

December 6, 2013

Ms. Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

> Re: Tennessee Gas Pipeline Company, L.L.C. Rate Schedule X-65 – Cancelled Docket No. RP14-\_\_\_\_-000

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act, Part 154 of the Regulations of the Federal Energy Regulatory Commission ("Commission") thereunder, 18 C.F.R. Part 154, and in compliance with the Commission's Order Approving Abandonment of Transportation and Exchange Services issued July 30, 2013 in Docket No. CP13-489-000 ("July 30 Order"), Tennessee Gas Pipeline Company, L.L.C. ("Tennessee") hereby submits for filing and acceptance proposed Tariff records to its FERC Gas Tariff, Sixth Revised Volume No. 1 ("Tariff records") and proposed Tariff sections to its FERC Gas Tariff, First Revised Volume No. 2 ("Tariff sections").

Tennessee requests that the proposed Tariff records/sections listed in Appendix A be included in its Tariff with an effective date of December 1, 2013.

# Statement of Nature, Reasons, and Basis for Filing

On June 3, 2013, Tennessee filed an application in the above-referenced docket to abandon a certificated exchange service with Algonquin Gas Transmission, LLC ("Algonquin") that was previously authorized pursuant to Section 7(c) of the Natural Gas Act ("NGA"). Tennessee does not propose to abandon, modify or install any facilities in its abandonment request, only the individually certificated services under the Exchange Agreement will be abandoned. In the July 30 Order, the Commission approved abandonment of transportation and exchange services between Algonquin and Tennessee, to be effective on the date of the transfer of certain lateral pipeline facilities from Algonquin and Yankee Gas Services Company ("Yankee") to Tennessee ("Thompsonville Lateral"). The transfer of the Thompsonville Lateral from Algonquin and Yankee was effective on December 1, 2013.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> Tennessee acquired the Thompsonville Lateral pursuant to Tennessee's blanket certificate authorization in Docket No. CP82-413-000. With the transfer of facilities, Tennessee will provide firm transportation services directly to Yankee for deliveries at Thompsonville, Connecticut, and Southern Connecticut at Milford, Connecticut.

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In the July 30 Order, the Commission directed Tennessee to file within 15 days of the close of the asset sales, and to remove Tennessee's Rate Schedule X-65 from its tariff. In compliance with this directive, Tennessee hereby submits the attached revised Tariff records/sections which provide notice of the cancellation of Rate Schedule X-65.

# **Contents of Filing**

In compliance with Section 154.7(a)(1) of the Commission's regulations, Tennessee provides an eTariff .xml filing package containing:

- 1. Tariff records/sections in RTF format with metadata attached;
- 2. A transmittal letter in PDF format with Appendix A attached;
- 3. A clean version of the Tariff records/sections in PDF format for posting on eLibrary;
- A marked version of the Tariff records/sections in PDF format pursuant to 18 C.F.R. §154.201 showing changes to Tennessee's effective Tariff records/sections for posting on eLibrary; and
- 5. A copy of the entire filing in PDF format for posting on eLibrary.

# Service and Correspondence

The undersigned certifies that a copy of this filing has been served electronically pursuant to 18 CFR §154.208 on Tennessee's customers and affected state regulatory commissions. A paper copy of this filing may only be served if a customer has been granted waiver of electronic service pursuant to 18 CFR Part 390 of the Commission's Regulations. In addition, an electronic copy of this filing is available for public inspection during regular business hours in Tennessee's office at 1001 Louisiana Street, Houston, Texas 77002.

Pursuant to 18 C.F.R. §385.2005 and §385.2011(c)(5) of the Commission's Regulations, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best knowledge and belief of the undersigned.

Tennessee requests that all correspondence and communications concerning this filing be directed to the following persons:

C. Todd Piczak*	Milton Palmer, Jr.*
Assistant General Counsel	Director, Rates and Regulatory Affairs
Tennessee Gas Pipeline Company, L.L.C.	Tennessee Gas Pipeline Company, L.L.C
1001 Louisiana Street, Suite 1647	1001 Louisiana Street, Suite 1642
Houston, Texas 77002	Houston, Texas 77002
(713) 420-3822	(713) 420-3297
todd_piczak@kindermorgan.com	milton_palmer@kindermorgan.com

\*Persons designated for service in accordance with Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §385.203 and Rule 2010.

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## **Effective Date and Waiver Request**

Tennessee respectfully requests that the Commission waive the 30-day notice period, accept this notice of change, and approve Tennessee's proposed Tariff records/sections in Appendix A to be effective December 1, 2013.

