

RATE SCHEDULE ERS
ENERGY RELIABILITY SERVICE

1. AVAILABILITY

1.1 This rate schedule is available for firm transportation and storage of natural gas by Algonquin Gas Transmission, LLC (hereinafter called "Algonquin") and for any party (hereinafter called "Customer"), when:

- (a) Customer has executed a precedent agreement pursuant to the Open Season held from February 18, 2015 to May 1, 2015 or made a valid request for firm service pursuant to Section 2 of the General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part;
- (b) Sufficient firm capacity is available to effectuate such service without any construction of facilities or other investment by Algonquin, or Algonquin has waived this requirement in writing; and
- (c) Customer and Algonquin have executed a service agreement ("Customer's ERS Service Agreement") in the form contained in the FERC Gas Tariff of which this rate schedule is a part.
- (d) Under this Rate Schedule ERS, a single ERS Service Agreement is available to multiple parties who meet the qualifications set forth in the Multiple Shipper Option Agreement and such agreement has been executed by the Customers, Algonquin and other relevant parties.

1.2 Transportation service effectuated through capacity on the Brayton Point Lateral, the Manchester Street Lateral, the Canal Lateral, the Cape Cod Lateral, the Northeast Gateway Lateral, the J-2 Facility, or the Kleen Energy Lateral, as such lateral facilities are defined in Rate Schedule AFT-CL is not available under this rate schedule; provided, however, that the following interconnections are available under this Rate Schedule ERS:

- (a) between the Brayton Point Lateral and Algonquin's mainline (M&R No. 80035),
- (b) between the Manchester Street Lateral and Algonquin's mainline (M&R No. 80071),
- (c) between the Canal Lateral and Algonquin's mainline (M&R No. 80004),
- (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,
- (e) between the J-2 Facility and Algonquin's mainline (M&R No. 80095), and
- (f) between the Middletown Lateral and the Kleen Energy Lateral.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Service provided pursuant to this Rate Schedule ERS will be firm, except as provided herein and in Sections 16 and 24 of the General Terms and Conditions of this FERC Gas Tariff, and constitutes one of the “no-notice” service options, as that term is used in Order No. 636, that is available from Algonquin. Unless otherwise specified in this Rate Schedule ERS or in Customer’s ERS Service Agreement, service hereunder shall be available on any Gas Day of the year, subject to Customer's MDTQ, MHTQ, MSQ, MDIQ, and MDWQ limitations, as applicable.

2.2 In order to provide primary firm service to Customer pursuant to this Rate Schedule ERS at any time during a Gas Day, Algonquin shall reserve for scheduling purposes a quantity equal to Customer’s MDTQ less the quantity scheduled for transportation service for Customer (“Reserved Capacity”) on Customer’s ERS Service Agreement during any of the nomination cycles described in Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such Reserved Capacity can be utilized by Customer during subsequent nomination cycles for that Gas Day to request and schedule nominations pursuant to Section 23.1(a) and/or Section 48.3, as applicable, of the General Terms and Conditions of this FERC Gas Tariff.

2.3 Transportation Component of the Service.

(a) Algonquin shall receive from Customer, or for the account of Customer, at the Primary Point(s) of Receipt specified in Customer’s ERS Service Agreement for transportation hereunder daily quantities of gas tendered for the account of Customer up to Customer's Maximum Daily Transportation Quantity ("MDTQ") plus an amount reflecting the Fuel Reimbursement Quantity as defined in Section 32 of the General Terms and Conditions of this FERC Gas Tariff; provided however, Algonquin shall not be obligated to, but may at its option, receive at any Point(s) of Receipt on any Gas Day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation ("MDRO") plus any applicable Fuel Reimbursement Quantity (“Point Overrun Quantities”), provided that, if more than one Customer requests receipts in excess of its MDRO at a Point of Receipt, and the sum of all such requests exceeds the available capacity at such Point of Receipt, Algonquin shall apportion such receipts in excess of MDRO among such Customers pro rata according to the Customers' firm MDROs at the relevant Point of Receipt. In no event shall Point Overrun Quantities at a Point(s) of Receipt be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.

- (b) Upon receipt of such natural gas for Customer's account, Algonquin shall, after making allowance for the Fuel Reimbursement Quantity, transport and deliver hourly quantities of gas required by Customer up to Customer's Maximum Hourly Transportation Quantity ("MHTQ") at the Primary Point(s) of Delivery specified in Customer's ERS Service Agreement; provided however, Algonquin shall not be obligated to, but may at its option, deliver at any Point(s) of Delivery an hourly quantity exceeding the MHTQ, and on any Gas Day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO") ("Point Overrun Quantities"), provided that, if more than one Customer requests deliveries in excess of its MDDO at a Point of Delivery, and the sum of all such requests exceeds the available capacity at such Point of Delivery, Algonquin shall apportion such deliveries in excess of MDDO among such Customers pro rata according to the Customers' firm MDDOs at the relevant Point of Delivery. In no event shall Point Overrun Quantities at a Point(s) of Delivery be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.

