

**NORTHERN UTILITIES, INC.**

**Petition for Approval of  
Fourth Amendment to Special Contract  
With Foss Manufacturing Company, LLC**

**Docket No. DG 10-\_\_\_\_\_**

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**REDACTED SCHEDULES**

## SPECIAL FIRM TRANSPORTATION AGREEMENT

This Agreement is made and entered into as of this 28 day of Oct 1999 by and between Northern Utilities, Inc., a New Hampshire corporation, with headquarters at 300 Friberg Parkway, Westborough, MA 01581 (hereafter called "Northern" or "Company"), and Foss Manufacturing Company, Inc., with offices 380 Lafayette Road, Hampton, NH 03842 (hereafter called "Foss" or "Customer"), pursuant to the following recitals and representations:

### RECITALS

Whereas, Customer desires Northern to transport on a firm basis such volumes of gas procured by Customer from a supplier (hereafter called "Customer's Supplier") for use at Customer's facility located at 380 Lafayette Road, Hampton, NH (hereafter called "Point of Delivery" or "Foss Facility"); and

Whereas Northern, subject to the Company's General Terms and Conditions, Transportation Terms and Conditions, and the conditions, limitations and provisions hereof, is willing to transport and deliver to Customer on a firm basis such volumes of third party gas delivered by Granite State Gas Transmission, Inc. (hereafter called "Customer's Transporting Pipeline") to Northern's distribution facilities located at Newington, NH (hereafter called "Point of Receipt") and

Whereas, the Company shall make available to Customer hereunder firm transportation service at a rate that is below its currently effective tariffed rate for such service, and in consideration and recognition thereof and the resources committed by Company to make such service available, Customer agrees to make minimum payments to Northern during the term of this Agreement; and

Whereas, the parties acknowledge that this Agreement is subject to the prior approval of the New Hampshire Public Utilities Commission ("PUC").

Whereas, the parties acknowledge that the Company shall complete distribution system upgrades in order to provide service hereunder and that such upgrades shall be undertaken solely in reliance upon Customer's request for service hereunder.

Now, Therefore, in consideration of the premises and mutual covenants contained herein the receipt and sufficiency of which is hereby acknowledged, Northern and Customer agree as follows:

### ARTICLE 1 : MAXIMUM DAILY TRANSPORTATION QUANTITY

Prior to May 1, 2000, Northern shall be obligated to transport and deliver to Customer from the Point of Receipt to the Point of Delivery during any Gas Day up to a Maximum Daily Transportation Quantity of 12,750 therms. Prior to May 1, 2000, Northern's obligation to transport and deliver to Customer from Point of Receipt to the Point of Delivery shall not exceed 650 therms per hour. On and after May 1, 2000, Northern shall be obligated to transport and

deliver to Customer from the Point of Receipt to the Point of Delivery during any Gas Day up to a Maximum Daily Transportation Quantity of 15,500 therms. On and after May 1, 2000, Northern's obligation to transport and deliver to Customer from Point of Receipt to the Point of Delivery shall not exceed 860 therms per hour.

**ARTICLE 2 : DEMAND DELIVERY SERVICE**

The Customer elects daily Demand Delivery Quantities of (to be reduced) therms for the purpose of managing Daily Imbalances (indicate zero (0) if not electing such service). *ad*

**ARTICLE 3: RATES AND CHARGES**

A. The Special Transportation Rates and Charges for Northern's Firm Transportation Service provided hereunder are set out below. IN ADDITION TO SUCH RATES AND CHARGES, CUSTOMER SHALL BE SUBJECT TO ALL CHARGES AND FEES SET OUT IN THE COMPANY'S GENERAL TERMS AND CONDITIONS AND TRANSPORTATION TERMS AND CONDITIONS, AS SUCH TERMS AND CONDITIONS ARE IN EFFECT FROM TIME TO TIME, UNLESS OTHERWISE SPECIFIED IN ARTICLE 3. Customer's payment obligations hereunder shall commence as of the Service Commencement Date, as that term is defined in Article 5.

Special Transportation Rates and Charges

- Monthly Customer Charge: \$ [REDACTED]
- Monthly Minimum Fixed Charge for First 200,000 Therms or less: \$ [REDACTED]
- Volumetric Rates for volumes delivered to the Point of Delivery:
  - Quantities between 200,000 and 300,000 Therms: \$ [REDACTED] per Therm
  - Quantities between 300,000 and 400,000 Therms: \$ [REDACTED] per Therm
  - All quantities over 400,000 Therms: \$ [REDACTED] per Therm

B. In each and every contract year during the Initial Term, as defined in Article 4 below, or any continuation period (or part thereof) of this Agreement, the Customer shall pay Northern for the right to transport a minimum of Two Million Four Hundred Thousand (2,400,000) therms of natural gas; the Customer shall pay Northern a Minimum Annual Payment Obligation of \$ [REDACTED] which equals the sum of twelve Monthly Customer Charges (\$ [REDACTED] x 12) and twelve Monthly Minimum Fixed Charges (\$ [REDACTED] x 12).