Pursuant to Section 154.7(a)(9) of the Commission's Regulations, Tennessee hereby moves to place the revised Tariff sheets into effect at the requested effective date or at the expiration of any suspension period set by the Commission. If the Commission conditions the acceptance of this filing in any way, Tennessee reserves the right to withdraw the proposed Tariff sheets or to file a later motion to place such Tariff sheets into effect at a later date.

Any questions regarding this filing may be directed to the undersigned at (713) 420-3297.

Respectfully submitted,

TENNESSEE GAS PIPELINE COMPANY, L.L.C.

/s/ Milton Palmer, Jr. Milton Palmer, Jr. Director, Rates and Regulatory Affairs

## Appendix A

## Rate Schedule X-65 - Cancelled

Tariff Record/Sections

## Tennessee Gas Pipeline FERC Gas Tariff Sixth Revised Volume No. 1 Tariff Records

## Proposed Effective Date December 1, 2013

Section Title			
Narrative Name	<b>Record Contents Description</b>	Tariff Record Title	Version
Third Revised Sheet No. 938	Sheet No. 938		3.0.0

## Tennessee Gas Pipeline FERC Gas Tariff <u>First Revised Volume No. 2</u> Tariff Sections

## Proposed Effective Date December 1, 2013

Description	Title	Version
1 Table of Contents	Table of Contents	17.0.0
		17.0.0
8.3 Exchange Service Agrmts	Rate Schedule X-65 - Cancelled	1.0.0

# **CLEAN TARIFF SHEETS / RECORDS**

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Tariff Submitter: FERC Tariff Program Name: Tariff Title: Tariff Record Proposed Effective Date: Tariff Record Title:

Option Code:

Tennessee Gas Pipeline Company, L.L.C. FERC NGA Gas Tariff TGP Tariffs December 1, 2013 1.0.0, 8.3 Exchange Service Agrmts, Rate Schedule X-65 - Cancelled A

## RATE SCHEDULE X-65 – CANCELLED

### EXCHANGE SERVICE

Effective December 1, 2013, Rate Schedule X-65, an exchange service agreement between Tennessee Gas Pipeline Company (Tennessee) and Algonquin Gas Transmission Company, comprised of Original Sheet Nos. 5569 through 5580 of Tennessee's FERC Gas Tariff, Original Volume No. 2 is cancelled.

# **MARKED TARIFF SHEETS / RECORDS**

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Tariff Submitter:	Tennessee Gas Pipeline Company, L.L.C.
FERC Tariff Program Name:	FERC NGA Gas Tariff
Tariff Title:	TGP Tariffs
Tariff Record Proposed Effective Date:	<del>June 18, 2010</del> December 1, 2013
Tariff Record Title:	Rate Schedule X-651.0.0, 8.3 Exchange Service Agrmts,
	Rate Schedule X-65 - Cancelled
Option Code:	Α

Original Sheet Nos. 5569-5580-Cancelled

## RATE SCHEDULE X-65 – CANCELLED

### EXCHANGE SERVICE

Effective December 1, 2013, Rate Schedule X-65, an exchange service agreement between Tennessee Gas Pipeline Company (Tennessee) and Algonquin Gas Transmission Company, comprised of Original Sheet Nos. 5569 through 5580 of Tennessee's FERC Gas Tariff, Original Volume No. 2 is cancelled.

This Gas Service Contract between Tennessee Gas Pipeline Company, a Division of Tenneco Inc. (Tennessee), and Algonquin Gas Transmission Company (Algonquin) dated December 22, 1982, provides for (1) the delivery by Algonquin to Connecticut Light and Power (CL&P) in the Town of Danbury, Connecticut up to the maximum quantity specified herein and the redelivery of equivalent quantities by Tennessee to Algonquin, (2) the delivery by Tennessee to Algonquin near the Town of Thompsonville, Connecticut for CL&P up to the maximum quantity specified herein and the redelivery of equivalent quantities by Algonquin to Tennessee and (3) the delivery by Tennessee to Southern Connecticut Gas Company in the Town of Milford, Connecticut up to the maximum quantity specified herein and the redelivery of equivalent quantities by Algonquin to Tennessee.

#### **RATE SCHEDULE X-65**

#### EXCHANGE SERVICE

This Gas Service Contract between Tennessee Gas Pipeline Company, a Division of Tenneco Inc. (Tennessee), and Algonquin Gas Transmission Company (Algonquin) dated December 22, 1982, provides for (1) the delivery by Algonquin to Connecticut Light and Power (CL&P) in the Town of Danbury, Connecticut up to the maximum quantity specified herein and the redelivery of equivalent quantities by Tennessee to Algonquin, (2) the delivery by Tennessee to Algonquin near the Town of Thompsonville, Connecticut for CL&P up to the maximum quantity specified herein and the redelivery of equivalent quantities by Algonquin to Tennessee and (3) the delivery by Tennessee to Southern Connecticut Gas Company in the Town of Milford, Connecticut up to the maximum quantity specified herein and the redelivery of equivalent quantities by Algonquin to Tennessee.