- (c) Provided such quantities have been scheduled in accordance with Section 23 of the General Terms and Conditions of this FERC Gas Tariff, Customer may tender quantities of gas in excess of the MDTQ plus any applicable Fuel Reimbursement Quantity on any Gas Day if in Algonquin's reasonable judgment transportation of such gas can be accomplished by Algonquin without detriment to any other Customer under any of Algonquin's rate schedules. Such excess quantities shall be deemed to be Authorized Overrun Quantities. In no event shall Authorized Overrun Quantities be available for service requested pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS.

2.4 Storage Component of the Service.

- (a) Algonquin shall receive for Customer's account quantities of gas and inject into a regional storage facility designated in Customer's ERS Service Agreement as a Primary Point of Receipt ("Storage Facility") in accordance with Section 7 of this Rate Schedule ERS for Customer's account such quantities of gas. Algonquin shall withdraw from the Storage Facility for Customer, at Customer's request, in accordance with Section 8 of this Rate Schedule ERS, quantities of gas from Customer's Storage Inventory, plus any applicable Fuel Reimbursement Quantity, and deliver for Customer's account such quantities. Such service shall be firm except as provided herein and in Pipeline's General Terms and Conditions of this FERC Gas Tariff of which this rate schedule is a part and shall be

available to Customer each Gas Day of the year on a firm basis during the injection and withdrawal seasons described below:

- (1) Injection Seasons
 - (i) Winter: September 1 through November 30
 - (ii) Summer: April 1 through June 30
- (2) Withdrawal Seasons
 - (i) Winter: December 1 through March 31
 - (ii) Summer: July 1 through August 31

(b) Provided the receipt of gas and the injection of such gas into the Storage Facility for Customer's account can be accomplished by Algonquin without detriment to Algonquin's facilities and/or Algonquin's ability to meet its firm obligations to other Customers, Algonquin upon request of Customer shall inject on an interruptible basis quantities of gas in excess of Customer's Maximum Daily Injection Quantity. Such excess quantities shall be deemed to be Excess Injection Gas. Excess Injection Gas will not be available for service requested pursuant to Sections 4.3 and 4.4 of this Rate Schedule ERS.

(c) Provided the withdrawal of gas from the Storage Facility for Customer can be accomplished by Algonquin without detriment to Algonquin's facilities and/or Algonquin's ability to meet its firm obligations to other Customers, Algonquin upon request of Customer shall schedule and withdraw on an interruptible basis gas in excess of Customer's Maximum Daily Withdrawal Quantity. Such excess quantities shall be deemed to be Excess Withdrawal Gas. Excess Withdrawal Gas will not be available for service requested pursuant to Sections 4.3 and 4.4 of this Rate Schedule ERS.

2.5 Algonquin shall not be obligated to add any facilities or expand the capacity of Algonquin's pipeline system in any manner in order to provide service to Customer pursuant to this rate schedule; provided, however, Algonquin may, at its option, and with Customer's consent, add facilities or expand capacity to provide such service, subject to Section 42 of the General Terms and Conditions of this FERC Gas Tariff.

2.6 Capacity Release.

(a) An EDC Customer who participates in a "State Approved Electric Reliability" program and who desires to release all or a portion of its capacity under this ERS Rate Schedule must first attempt to release such capacity to electric generation facilities pursuant to the capacity release conditions of the Customer's "State Approved Electric Reliability" program and, under such circumstances, shall not be required to meet the

bidding requirements of Section 14 of the General Terms and Conditions of this FERC Gas Tariff, but in all other aspects such capacity releases shall be deemed to be “prearranged releases” in accordance with and subject to the terms and conditions of Section 14 of the General Terms and Conditions of this FERC Gas Tariff. If, after complying with its “State Approved Electric Reliability” program, the EDC Customer has any remaining capacity that is not being utilized for electric generation reliability, the EDC Customer may release all or a portion of such capacity to other Replacement Customers pursuant to the provisions of Section 14 of the General Terms and Conditions of this FERC Gas Tariff. The pipeline has no responsibility or liability to determine whether an EDC Customer is in compliance with its “State Approved Electric Reliability” program.

- (b) Other than an EDC Customer who participates in a “State Approved Electric Reliability” program, any Customer may release all or a portion of such capacity to other Replacement Customers pursuant to the provisions of Section 14 of the General Terms and Conditions of this FERC Gas Tariff.
- (c) Service provided under this Rate Schedule ERS is a combination of transportation and storage service. Customers executing a Service Agreement under this Rate Schedule ERS may elect to release a portion or all of their combined firm transportation and storage service under this Rate Schedule ERS as separate transportation service under this Rate Schedule ERS and/or separate storage service under this Rate Schedule ERS pursuant to Sections 2.6(a) and 2.6(b) of this Rate Schedule ERS. Service provided under this Rate Schedule ERS is most effective when the transportation component and storage component of the service remain combined under Rate Schedule ERS and the service is executed as intended under this rate schedule.
- (d) Obligations Related to Releasing Transportation Component of the Service Separately
 - (i) In the event that a Customer elects to release the transportation component of their service under this Rate Schedule ERS separately from the storage component of their service under this Rate Schedule ERS, the Replacement or Prearranged Customer’s firm transportation agreement shall be executed in accordance with Section 2.2 of this Rate Schedule ERS.
 - (ii) Transportation Quantities released to a Replacement or Prearranged Customer under this Rate Schedule ERS will be reflected in Exhibit C of the Form of Service Agreement Applicable to Rate Schedule ERS.