C. The Customer acknowledges that its Minimum Annual Payment Obligation is (i) in consideration for paying a transportation rate hereunder that is below the Company's currently applicable tariff rate; and (ii) in lieu of a demand charge for the reservation of capacity on the Company's distribution system, which is required to service the Customer under this Agreement.

D. Either party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine the books and records of the other party to the extent reasonably necessary to verify the accuracy of any representation, statement, charge, payment, or

computation made under this Agreement. This examination right shall not be available with respect to proprietary information not directly relevant to this Agreement.

E. The Parties agree that Northern may apply an annual inflation adjustment to the Special Transportation Rates and Charges set out above in Section A, each year beyond the Initial Term of this Agreement and any extension hereof. Such adjustment to the Special Transportation Rates and Charges shall be based upon changes in the "Consumer Price Index for Urban Consumers, U.S. City Average, All items, 1982-84 = 100" published monthly by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-U"). For purposes of this Agreement, the CPI-U is the national index unadjusted for seasonal fluctuations.

The first annual CPI-U inflation adjustment may take place immediately following the fifth anniversary of the Service Commencement Date and annually thereafter. The Special Transportation Rates and Charges due and payable with respect to the next twelve (12) month period ("contract year") shall be recalculated by multiplying the then effective Special Transportation Rates and Charges by a fraction, the numerator of which shall be the CPI-U for the month of the Service Commencement Date for the then current year, and the denominator of which shall be the CPI-U for the month of the Service Commencement Date for the previous year. However, in no event shall fluctuations in the CPI-U reduce the Special Transportation Rates or Charges below the then current Special Transportation Rates and Charges. The Special Transportation Rates and Charges will be recalculated and rounded to the fourth decimal point.

<b>Example of CPI-U Adjustment Calculation:</b>	
<i>(For illustrative purposes only- text of Agreement shall control actual calculation of CPI-U adjustment) (Assuming Service Commencement Date in December).</i>	
Then effective Special Transportation Rates And Charges	x $\frac{\text{CPI-U for December of Current Year}}{\text{CPI-U for December of previous contract year}}$

If the CPI-U is no longer published, a comparable index mutually and reasonably agreeable to the parties shall be used or in the event such index ceases to use the 1982-84 average of 100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in such index, any CPI-U adjustment hereunder shall be modified in order to achieve the inflation adjustments originally intended by the parties hereunder.

F. CUSTOMER ACKNOWLEDGES THAT THE TERM AND PRICING PROVISIONS (SPECIAL TRANSPORTATION RATES AND CHARGES) OF THIS AGREEMENT CONSTITUTE PROPRIETARY AND CONFIDENTIAL COMPANY INFORMATION AND CUSTOMER HEREBY AGREES TO KEEP SUCH INFORMATION CONFIDENTIAL AND SHALL NOT DISCLOSE SUCH INFORMATION EXCEPT TO THOSE EMPLOYEES OR CUSTOMER REPRESENTATIVES (E.G. ACCOUNTANTS, ATTORNEYS, BANKERS) WHO NEED TO KNOW SUCH INFORMATION. CUSTOMER SHALL BE RESPONSIBLE FOR ANY BREACH OF THESE CONFIDENTIALITY AND NONDISCLOSURE

OBLIGATIONS BY PRESENT, FORMER OR FUTURE DIRECTORS, OFFICERS, EMPLOYEES OR REPRESENTATIVES. CUSTOMER SHALL USE SUCH INFORMATION ONLY FOR THE PURPOSE OF OBTAINING SERVICE FROM THE COMPANY. SUCH OBLIGATIONS OF CONFIDENTIALITY AND NONDISCLOSURE SHALL SURVIVE THE TERMINATION OR EXPIRATION HEREOF.

#### **ARTICLE 4: TERM**

This Agreement shall continue in full force and effect for an initial term of five (5) years ("Initial Term") from the Service Commencement Date. This Agreement shall further continue thereafter for successive one-year periods, unless terminated by the Customer or the Company with at least six (6) months written notice to the other party prior to end of the Initial Term or any applicable renewal period. Such written notice to terminate shall be addressed to (i) Northern at the address noted below, and (ii) the Customer at the Foss Facility, and mailed by U.S. certified mail, return receipt requested, first class postage pre-paid, or sent by nationally recognized delivery service (e.g. FedEx, UPS, etc.), and must be received by the other party no later than six (6) months prior to the end of the Initial Term or any applicable continuation period. Notices to the Company must be addressed to Northern Utilities, Inc., c/o Bay State Gas Company, 300 Friberg Parkway, Westborough, MA 01581, Attention: Director, Revenue Development with a copy to Northern Utilities, Inc., 325 West Road, Portsmouth, NH 03801 Attention: Industrial Sales Department.

