

## SERVICE AGREEMENT

Agreement dated as of December 1, 2021 between **AQUARION WATER COMPANY**, a Connecticut corporation (hereinafter “Service Company”), and **ABENAKI WATER COMPANY INC.**, a New Hampshire corporation (hereinafter “Water Company”).

The background of this Agreement is that:

1. Water Company is a subsidiary of Service Company.
2. Water Company has been organized for and is presently engaged in the business of providing potable water and sewer services as a public utility in the State of New Hampshire.
3. Service Company, directly and through its Parent, Aquarion Company (“Aquarion”) and Aquarion’s other water utility subsidiaries (Aquarion and said water utility subsidiaries are herein collectively referred to as the “Affiliates”), maintains an organization whose officers and employees are familiar with all facets of the water utility business, including the development, business and property of Water Company, and are experienced in the efficient management, financing, accounting and operation of water utility properties and the extension and improvement thereof. The officers and employees of Service Company and the Affiliates are qualified to aid, assist and advise Water Company in its business operations through the services to be performed under this Agreement.
4. Because Water Company is of the opinion that it cannot obtain the same quality and diversification of services on a comparable economic basis elsewhere, it proposes to enter into this Agreement with Service Company specifically defining the types of services available to it.

5. Service Company has entered, or proposes to enter into, agreements similar to this agreement with certain of its other utility subsidiaries (hereinafter collectively, the “Water Companies”).

6. The services to be rendered under this agreement are to be provided by Service Company to Water Companies at their service cost to Service Company, as hereinafter provided.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the Water Company and Service Company agree that:

#### ARTICLE I

1.1 During the term of this Agreement and upon the terms and conditions hereinafter set forth, Service Company and the Affiliates shall provide corporate guidance for Water Company. In addition to the guidance provided by the Service Company and the Affiliates through the coordination of functional activities for all Water Companies, Service Company shall furnish and Water Company shall purchase from Service Company, the following services: Accounting, Administration, Communication, Corporate Secretarial, Engineering, Financial, Human Resources, Information Systems, Operation, Rates and Revenue, Risk Management, Customer Service, Collection and Revenue Management, Purchasing, Real Estate and Water Quality, together with other services as Water Company and Service Company may agree; provided, however, that Water Company may perform the service with its own personnel of the Affiliates or engage another company or person to provide those services on its behalf. Service Company may engage one or more of the Affiliates, another company or person (whether or not affiliated with Service Company) to provide any one or more of such services (as described below or otherwise) on its behalf.

1.2 Service Company shall utilize qualified personnel to provide such services and Service Company's officers shall be available for election by Water Company to serve as officers of Water Company.

1.3 Without limitation, services to be provided by the Service Company shall be rendered as follows:

A. Accounting: Service Company shall provide for assistance in the preparation and implementation of accounting methods and procedures to determine that they conform fully to the requirements, rules and regulations of governmental authorities having jurisdiction, and provide for review of Water Company's monthly financial reports, annual reports and other reports to stockholders, bondholders and to any governmental authorities. It shall provide for advice and assistance in the establishment and maintenance of current record keeping techniques; reviewing accounting procedures, methods and forms; and evaluating systems of internal control for receipt and disbursement of funds, materials and supplies, and other assets. Service Company shall provide for the maintenance of accounting records as required by Water Company. When appropriate, Service Company shall provide for cooperation and consultation with Water Company's independent certified public accountants. Service Company shall provide for assistance in the preparation of operating and construction budgets by comparing experienced costs to the projections. Service Company shall provide for the preparation or assistance in the preparation of federal, state and local tax returns for and to the extent required by Water Company.

- B. Administration: Service Company shall make qualified personnel available to perform or assist in the performance of Water Company's corporate activities. Those personnel shall keep themselves informed on all aspects of Water Company's operations and shall regularly visit Water Company's facilities. They shall make recommendations to Water Company for operating expenditures and for additions to and improvements of property, plant and equipment. They shall keep abreast of economic, regulatory, governmental, and operational developments and conditions that may affect Water Company; and advise Water Company of any such developments and conditions to the extent that they may be important to Water Company. Service Company shall provide for periodic internal audits of accounts, records, and policies of Water Company and provide for the submission of reports thereon.
- C. Communications: Service Company shall provide for the recommendation of procedures to promote satisfactory relations to employees, customers, communities and the general public and assistance in the preparation of communication materials (including press releases, brochures, audio visual presentations and speeches), public exhibits and displays and other related services to inform the public.
- D. Corporate Secretarial: Service Company shall provide for the maintenance, in such places and manner as may be required by applicable law, of documents of Water Company, such as minute books, charters, by-laws, contracts, deeds and other corporate records, and the administration of an orderly program of records retention. It shall provide for the maintenance of records of stockholders of Water Company, the preparation or arrangements for the preparation of stock certificates, the

