

AFFILIATE SERVICES AGREEMENT

This Affiliate Services Agreement (this “Agreement”) is entered into as of the ____ day of _____, 2012, by and between Algonquin Power & Utilities Corp. (“APUC”), a Canadian Corporation; Liberty Utilities (Canada) Corp. (“Liberty Utilities CA”), a Canadian Corporation; Liberty Utilities Co., a Delaware Company; and Liberty Energy Utilities (New Hampshire) Corp. (“Liberty NH”) (the “Provider Companies”), which are companies engaged, in part, in the rendering of services to companies in the APUC holding company system, and Granite State Electric Company, a New Hampshire Company (the “Receiving Company”), (all parties to this Agreement otherwise collectively referred to as the “parties” or individually referred to as a “party”).

WHEREAS, the organization, conduct of business and method of cost allocation of the Provider Companies are designed to result in the performance of services and the provision of goods economically and efficiently for the benefit of the Receiving Company at costs which are fairly and equitably allocated.

THEREFORE, the parties further agree as follows:

Section 1 – Provision of Services

Section 1.1 *Consultants* The Provider Companies have and will maintain a staff trained and experienced in the provision of services of a general and administrative nature. In addition to the services of their own staff, the Provider Companies will, from time to time, arrange for services of non-affiliated experts, consultants, accountants and attorneys.

Section 1.2 *Algonquin Power & Utilities Corp.* APUC agrees to provide and Receiving Company agrees to accept Financing Services and Administrative Services. As used herein “Financing Services” means the selling of units to public investors in order to generate the funding and capital necessary for the Receiving Company to provide utility services as well as providing legal and treasury services in connection with the issuance of public debt. As used herein “Administrative Services” includes the following types of services: strategic management services, financial controls, corporate governance, and administration and management services such as consultation on management and administration of all aspects of utility business, including economic and strategic analysis. APUC will also furnish, if available, such additional services as the Receiving Company may request, including but not limited to the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 1.3 *Liberty Utilities (Canada) Corp.* Liberty Utilities CA agrees to provide and Receiving Company agrees to accept the following types of services (including similar services) upon the terms and conditions set forth herein: accounting, corporate finance, human resources, information technology, rates and regulatory affairs, environment, health and safety, and security, customer service, procurement, and utility planning. The following are examples of those

services: (i) budgeting, forecasting, and financial reporting services including preparation of reports and preservation of records, cash management (including electronic fund transfers, cash receipts processing, managing short-term borrowings and investments with third parties); (ii) development of customer service policies and procedures; (iii) development of human resource policies and procedures; (iv) selection of information systems and equipment for accounting, engineering, administration, customer service, emergency restoration and other functions and implementation thereof; (v) development, placement and administration of insurance coverages and employee benefit programs, including group insurance and retirement annuities, property inspections and valuations for insurance; (vi) purchasing services including preparation and analysis of product specifications, requests for proposals and similar solicitations; and vendor and vendor-product evaluations; (vii) energy procurement oversight and load forecasting; and (viii) development of regulatory strategy. Liberty Utilities CA will also furnish, if available, such additional services as the Receiving Company may request, including the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 1.4 *Liberty Utilities Co.* Liberty Utilities Co. agrees to provide and Receiving Company agrees to accept financing services including guarantees, short-term loans, and long-term capital debt financing on terms and conditions that the parties memorialize in a written agreement or agreements, which are separately subject to any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction, including the approval of any federal or state regulatory body that is a legal prerequisite to the execution and performance of the agreement(s). Liberty Utilities Co. will also furnish, if available, such additional services as the Receiving Company may request, including but not limited to the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 2 – Records and Charges

Section 2.1 *Records* All services rendered under this Agreement will be provided at actual cost thereof. Records will be maintained for each department and division of the Provider Companies in order to accumulate all costs of doing business and to determine the cost of service. These costs will include wages and salaries of employees and related expenses such as insurance, taxes, pensions and other employee welfare expenses, and rent, light, heat, telephone, supplies, and other housekeeping costs. In addition, records will be maintained of general administrative expenses, which will include the costs of operating the Provider Companies as corporate entities.

Each party shall maintain adequate books and records with respect to the transactions subject to this Agreement to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in the rates of the Receiving Company. Each party shall be responsible for maintaining internal controls to ensure the costs associated with transactions

covered by the Agreement are properly and consistently allocated and billed in accordance with the terms and provisions of this Agreement.