- (iii) In the event that a Customer releases the transportation component of their service under this Rate Schedule ERS separately from the storage component of their service under this Rate Schedule ERS, the Replacement or Prearranged Customer(s) to whom the capacity is released is not eligible for the No-Notice Supply Service as described in Section 4.4 of this Rate Schedule ERS.
- (e) Obligations Related to Releasing Storage Component of the Service Separately
- (i) In the event that a Customer elects to release the storage component of their service under this Rate Schedule ERS separately from the transportation component of their service under this Rate Schedule ERS, the Replacement or Prearranged Customer's storage agreement shall be executed in accordance with Section 2.4 of this Rate Schedule ERS.
 - (ii) Storage Quantities released to a Replacement or Prearranged Customer under this Rate Schedule ERS will be reflected in Exhibit D of the Form of Service Agreement Applicable to Rate Schedule ERS.
 - (iii) Released Storage Quantities under this Rate Schedule ERS may be transported under any AGT transportation service agreement according to the specific terms and conditions that apply to such agreement.
 - (iv) The Customer shall remain ultimately liable to Algonquin for all Reservation Charges and Reservation Surcharges under the terms of its service agreement with Algonquin, pursuant to Section 14 of the General Terms and Conditions.

3. RATES

- 3.1 Unit Rates. The applicable maximum and minimum unit rates for the service provided by Algonquin pursuant to this rate schedule are set forth in the currently effective Statement of Rates for Rate Schedule ERS of this tariff and are hereby incorporated herein. Such rates are subject to adjustment pursuant to Section 33 and Section 34 of the General Terms and Conditions of this tariff. The applicable unit rates to be charged on any Gas Day by Algonquin for gas delivered to Customer shall not be in excess of the maximum unit rate nor less than the minimum unit rate.
- 3.2 Commencing for the Month in which Customer's ERS Service Agreement is effective and for each Month thereafter unless otherwise specified in the applicable service agreement, the monthly bill for service under this Rate

Schedule ERS shall be the sum of the amounts set forth in Sections 3.2(a) and 3.2(b) below.

(a) Transportation Component of the Service.

- (1) Reservation Charge: The charge per Month per Dth of Customer's highest MDTQ during the Contract Year, as specified in Customer's executed ERS Service Agreement; plus
- (2) Commodity Charge: The applicable commodity rate multiplied by the quantity of gas delivered in the Month under this rate schedule (excluding Authorized Overrun Quantities) at the Point(s) of Delivery; plus
- (3) Authorized Overrun Charge: The applicable authorized overrun charge per Dth of Authorized Overrun Quantity delivered to Customer for the Month under Section 2.3(c) of this rate schedule; plus
- (4) Imbalance Resolution Charges: The applicable imbalance resolution charges assessed pursuant to Section 25 of the General Terms and Conditions; plus
- (5) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 23 of the General Terms and Conditions; plus
- (6) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 31 of the General Terms and Conditions; less
- (7) Revenue Credit: The revenue credit provided for in Section 41 of the General Terms and Conditions.

(b) Storage Component of the Service.

- (1) Reservation Charge: The charge per Month per Dth of Customer's highest MDWQ during the Contract Year, as specified in Customer's ERS Service Agreement; plus
- (2) Space Charge: The Space Charge Rate multiplied by one-twelfth (1/12th) of the MSQ as specified in Customer's ERS Service Agreement; plus

- (3) Injection Charge: The Injection Charge Rate multiplied by the quantity of gas injected, excluding Excess Injection Gas, for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (4) Withdrawal Charge: The Withdrawal Charge Rate multiplied by the quantity of gas withdrawn, excluding Excess Withdrawal Gas, for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (5) Excess Injection Charge: The Excess Injection Charge Rate multiplied by the quantities of Excess Injection Gas received for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (6) Excess Withdrawal Charge: The Excess Withdrawal Charge Rate multiplied by the quantities of Excess Withdrawal Gas delivered for Customer's account during the Month pursuant to Customer's ERS Service Agreement; plus
- (7) Scheduling Penalties: The applicable scheduling penalties assessed pursuant to Section 23 of the General Terms and Conditions; plus
- (8) Unauthorized Contract Overrun Penalties: The applicable unauthorized contract overrun penalties assessed pursuant to Section 31 of the General Terms and Conditions; less
- (9) Revenue Credit: The revenue credit provided for in Section 41 of the General Terms and Conditions.

4. NOMINATIONS AND SCHEDULING OF RECEIPTS AND DELIVERIES

4.1 Nominations and Scheduling.

- (a) If Customer desires service on any Gas Day under this rate schedule, Customer shall provide a nomination to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. In addition, at any time during a Gas Day, Customer may submit a nomination in accordance with Section 4.3 or Section 4.4 of this Rate Schedule ERS to request the delivery of a quantity of gas during that Gas Day, up to the Maximum Daily Transportation Quantity ("MDTQ"), at

those points specified in Exhibit B to Customer's ERS Service Agreement as Primary Point(s) of Delivery.