Effective: June 1, 1986

#### GAS SERVICE CONTRACT

This Gas Service Contract ("Contract") is made as of the 22nd day of December, 1982, by and between ALGONQUIN GAS TRANSMISSION COMPANY, a Delaware corporation and herein called "Algonquin Gas," and TENNESSEE GAS PIPELINE COMPANY, a Division of Tenneco Inc., a Delaware corporation herein called "Tennessee," pursuant to the following recitals and representations:

WHEREAS, Algonquin Gas owns and operates a natural gas transmission system from its sources of supply near Lambertville and Hanover, New Jersey, through the States of New Jersey, New York, Connecticut, Rhode Island, and Massachusetts to terminus points near Boston, Massachusetts; and

WHEREAS, Tennessee owns and operates a natural gas transmission pipeline system which extends in a northeasterly direction from its sources of supply in Texas and Louisiana through the States of Texas, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, Kentucky, West Virginia, Ohio, Pennsylvania, New York, New Jersey, Massachusetts, New Hampshire, Rhode Island, and Connecticut; and

WHEREAS, under the terms of a Gas Service Contract between the parties hereto dated November 1, 1964, Algonquin Gas has been delivering natural gas up to a maximum hourly quantity of 418 Dth in the Town of Danbury, Connecticut, to The Connecticut Gas Company, now The Connecticut Light and Power Company, hereinafter referred to as "CL&P," for the account of Tennessee, and Tennessee has been returning to Algonquin Gas quantities of natural gas equivalent to those delivered by Algonquin Gas to CL&P; and

WHEREAS, under the terms of a Gas Service Contract between the parties hereto dated September 9, 1958, Tennessee has been delivering natural gas up to a maximum hourly quantity of 418 Dth near the Town of Thompsonville, Connecticut, to Algonquin Gas for sale to CL&P, and Algonquin Gas has been returning to Tennessee quantities of natural gas equivalent to those delivered by Tennessee to Algonquin Gas for sale to CL&P; and

WHEREAS, under the terms of the Gas Service Contract between the parties hereto dated November 1, 1964, Tennessee has been delivering natural gas up to a maximum hourly quantity of 209 Dth in the Town of Milford, Connecticut, to New Haven Gas Company, now The Southern Connecticut Gas Company, hereinafter referred to as "Southern Connecticut," for the account of Algonquin Gas and Algonquin Gas has been returning to Tennessee quantities of natural gas equivalent to those delivered by Tennessee to Southern Connecticut; and

WHEREAS, Algonquin Gas has agreed to increase the aforementioned maximum hourly quantity provided for in the aforementioned Gas Service Contract between Algonquin Gas and Tennessee dated November 1, 1964, from 418 Dth to 523 Dth in order to meet the increased requirements of CL&P in serving the Town of Danbury, Connecticut, and its environs, and

WHEREAS, Tennessee has agreed to increase the aforementioned maximum hourly quantity provided for in the aforementioned Gas Service Contract between Algonquin Gas and Tennessee dated November 1, 1964, from 209 Dth to 314 Dth in order to meet the increased requirements of Southern Connecticut in serving the Town of Milford, Connecticut, and its environs, and

Effective: June 1, 1986

WHEREAS, Algonquin Gas and Tennessee have been authorized by Order of the Federal Energy Regulatory Commission issued December 17, 1982, in Docket No. CP82-411, to (1) increase Algonquin Gas' maximum hourly delivery obligation to CL&P in the Town of Danbury, Connecticut, for the account of Tennessee, presently provided for in the Gas Service Contract between Algonquin Gas and Tennessee dated November 1, 1964, from 418 Dth to 523 Dth; (2) increase Tennessee's maximum hourly delivery obligation to Southern Connecticut in the Town of Milford, Connecticut, for the account of Algonquin Gas, presently provided for in the Gas Service Contract between Algonquin Gas and Tennessee dated November 1, 1964, from 209 Dth to 314 Dth, and (3) combine these two Gas Service Contracts between Algonquin Gas and Tennessee, together with the aforementioned Gas Service Contract between Algonquin Gas and Tennessee dated September 9, 1958, into a single new Gas Service Contract; and