Section 2.2 *Charges* Charges for services rendered and related expenses will be charged to all recipients, regardless of whether a recipient is a party to this Agreement, according to the procedures set forth in the Cost Allocation Manual attached hereto as Schedule I.

Section 3 - Term

Section 3.1 *Term* The effective date of this Agreement shall be the date noted above and shall continue unless terminated by either the Receiving Company or the Provider Companies giving thirty days' written notice to the other of such termination at the end of any month. Any such termination shall not affect the terminating party's accrued rights and obligations under this Agreement arising prior to the effective date of termination. This Agreement shall not be amended except by a written instrument signed by an authorized representative of each of the parties hereto.

Section 4 – Confidential Information

Section 4.1 *Confidential Information* Each party shall treat in confidence all information that it shall have obtained regarding the other parties and their respective businesses during the course of the performance of this Agreement. Such information shall not be communicated to any person other than the parties to this Agreement, except to the extent disclosure of such information is required by a governmental authority. If a party is required to disclose confidential information to a governmental authority, such party shall take reasonable steps to make such disclosure confidential under the rules of such governmental authority. Information provided hereunder shall remain the sole property of the party providing such information. The obligation of a party to treat such information in confidence shall not apply to any information which (i) is or becomes available to such party from a source other than the party providing such information, or (ii) is or becomes available to the public other than as a result of disclosure by such party or its agents.

Section 5 – Miscellaneous

Section 5.1 *Rider* Any state specific terms and/or conditions and/or services are specified in Schedule II to this Agreement.

Section 5.2 *Compliance with Governing Law* This Agreement will be subject to termination or modification at any time to the extent its performance may conflict with any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction. This Agreement shall be subject to approval of any federal or state regulatory body whose approval is a legal prerequisite to its execution and performance. Cost allocations and the methods of allocation provided herein may also be subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) under Section 1275 of the Energy Policy Act of 2005 and the rules promulgated thereunder and, to the extent applicable, FERC determinations

regarding the allocation of costs shall be dispositive. Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original instrument, as if all parties to all counterparts had signed the same instrument.

Section 5.3 *Limitation of Liability* Each party acknowledges and agrees that any services provided by the Provider Companies hereunder are so provided WITHOUT ANY WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY AND NOTWITHSTANDING ANY ORAL OR WRITTEN STATEMENT BY A PARTY'S EMPLOYEES, REPRESENTATIVES OR AGENTS TO THE CONTRARY) WHATSOEVER. ALL SUCH WARRANTIES INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY DISCLAIMED AND EXCLUDED.

Section 5.4 *Exclusive Benefit* This Agreement is intended for the exclusive benefit of the parties hereto and is not intended and shall not be deemed or construed, to create any rights in, or responsibilities to, third parties.

Section 5.5 *Assignment* This Agreement may not be assigned by any party without the prior written consent of all parties.

Section 5.6 *Severability* Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 5.7 *Waiver* Failure by any party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of any rights or remedies that such party may have against any other party nor in any way affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other subsequent breach.

Section 5.8 *Entirety* This Agreement including Schedules I and II attached hereto constitute the entire Agreement between the parties pertaining to the subject matter hereof and supersedes all prior Agreements, understandings, negotiations and discussions, whether oral or written between the parties with respect to the subject matter hereof. In the event of a conflict or inconsistency between the terms of this Agreement and Schedules I and II, Schedules I and II shall prevail.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above mentioned.

ALOGONQUIN POWER AND UTILITIES CORP.

By: _____

Name:

Title:

LIBERTY UTILITIES (CANADA) CORP.

By: _____

Name;

Title:

LIBERTY UTILITIES CO.

By: _____

Name:

Title:

LIBERTY ENERGY UTILITIES (NEW HAMPSHIRE) CORP.

By: _____

Name:

Title:

GRANITE STATE ELECTRIC COMPANY

By: _____

Name:

Title:

SCHEDULE I

**ALGONQUIN POWER & UTILITIES CORP. DIRECT CHARGE AND COST
ALLOCATIONS MANUAL**

[Remainder of page left intentionally blank.]

