

FIRST AMENDED AFFILIATE SERVICES AGREEMENT

This First Amended Affiliate Services Agreement (this "Agreement") is entered into as of the 27th day of June, 2014, 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 Liberty Utilities (EnergyNorth Natural Gas) Corp., 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 Provider Companies and the Receiving Companies are parties to an Affiliate Services Agreement dated as of July 3, 2012 (the "Original Affiliate Services Agreement");

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.

WHEREAS, the Provider Companies and the Receiving Companies desire to amend and restate the Original Affiliate Services Agreement in its entirety upon the terms set forth herein;

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 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.

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, administration, communications, corporate finance/treasury, human resources, information technology, internal audit, legal, rates and regulatory affairs, environment, health and safety, and security, customer service, procurement, risk management, training, 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.

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.

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

(a) **APUC Charges:** Provider Company will direct charge Receiving Company. In instances where direct charging is not possible, the following allocation factors are to be used:

Type of Cost	Allocation Methodology	Rationale	Examples
Legal Costs	Net Plant 33.3% Number of Employees 33.3% O&M 33.3%	This function is driven by factors which include Net Plant, as typically the higher the value of plant, the more legal work it attracts; similarly, a greater number of employees are typically more indicative of larger facilities that require greater levels of attention; and O&M costs tend to be a third factor indicative of size and legal complexity.	Employee labor and related administration and programs; third party legal
Tax Services	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by a variety of factors that influence the size and relative tax complexity, including Revenues, O&M and Net Plant. Tax activity can be driven by each of these factors.	Employee labor and related administration and programs, including Third party tax advice and services
Audit	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by a variety of factors that influence the size and complexity of Audit, including Revenues, O&M and Net Plant. Audit activity can be driven by each of these factors.	Employee labor and related administration and programs, including Third party accounting and audit services
Investor Relations	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by factors which reflect the relative size and scope of each affiliate - Revenues, Net Plant and O&M costs.	Employee labor and related administration and programs, including third party Investor day communications and materials
Director Fees and Insurance	Revenue 33.3% O&M 33.3%	This function is driven by factors which reflect the relative size	Board of Director fees, insurance and

Type of Cost	Allocation Methodology	Rationale	Examples
	Net Plant 33.3%	and scope of each affiliate - Revenues, Net Plant and O&M costs.	administration
Licenses, Fees and Permits	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by factors which reflect the relative size and scope of each affiliate - Revenues, Net Plant and O&M costs.	Third party costs
Escrow and Transfer Agent Fees	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by factors which reflect the relative size and scope of each affiliate - Revenues, Net Plant and O&M costs.	Third party costs
Other Professional Services	Revenue 33.3% O&M 33.3% Net Plant 33.3%	This function is driven by factors which reflect the relative size and scope of each affiliate - Revenues, Net Plant and O&M costs.	Third party costs
Office Administration	Oakville Employees 50% Square Footage 50%	This function is driven by factors which are indicative of number of employees and square footage utilized by these employees.	Office space and utility costs. Employee labor and related administration

Notwithstanding the above, if a charge is related either solely to the regulated utility business, *i.e.*, Liberty Utilities, or to the power generation business, *i.e.*, Algonquin Power Co., then all of those costs will be allocated to the business segment for which they are incurred.

(b) Liberty Utilities CA: All charges will be direct billed where possible. Charges that cannot be direct billed will be allocated using a Four Factor Utility Methodology. The Four Factor Utility Methodology allocates costs by relative size of the utilities. The methodology used by LUC involves (1) Utility Plant, (2) Total Customers, (3) Non-Labor Expenses, and (4) Labor as allocating factors, with each factor assigned a specific weight. LUC uses the following weights under this Four Factor Utility Methodology:

Utility Plant	25%
Customer Count	25%
Non-Labor Expenses	25%
Labor	25%
Total	100%

LUC also uses the Utility Four Factor Methodology to allocate to its regulated utilities the indirect labor and indirect non-labor costs allocated to LUC from APUC.

When LUC provides services that benefit the entire company, *i.e.*, Algonquin Power Co, and LUC’s regulated utilities, these costs are allocated using the following methodologies, which are designed to closely align the costs with the driver of the activity.