WHEREAS, Algonquin Gas and Tennessee desire to supersede and cancel (1) the Gas Service Contract between the parties hereto dated November 1, 1964, which provides for deliveries by Algonquin Gas, for the account to Tennessee, to CL&P in the Town of Danbury, Connecticut, (2) the Gas Service Contract between the parties hereto dated September 9, 1958, which provides for deliveries by Tennessee to Algonquin Gas for sale to CL&P near the Town of Thompsonville, Connecticut, and (3) the Gas Service Contract between the parties hereto dated November 1, 1964, which provides for deliveries by Tennessee, for the account of Algonquin Gas, to Southern Connecticut in the Town of Milford, Connecticut; and

WHEREAS, Algonquin Gas and Tennessee desire to enter into this Contract which provides for (1) the delivery by Algonquin Gas to CL&P in the Town of Danbury, Connecticut, for the account of Tennessee, of such daily quantities of natural gas as CL&P may there require, up to the maximum hourly quantity of 523 Dth and the redelivery by Tennessee to Algonquin Gas of quantities of natural gas equivalent to those delivered by Algonquin Gas to CL&P; (2) the delivery by Tennessee to Algonquin Gas near the Town of Thompsonville, Connecticut, for sale to CL&P, of such daily quantities of natural gas as CL&P may there require, up to the maximum hourly quantity of 418 Dth and the redelivery by Algonquin Gas to Tennessee of quantities of natural gas equivalent to those delivered by Tennessee to Algonquin Gas, and (3) the delivery by Tennessee to Southern Connecticut in the Town of Milford, Connecticut, for the account of Algonquin Gas, of such daily quantities of natural gas as Southern Connecticut may there require up to the maximum hourly quantity of 314 Dth and the redelivery by Algonquin Gas to Tennessee for quantities of natural gas equivalent to those delivered by Tennessee to Southern Connecticut;

NOW, THEREFORE, Algonquin Gas and Tennessee agree as follows:

#### ARTICLE I - SCOPE OF CONTRACT

1. Algonquin Gas agrees to deliver to CL&P in the Town of Danbury, Connecticut, for the account of Tennessee, and Tennessee agrees there to receive or there to cause CL&P to receive from Algonquin Gas, such daily quantities of gas as CL&P requires, provided, however, that Algonguin Gas shall not be obligated to deliver in excess of 523 Dth of natural gas in any hour to CL&P in the Town of Danbury, Connecticut.

Issued by: Joseph E. Ramsey, Agent and Attorney-in-Fact Issued on: May 30, 1986

2. Tennessee agrees to deliver to Algonquin Gas near the Town of Thompsonville, Connecticut, for sale to CL&P, and Algonquin Gas agrees there to receive from Tennessee, such daily quantities as CL&P requires; provided, however, that Tennessee shall not be obligated to deliver in excess of 418 Dth of gas in any hour to Algonquin Gas near the Town of Thompsonville.

3. Tennessee agrees to deliver to Southern Connecticut in the Town of Milford, Connecticut, for the account to Algonquin Gas, and Algonquin Gas agrees there to receive or there to cause Southern Connecticut to receive from Tennessee, such daily quantities of gas as Southern Connecticut requires provided, however, that Tennessee shall not be obligated to deliver in excess of 314 Dth of natural gas in any hour in the Town of Milford, Connecticut.

4. Tennessee agrees to redeliver to Algonquin Gas, at the Redelivery Point(s) specified in Section 1 of Article III hereof, quantities of natural gas which contain a number of Btu equivalent to those delivered by Tennessee to Algonquin Gas near the Town of Thompsonville, Connecticut, for sale to CL&P.

5. Algonquin Gas agrees to redeliver to Tennessee at the Redelivery Point(s) specified in Section 2 of Article III hereof, quantities of natural gas which contain a number of Btu equivalent to those delivered by Tennessee to Algonquin Gas near the Town of Thompsonville, Connecticut, for sale to CL&P.

6. Algonquin Gas further agrees to redeliver to Tennessee, at the Redelivery Point(s) specified in Section 2 of Article III hereof, quantities of natural gas which contain a number of Btu equivalent to those delivered by Tennessee to Southern Connecticut on the Town of Milford, Connecticut.

