage, Centerville

Method of Assignment: Company-managed

Capacity Path Diagram



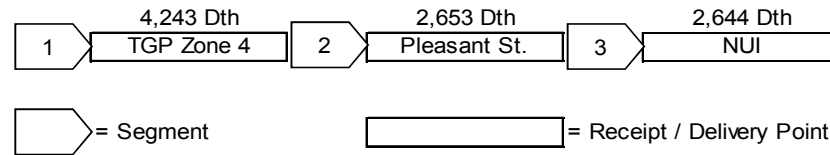
Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Transportation	Texas Eastern	800384	FT-1	10/31/2020	965	Dth	Year-Round	Leidy Storage	Lambertville	Algonquin
2	Transportation	Algonquin	93201A1C	AFT-1 (F-2/F-3)	10/31/2020	965	Dth	Year-Round	Lambertville (Texas Eastern)	Bay State City Gate	
2	Transportation	Algonquin	93201A1C	AFT-1 (F-2/F-3)	10/31/2020	286	Dth	Year-Round	Centerville (Transco, Zone 6, non-NY)	Bay State City Gate	
3	Exchange	Bay State Gas	NA	NA	Renewal Clause	1,251	Dth	Year-Round	Bay State City Gate	Northern City Gates	
Total Path Deliverable						1,251	Dth				

Northern Utilities, Inc.  
Capacity Path: Tennessee Firm Storage Capacity  
Source of Supply: Tennessee Firm Storage - Market Area

Method of Assignment: Capacity Release

Capacity Path Diagram



Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1 <sup>1</sup>	Storage	Tennessee	5195	FS-MA	3/31/2025	4,243	Dth	Year-Round	NA	TGP Zone 4	Tennessee
2 <sup>2</sup>	Transportation	Tennessee	5265	FT-A	3/31/2025	2,653	Dth	Year-Round	TGP Zone 4	Pleasant St.	Granite
3	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	2,644	Dth	Year-Round	Pleasant St.	Northern City Gates	
Total Path Deliverable						2,644	Dth				

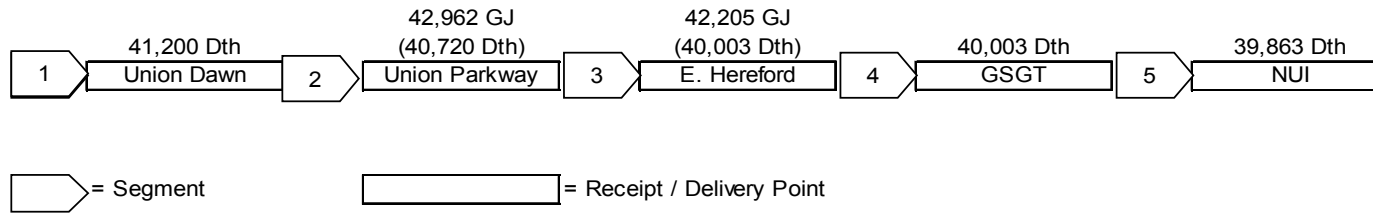
Note 1: Tennessee Contract No. 5195 has a maximum storage quantity of 259,337 Dth.

Note 2: Tennessee Contract No. 5265 also allows for firm delivery rights to Bay State Gas city gates. As such, Tennessee Production could also be delivered to Northern City Gates via the Bay State Exchange.

Northern Utilities, Inc.  
Capacity Path: Dawn Storage Path  
Source of Supply: Dawn Storage

Method of Assignment: Capacity Release

Capacity Path Diagram



Capacity Path Detail

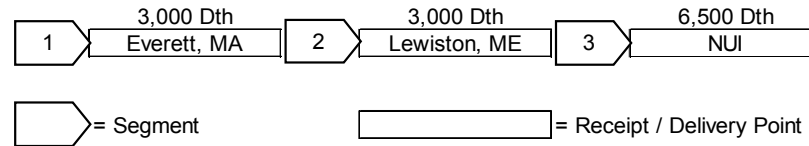
Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Storage				3/31/2023	41,200	Dth	Year-Round	NA	Dawn	Union
2	Transportation	Union	M12256	M12	3/31/2033	42,962	GJ	Year-Round	Dawn	Parkway	TransCanada
3	Transportation	TransCanada	TBD	FT	3/31/2033	42,205	GJ	Year-Round	Parkway	East Hereford	PNGTS
4	Transportation	PNGTS	FTN-NUI-0001	FT	10/31/2032	40,003	Dth	Year-Round	Pittsburgh, NH	Granite	Granite
5	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	39,863	Dth	Year-Round	Granite	Northern City Gates	
Total Path Deliverable						39,863	Dth				

Note 1: Dawn Storage Contract has an Maximum Storage Quantity equal to 4,000,000 Dth.