Type of Cost	Allocation Methodology		Rationale	Examples
Risk Management	Revenue	33.3%	This function is driven by factors which reflect the relative size and complexity of Risk Management - Revenues, Net Plant and O&M costs.	Software platform, fees and administration
	O&M	33.3%		
	Net Plant	33.3%		
Information Technology	Number of Employees	90%	IT function is driven by factors which include number of employees and O&M. The larger the number of employees, the more support, software and IT infrastructure is required.	Enterprise wide support, architecture, etc. Third party fees
	O&M	10%		
Human Resources	Number of Employees	100%	HR function is driven by number of employees. A greater number of employees requires additional HR support	HR policies, payroll processing, benefits, employee surveys
Training	Number of Employees	100%	Training is directly proportional to the number of employees per function	Courses, lectures, in house training sessions by third party providers
Facilities and Building Rent	Square Footage	100%	Office space occupied accurately reflects space requirements of each subsidiary	Corporate office building
Financial Reporting and Administration	Revenue	33.3%	This function is driven by factors which reflect the relative size and complexity of Financial Reporting and Admin. - Revenues, Net Plant and O&M costs.	Employee labor and related administration and third party fees
	O&M	33.3%		
	Net Plant	33.3%		
Environment, Health, Safety and Security	Number of Employees	100%	EHSS training, etc. is directly proportional to the number of employees per function	Enterprise wide programs, employee labor and related administration

Type of Cost	Allocation Methodology	Rationale	Examples
Legal Costs	Net Plant 33.3% Number of Employees 33.3% O&M 33.3%	This function is driven by factors which include Net Plant, as typically the higher the value of plant, the more legal work it attracts; similarly, a greater number of employees are typically more indicative of larger facilities that require greater levels of attention; and O&M costs tend to be a third factor indicative of size and legal complexity.	Employee labor and related administration and programs, including third party legal
Treasury	Capital Expenditures 25% O&M 50% Net Plant 25%	Treasury activity is typically guided by the amount of necessary capex/plant for each utility, and operating costs/cash flow	Third party financing, employee labor and related administration and programs
Internal Audit	Net Plant 25% O&M 75%	This function is driven by factors which reflect the relative size and complexity of Internal audit activity. Larger Plant and operating costs drive more activity from IA.	Third party fees, employee labor and related administration and programs
Procurement	O&M 50% Capital Expenditures 50%	Procurement function is based on typical proportion of expenditures	Enterprise wide support and related administration
Communications	Number of Employees 100%	Communications cost is directly proportional to the number of employees	Enterprise wide support and related administration

(c) **Liberty Utilities Co.:** Financing charges are charged based on the stand-alone credit agreements/promissory notes, which have been separately approved.

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 I 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.

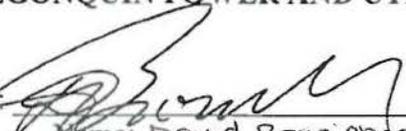
Section 5.6 *Severability* Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect,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

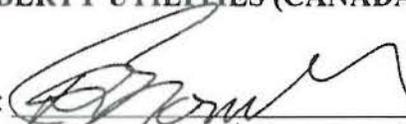
Section 5.8 *Entirety* This Agreement including Schedule I attached hereto constitute the entire Agreement between the parties pertaining to the subject matter hereof and supersedes all prior Agreements, understandings, negotiations and discussions, whether oral or written between the parties with respect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

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

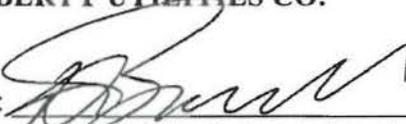
ALGONQUIN POWER AND UTILITIES CORP.

By: 
Name: David Bronicheski
Title: CFO

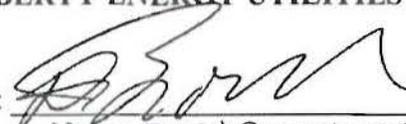
LIBERTY UTILITIES (CANADA) CORP.

By: 
Name: David Bronicheski
Title: CFO

LIBERTY UTILITIES CO.

By: 
Name: David Bronicheski
Title: CFO

LIBERTY ENERGY UTILITIES (NEW HAMPSHIRE) CORP.

By: 
Name: David Bronicheski
Title: CFO

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.

By: 
Name: Richard H. Leehr
Title: President

SCHEDULE I

NEW HAMPSHIRE RIDER

This Rider is attached to and hereby made a part of the June 27th 2014 First Amended 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. ("Liberty NH"), a Delaware Company (collectively the "Provider Companies") and Liberty Utilities (EnergyNorth Natural Gas) Corp., 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.
- 2. *Charges*** Unless a charge can be directly attributable to a specific utility, billing and customer service costs are allocated on customer count. Operations and engineering costs are directly charged based on timesheets to the relevant regulated utility. Unless a charge can be directly attributable to a specific utility, both labor and non-labor (including capital) for environment, health and safety, and security, finance, information technology, regulatory, legal, and administrative costs are allocated using the Four Factor Utility Methodology.