performance of duties relating to the transfer of stock and the performance of other corporate secretarial functions as required, including preparation of notices of stockholder and director meetings and the minutes thereof. Service Company shall provide for review and assistance in the preparation of documents and reports required by Water Company such as deeds, easements, contracts, charters, franchises, trust indentures and regulatory reports and filings.

- E. Engineering: Service Company shall provide for advice and engineering services to assist Water Company in planning for, operating, maintaining and constructing its facilities.

Service Company shall provide for the conducting of distribution system surveys and hydraulic analyses and the preparation or review of maps, charts, operating statistics, reports and other pertinent data.

Service Company shall provide for assistance to Water Company in the proper maintenance and protection of Water Company properties by periodic inspection of its structures, tanks, reservoirs, dams, wells and electrical and mechanical equipment.

The engineering services provided for by Service Company shall also include the conduct of field investigators as necessary to obtain engineering information and, when required, the preparation of studies, reports, designs, drawings, cost estimates, specifications, and contracts for the construction of additions to or improvements of Water Company's source of supply, treatment plant, pumping stations, distribution system, and such other facilities as Water Company may request.

F. Financial: Service Company shall provide for assistance in the development and implementation of financing programs for Water Company, including the furnishing of advice from time to time on market conditions and the form and time of financing; advice concerning arrangements for the sale of its securities; and assistance in the preparation of necessary papers, documents, registration statements, prospectuses, petitions, applications and declarations. Service Company shall provide for the preparation of reports to be filed with, and replies to inquiries made by, security holders and bond and mortgage trustees.

Service Company will provide that cash not required by the Water Company to pay its daily disbursements or to pay when due the principal of and interest on, the Water Company's borrowings will be applied first to reduce the outstanding principal balance of the Water Company's intercompany loans owing to Service Company or any of the Affiliates and any excess will be deemed to be invested with Aquarion and will earn interest on those funds equal to the rate then available to Aquarion for comparable sums. Such investments or borrowings shall be recorded as intercompany receivables or payables, as appropriate on the books of Aquarion. All short-term borrowings by Water Company shall be arranged by Service Company of through Aquarion and appropriate interest expense will be charged.

Service Company shall provide for assistance to Water Company in the preparation of all financial reports.

G. Human Resources: Service Company shall provide for assistance in obtaining qualified employees for Water Company, in establishing appropriate rates of pay for

those employees for Water Company, in establishing appropriate rates of pay for those employees, and in negotiating with bargaining units representing Water Company employees. It shall provide for the carrying out of training programs for the development of employees and advice and assistance to Water Company regarding employees. It shall also provide for advice and assistance to Water Company in regard to group employee insurance, pension and benefit plans and in the drafting or revising of those plans when required. It will provide for keeping Water Company apprised of all employment laws and the development of procedures and controls to assure compliance.

H. Information Systems: Service Company shall arrange to make available to Water Company necessary PC and networking services and provide for assistance in Water Company's user maintenance, and shall make available to Water Company electronic data processing services. Those services shall include customer billing and accounting, and preparation of financial statements and other reports, including those required by Federal and State agencies.

I. Operation: Service Company shall provide for the development and assistance in the implementation of operating procedures to promote the efficient and economic operation of Water Company. Service Company shall provide for periodic operational reviews and any deviations from adopted procedures will be reported to Water Company.

J. Rates and Revenue: Service Company shall provide or arrange for personnel to make recommendations for changes in rates, rules and regulations and to assist Water

Company in the conduct of proceedings before, and in its compliance with the rulings of, regulatory bodies having jurisdiction over its operation. These personnel shall keep abreast of economic and regulatory developments and conditions that may affect Water Company and advise Water Company of any such developments and conditions to the extent that they may be important to Water Company. Service Company shall provide rates and revenue personnel to assist in the preparation for rate filings or applications and the supporting documents and exhibits requested or required by the Water Company and its regulatory commission. Service Company shall also provide for qualified personnel to testify on Water Company's behalf as required during any regulatory proceedings.