#### **ARTICLE 5: EFFECTIVE DATE/COMMENCEMENT OF SERVICE**

This Agreement shall become effective on the date first written above; provided, however, that Northern shall be under no obligation to render service to Customer hereunder, and Customer shall have no payment obligations hereunder, until the PUC shall have issued a final and non-appealable order approving this Agreement in form and substance acceptable to Northern, in its sole discretion. Northern and the Customer agree to cooperate to obtain such an order as soon as practicable after the date hereof.

Service to be provided hereunder shall commence on a date agreeable to both parties which is within sixty (60) Calendar Days following the PUC's approval hereof and Northern's acceptance of same, as set out above (the "Service Commencement Date").

#### **ARTICLE 6: MATERIAL DEFAULT**

THE FOLLOWING CONSTITUTE EVENTS OF MATERIAL DEFAULT:

(a) Where Customer (i) files for or becomes subject to a proceeding under federal or state bankruptcy or insolvency law seeking liquidation or reorganization, or the readjustment of indebtedness (unless such proceeding shall be dismissed within sixty (60) days from the date it is instituted); (ii) makes an assignment for the benefit of creditors, becomes insolvent, or is unable to pay its debts generally as they become due; (iii) consents to the appointment of any receiver, administrator, liquidator or trustee or its property or any receiver, administrator, liquidator or trustee shall be appointed for all or any part of the property of Customer; or (iv) takes any action for the purpose of effecting any of the foregoing. (b) Where the Foss Facility is taken by

exercise of the right of eminent domain or its equivalent by any person or entity. In any proceeding to determine the condemnation award shall introduce this Agreement as evidence of Customer's damages. (c) Where Customer conveys, loses or relinquishes its right to own or operate or occupy the Foss Facility to any person. (d) Where Customer abandons ownership, occupancy or operation of the Foss Facility. (e) Where Customer fails to make all reasonable efforts to restore the Foss Facility to full or substantially full operating condition following any casualty loss or any other disturbance to operations and such failure continues for at least sixty (60) days. (f) ~~Where Customer transfers ownership, occupancy rights or operational control of the Foss Facility to any person or entity.~~ (g) Where Customer fails to fulfill or advises Company in advance that it shall not fulfill any obligation under this Agreement including, but not limited to, pay any amount due hereunder.

The Customer shall provide written notice of the occurrence of any event of Material Default immediately upon its initiation or learning of the occurrence of such event; such notice shall be given even if the event of Material Default can be cured or mitigated as described herein.

#### **ARTICLE 7: TERMINATION/ACCELERATION**

In addition to, and independent of, the parties' rights specifically provided for elsewhere in this Agreement, in the event of the occurrence of a Material Default, the Company shall have the right, but not the obligation, to terminate this Agreement upon prior written notice to the Customer. Further, in the event of Customer's Material Default as a result of which Northern terminates this Agreement, all amounts (past, current and future) due hereunder including, but not limited to, the Minimum Annual Payment Obligation, which would have been due during the remaining term of this Agreement, shall become immediately due and payable to Northern. When this Agreement is so terminated during its Initial Term, Customer shall be obligated to pay to the Company the difference between five times the Minimum Annual Payment Obligation and the actual payments made by Customer to date under this Agreement. When this Agreement is so terminated subsequent to the Initial Term, Customer shall be obligated to pay to the Company the difference between the Minimum Annual Payment Obligation and the actual payments made by the Customer in the then current contract year. Any termination of this Agreement and/or acceleration of amounts due hereunder by Northern pursuant to this Article 7 shall not limit Northern's rights or ability to claim or obtain any other remedies it may have under this Agreement or at law or in equity including without limitation, injunctive relief and specific performance.

#### **ARTICLE 8: LIMITATION OF LIABILITY**

The Company shall be excused from performing and shall not be liable in damages or otherwise if and to the extent that it shall be unable to do so or prevented from doing so: by law or regulation or tariff or by action or inaction or restraint of any court or public authority having or purporting to have jurisdiction; or by loss, diminution or impairment of gas supply from its suppliers or the systems of others with which it is interconnected; or by a break or fault in its distribution system; or failure or improper operation of equipment necessary for gas distribution; or failure of any supplier to perform; or by reason of storm, flood, fire, earthquake, unusual and severe weather condition, explosion, civil disturbance, labor dispute, act of God or public enemy; or any other cause, whether or not similar thereto; except, to the extent that any such failure to

perform or cause is the result of the Company's willful default. The Company's failure to settle or prevent labor disputes shall not constitute willful default.