7. It is agreed that insofar as operating conditions permit, deliveries and redeliveries of gas by Algonquin Gas to Tennessee and by Tennessee to Algonquin Gas shall be made at a uniform hourly rate and at a daily rate corresponding as nearly as practicable to the daily rate at which gas is delivered by Algonquin Gas to CL&P for the account of Tennessee, Tennessee to Algonquin Gas for sale to CL&P, and by Tennessee to Southern Connecticut for the account of Algonquin Gas. It is recognized however, that due to variations in operating conditions, daily and monthly redeliveries by Tennessee to Algonquin Gas and by Algonquin Gas to Tennessee may be greater or lesser than the corresponding daily and monthly deliveries by Algonquin Gas to CL&P for the account of Tennessee, by Tennessee to Algonquin Gas for sale to CL&P, and by Tennessee to Southern Connecticut for the account of Algonquin Gas. However, Tennessee and Algonquin Gas agree to use their best efforts to see that such variations in redeliveries by Tennessee to Algonquin Gas and by Algonquin Gas to Tennessee do not exceed 10% in any one day or 5% in any one month. It is understood that any excesses or deficiencies which occur during any month in Algonquin Gas' redeliveries to Tennessee or Tennessee's redeliveries to Algonquin Gas hereunder are to be balanced in gas as soon as possible after they have occurred and have been ascertained.

## ARTICLE II – DELIVERY POINTS

1. The Delivery Point of all gas delivered hereunder by Algonquin Gas to CL&P for the account of Tennessee shall be at the Meter Station located in Fairfield County, Connecticut, in the Town of Danbury, near East Hayestown Road. Said meter station, along with the necessary measuring equipment, shall be operated and maintained by Algonquin Gas. Algonquin Gas agrees to the inspection by Tennessee from time to time of the aforementioned meter station.

2. The Delivery Point for all gas delivered hereunder by Tennessee to Algonquin Gas for sale to CL&P in the Town of Thompsonville, Connecticut, shall be at the point of interconnection between a lateral owned by Algonquin Gas and Tennessee's Main Line Valve 261-1B near Longmeadow, Hampden County, Massachusetts. Algonquin Gas has constructed a meter station now owned by CL&P, and pressure regulation equipment in or near the Town of Thompsonville and a lateral line from Tennessee's Main Line Valve 261-1B to said meter station. Said lateral line, meter station, and pressure regulation equipment shall be operated and maintained by Algonquin Gas agrees to the inspection by Tennessee from time to time of the aforementioned lateral line, meter station, and pressure regulation equipment.

3. The Delivery Point for all gas delivered hereunder by Tennessee to Southern Connecticut for the account of Algonquin Gas shall be at the Milford Sales Meter Station located in the Town of Milford, New Haven County, Connecticut, at Tennessee's Main Line Valve 343-1 plus .45 miles. Said meter station, along with the necessary metering equipment, shall be operated and maintained by Tennessee. Tennessee agrees to the inspection by Algonquin Gas from time to time of the aforementioned meter station.

## ARTICLE III — REDELIVERY POINTS

1. The Redelivery Point(s) for all gas redelivered hereunder by Tennessee to Algonquin Gas shall be whichever of the following points as may be mutually agreed upon. (1) at the point of interconnection of Tennessee's 16-inch line and Algonquin Gas' 26-inch line near Southington, Hartford County, Connecticut, (2) the point of interconnection of Tennessee's 24-inch line and Algonquin Gas 26-inch line near Mahwah, Bergen County, New Jersey; (3) the point of interconnection of Tennessee's 8-inch line and Algonquin Gas' transmission facilities in Mendon, Worcester County, Massachusetts; (4) the point of interconnection of Tennessee's 24-inch line and Algonquin Gas' 16-inch line in Lincoln, Middlesex County, Massachusetts; (5) the point of interconnection of Tennessee's 6-inch line and Algonquin Gas' 10-inch line near Wallingford, New Haven County, Connecticut; and (6) the Delivery Points set forth in Section 1 of Article II hereof.

2. The Redelivery Point(s) for all gas redelivered hereunder by Algonquin Gas to Tennessee shall be whichever of the following points as may be mutually agreed upon: Redelivery Point Nos. (1) through (5), as set forth in Section 1 of this Article III, and (6) the Delivery Points set forth in Section 1 of Article II hereof.

#### ARTICLE IV — DELIVERY PRESSURE

1. Algonquin Gas agrees to deliver gas to CL&P, for the account of Tennessee, at the Delivery Point specified in Section 1 of Article II hereof, at Algonquin Gas' line pressure, provided, however, that such pressure shall not be less than 100 pounds per square inch gauge.

2. Tennessee agrees to deliver gas to Algonquin Gas for sale to CL&P at the Delivery Point specified in Section 2 of Article II hereof, at Tennessee's line pressure, provided, however, that such pressure shall not be less than 250 pounds per square inch gauge.

3. Tennessee agrees to deliver gas to Southern Connecticut, for the account of Algonquin Gas, at the Delivery Point specified in Section 3 of Article II hereof, as nearly as practicable at Tennessee's line pressure; provided, however, that such pressure shall not be less than 100 pounds per square inch gauge.