- (b) Based upon the nomination of Customer, Algonquin shall schedule receipts and deliveries of gas in accordance with Section 23 of the General Terms and Conditions of this FERC Gas Tariff and Section 4.3 or Section 4.4, as applicable, of this Rate Schedule ERS. It is the responsibility of Customer to adjust its deliveries and receipts to conform to the scheduled quantities.

4.2 Delivery of Gas. Based upon the daily quantity scheduled, Algonquin shall deliver Customer's scheduled quantity taking into account the Fuel Reimbursement Quantity. It is the intention of Algonquin that daily deliveries of gas at the Point(s) of Delivery by Algonquin hereunder shall be as nearly equal as possible to daily receipts of gas at the Point(s) of Receipt by Algonquin for transportation hereunder, less the applicable Fuel Reimbursement Quantity. Any excess or deficiency in such receipts, less the applicable Fuel Reimbursement Quantity, and deliveries shall be resolved in accordance with Section 25 of the General Terms and Conditions of this FERC Gas Tariff. Nothing in this rate schedule shall limit Algonquin's right to take actions pursuant to Section 26 of the General Terms and Conditions of this FERC Gas Tariff.

4.3 Reserved No-Notice Service. Notwithstanding the quantities nominated by Customer and scheduled by Algonquin pursuant to Sections 4.1 and 4.2 of this Rate Schedule ERS, Customer shall be entitled on any Gas Day to increase its receipts up to the MDRO at any Primary Point(s) of Receipt and deliveries up to the MDDO at any Primary Point(s) of Delivery, up to the MHTQ during any Hour, and up to the MDTQ, or to decrease its deliveries, subject to the provisions of this Section 4.3; provided, however, that the maximum quantity that can be requested pursuant to this Section 4.3 cannot exceed the Reserved Capacity calculated pursuant to Section 2.2 of this Rate Schedule ERS.

- (a) In the event Customer requires an increase or decrease in its scheduled deliveries at a Primary Point(s) of Delivery, and (1) Customer provides notice to Algonquin of such requirement pursuant to Section 22 of the General Terms and Conditions of this FERC Gas Tariff prior to the requested effective time for the increased or decreased deliveries, and (2) the corresponding increase or decrease in Customer's scheduled receipts at a Primary Point(s) of Receipt is confirmed by Algonquin, Algonquin shall perform service at the level of scheduled increased or decreased deliveries for the remainder of the applicable Gas Day; provided, however, that, absent a concurrent nominated and confirmed receipt, Algonquin shall not deliver the quantity requested pursuant to this Section 4.3 to, or for the account of, Customer. The level of service requested pursuant to this

Section 4.3(a) may not exceed the Maximum Daily Transportation Quantity and Maximum Daily Delivery Obligation specified in Customer's ERS Service Agreement.

- (b) If Customer is out of balance at the end of any Month as a result of the invocation of the provisions of this Section 4.3, the remaining imbalance shall be reconciled in accordance with Section 25 of the General Terms and Conditions of this FERC Gas Tariff.

4.4 No-Notice Supply Service.

- (a) Customer shall be entitled to request the delivery of gas on a primary firm basis from Algonquin pursuant to this Rate Schedule ERS at a Primary Point(s) of Delivery, up to the MHTQ, without a concurrent nominated and confirmed receipt at a Primary Point(s) of Receipt; provided, however, that the maximum quantity that can be requested pursuant to this Section 4.4 cannot exceed the Reserved Capacity calculated pursuant to Section 2.2 of this Rate Schedule ERS. Algonquin will perform service at the requested level of delivery for a period of up to two (2) Hours, but not extending past the end of the applicable Gas Day, beginning upon Algonquin's receipt of such notice. In no event shall Customer be entitled to request the delivery of a quantity of gas on any Gas Day in excess of the Maximum Daily Transportation Quantity or Maximum Daily Delivery Obligation specified in Customer's ERS Service Agreement.
- (b) Within two (2) Hours of the commencement of deliveries to Customer, Customer must submit a nomination and begin tendering to Algonquin from a Primary Point(s) of Receipt a quantity of gas, plus any applicable Fuel Reimbursement Quantity, sufficient to ensure that the nominated transaction is balanced at the end of the Gas Day. In the event that Customer does not submit such nomination and begin tendering gas to Algonquin within such two (2) Hour period, Algonquin shall discontinue the delivery of gas that was initiated pursuant to Section 4.4(a) above and shall submit a nomination under Customer's ERS Service Agreement and begin tendering to Algonquin from Customer's Storage Inventory a sufficient quantity to ensure that the nominated transaction is balanced at the end of the Gas Day. The Imbalance Resolution Procedures described in Section 25 of the General Terms and Conditions of this FERC Gas Tariff shall not apply to Section 4.4 of this Rate Schedule ERS.
- (c) The level of service requested pursuant to Section 4.4(a) above may be provided by Algonquin on a non-uniform hourly basis up to Customer's Maximum Hourly Transportation Quantity, but may not exceed the

Maximum Daily Transportation Quantity and Maximum Daily Delivery
Obligation specified in Customer's ERS Service Agreement.

- 4.5 Commingling of Gas. From the time the natural gas is received by Algonquin at the Point(s) of Receipt, Algonquin shall have the unqualified right to commingle such natural gas with other gas in Algonquin's system.