In no event shall the Company be liable to Customer or any third party for any consequential, indirect, punitive or special damages or lost profits, whether arising in tort, contract or otherwise, by reason of any services performed, or undertaken to be performed, under this Agreement or in accordance with or required by tariff, law or regulation.

#### **ARTICLE 9: PUBLIC REGULATION**

This Agreement and Foss and the Company shall be subject to Northern's General Terms and Conditions and Transportation Terms and Conditions as same are in effect from time to time and on file with the New Hampshire Public Utilities Commission. Such terms and conditions are made a part of this Agreement to the extent those terms and conditions are not inconsistent with the provisions of this Agreement; in the event of a conflict, the provisions of this Agreement shall govern. Upon Customer's request, Northern shall provide the Customer with copies of Northern's complete filed tariff and terms and conditions.

#### **ARTICLE 10: AGREEMENT IN ITS ENTIRETY/ASSIGNMENT**

This Agreement and the materials referenced herein constitute the entire agreement of the parties for transportation service at Special Transportation Rates and Charges to the Customer's Facility, and there are no oral or written understandings or agreements between Northern and Customer relating to the subject matter hereof. This Agreement supercedes any preexisting contract between Customer and Company. Notwithstanding the foregoing and the execution hereof, the Customer shall completely fulfill all of its obligations including, but not limited to, payment of all amounts due, under the Standard Firm Transportation Service Agreement entered into by the parties concerning the Foss Facility, dated May 1, 1999.

Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to an entity with which it is affiliated, but otherwise no assignment of this Agreement or any of the rights and obligations hereunder shall be made unless there first shall have been obtained the written consent of the other party.

#### **ARTICLE 11: OTHER IMPORTANT PROVISIONS**

If any provision of this Agreement is found to be invalid, all of the remaining provisions of this Agreement shall nonetheless remain in full force and effect. This Agreement shall not be interpreted either more or less favorably toward any party by virtue of the fact that such party or its counsel was responsible or principally responsible for the drafting of all or a portion hereof. Captions and headings are for convenience only and shall not effect the interpretation hereof. Language contained in Recitals shall have the same contractual significance as any other language in this Agreement. This Agreement is entered into and shall be construed in accordance with the laws of the State of New Hampshire. All claims, suits or actions with respect to this Agreement shall be brought and heard in a state or federal court located in the State of New Hampshire or brought before the PUC, as appropriate.

Provisions of this Agreement shall be modified, waived, discharged or terminated only by a written instrument signed by the authorized officers of both parties. Waiver by the Company or the Customer, in any one or more instances, of any term, condition, or provision of this Agreement shall not be considered a waiver of such provisions in the future or any other term, condition, or provision.

This Agreement is entered into solely for the benefit of the parties and is not intended to confer third party beneficiary status on any other entity or person. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signatures which the Company and Customer agree shall be as binding as original signatures.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement by their duly authorized officers:

Northern Utilities, Inc.  
By: [Signature]  
Name: Jeffrey W. Yundt  
Title: President  
10/30/99

Foss Manufacturing Company, Inc.  
By: [Signature]  
Name: Stephen W. Foss  
Title: Pres.  
10/28/99

CORPORATE ACKNOWLEDGEMENT

STATE OF NEW HAMPSHIRE  
County of Rockingham, ss:

I CERTIFY that on October 28, 1999, Stephen W. Foss personally came before me and acknowledged under oath that he or she:

- (a) is the President of Foss Manufacturing Company, Inc., the corporation named in the attached instrument,
- (b) was authorized to execute this instrument on behalf of the corporation and
- (c) executed the instrument as the act of the corporation.

[Signature]  
Notary Public  
My Commission Expires:



Amendment of Agreement

This Amendment is made and entered into as of the 11 day of January, 2000 by and between Northern Utilities, Inc. ("Northern") and Foss Manufacturing Company, Inc. ("Customer"), individually a "party" and collectively the "parties".

Whereas, the parties entered into a Special Firm Transportation Agreement dated, October 28, 1999 (the "Agreement"); and

Whereas, the parties desire in compliance with PUC Order No. 23, 381-DG99-171 dated January 6, 2000 (the "Order") to amend their Agreement.