4. Algonquin Gas agrees to redeliver to Tennessee at the Redelivery Points specified in Section 2 of Article III hereof and Tennessee agrees to redeliver gas to Algonquin Gas at the Redelivery Points specified in Section 1 of Article III hereof; and at such pressure or pressures as is necessary in order to redeliver gas in accordance with the provisions herein.

#### ARTICLE V — DELIVERY STATEMENTS

1. By the tenth day of each month, Algonquin Gas and Tennessee shall deliver to the other party hereto statements of the daily quantities of gas delivered and redelivered hereunder to or for the account of the other party to each Delivery Point set forth in Article II hereof and to each Redelivery Point set forth in Article III hereof.

2. The monthly statements by Algonquin Gas to Tennessee and by Tennessee to Algonquin Gas shall indicate the average Btu content of the gas delivered or redelivered by Algonquin Gas to Tennessee or for Tennessee's account and of the gas delivered or redelivered by Tennessee to Algonquin Gas or for Algonquin Gas' account during the last preceding month, such Btu determinations to be made in accordance with Algonquin Gas' and Tennessee's normal operating practices.

#### ARTICLE VI – TERM

This Contract shall become effective on the date hereof and shall continue in force and effect until November 1, 1989 (hereinafter referred to as "the original termination date" of this Contract), and shall then continue in effect until terminated by either Algonquin Gas or Tennessee upon twelve months' prior written notice to the other specifying a termination date at or after the original termination date hereof; provided, however, if the Federal Energy Regulatory Commission or other governmental body having jurisdiction over the service rendered pursuant to this Contract authorizes abandonment of such service, this Contract shall terminate on the abandonment date permitted by the Federal Energy Regulatory Commission or such other governmental body in such authorization.

#### ARTICLE VII – DEFINITIONS

As used in this Contract, the following terms have the following meanings:

1. The term "day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 8:00 a.m. (in the time zone in which delivery of gas is made) or at such other hour as Algonquin Gas and Tennessee may agree upon.

2. The term "month" shall mean the period beginning at 8:00 a.m. on the first day of the calendar month and ending at 8:00 a.m. on the first day of the next succeeding calendar month, or at such other hour as Algonquin Gas and Tennessee may agree upon.

3. The term "year" shall mean a period of 365 consecutive days beginning on the date natural gas is first delivered or is to be delivered under this Contract, whichever is earlier or any anniversary thereof; provided, however, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

4. The term "cubic foot" shall mean the volume of gas which occupies one (1) cubic foot when such gas is at a temperature of sixty degrees (60° Fahrenheit, and at a pressure of thirty-three hundredths (.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch [fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (psia)].

5. The term "Mcf" shall mean one thousand (1,000) cubic feet of gas.

6. The term "British thermal unit" or "Btu" shall mean the amount of heat required to raise the temperature of one pound of water 1 degree Fahrenheit at 60 degrees Fahrenheit.

7. The term "Dekatherm" or "dth", shall mean the quantity of heat energy which is 1,000,000 British thermal units.

8. The term "total heating value", when applied to a cubic foot of gas, means the number of Btu's produced by the complete combustion with air, at a constant pressure, of one anhydrous (dry) cubic foot of gas at a pressure of 14.73 psia and a temperature of 60 degrees Fahrenheit when the products of combustion are cooled to the initial temperature of the gas and air, and when the water formed by combustion is condensed to the liquid state.

9. As used herein, the term "Federal Energy Regulatory Commission" or "FERC" shall include the present Federal Energy Regulatory Commission as well as any successive commission or agency or other governmental authority exercising lawful jurisdiction over the services provided for herein.

#### ARTICLE VIII – QUALITY

1. The natural gas to be delivered or redelivered hereunder shall be natural gas from the delivering or redelivering party's present or future sources of gas supply. The gas delivered or redelivered shall have a total heating value of at least 967 Btu's per cubic foot. In the event that the total heating value of the gas, per cubic foot, falls below 967 Btu's per cubic foot, the receiving party shall have the option to refuse to accept the gas so long as the total heating value remains below 967 Btu's per cubic foot.