5. OTHER OPERATING CONDITIONS

Algonquin's obligation to provide service under this rate schedule is subject to the following conditions being satisfied:

- 5.1 Customer shall make all necessary arrangements with other parties at or upstream of the Point(s) of Receipt where Customer tenders gas to Algonquin, and at or downstream of the Point(s) of Delivery where Algonquin delivers gas for Customer's account, and such arrangements must be compatible with Algonquin's system operations.
- 5.2 Algonquin shall schedule receipts at a Secondary Point of Receipt or deliveries at a Secondary Point of Delivery pursuant to the provisions of Sections 48.2 and 48.3 of the General Terms and Conditions. Algonquin shall not be required to schedule any receipt at a Secondary Point of Receipt, nor shall Algonquin be required to schedule any delivery at a Secondary Point of Delivery if such receipt or delivery would impair deliveries to any firm service Customer at a Primary Point of Delivery or receipts at a Primary Point of Receipt.
- 5.3 To the extent that any upstream entity involved in handling Customer's gas refuses or is unable to deliver gas to Algonquin, Algonquin shall not be required to continue deliveries of gas on behalf of Customer. Prior to any reduction or interruption in service due to the failure of such upstream entity to deliver gas on behalf of Customer, Algonquin shall provide notice in a time and manner that is reasonable under then existing conditions. To the extent that any downstream entity involved in handling Customer's gas refuses or is unable to receive gas from Algonquin, Algonquin shall have the right to reduce deliveries of gas on behalf of Customer.
- 5.4 The daily quantities of natural gas transported shall be delivered at the Point(s) of Receipt at an hourly rate of 1/24th of the scheduled daily quantity, unless such quantities are delivered to Algonquin for service pursuant to Section 4.3 or Section 4.4 of this Rate Schedule ERS. The daily quantities of natural gas transported shall be accepted at the Point(s) of Delivery at a substantially constant hourly rate or as set forth in Section 4.3 or Section 4.4 of this Rate Schedule ERS. In addition, for quantities of gas not delivered pursuant to Section 4.3 or Section

4.4 of this Rate Schedule ERS, Algonquin may deliver gas at the Point(s) of Delivery at a rate other than 1/24th of the scheduled daily quantity if, in Algonquin's reasonable judgment, transportation of such gas can be accomplished by Algonquin without detriment to any other Customer under any of Algonquin's firm rate schedules.

6. POINT(S) OF RECEIPT AND DELIVERY

6.1 Primary Points of Receipt:

- (a) The Primary Point(s) of Receipt at which Algonquin shall receive gas under this rate schedule shall be specified in an exhibit to Customer's ERS Service Agreement. Such exhibit shall specify for each Primary Point of Receipt the MDRO and receipt pressure obligations. Such exhibit by mutual written agreement may be superseded by a new exhibit which may add or delete specific points or make other changes thereto that the parties deem appropriate. Algonquin shall not accept any proposed Primary Point(s) of Receipt, or quantity at any Primary Point(s) of Receipt, or change in quantities among Primary Point(s) of Receipt if (i) the resulting aggregate MDROs at all of Customer's Primary Point(s) of Receipt would exceed Customer's MDTQ, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (ii) in doing so, in Algonquin's reasonable judgment, Algonquin would impair its ability to satisfy its existing firm obligations to receive gas pursuant to other firm service agreements under which such Point(s) of Receipt are Primary Points of Receipt and to purchase and receive its Company Use Gas at maximum deliverability levels, as such Company Use Gas arrangements exist under agreements effective at the date of Customer's request or reasonably expected by Algonquin to be effective within six months of the request. If Customer desires to utilize the no-notice option described in Section 4.4 above, the exhibit to Customer's ERS Service Agreement or the applicable Addendum to Replacement Customer's Capacity Release Umbrella Agreement, as applicable, must identify the Storage Facility as a Primary Point of Receipt with an MDRO that is greater than zero.

- (b) A Replacement Customer that acquired capacity or a Releasing Customer that released capacity pursuant to Section 2.6 of this Rate Schedule ERS may request, subject to the availability of point and path capacity, any interconnection between the facilities of Algonquin and the facilities of other operators (with the exception of those facilities specifically identified in Section 1(e) of this rate schedule as not available for service under this rate schedule) for use as a Primary Point of Receipt in a

segmented transaction; provided, however, that Algonquin shall not accept any proposed Primary Point of Receipt to the extent that (a) the resulting aggregate contractual entitlements under the related releasing and replacement contracts along any segment would exceed the MDTQ of the original contract, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (b) the quantities transported along any segment under the resulting aggregate related releasing and replacement contracts would exceed the MDTQ of the original contract, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Replacement Customer selects a new Primary Point of Receipt that is located within the acquired contract path, the portion of the path no longer covered by that contract is deemed to be unsubscribed capacity that may be sold by Algonquin for the term of the capacity release agreement. Upon termination of the capacity release agreement, all capacity covered by the original release, including the original Primary Points of Receipt, shall revert to the Releasing Customer, and any Primary Points of Receipt granted during the term of the capacity release agreement shall revert to Algonquin as unsubscribed capacity.