Northern Utilities, Inc.  
Capacity Path: Lewiston On-System LNG Plant  
Source of Supply: Lewiston LNG Plant Production

Method of Assignment: Company-managed

Capacity Path Diagram



Capacity Path Detail

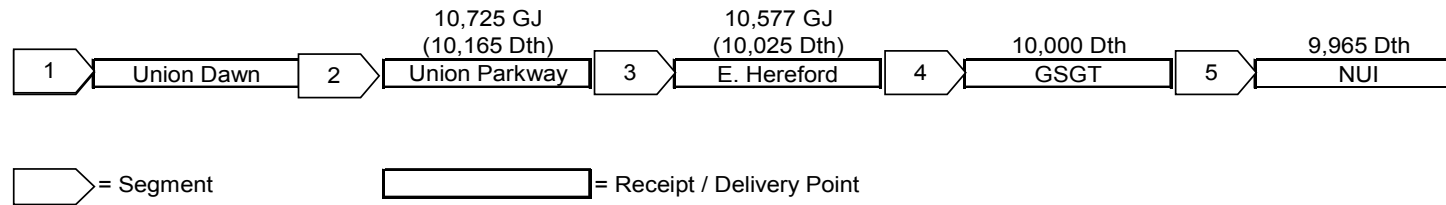
Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1 <sup>1</sup>	LNG Contract	Confidential	NA	NA	10/31/2018	3,000	Dth	Year-Round	NA	Everett, MA	NA
2	LNG Trucking Contract	Confidential	NA	NA	10/31/2018	3,000	Dth	Year-Round	Everett, MA	Lewiston, ME	NA
3	Lewiston LNG Plant	N/A	NA	NA	N/A	6,500	Dth	Year-Round	Lewiston, ME	Northern Distribution System	
Total Path Deliverable						6,500	Dth				

Note 1: The LNG Contract allows Northern to nominate up to 5,000 Dth per day with an annual maximum take is 125,000 Dth.

Northern Utilities, Inc.  
Capacity Path: Portland Xpress Project  
Source of Supply: Dawn Receipts

Method of Assignment: Capacity Release

Capacity Path Diagram



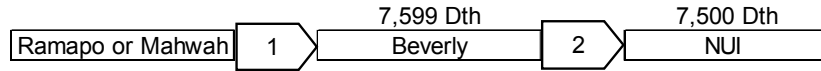
Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Transportation	Union	TBD	M12	10/31/2040	10,725	GJ	Year-Round	Dawn	Parkway	TransCanada
2	Transportation	TransCanada	TBD	FT	10/31/2040	10,577	GJ	Year-Round	Parkway	East Hereford	PNGTS
3	Transportation	PNGTS	TBD	FT - PXP	10/31/2040	10,000	Dth	Year-Round	Pittsburgh, NH	Granite	Granite
4	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	9,965	Dth	Year-Round	Granite	Northern City Gates	
Total Path Deliverable						9,965	Dth				

Northern Utilities, Inc.  
 Capacity Path: Atlantic Bridge Capacity  
 Source of Supply: Ramapo (Millennium) or Mahwah (Tennessee)