2. The natural gas to be delivered or redelivered hereunder:

- (a) shall be commercially free (at prevailing pressure and temperature in the delivering or redelivering party's pipeline) from objectionable odors, dust, or other solid or liquid matters which might cause injury to or interference with proper operation of lines, regulators, meters, or other appliances through which it flows; and
- (b) shall not contain more than twenty (20) grains of total sulphur nor more than one (1) grain of hydrogen sulfide per hundred (100) cubic feet of gas volumes; and
- (c) shall not have a water vapor content in excess of .007 pounds per Mcf and the water vapor content shall be determined by a method mutually agreed upon; and
- (d) contain not more than two-tenths of one percent (0.2 of 1%) by volume of oxygen, and each party shall make every reasonable effort to keep the gas free of oxygen; and
- (e) contain not more than four percent (4%) by volume of a combined total of carbon dioxide and nitrogen components; provided however, that the total carbon dioxide content shall not exceed three percent (3%) by volume; and
- (f) have a temperature of not more than one hundred twenty degrees (120 Fahrenheit.

#### ARTICLE IX — MEASUREMENT AND MEASUREMENT EQUIPMENT

1. The unit of measurement for the gas delivered or redelivered hereunder shall be one thousand cubic feet of gas (Mcf).

2. The volume and the total heating value of the gas delivered or redelivered hereunder shall be determined as follows:

- (a) The unit of volume, for the purpose of measurement, shall be one (1) cubic foot of gas at a temperature of sixty degrees (60° Fahrenheit, and at a pressure of thirty-three hundredths (.33) pounds per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch [fourteen and seventy-three (14.73) pounds per square inch absolute pressure (psia)].
- (b) The total heating value of the gas per cubic foot shall be determined for any month by taking the average of the heating values as recorded each day by a calorimeter or as determined by chromatographic analysis of a sample of gas collected daily during the month, or any other method mutually agreed upon.
- (c) Dekatherms delivered or redelivered shall be determined by multiplying the Mcf delivered by the ratio of the Btu's per cubic foot delivered or redelivered to 1,000.
- (d) The temperature of the gas passing through the meters shall be determined for any day by the continuous use of a recording thermometer so installed that it may properly record the temperature of the gas flowing through the meters. The arithmetical average of the temperature recorded each day shall be used in computing gas volumes, or continuous, instantaneous temperature measurements may be applied to metering instruments to provide the volume computation.
- (e) The deviation of the natural gas from Boyle's Law shall be determined by the use of the tables of formulae published by the American Gas Association Par Research Project NX-19 corrected for carbon dioxide and nitrogen, or any superseding applicable tables published by the American Gas Association. Determinations of the molecular percentage of  $N_2$  and  $CO_2$  in the gas shall be made within thirty (30) days after commencement of deliveries and at least quarterly thereafter. The molecular percentage of  $N_2$  and  $CO_2$  thus determined will be used to determine the supercompressibility factors during the ensuing period, with corrections for specific gravity, temperature, and pressure.

3. Measuring stations have been installed and will be maintained and operated as described in Article II hereof. The measuring stations are properly equipped with meters and other necessary measuring equipment by which the volumes of gas delivered hereunder shall be measured. The heating value of natural gas delivered or redelivered shall be measured and determined in accordance with Sections 2(b) and (c) of this Article IX. Orifice meters have been installed and gas volumes computed in accordance with American National Standard bulletin ANSI/API 2530. Orifice Metering of Natural Gas, dated June 1979, and any modification and amendments thereof, and include the use of flange connections and straightening vanes. If the use of electronic or other types of flow computers is mutually agreeable, they shall be installed, and volumes calculated in accordance with generally accepted industry practices. If at any time a new method or technique is developed with respect to gas measurement or the determination of the factors used in gas measurement, such new method or technique may be substituted upon mutual agreement of the parties hereto.

Issued by: Joseph E. Ramsey, Agent and Attorney-in-Fact Issued on: May 30, 1986

4. Either party may install, maintain, and operate, at its own expense, such check measuring equipment as desired, provided that such equipment shall be so installed as not to interfere with the operation of the other party's measuring equipment at or near the Points of Delivery or Redelivery.

5. Either party shall have the right to have representatives present at the time of any installation, reading, cleaning, changing, repairing, inspecting, testing, calibrating, or adjusting done in connection with the measuring equipment used in measuring or checking the measurement of deliveries or redeliveries of gas under this Contract. The records from such measuring equipment shall remain the property of their owner but, upon request, each party will submit to the other its records and charts, together with calculations therefrom, for inspection and verification, subject to return within ten (10) days after receipt thereof.

6. All installations of measuring equipment applying to or affecting deliveries or redeliveries of gas hereunder shall be made in such manner as to permit an accurate determination of the quantity of gas delivered or redelivered and ready verification of the accuracy of measurement. Care shall be exercised in the installation, maintenance, and operation of pressure regulating equipment so as to prevent any inaccuracy in the determination of the volumes of gas delivered or redelivered networks.