6.2 Secondary Points of Receipt: Notwithstanding the foregoing, all interconnections between the facilities of Algonquin and the facilities of other operators shall be available for use by Customer as Secondary Points of Receipt, with the exception of interconnections with those facilities specifically identified in Section 1(e) of this rate schedule as not available for service under this rate schedule; provided, however, that the following interconnections are available for use as Secondary Points of Receipt under this Rate Schedule ERS, subject to and pursuant to Section 48.2 of the General Terms and Conditions of this FERC Gas Tariff:

- (a) between the Brayton Point Lateral and Algonquin's mainline,
- (b) between the Manchester Street Lateral and Algonquin's mainline,
- (c) between the Canal Lateral and Algonquin's mainline,
- (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,
- (e) between the J-2 Facility and Algonquin's mainline, and
- (f) between the Middletown Lateral and the Kleen Energy Lateral.

6.3 Primary Points of Delivery:

- (a) The Primary Point(s) of Delivery at which Algonquin shall deliver gas for Customer's account under this rate schedule shall be specified in an exhibit to the service agreement executed by Algonquin and Customer. Such exhibit by mutual agreement may be superseded by a new exhibit which may add or delete specific points or make other changes thereto that the parties deem appropriate. Such exhibit shall specify for each Point of

Delivery the MDDO and delivery pressure obligations. Algonquin shall not accept any proposed Primary Point(s) of Delivery, or quantity at any Primary Point(s) of Delivery, or change in quantities among Primary Point(s) of Delivery if (i) the resulting aggregate MDDOs at all of Customer's Primary Point(s) of Delivery would exceed Customer's MDTQ, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (ii) in doing so, in Algonquin's reasonable judgment, Algonquin would impair its ability to satisfy its existing firm obligations to deliver gas pursuant to other firm service agreements under which such Point(s) of Delivery are Primary Point(s) of Delivery. If Customer desires to utilize either of the no-notice options described in Sections 4.3 and 4.4 above, the exhibit to Customer's ERS Service Agreement or the applicable Addendum to Replacement Customer's Capacity Release Umbrella Agreement, as applicable, must identify (i) a Power Plant Aggregation Area(s) ("PPAA"), (ii) a Primary Point(s) of Delivery located within a PPAA, or (iii) any other Primary Point of Delivery with an MDDO that is greater than zero.

- (b) A Replacement Customer that acquired capacity or a Releasing Customer that released capacity pursuant to Section 2.6 of this Rate Schedule ERS may request, subject to the availability of point and path capacity, any interconnection between the facilities of Algonquin and the facilities of other operators (with the exception of those facilities specifically identified in Section 1(e) of this rate schedule as not available for service under this rate schedule) for use as a Primary Point of Delivery in a segmented transaction provided, however, that Algonquin shall not accept any proposed Primary Point of Delivery to the extent that (a) the resulting aggregate contractual entitlements under the related releasing and replacement contracts along any segment would exceed the MDTQ of the original contract, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff, or (b) the quantities transported along any segment under the resulting aggregate related releasing and replacement contracts would exceed the MDTQ of the original contract, except under such circumstances as specified in Section 37.1(a) of the General Terms and Conditions of this FERC Gas Tariff. In the event that Replacement Customer selects a new Primary Point of Delivery that is located within the acquired contract path, the portion of the path no longer covered by that contract is deemed to be unsubscribed capacity that may be sold by Algonquin for the term of the capacity release agreement. Upon termination of the capacity release agreement, all capacity covered by the original release, including the original Primary Points of Delivery, shall revert to the Releasing Customer, and any Primary Points of Delivery granted during the term of

the capacity release agreement shall revert to Algonquin as unsubscribed capacity.

- 6.4 Secondary Points of Delivery: Notwithstanding the foregoing, all interconnections between the facilities of Algonquin and the facilities of other operators shall be available for use by Customer as Secondary Points of Delivery, with the exception of interconnections with those facilities specifically identified in Section 1(e) of this rate schedule as not available for service under this rate schedule; provided, however, that the following interconnections are available for use as Secondary Points of Delivery under this Rate Schedule ERS, subject to and pursuant to Section 48.2 of the General Terms and Conditions of this FERC Gas Tariff:
- (a) between the Brayton Point Lateral and Algonquin's mainline,
 - (b) between the Manchester Street Lateral and Algonquin's mainline,
 - (c) between the Canal Lateral and Algonquin's mainline,
 - (d) between the Northeast Gateway Lateral and the HubLine offshore system in Massachusetts Bay, Massachusetts,
 - (e) between the J-2 Facility and Algonquin's mainline, and
 - (f) between the Middletown Lateral and the Kleen Energy Lateral.