Method of Assignment: Capacity Release

Capacity Path Diagram



= Segment

= Receipt / Delivery Point

Capacity Path Detail

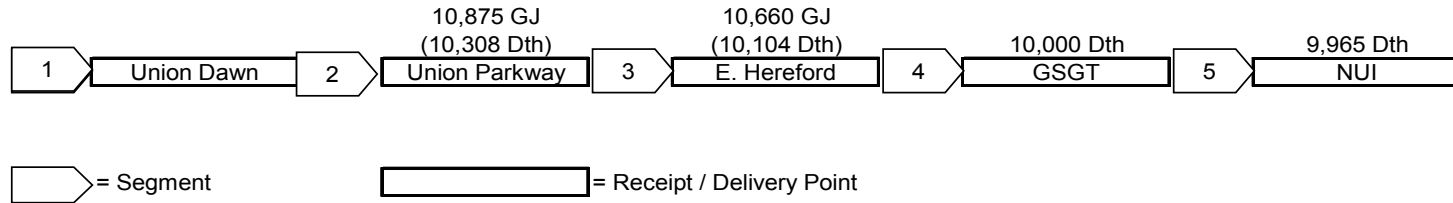
Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Transportation	Algonquin	TBD	AFT-1 [Atlantic Bridge Project]	TBD	7,599	Dth	Year-Round	Ramapo or Mahwah	Beverly	Maritimes
2	Transportation	Maritimes	TBD	MN365	TBD	7,500	Dth	Year-Round	Beverly	Lewiston	
Total Path Deliverable						7,500	Dth				



Northern Utilities, Inc.  
Capacity Path: Westbrook Xpress Project  
Source of Supply: Dawn Receipts

Method of Assignment: Capacity Release

Capacity Path Diagram



Capacity Path Detail

Segment	Product	Vendor	Contract ID	Rate Schedule	Contract Termination Date	Northern MDQ	Dth / GJ	Availability	Receipt Point	Delivery Point	Interconnecting Pipeline
1	Transportation	Union	TBD	M12	10/31/2037	10,875	GJ	Year-Round	Dawn	Parkway	TransCanada
2	Transportation	TransCanada	TBD	FT	10/31/2037	10,660	GJ	Year-Round	Parkway	East Hereford	PNGTS
3	Transportation	PNGTS	TBD	FT - PXP	10/31/2037	10,000	Dth	Year-Round	Pittsburgh, NH	Granite	Granite
4	Transportation	Granite	16-100-FT-NN	FT-NN	10/31/2018	9,965	Dth	Year-Round	Granite	Northern City Gates	
Total Path Deliverable						9,965	Dth				

Northern Utilities, Inc.  
Resource Utilization Summary - Design  
2022-2023 Design Winter - Excludes WXP

Month	NUI Planning Load	Projected Pipeline Takes	LT Pipeline Capacity (Incl. AB & PXP)	LT Pipeline Utilization Rate	Projected WXP Takes	WXP Capacity	WXP Utilization Rate	Projected Storage Takes	LT Storage Capacity	Storage Utilization Rate	Projected Peaking Takes	LT Peaking Capacity	Peaking Utilization Rate	Incremental Resource Need
Nov-22	1,789,760	1,201,477	1,217,580	99%	-	-		577,458	1,275,210	45%	-	-		10,825
Dec-22	2,475,722	1,258,166	1,258,166	100%	-	-		1,067,154	1,317,717	81%	13,000	13,000	100%	137,403
Jan-23	2,864,948	1,258,166	1,258,166	100%	-	-		1,095,772	1,317,717	83%	78,000	78,000	100%	433,011
Feb-23	2,497,672	1,136,408	1,136,408	100%	-	-		1,096,479	1,190,196	92%	34,000	34,000	100%	230,785
Mar-23	2,325,446	1,258,166	1,258,166	100%	-	-		976,559	1,317,717	74%	-	-		90,722
Apr-23	1,286,997	1,153,246	1,217,580	95%	-	-		133,751	1,275,210	10%	-	-		-
May-23	770,686	770,686	1,258,166	61%	-	-		-	1,317,717	0%	-	-		-
Jun-23	543,356	543,356	1,217,580	45%	-	-		-	1,275,210	0%	-	-		-
Jul-23	469,643	469,643	1,258,166	37%	-	-		-	1,317,717	0%	-	-		-
Aug-23	529,621	529,621	1,258,166	42%	-	-		-	1,317,717	0%	-	-		-
Sep-23	533,560	533,560	1,217,580	44%	-	-		-	1,275,210	0%	-	-		-
Oct-23	944,416	943,064	1,258,166	75%	-	-		1,352	1,317,717	0%	-	-		-
Winter	13,240,547	7,265,629	7,346,066	99%	-	-		4,947,172	7,693,767	64%	125,000	125,000	100%	902,746
Summer	3,791,282	3,789,929	7,467,824	51%	-	-		1,352	7,821,288	0%	-	-		-
Annual	17,031,828	11,055,559	14,813,890	75%	-	-		4,948,524	15,515,055	32%	125,000	125,000	100%	902,746