SCHEDULE II

NEW HAMPSHIRE RIDER

This Rider is attached to and hereby made a part of the _____, 2012 Affiliate Services Agreement by and between Algonquin Power & Utilities Corp. (“APUC”), a Canadian Corporation; Liberty Utilities (Canada) Corp. (“Liberty Utilities CA”), a Canadian Corporation; Liberty Utilities Co., a Delaware Company; and Liberty Energy Utilities (New Hampshire) Corp., a Delaware Company (collectively the “Provider Companies”) and Granite State Electric Co., a New Hampshire Company (the “Receiving Company”).

1. *Liberty Energy Utilities (New Hampshire) Corp.* Liberty NH agrees to provide the following types of services (including similar services) to Receiving Company upon the terms and conditions set forth herein: (i) the keeping of accounts and collateral activities, including billing, payroll, bookkeeping, budgeting, forecasting, accounts receivable and accounts payable administration, financial reporting, preparation of reports and preservation of records, cash management (including electronic fund transfers, cash receipts processing, managing short-term borrowings and investments with third parties), library services, and secretarial and general office support; (ii) construction and real estate management services including labor and equipment for construction and maintenance of properties, assistance in obtaining, and supervision of, non-affiliated contractors; (iii) functional direction of field business service departments, including rate application and training, plus meter reading and specialized residential, commercial and industrial services; (iv) assistance in emergency maintenance and restoration of utility service and in mobilization of personnel and equipment; (v) employee relations and personnel services including labor relations, personnel, wage and salary schedules, payroll processing, employee recruiting, training and evaluation, employee benefits administration and processing, labor negotiations and management, safety and medical programs; (vi) engineering, operational and environmental services; (vii) maintenance and operation of information systems; (viii) energy procurement; (ix) Analysis of laws, rules and regulations and recommendations for action thereunder, handling of matters with regulatory and governmental authorities, preparation of applications, filings and registrations; (x) tax preparation; and (xi) accounting services. Liberty NH will also furnish, if available, such additional services as the Receiving Company may request, including the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

AFFILIATE SERVICES AGREEMENT

This Affiliate Services Agreement (this “Agreement”) is entered into as of the ____ day of _____, 2012, by and between Algonquin Power & Utilities Corp. (“APUC”), a Canadian Corporation; Liberty Utilities (Canada) Corp. (“Liberty Utilities CA”), a Canadian Corporation; Liberty Utilities Co., a Delaware Company; and Liberty Energy Utilities (New Hampshire) Corp. (“Liberty NH”) (the “Provider Companies”), which are companies engaged, in part, in the rendering of services to companies in the APUC holding company system, and EnergyNorth Natural Gas, Inc., a New Hampshire company (the “Receiving Company”), (all parties to this Agreement otherwise collectively referred to as the “parties” or individually referred to as a “party”).

WHEREAS, the organization, conduct of business and method of cost allocation of the Provider Companies are designed to result in the performance of services and the provision of goods economically and efficiently for the benefit of the Receiving Company at costs which are fairly and equitably allocated.

THEREFORE, the parties further agree as follows:

Section 1 – Provision of Services

Section 1.1 *Consultants* The Provider Companies have and will maintain a staff trained and experienced in the provision of services of a general and administrative nature. In addition to the services of their own staff, the Provider Companies will, from time to time, arrange for services of non-affiliated experts, consultants, accountants and attorneys.

Section 1.2 *Algonquin Power & Utilities Corp.* APUC agrees to provide and Receiving Company agrees to accept Financing Services and Administrative Services. As used herein “Financing Services” means the selling of units to public investors in order to generate the funding and capital necessary for the Receiving Company to provide utility services as well as providing legal and treasury services in connection with the issuance of public debt. As used herein “Administrative Services” includes the following types of services: strategic management services, financial controls, corporate governance, and administration and management services such as consultation on management and administration of all aspects of utility business, including economic and strategic analysis. APUC will also furnish, if available, such additional services as the Receiving Company may request, including but not limited to the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 1.3 *Liberty Utilities (Canada) Corp.* Liberty Utilities CA agrees to provide and Receiving Company agrees to accept the following types of services (including similar services) upon the terms and conditions set forth herein: accounting, corporate finance, human resources, information technology, rates and regulatory affairs, environment, health and safety, and security, customer service, procurement, and utility planning. The following are examples of those