7. INJECTION PROVISIONS

- 7.1 **General Procedure.** If Customer desires Algonquin to store gas in the Storage Facility for Customer's account under this Rate Schedule, Customer shall give notice to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such notice shall specify the quantity of gas which Customer desires to be injected into the Storage Facility under this Rate Schedule. Algonquin shall thereupon inject the quantity of gas so nominated subject to the limitations set forth herein. The maximum quantity of gas which Algonquin is obligated on any Gas Day to inject into the Storage Facility under this Rate Schedule shall be the Maximum Daily Injection Quantity specified in Customer's ERS Service Agreement. In addition, Algonquin shall be obligated to accept gas for Customer's account in accordance with this Section 7.1 only when Customer's Storage Inventory is less than the Maximum Storage Quantity specified in Customer's ERS Service Agreement.
- 7.2 Algonquin shall permit transfers of title of gas in Storage Inventory between Customers, provided both Customers have executed a service agreement under Rate Schedule ERS and that such transfer does not permit either Customer to exceed its Maximum Storage Quantity specified in such service agreement. A Customer that desires to transfer Storage Inventory to another Customer must submit the required information, which shall include, at a minimum, the identification of the service agreements involved in the transfer, the quantity to be transferred, and the effective date of the transfer, via the LINK® System. If a

proposed transfer involves a service agreement that has terminated, the required information must be submitted within three (3) Business Days after the end of the term of the applicable agreement. The proposed transfer must be confirmed via the LINK® System by the Customer to whom the Storage Inventory is to be transferred before the transfer is processed by Algonquin.

8. WITHDRAWAL PROVISIONS

If Customer desires the delivery of gas stored for Customer's account under this Rate Schedule, Customer shall give notice to Algonquin in accordance with Section 22 of the General Terms and Conditions of this FERC Gas Tariff. Such notice shall specify the quantity of gas, plus any Fuel Reimbursement Quantity, which Customer desires to be withdrawn from the Storage Facility and delivered under this Rate Schedule. Algonquin shall thereupon deliver to Customer the quantity of gas so nominated; provided, however, the maximum quantity of gas which Algonquin is obligated on any Gas Day to withdraw from the Storage Facility under this Rate Schedule shall be the Maximum Daily Withdrawal Quantity specified in Customer's ERS Service Agreement. In addition, Algonquin shall be obligated to withdraw gas for Customer in accordance with this Section 8 only when Customer's Storage Inventory is greater than zero.

9. GENERAL TERMS AND CONDITIONS

The applicable General Terms and Conditions of this FERC Gas Tariff are hereby made a part of this rate schedule.

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Date: _____,

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT is entered into by and between Algonquin Gas Transmission, LLC, ("Algonquin") and _____ ("Customer").

[or, when applicable, "This Agreement entered into this __ day of _____, _____, by and between Algonquin Gas Transmission, LLC ("Algonquin") and _____, as "Administrator" on behalf of the Principals set forth in Multiple Shipper Option Agreement ("MSOA") Contract No. _____, hereinafter individually and collectively referred to as "Customer," which Principals meet the requirements set forth in such MSOA which is incorporated herein by reference."]

WHEREAS, [this and an additional clause(s) may be included to describe the historical or factual context of the Agreement, to describe or identify a precedent agreement, and any other agreements if applicable, between Algonquin and Customer related to the Agreement, and/or to describe or define the facilities necessary to provide service under the Agreement, and will not include binding consideration.]

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the following language will be included as a Whereas clause in Customer's Agreement: "The service provided to Customer under this Agreement will utilize capacity that was acquired by Customer as Interim Capacity pursuant to the provisions of Section 2.6 of the General Terms and Conditions of the Algonquin Tariff."]

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Algonquin shall deliver and Customer shall take and pay for service pursuant to the terms of this Agreement and subject to Algonquin's Rate Schedule ERS and the General Terms and Conditions of Algonquin's Tariff, which are incorporated herein by reference and made a part hereof.

[In the event that a precedent agreement for a new or an expansion project contains credit provisions applicable to Customer's capacity related to such project, the following language shall be included in Customer's Service Agreement. "The credit requirements applicable to this Agreement are set forth in that certain Precedent Agreement dated _____ between Algonquin and Customer related to this Agreement."]

2. The Maximum Daily Transportation Quantity (MDTQ) for transportation service under this Agreement and any right to increase or decrease the MDTQ during the term of this Agreement are listed on Exhibit C attached hereto. The Maximum Daily Injection Quantity (MDIQ), Maximum Storage Quantity (MSQ), and Maximum Daily Withdrawal Quantity (MDWQ) for the supply service under this Agreement, and any right to increase or decrease the MDIQ, MSQ or MDWQ during the term of this Agreement are listed on Exhibit D attached hereto. The Primary Point(s) of Receipt and Primary Point(s) of Delivery, respectively, are listed on Exhibits A and B attached hereto. Exhibit(s) A, B, C and D are incorporated herein by reference and made a part hereof.
3. This Agreement shall be effective on _____ [this blank may include a date certain, a date either earlier or later than a specified date certain based on the completion of construction of facilities necessary to provide service under the Agreement, a date set forth in or established by a relevant order from the Federal Energy Regulatory Commission or a commencement date as defined in a precedent agreement between Customer and Algonquin] and shall continue for a

term ending on and including _____ [or, when applicable, "shall continue for a term of ____ years"] ("Primary Term") and shall continue to be effective from _____ to _____ thereafter [***In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the following phrase will be included in Customer's Agreement:*** "but in no event beyond _____,"] unless and until terminated by Algonquin or Customer upon prior written notice of at least _____ [not less than 1 year for agreements with a primary term of more than 1 year; for service agreements with both a primary term and notice period of exactly one (1) year, the notice must be submitted within ten (10) Business Days of the beginning of the primary term of the service agreement, and at least one (1) year for subsequent notices for such service agreement; and otherwise mutually agreeable]. [In the event that Algonquin and Customer agree to a fixed term, the evergreen and notice of termination language shall be omitted from Customer's Agreement.] This Agreement may be terminated at any time by Algonquin in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty days after payment is due; provided Algonquin gives ten days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Algonquin guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's Tariff. Any portions of this Agreement necessary to correct or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Algonquin's Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished.