Northern Utilities, Inc.  
Resource Utilization Summary - Normal  
2022-2023 Normal Winter - Excludes WXP

Month	NUI Planning Load	Projected Pipeline Takes	LT Pipeline Capacity (Incl. AB)	LT Pipeline Utilization Rate	Projected WXP Takes	WXP Capacity	WXP Utilization Rate	Projected Storage Takes	LT Storage Capacity	Storage Utilization Rate	Projected Peaking Takes	LT Peaking Capacity	Peaking Utilization Rate	Incremental Resource Need
Nov-22	1,685,150	1,192,235	1,217,580	98%	-	-		488,672	1,275,210	38%	-	-		4,243
Dec-22	2,287,956	1,258,166	1,258,166	100%	-	-		958,892	1,317,717	73%	19,500	19,500	100%	51,399
Jan-23	2,625,656	1,258,166	1,258,166	100%	-	-		1,030,946	1,317,717	78%	78,000	78,000	100%	258,544
Feb-23	2,291,079	1,136,408	1,136,408	100%	-	-		1,024,816	1,190,196	86%	27,500	27,500	100%	102,355
Mar-23	2,141,670	1,258,166	1,258,166	100%	-	-		849,251	1,317,717	64%	-	-		34,253
Apr-23	1,286,997	1,153,246	1,217,580	95%	-	-		133,751	1,275,210	10%	-	-		-
May-23	770,686	770,686	1,258,166	61%	-	-		-	1,317,717	0%	-	-		-
Jun-23	543,356	543,356	1,217,580	45%	-	-		-	1,275,210	0%	-	-		-
Jul-23	469,643	469,643	1,258,166	37%	-	-		-	1,317,717	0%	-	-		-
Aug-23	529,621	529,621	1,258,166	42%	-	-		-	1,317,717	0%	-	-		-
Sep-23	533,560	533,560	1,217,580	44%	-	-		-	1,275,210	0%	-	-		-
Oct-23	944,416	943,064	1,258,166	75%	-	-		1,352	1,317,717	0%	-	-		-
Winter	12,318,508	7,256,387	7,346,066	99%	-	-		4,486,328	7,693,767	58%	125,000	125,000	100%	450,793
Summer	3,791,282	3,789,929	7,467,824	51%	-	-		1,352	7,821,288	0%	-	-		-
Annual	16,109,790	11,046,316	14,813,890	75%	-	-		4,487,681	15,515,055	29%	125,000	125,000	100%	450,793

Northern Utilities, Inc.  
Resource Utilization Summary - Design  
2022-2023 Design Winter - Includes WXP