K. Risk Management: Service Company shall provide for a Risk Management Program to review the exposures to accidental loss of the Water Company, recommend efficient methods of protection either through the purchase of insurance, self-insurance or other risk-management techniques and arrange for the purchase of insurance coverage. It shall also provide for the supervision of investigation procedures; the reviewing of claims; and for negotiating and assisting in, and evaluation of proposals for, settlement at the request of Water Company. It shall provide for assistance in the establishment of safety and security programs to avoid or minimize risk and loss.

L. Water Quality: Service Company shall provide for assistance to Water Company to comply with standards of governmental agencies and establishing and attaining water quality objectives of the Water Company. It shall provide for assistance in establishing design criteria for processes, coordinating with public agencies,



developing approaches and solutions to water quality problems, and providing technical assistance and general direction for Water Company employees.

As requested by Water Company, Service Company shall also provide for advice and/or laboratory services for programmed analyses as required by drinking water regulations, and special analyses as required by Water Company.

M. Customer Service, Collection and Revenue Management: Service Company shall provide for advice and/or customer services for Water Company, including handling customer inquiries, scheduling appointments for fieldwork, resolving billing disputes, editing meter reading results, establishing a meter change out program, explaining Water Company programs and services, payment arrangements, handling customer maintenance and preparing quotes for home sales and final bill accounts. Customer services will also include the handling of inquiries from Water Company's regulatory authorities.

Service Company shall provide for advice and collection services of account receivables including using system-generated letters and statements.

N. Real Estate: Service Company shall provide for advice and real estate services, including monitoring Water Company's portfolio of property assets, and drafting and negotiating purchase/sale, easement, and lease agreements.

O. Purchasing: Service Company shall provide for advice and assistance in the solicitation of capital project and operating expense bids and negotiation of contracts. Service Company may provide for a materials management program to arrange for

the purchase of equipment, materials, and supplies in volume on a basis advantageous to Water Company and assist in the evaluation of new and existing products and application procedures.

## ARTICLE II

### PAYMENT FOR SERVICES

2.1. In consideration for the services to be rendered by Service Company as herein above provided, Water Company agrees to pay to Service Company the cost thereof determined as provided in this Article II and in Article III.

2.2 All costs of service rendered by personnel provided, employed or retained by Service Company for Water Company or in common with other Water Companies shall be charged to Water Company based on actual time spent by those personnel as reflected in their time sheets or other mutually acceptable means of determination.

2.3 All costs of Service Company incurred in connection with services provided for or rendered by Service Company which can be identified and related exclusively to Water Company (including charges by unaffiliated entities) shall be charged directly to Water Company.

2.4 All costs incurred in rendering services to Water Company in common with similar services to other Water Companies (including charges by unaffiliated entities) which cannot be identified and related exclusively to services rendered to a particular Water Company, shall be allocated among all Water Companies so served, or, in the case of costs incurred with respect to services rendered to a particular group of Water Companies, among the members of such group, based on the number of customers served at the immediately preceding calendar year end. For

example, all costs incurred in connection with the provision of the Customer Service, Collection and Revenue Management Services contemplated by Section 1.3H hereof, including the applicable benefit overhead contemplated by Section 3.1 hereof and the applicable Support Charges contemplated by Section 3.2 hereof shall be allocated among all Water Companies so served based on the number of customers served at the immediately preceding calendar year-end.

### **ARTICLE III**

#### **CHARGES FOR OVERHEAD**

3.1 (a) In determining the cost to be assessed by Service Company for the rendering of services to Water Company as herein provided, there shall be added to the salaries of all officers and employees of Service Company and any affiliates for whose services charges are to be made, a percentage sufficient to cover the benefits overhead of Service Company (or said Affiliates), as defined below, properly allocable thereto. Such percentage shall be based upon the immediately preceding year's benefit overhead percentage of Service Company or said Affiliate, as applicable, expressed as the ratio of the total benefit overhead of said entity to the total salaries of said entity. No benefit overhead of Service Company or any Affiliate shall be added to costs incurred for services of nonaffiliated entities employed by Service Company or any Affiliate, as the case may be.