Now Therefore, pursuant to the Order and Article 11 of the Agreement, and in consideration of the exchange of mutual promises and mutual benefits to be derived from this Amendment and for other good and valuable consideration the receipt and sufficiency is hereby acknowledged, the parties agree as follows:

Article 4: Term

Article four is stricken and replaced with the following:

"This Agreement shall continue in full force and effect for an initial term of five (5) years from the Service Commencement Date. The Customer and Company agree and acknowledge that any extension of this Agreement beyond the initial term shall require PUC approval. Such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion."

All undefined capitalized terms included in this Amendment have the same meaning as assigned to them in the Agreement. The recitals set forth above are an integral part of this Amendment and shall have the same contractual significance as any other language.

This Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one instrument. This Amendment shall be effective upon its execution by both Northern and the Customer and shall continue in effect throughout the term of the Agreement as amended.

All other provisions of the Agreement shall remain in full force and effect. The Agreement, as hereby amended, constitutes the entire agreement of the parties with respect to transportation service at the Special Rate to the Customer's Facility, and there are no other oral or written understandings or agreements between the parties relating thereto.

IN WITNESS WHEREOF, Northern and the Customer have caused this Amendment to be executed by their duly authorized officers as of the day and year first written above.

FOSS MANUFACTURING COMPANY, INC.

By: [Signature]  
Name: Stephen W. Foss  
Title: President

NORTHERN UTILITIES, INC.

By: [Signature]  
Name: JAMES D SIMPSON  
Title: SRVP

Second Amendment of Agreement

This Second Amendment is made and entered into as of the 1<sup>st</sup> day of March, 2005 by and between Northern Utilities, Inc. ("Northern") and Foss Manufacturing Company, Inc. ("Customer"), individually a "party" and collectively the "parties".

Whereas, the parties entered into a Special Firm Transportation Agreement dated, October 28, 1999 and amended such agreement effective January 11, 2000 (such agreement, including the effect of the first amendment, referred to herein as the "Agreement").

Whereas, the parties desire to further amend their Agreement in order to extend its term.

Now Therefore, pursuant to Article 11 of the Agreement, and in consideration of the exchange of mutual promises and mutual benefits to be derived from this Second Amendment and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Article 4: Term

Article four is amended by adding the following paragraph:

"This Agreement shall continue in full force and effect through February 29, 2010. Any further extension of the Agreement beyond February 29, 2010 shall require PUC approval, and such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion. Northern and Customer acknowledge that the Special Transportation Rates and Charges charged under this Agreement may be adjusted for inflation as provided in Article 3, for the contract year commencing March 1, 2005 and each contract year thereafter. "

The Customer and Company agree and acknowledge that this Second Amendment extending the term of the Agreement beyond the Initial Term is subject to PUC approval. Such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion, before either party will be bound by the terms of this Second Amendment.

All undefined terms included in this Second Amendment have the same meaning as assigned to them in the Agreement. The recitals set forth above are an integral part of this Second Amendment and shall have the same contractual significance as any other language.

This Second Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one instrument. This Second Amendment shall be effective upon its execution by both Northern and the Customer and shall continue in effect throughout the term of the Agreement as amended.

All other provisions of the Agreement shall remain in full force and effect. The Agreement, as hereby amended, constitutes the entire agreement of the parties with respect to transportation service at the Special Transportation Rates and Charges to the Customer's Facility, and there are no other oral or written understandings or agreements between the parties relating thereto.

IN WITNESS WHEREOF, Northern and the Customer have caused this Second Amendment to be executed by their duly authorized officers intending it to be effective as of the day and year first written above.

FOSS MANUFACTURING COMPANY, INC.

By: [Signature]  
Name: Stephen W. Foss  
Title: President  
Date: 3/17/05

NORTHERN UTILITIES, INC.

By: [Signature]  
Name: STEPHEN H. BELMONT  
Title: PRESIDENT  
Date: 3/21/05

Third Amendment of Agreement

This Third Amendment is made and entered into as of the 1<sup>st</sup> day of March, 2005 by and between Northern Utilities, Inc. ("Northern") and Foss Manufacturing Company, Inc. ("Customer"), individually a "party" and collectively the "parties".

Whereas, the parties entered into a Special Firm Transportation Agreement dated, October 28, 1999 and amended such agreement effective January 11, 2000 and March 1, 2005 (such agreement, including the effect of the first and second amendments, referred to herein as the "Agreement").

Whereas, the parties desire to further amend their Agreement.

Now Therefore, pursuant to Article 11 of the Agreement, and in consideration of the exchange of mutual promises and mutual benefits to be derived from this Third Amendment and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Article 3: Rates and Charges is amended as follows:

Article 3A, regarding the Monthly Minimum Fixed Charge for the First 200,000 Therms or less, strike the dollar amount "\$ [redacted]" and replace it with the dollar amount "\$ [redacted]".