services: (i) budgeting, forecasting, and financial reporting services including preparation of reports and preservation of records, cash management (including electronic fund transfers, cash receipts processing, managing short-term borrowings and investments with third parties); (ii) development of customer service policies and procedures; (iii) development of human resource policies and procedures; (iv) selection of information systems and equipment for accounting, engineering, administration, customer service, emergency restoration and other functions and implementation thereof; (v) development, placement and administration of insurance coverages and employee benefit programs, including group insurance and retirement annuities, property inspections and valuations for insurance; (vi) purchasing services including preparation and analysis of product specifications, requests for proposals and similar solicitations; and vendor and vendor-product evaluations; (vii) energy procurement oversight and load forecasting; and (viii) development of regulatory strategy. Liberty Utilities CA will also furnish, if available, such additional services as the Receiving Company may request, including the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 1.4 *Liberty Utilities Co.* Liberty Utilities Co. agrees to provide and Receiving Company agrees to accept financing services including guarantees, short-term loans, and long-term capital debt financing on terms and conditions that the parties memorialize in a written agreement or agreements, which are separately subject to any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction, including the approval of any federal or state regulatory body that is a legal prerequisite to the execution and performance of the agreement(s). Liberty Utilities Co. will also furnish, if available, such additional services as the Receiving Company may request, including but not limited to the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.

Section 2 – Records and Charges

Section 2.1 *Records* All services rendered under this Agreement will be provided at actual cost thereof. Records will be maintained for each department and division of the Provider Companies in order to accumulate all costs of doing business and to determine the cost of service. These costs will include wages and salaries of employees and related expenses such as insurance, taxes, pensions and other employee welfare expenses, and rent, light, heat, telephone, supplies, and other housekeeping costs. In addition, records will be maintained of general administrative expenses, which will include the costs of operating the Provider Companies as corporate entities.

Each party shall maintain adequate books and records with respect to the transactions subject to this Agreement to specifically identify costs subject to allocation, particularly with respect to their origin. In addition, the records must be adequately supported in a manner sufficient to justify recovery of the costs in the rates of the Receiving Company. Each party shall be responsible for maintaining internal controls to ensure the costs associated with transactions

covered by the Agreement are properly and consistently allocated and billed in accordance with the terms and provisions of this Agreement.

Section 2.2 *Charges* Charges for services rendered and related expenses will be charged to all recipients, regardless of whether a recipient is a party to this Agreement, according to the procedures set forth in the Cost Allocation Manual attached hereto as Schedule I.

Section 3 - Term

Section 3.1 *Term* The effective date of this Agreement shall be the date noted above and shall continue unless terminated by either the Receiving Company or the Provider Companies giving thirty days' written notice to the other of such termination at the end of any month. Any such termination shall not affect the terminating party's accrued rights and obligations under this Agreement arising prior to the effective date of termination. This Agreement shall not be amended except by a written instrument signed by an authorized representative of each of the parties hereto.

Section 4 – Confidential Information

Section 4.1 *Confidential Information* Each party shall treat in confidence all information that it shall have obtained regarding the other parties and their respective businesses during the course of the performance of this Agreement. Such information shall not be communicated to any person other than the parties to this Agreement, except to the extent disclosure of such information is required by a governmental authority. If a party is required to disclose confidential information to a governmental authority, such party shall take reasonable steps to make such disclosure confidential under the rules of such governmental authority. Information provided hereunder shall remain the sole property of the party providing such information. The obligation of a party to treat such information in confidence shall not apply to any information which (i) is or becomes available to such party from a source other than the party providing such information, or (ii) is or becomes available to the public other than as a result of disclosure by such party or its agents.

Section 5 – Miscellaneous

Section 5.1 *Rider* Any state specific terms and/or conditions and/or services are specified in Schedule II to this Agreement.

Section 5.2 *Compliance with Governing Law* This Agreement will be subject to termination or modification at any time to the extent its performance may conflict with any federal or state law or any rule, regulation or order of a federal or state regulatory body having jurisdiction. This Agreement shall be subject to approval of any federal or state regulatory body whose approval is a legal prerequisite to its execution and performance. Cost allocations and the methods of allocation provided herein may also be subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) under Section 1275 of the Energy Policy Act of 2005 and the rules promulgated thereunder and, to the extent applicable, FERC determinations

regarding the allocation of costs shall be dispositive. Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original instrument, as if all parties to all counterparts had signed the same instrument.