Month	NUI Planning Load	Projected Pipeline Takes	LT Pipeline Capacity (Incl. AB & PXP)	LT Pipeline Utilization Rate	Projected WXP Takes	WXP Capacity	WXP Utilization Rate	Projected Storage Takes	LT Storage Capacity	Storage Utilization Rate	Projected Peaking Takes	LT Peaking Capacity	Peaking Utilization Rate	Incremental Resource Need
Nov-22	1,789,760	1,201,477	1,217,580	99%	243,643	298,950	81%	344,641	1,275,210	27%	-	-		-
Dec-22	2,475,722	1,258,166	1,258,166	100%	308,915	308,915	100%	854,167	1,317,717	65%	13,000	13,000	100%	41,475
Jan-23	2,864,948	1,258,166	1,258,166	100%	308,648	308,915	100%	968,873	1,317,717	74%	78,000	78,000	100%	251,261
Feb-23	2,497,672	1,136,408	1,136,408	100%	279,020	279,020	100%	970,535	1,190,196	82%	34,000	34,000	100%	77,709
Mar-23	2,325,446	1,258,166	1,258,166	100%	308,915	308,915	100%	735,126	1,317,717	56%	-	-		23,239
Apr-23	1,286,997	1,153,246	1,217,580	95%	108,292	298,950	36%	25,459	1,275,210	2%	-	-		-
May-23	770,686	770,686	1,258,166	61%	-	308,915	0%	-	1,317,717	0%	-	-		-
Jun-23	543,356	543,356	1,217,580	45%	-	298,950	0%	-	1,275,210	0%	-	-		-
Jul-23	469,643	469,643	1,258,166	37%	-	308,915	0%	-	1,317,717	0%	-	-		-
Aug-23	529,621	529,621	1,258,166	42%	-	308,915	0%	-	1,317,717	0%	-	-		-
Sep-23	533,560	533,560	1,217,580	44%	-	298,950	0%	-	1,275,210	0%	-	-		-
Oct-23	944,416	943,064	1,258,166	75%	1,352	308,915	0%	-	1,317,717	0%	-	-		-
Winter	13,240,547	7,265,629	7,346,066	99%	1,557,433	1,803,665	86%	3,898,800	7,693,767	51%	125,000	125,000	100%	393,684
Summer	3,791,282	3,789,929	7,467,824	51%	1,352	1,833,560	0%	-	7,821,288	0%	-	-		-
Annual	17,031,828	11,055,559	14,813,890	75%	1,558,785	3,637,225	43%	3,898,800	15,515,055	25%	125,000	125,000	100%	393,684

Northern Utilities, Inc.  
Resource Utilization Summary - Normal  
2022-2023 Normal Winter - Includes WXP

Month	NUI Planning Load	Projected Pipeline Takes	LT Pipeline Capacity (Incl. AB)	LT Pipeline Utilization Rate	Projected WXP Takes	WXP Capacity	WXP Utilization Rate	Projected Storage Takes	LT Storage Capacity	Storage Utilization Rate	Projected Peaking Takes	LT Peaking Capacity	Peaking Utilization Rate	Incremental Resource Need
Nov-22	1,685,150	1,192,235	1,217,580	98%	227,389	298,950	76%	265,525	1,275,210	21%	-	195,000	0%	-
Dec-22	2,287,956	1,258,166	1,258,166	100%	308,915	308,915	100%	712,082	1,317,717	54%	8,793	201,500	4%	-
Jan-23	2,625,656	1,258,166	1,258,166	100%	303,778	308,915	98%	866,205	1,317,717	66%	73,441	201,500	36%	124,067
Feb-23	2,291,079	1,136,408	1,136,408	100%	279,020	279,020	100%	852,429	1,190,196	72%	22,733	182,000	12%	489
Mar-23	2,141,670	1,258,166	1,258,166	100%	303,609	308,915	98%	579,033	1,317,717	44%	862	201,500	0%	-
Apr-23	1,286,997	1,153,246	1,217,580	95%	108,292	298,950	36%	25,459	1,275,210	2%	-	195,000	0%	-
May-23	770,686	770,686	1,258,166	61%	-	308,915	0%	-	1,317,717	0%	-	201,500	0%	-
Jun-23	543,356	543,356	1,217,580	45%	-	298,950	0%	-	1,275,210	0%	-	195,000	0%	-
Jul-23	469,643	469,643	1,258,166	37%	-	308,915	0%	-	1,317,717	0%	-	201,500	0%	-
Aug-23	529,621	529,621	1,258,166	42%	-	308,915	0%	-	1,317,717	0%	-	201,500	0%	-
Sep-23	533,560	533,560	1,217,580	44%	-	298,950	0%	-	1,275,210	0%	-	195,000	0%	-
Oct-23	944,416	943,064	1,258,166	75%	1,352	308,915	0%	-	1,317,717	0%	-	201,500	0%	-
Winter	12,318,508	7,256,387	7,346,066	99%	1,531,003	1,803,665	85%	3,300,734	7,693,767	43%	105,828	1,176,500	9%	124,556
Summer	3,791,282	3,789,929	7,467,824	51%	1,352	1,833,560	0%	-	7,821,288	0%	-	1,196,000	0%	-
Annual	16,109,790	11,046,316	14,813,890	75%	1,532,355	3,637,225	42%	3,300,734	15,515,055	21%	105,828	2,372,500	4%	124,556