Article 3B, regarding Minimum Annual Payment Obligation, delete remainder of Article 3B following the semicolon, and replace with the following:

"the Customer shall pay Northern a Minimum Annual Payment Obligation of \$ [redacted] which equals the sum of twelve Monthly Customer Charges (\$ [redacted] x 12) and twelve Monthly Minimum Fixed Charges (\$ [redacted])."

Article 3E, add the following paragraph at end:

"Northern and Customer acknowledge that the Special Transportation Rates and Charges charged under the Agreement may be adjusted for inflation for the contract year commencing March 1, 2005 and each contract year thereafter."

The Customer and Northern agree and acknowledge that this Third Amendment is subject to the approval of the New Hampshire Public Utilities Commission. Such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion, before either party will be bound by the terms of this Third Amendment.

All undefined terms included in this Third Amendment have the same meaning as assigned to them in the Agreement. The recitals set forth above are an integral part of this Third Amendment and shall have the same contractual significance as any other language.

This Third Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one instrument. This Third Amendment shall be effective upon its execution by both Northern and the Customer and shall continue in effect throughout the term of the Agreement as amended.

All other provisions of the Agreement shall remain in full force and effect. The Agreement, as hereby amended, constitutes the entire agreement of the parties with respect to transportation service at the Special Transportation Rates and Charges to the Customer's Facility, and there are no other oral or written understandings or agreements between the parties relating thereto, other than their March 8, 2005 Letter Agreement.

IN WITNESS WHEREOF, Northern and the Customer have caused this Third Amendment to be executed by their duly authorized officers intending it to be effective as of the day and year first written above.

FOSS MANUFACTURING COMPANY, INC.  
By: [Signature]  
Name: Scott W. Fox  
Title: President  
Date: 6/1/05

NORTHERN UTILITIES, INC.  
By: [Signature]  
Name: Stephen H. Bryant  
Title: President  
Date: June 6, 2005

Schedule Northern-2



325 West Road  
PO Box 508  
Portsmouth, NH 03802-0508

March 8, 2005

Mr. Stephen W. Foss  
Foss Manufacturing Company, Inc.  
380 Lafayette Road  
Hampton, NH 03842

Re: Firm Transportation Service

Dear Steve:

This letter is to further our discussions regarding the amendment of our Special Firm Transportation Agreement dated October 28, 1999, as amended January 11, 2000.

In particular, Foss Manufacturing and Northern Utilities for good and valuable consideration, through this Letter Agreement, agree that if the above-referenced amendment is not approved by the New Hampshire Public Utilities Commission ("Commission") in form and substance acceptable to Northern Utilities and Foss Manufacturing each, in its sole discretion, the rate for transportation service rendered from March 1, 2005 forward, is and shall be Northern Utilities' applicable rate schedule, Commercial and Industrial Firm Delivery Service -- High Annual Use, Low Winter Use, Rate T-52. In the event the Commission does not approve such amendment, Northern Utilities shall recalculate the charges for transportation services rendered since March 1, 2005 and Foss Manufacturing shall be responsible for such charges.

Foss Manufacturing and Northern Utilities intend this Letter Agreement to be legally binding. This Letter Agreement may be executed by facsimile signatures, which both parties agree shall be as binding as original signatures.

If the foregoing is acceptable, please indicate Foss Manufacturing's acceptance and agreement by signing in the space provided below and returning to my attention.

Sincerely,

Michael Smith  
Northern Utilities

Agreed and Accepted:  
Foss Manufacturing Company, Inc.

By:   
Title: President  
Date: 3/17/05

cc: J. Ferro

February 2, 2010

Mike Smith  
Senior Business Development Executive  
Unitil (formerly Northern Utilities)

Dear Mr. Smith,

This letter serves as our request to Unitil to extend the existing contract terms and to file an extension with the PUC for the current contract for the following reasons:

Unitil has advised Foss Manufacturing Company, LLC that its existing contract with Foss will expire on February 28th, 2010 and Foss would be required to default back to existing tariff rates. Please be advised that should Foss have to revert to tariff rates, this would have an adverse economic impact to our operations and job security at this facility.

Foss Manufacturing Company, LLC is a vertically integrated producer of engineered, nonwoven fabrics and specialty synthetic fibers. As one of the world's largest needle-punch based manufacturers, Foss is a well-known leader and pioneer in the use of synthetic fibers in an ever-expanding number of manners, environments and circumstances. Foss has been in business for over 50 years and currently employs 319 associates whose wages have an economic impact on the state of New Hampshire.