Section 5.3 *Limitation of Liability* Each party acknowledges and agrees that any services provided by the Provider Companies hereunder are so provided WITHOUT ANY WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY AND NOTWITHSTANDING ANY ORAL OR WRITTEN STATEMENT BY A PARTY'S EMPLOYEES, REPRESENTATIVES OR AGENTS TO THE CONTRARY) WHATSOEVER. ALL SUCH WARRANTIES INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY DISCLAIMED AND EXCLUDED.

Section 5.4 *Exclusive Benefit* This Agreement is intended for the exclusive benefit of the parties hereto and is not intended and shall not be deemed or construed, to create any rights in, or responsibilities to, third parties.

Section 5.5 *Assignment* This Agreement may not be assigned by any party without the prior written consent of all parties.

Section 5.6 *Severability* Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

Section 5.7 *Waiver* Failure by any party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of any rights or remedies that such party may have against any other party nor in any way affect the validity of this Agreement or any part hereof or the right of such party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other subsequent breach.

Section 5.8 *Entirety* This Agreement including Schedules I and II attached hereto constitute the entire Agreement between the parties pertaining to the subject matter hereof and supersedes all prior Agreements, understandings, negotiations and discussions, whether oral or written between the parties with respect to the subject matter hereof. In the event of a conflict or inconsistency between the terms of this Agreement and Schedules I and II, Schedules I and II shall prevail.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above mentioned.

ALOGONQUIN POWER AND UTILITIES CORP.

By: _____

Name:

Title:

LIBERTY UTILITIES (CANADA) CORP.

By: _____

Name;

Title:

LIBERTY UTILITIES CO.

By: _____

Name:

Title:

LIBERTY ENERGY UTILITIES (NEW HAMPSHIRE) CORP.

By: _____

Name:

Title:

ENERGYNORTH NATURAL GAS, INC.

By: _____

Name:

Title:

SCHEDULE I

**ALGONQUIN POWER & UTILITIES CORP. DIRECT CHARGE AND COST
ALLOCATIONS MANUAL**

[Remainder of page left intentionally blank.]

SCHEDULE II

NEW HAMPSHIRE RIDER

This Rider is attached to and hereby made a part of the _____, 2012 Affiliate Services Agreement by and between Algonquin Power & Utilities Corp. (“APUC”), a Canadian Corporation; Liberty Utilities (Canada) Corp. (“Liberty Utilities CA”), a Canadian Corporation; Liberty Utilities Co., a Delaware Company; and Liberty Energy Utilities (New Hampshire) Corp., a Delaware Company (collectively the “Provider Companies”) and EnergyNorth Natural Gas, Inc., a New Hampshire Company (the “Receiving Company”).

2. *Liberty Energy Utilities (New Hampshire) Corp.* Liberty NH agrees to provide the following types of services (including similar services) to Receiving Company upon the terms and conditions set forth herein: (i) the keeping of accounts and collateral activities, including billing, payroll, bookkeeping, budgeting, forecasting, accounts receivable and accounts payable administration, financial reporting, preparation of reports and preservation of records, cash management (including electronic fund transfers, cash receipts processing, managing short-term borrowings and investments with third parties), library services, and secretarial and general office support; (ii) construction and real estate management services including labor and equipment for construction and maintenance of properties, assistance in obtaining, and supervision of, non-affiliated contractors; (iii) functional direction of field business service departments, including rate application and training, plus meter reading and specialized residential, commercial and industrial services; (iv) assistance in emergency maintenance and restoration of utility service and in mobilization of personnel and equipment; (v) employee relations and personnel services including labor relations, personnel, wage and salary schedules, payroll processing, employee recruiting, training and evaluation, employee benefits administration and processing, labor negotiations and management, safety and medical programs; (vi) engineering, operational and environmental services; (vii) maintenance and operation of information systems; (viii) energy procurement; (ix) Analysis of laws, rules and regulations and recommendations for action thereunder, handling of matters with regulatory and governmental authorities, preparation of applications, filings and registrations; (x) tax preparation; and (xi) accounting services. Liberty NH will also furnish, if available, such additional services as the Receiving Company may request, including the services detailed or described in the “Algonquin Power & Utilities Corp. Direct Charge and Cost Allocations Manual” attached as Schedule I.