- (b) The term "benefit overhead" shall include:
  - (i) pension, 401K, medical costs, long-term disability and other benefits paid for the benefit of Service Company or Affiliate employees, as the case may be; and
  - (ii) payroll taxes.

3.2 Further, in determining the cost to be assessed by Service Company for the rendering of services to Water Company as herein provided, there shall also be added to the salaries of all officers and employees of Service Company and any affiliates for whose services charges are made, a per hour support charge (separate and apart from the benefits overhead charge provided for in Section 3.1 hereof) sufficient to cover costs for support personnel (secretaries, clerical personnel, clerks, messengers, telephone operators (other than Customer Call Center operations), mail clerks and other incidental support personnel of the Service Company or Affiliate providing services) as well as the cost of lease payments, taxes, building maintenance, utilities, depreciation, general office supplies and similar expenses, interest on working capital and other costs associated with office space and equipment (whether owned or leased) used by Service Company or Affiliates in providing services to Water Company, in each case calculated based on such costs incurred by said entity in the immediately preceding calendar year (collectively, the "Support Charge"). The Support Charge will be calculated for each location where services are provided hereunder by dividing the total Support Charge for each location by the total payroll hours for such location (during the immediately preceding calendar year), resulting in a per hour Support Charge to be applied to the services of all officers and employees working at such location for whose service charges are made pursuant to this Agreement.

#### **ARTICLE IV**

##### **BILLING PROCEDURES AND BOOKS AND RECORDS**

4.1 All amounts due from Water Company for services and expenses for each month shall be computed pursuant to Articles II and III and shall be charged to Water Company as soon as practicable after the last day of such month and Water Company shall be provided a summary

thereof on a monthly basis. Such summary shall be in sufficient detail to show separately the charge for each class of service rendered.

4.2 Service Company agrees to keep its books and records available at all times for inspection by representatives of Water Company or by regulatory bodies having jurisdiction over Water Company.

4.3 Service Company shall at any time, upon request of Water Company, furnish any and all information required by Water Company with respect to the services rendered by Service Company hereunder, the costs thereof, and the allocation of such costs among the Water Companies.

## ARTICLE V

### OTHER AGREEMENTS

5.1 It is understood by Water Company that Service Company has entered or may enter into similar agreements with other Water Companies to which similar services are to be furnished. Service Company will not enter into agreements to perform similar services for other Water Companies on terms more favorable than those provided herein.

5.2 It is understood by Water Company that Service Company has entered or may enter into an agreement or agreements with certain companies not engaged in the water service business to which limited services are to be furnished. Water Company consents to such additional agreements.

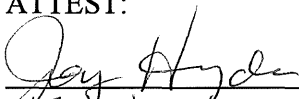
**ARTICLE VI**

**TERM OF AGREEMENT**

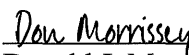
This Agreement shall become effective as of the later of (a) the date first mentioned above or (b) the date the parties receive the last of any necessary approvals of governmental regulatory agencies having jurisdiction in the premises. Upon becoming effective, this Agreement shall be the sole agreement between the parties concerning the subject matter hereof and shall supersede all prior agreements, written or oral, which shall terminate on the date this Agreement becomes effective. This Agreement shall continue in full force and effect until terminated by either of the parties hereto giving the other party ninety days' notice in writing; provided, however, that this Agreement shall terminate as of the date Water Company ceases to be an affiliate of Service Company.

IN WITNESS WHEREOF, Water Company and Service Company have caused this Agreement to be signed in their respective corporate names by their respective Presidents or Vice-Presidents, and attested by their respective Secretaries or Assistant Secretaries, all as of the date and year first above written.

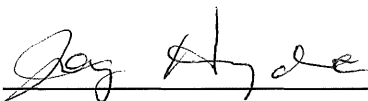
ATTEST:

  
\_\_\_\_\_  
Joy Hyde


AQUARION WATER COMPANY

DocuSigned by:  
  
\_\_\_\_\_  
Don Morrissey, President

ATTEST:

  
\_\_\_\_\_  
Joy Hyde

ABENAKI WATER COMPANY,  
INC.

DocuSigned by:  
  
\_\_\_\_\_  
E3AE0547AE445A  
Ananth V. Padmanabhan,  
Vice President, Finance