The company went through difficult times during the mid 2000's and those jobs were on the verge of being lost when in May 2006, the Alinian Capital Group purchased the company, thus pulling Foss out of bankruptcy and saving jobs. Since the acquisition, the new owners have invested over \$10 million in facility improvements and equipment upgrades. The State of New Hampshire, through the Business Finance Authority (BFA) and Coastal Economic Development Corporation (CEDC), has assisted Foss with loans to acquire a state-of-the-art production line. All this has been done to improve operational efficiencies, maintain jobs, and to keep Foss in line with its competition: Shaw Industries, Miliken and Beaulieu, which are located primarily in Georgia, North Carolina and South Carolina. Historically, manufacturers in the southern states have economic advantages because of lower labor and energy costs due to low cost of heating, cheaper land, state subsidies, a lower tax burden, and the absence of unionized labor.

Behind raw materials and labor, energy cost is our third major expense. Located on the coast in Hampton, New Hampshire, our 600,000 square foot state-of-the-art facility has an internal electricity co-generation plant (Solar Taurus 60 gas turbine engine) which produces all electricity for our facility.

2804 Jeanwood Drive, Unit 3  
Elkhart, IN 46514  
phone: 574-262-0121  
fax: 574-262-1245

**Corporate Headquarters:**  
11 Merrill Industrial Drive · P.O. Box 5000  
Hampton, NH 03843-5000 USA  
phone: 603-929-6000 · 800-343-3277  
fax: 603-929-6010 · www.fossmfg.com

615 West Victoria St.  
Compton, CA 90220  
310-604-9900  
fax: 310-604-9929

Over the past three years, Foss has invested in the replacement of light fixtures and addition of motion sensors. This project is about half complete. The cost of the full project is \_\_\_\_\_ and will generate annual savings of \_\_\_\_\_, a 1.32 year payback for the project when complete. Because Foss Manufacturing Company, LLC produces its own electricity, we are not eligible for any electric utility rebates for fixture upgrades. We must fund these projects from our own capital budget using maintenance employees whose time would be better spent elsewhere.

We have also used the help of an outside engineering firm to identify energy saving projects over the past three years. With their assistance, we have identified over 30 projects throughout the factory that will significantly reduce costs and maintain a skilled work force. The BFA, at the urging of the Governor's office, secured funding for Foss in December 2009 for \_\_\_\_\_ to address three of the 30 projects with the biggest ROI. These projects consist of motor upgrades to our manufacturing equipment that will generate annual savings of over \_\_\_\_\_

Foss is doing its part to be a successful manufacturer and preserve jobs that benefit New Hampshire in a challenged business climate that continues to see lost jobs as companies look to move elsewhere. Should the tariff rates go into effect, the savings achieved from our improvement efforts would be reduced and Foss would have to seriously consider eliminating four to five skilled associate positions to offset the increase in tariff rates.

Sincerely,



Paul Koroski  
Chief Financial Officer  
Foss Manufacturing Company, LLC

Fourth Amendment of Agreement

This Fourth Amendment is made and entered into as of the 1<sup>st</sup> day of March, 2010 by and between Northern Utilities, Inc. ("Northern") and Foss Manufacturing Company, LLC. ("Customer"), individually a "party" and collectively the "parties".

Whereas, the parties entered into a Special Firm Transportation Agreement dated, October 28, 1999 and amended such agreement effective January 11, 2000, March 1, 2005 and March 1, 2005 (such agreement, including the effect of the first, second and third amendments, is referred to herein as the "Agreement").

Whereas, the parties desire to further amend their Agreement in order to extend its term.

Now Therefore, pursuant to Article 11 of the Agreement, and in consideration of the exchange of mutual promises and mutual benefits to be derived from this Fourth Amendment and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Article 4: Term

Article 4 is amended to read as follows:

"This Agreement shall continue in full force and effect through February 29, 2012. Any further extension of the Agreement beyond February 29, 2012 shall require PUC approval, and such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion. Northern and Customer acknowledge that the Special Transportation Rates and Charges charged under this Agreement may be adjusted for inflation as provided in Article 3 as amended by Third Amendment of Agreement, for the contract year commencing March 1, 2005 and each contract year thereafter."

The Customer and Company agree and acknowledge that this Fourth Amendment extending the term of the Agreement is subject to PUC approval. Such approval must be in form and substance acceptable to Northern and Customer, each in its sole discretion, before either party will be bound by the terms of this Fourth Amendment.

All undefined terms included in this Fourth Amendment have the same meaning as assigned to them in the Agreement. The recitals set forth above are an integral part of this Fourth Amendment and shall have the same contractual significance as any other language.