If this Agreement qualifies as a "ROFR Agreement" as defined in the General Terms and Conditions of Algonquin's Tariff, the provision of a termination notice by either Customer or Algonquin, pursuant to the preceding paragraph, a notice of partial reduction in Maximum Daily Transportation Quantity, Maximum Daily Injection Quantity, Maximum Storage Quantity, and Maximum Daily Withdrawal Quantity, as applicable, pursuant to Exhibit C or D, as applicable, or the expiration of this Agreement of its own terms triggers Customer's right of first refusal under Section 9 of the General Terms and Conditions of Algonquin's Tariff.

[In the event that the capacity was awarded as Interim Capacity pursuant to Section 2.6 of the General Terms and Conditions of the Algonquin Tariff, the previous paragraph will be replaced with the following language: "This Agreement does not qualify as a ROFR Agreement, as such term is defined in Section 1 of the General Terms and Conditions of the Algonquin Tariff."

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Algonquin have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Algonquin's Tariff. It is further agreed that Algonquin may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Algonquin's Tariff, and Algonquin shall have the right to place such changes in effect in accordance with the Natural Gas Act. Nothing contained herein shall be construed to deny Customer any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.
5. Unless otherwise required in the Tariff, all notices shall be in writing and shall be considered duly delivered when mailed to the applicable address below or transmitted via facsimile. Customer or

Algonquin may change the addresses or other information below by written notice to the other without the necessity of amending this Agreement:

Algonquin:

Customer:

6. The interpretation and performance of this Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.
7. This Agreement supersedes and cancels, as of the effective date of this Agreement, the contract(s) between the parties hereto as described below, if applicable:

[None or an appropriate description]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and/or Representatives thereunto duly authorized to be effective as of the date stated above.

CUSTOMER: _____

ALGONQUIN GAS TRANSMISSION, LLC

By: _____

By: _____

Title: _____

Title: _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit A

Point(s) of Receipt

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning Point(s) of Receipt.

Exhibit A Effective Date: _____

Primary
Point of
Receipt

Maximum Daily
Receipt Obligation

Maximum
Receipt Pressure

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit A Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit B

Point(s) of Delivery

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning Point(s) of Delivery.

Exhibit B Effective Date: _____

Primary
Point of
Delivery

Maximum Daily
Delivery Obligation

Minimum
Delivery Pressure

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit B Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit C

Transportation Quantities

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning transportation quantities.

Exhibit C Effective Date: _____

MAXIMUM DAILY TRANSPORTATION QUANTITY (MDTQ): _____ Dth
Dth Period

[In the event that Algonquin and Customer agree upon MDTQs that are not the same for each period specified above, the highest MDTQ will be identified with a footnote using an asterisk and the following accompanying text: "MDTQ to be utilized in applying the monthly Reservation Charge."]

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's Maximum Daily Transportation Quantity by _____ dth as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire contract] year(s) prior written notice to Algonquin.

Algonquin and Customer agree that, if this Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's Maximum Daily Transportation Quantity is in addition to and not in lieu of any ROFR right to reduce Customer's Maximum Daily Transportation Quantity on a volumetric basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's Maximum Daily Transportation Quantity is subject to the ROFR procedures specified in the General Terms and Conditions of Algonquin's Tariff and Customer may retain the balance of the Maximum Daily Transportation Quantity without being subject to the ROFR procedures.

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit C Dated _____

**FORM OF SERVICE AGREEMENT
(APPLICABLE TO RATE SCHEDULE ERS)**

Exhibit D

Storage Quantities

Dated: _____

To the service agreement under Rate Schedule ERS dated _____ between Algonquin Gas Transmission, LLC (Algonquin) and _____ (Customer) concerning storage quantities.

Exhibit D Effective Date: _____

MAXIMUM STORAGE QUANTITY (MSQ): _____ Dth

MAXIMUM DAILY INJECTION QUANTITY (MDIQ): _____ Dth
Dth Period

MAXIMUM DAILY WITHDRAWAL QUANTITY (MSQ): _____ Dth
Dth Period

PARTIAL QUANTITY REDUCTION RIGHTS: Customer elects to partially reduce Customer's MDIQ by _____ dth, MSQ by _____ dth and MDWQ by _____ dth, maintaining the existing MDIQ, MSQ and MDWQ relationship, as of _____, or any subsequent anniversary date, upon providing _____ [Notice period to be not less than the notice period required to terminate the entire contract] year(s) prior written notice to Algonquin.

Algonquin and Customer agree that, if this Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's Maximum Storage Quantity is in addition to and not in lieu of any ROFR right to reduce Customer's Maximum Storage Quantity on a volumetric basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's Maximum Storage Quantity is subject to the ROFR procedures specified in the General Terms and Conditions of Algonquin's Tariff and Customer may retain the balance of the Maximum Storage Quantity without being subject to the ROFR procedures.

Signed for Identification

Algonquin: _____

Customer: _____

Supersedes Exhibit D Dated _____