This Fourth Amendment may be executed in one or more counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one instrument. This Fourth Amendment shall be effective upon its execution by both Northern and the Customer and shall continue in effect throughout the term of the Agreement as amended.

All other provisions of the Agreement shall remain in full force and effect. The Agreement, as hereby amended, constitutes the entire agreement of the parties with respect to transportation service at the Special Transportation Rates and Charges to the Customer's Facility, and there are no other oral or written understandings or agreements between the parties relating thereto, other than their March 8, 2005 Letter Agreement and their February 4, 2010 Letter Agreement.

IN WITNESS WHEREOF, Northern and the Customer have caused this Fourth Amendment to be executed by their duly authorized officers intending it to be effective as of the day and year first written above.

FOSS MANUFACTURING COMPANY, LLC.

By: Raul Koroki  
 Name: Paul Koroki  
 Title: CEO  
 Date: 2-9-2010

NORTHERN UTILITIES, INC.

By: [Signature]  
 Name: MARK H. COLLIP  
 Title: TREASURER  
 Date: 2/9/2010



February 4, 2010

Mr. Paul Koroski  
 Foss Manufacturing Company, LLC  
 11 Merrill Industrial Drive  
 Hampton, NH 03843

Re: Fourth Contract Amendment – Letter Agreement

Dear Paul:

This letter is to further our discussions regarding the extension of our Special Firm Transportation Agreement dated October 28, 1999, as amended by the January 11, 2000, First Amendment of Agreement and the Second and Third Amendments of Agreement, both having an effective date of March 1, 2005.

In particular, Foss Manufacturing and Northern Utilities for good and valuable consideration, through this Letter Agreement, agree that if the above-referenced contract extension (entitled "Fourth Amendment of Agreement") is not approved by the New Hampshire Public Utilities Commission ("Commission") in form and substance acceptable to Northern Utilities and Foss Manufacturing each, in its sole discretion, the rate for transportation service rendered from March 1, 2010 forward, is and shall be Northern Utilities' applicable rate schedule, Commercial and Industrial Firm Delivery Service – High Annual Use, Low Winter Use, Rate T-52. In the event the Commission does not approve such amendment, Northern Utilities shall recalculate the charges for transportation services rendered since March 1, 2010 and Foss Manufacturing shall be responsible for such charges.

Foss Manufacturing and Northern Utilities intend this Letter Agreement to be legally binding. This Letter Agreement may be executed by facsimile signatures, which both parties agree shall be as binding as original signatures.

If the foregoing is acceptable, please indicate Foss Manufacturing's acceptance and agreement by signing in the space provided below and returning to my attention.

Sincerely,

Michael Smith  
 Northern Utilities

Agreed and Accepted:  
 Foss Manufacturing Company, LLC  
 By: Paul Koroski  
 Title: CFO  
 Date: 2-9-2010

Northern Utilities, Inc - New Hampshire Division  
Foss Manufacturing  
Marginal Cost Analysis

<u>Line</u>	<u>Description</u>	<u>Notes</u>
1	<b><u>Marginal Cost Data</u></b>	
2		
3	Customer Charge	
4	Pressure Support	
5	Main Reinforcement	
6	Main Extension	
7		
8	<b><u>Customer Data</u></b>	
9	Annual Usage	
10	Design Day - Actual Peak Day	
11		
12	<b><u>Marginal Revenue Requirement</u></b>	
13	Customer	
14	Pressure Support	
15	Main Reinforcement	
16	Main Extension	
17	Total	
18		
19	<b><u>Marginal Cost Floor - All Components</u></b>	
20	Revenue Requirement	
21		
22	Customer Charge	
23	Remaining Revenue	
24	Volumetric Charge	

Work Papers  
GDP-IPD Escalators

	{1}	{1}
	GDP in billions of current dollars	GDP in billions of chained 2005 dollars
1994		
1995		
1996		
1997		
1998		
1999		
2000		
2001		02-May-01
2002		
2003		
2004		
2005		
2006		
2007		
2008		
2009		
2010	{2}	31-Aug-10
2011	{2}	Escalation factor

NOTES:

1. Data Source: BEA website, gdplev.xls..
2. Estimate based on EIA Energy Outlook. (1.9% in 2010 early release, Table A20.

	<b>Original</b>	<b>1st Amend-</b>	<b>2nd Amend-</b>
Start	10/28/1999	3/1/2000	3/1/2005
End		2/28/2005	2/29/10
Customer			
Fixed	<= 200,000		
	<300,000		
	<400,000		
	>400,000		
Min Volume			
Min Annual Cost			
MDQ			
Escalator			

All units - Therms

<b>3rd Amend- ment</b>	<b>Current Jan 2010</b>
3/1/2005	
2/28/2010	