7. The accuracy of either party's measuring equipment shall be verified by the party operating and maintaining the equipment at reasonable intervals, and if requested, in the presence of representatives of the other party, but the party operating and maintaining the equipment shall not be required to verify the accuracy of such equipment more frequently than once in any thirty-day period. In the event either party shall notify the other that it desires a special test of any measuring equipment, the parties shall cooperate to secure a prompt verification of the accuracy of such equipment. The expense of any such special test, if called for by either party shall be borne by the party calling for such test if the measuring equipment tested is found to be in error by not more than two percent.

8. If, upon test, any measuring equipment, including recording calorimeters, is found to be in error by not more than two percent, previous recordings of such equipment shall be considered accurate in computing deliveries or redeliveries of gas, but such equipment shall be adjusted at once to record accurately.

9. If, upon test any measuring equipment shall be found to be inaccurate by an amount exceeding two percent at a recording corresponding to the average hourly rate of flow for the period since the last preceding test, then any previous recordings of such equipment shall be corrected to zero error for any period which is known definitely but in case the period is not known or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test, not exceeding a correction period of sixteen days.

10. In the event a meter is out of service, or registering inaccurately, the volume of gas delivered or redelivered shall be determined:

- (a) by using the registration of any check meter or meters, if installed and accurately registering; or, in the absence of (a),
- (b) by correcting the error if the percentage of error is ascertainable by calibration, tests, or mathematical calculation; or, in the absence of both (a) and (b); then,

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(c) by estimating the quantity delivered by deliveries during periods under similar conditions when the meter was registering accurately.

11. Each party shall preserve for a period of a least one year all test data, charts, and other similar records.

#### ARTICLE X - POSSESSION OF GAS AND RESPONSIBILITY

1. As between the parties, the delivering or redelivering party shall be deemed to be in control and possession of the gas until it shall have been delivered or redelivered to the receiving party, after which the receiving party shall be deemed to be in control and possession thereof.

2. The receiving party shall have no responsibility with respect to any gas until it is delivered or redelivered into the facilities of the receiving party or such facilities as may be designated by the receiving party, or on account of anything which may be done, happen, or arise with respect to said gas before such delivery or redelivery. The delivering or redelivering party shall have no responsibility with respect to such gas after its delivery or redelivery into the facilities of the receiving party or such facilities as may be designated by the receiving party, or on account of anything which may be done, happen, or arise with respect to said gas after such delivery or redelivery.

## ARTICLE XI — WARRANTY OF TITLE TO GAS

Each party warrants for itself that it will, at the time of delivery or redelivery, have good title to all gas delivered or redelivered by it hereunder, free and clear of all liens, encumbrances, and claims whatsoever; that it will at such time of delivery or redelivery have good right and title to deliver or redeliver said gas as aforesaid; and that it will indemnify the receiving part and save it harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any or all persons to said gas and/or to royalties, taxes, license fees, or charges thereon, which are applicable before the title to the gas passes to the receiving party.

#### ARTICLE XII — FORCE MAJEURE AND REMEDIES

1. Neither party shall be liable in damages to the other for any act, omission, or circumstances occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of rulers and peoples, civil disturbances, explosions, breakage or accident of machinery or lines of pipe, line freezeups, temporary failure of gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated, or otherwise, and whether caused or occasioned by or happening on account of the act or omission of one of the parties or some person or concern not a party thereto, not within the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees shall not be considered to be a matter within the control of the party claiming suspension.

2. Such causes or contingencies, affecting the performance of this contract by either party, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate

manner and with all reasonable dispatch, nor shall such causes or contingencies relieve either party of liability unless such party shall give notice and full particulars of the same in writing or by telegraph to the other party as soon as possible after the occurrence relied on.

3. If either party shall fail to perform any of the covenants or obligations imposed upon it by this Contract, then in such event the other party may at its option terminate said Contract by proceeding as follows: the party not in default shall cause a written notice to be served on the party in default stating specifically the cause for terminating the Contract and declaring it to be the intention of the party giving the notice to terminate the same; thereupon the party in default shall have thirty days after the service of the aforesaid notice in which to remedy or remove the cause or causes stated in the notice for terminating the Contract, and if within said period of thirty days the party in default does so remove and remedy said cause or causes then such notice shall be withdrawn and the Contract shall continue in full force and effect. In case the party in default does not so remedy and remove the cause or causes within said period of thirty days, the Contract shall terminate provided, however, that either party may not terminate the Contract until it has obtained the authorization required by valid laws, orders, rules, and regulations of duly constituted authorities having jurisdiction. Any cancellation of the Contract pursuant to the provisions of this paragraph shall be without prejudice to the right of either party to receive any gas which has not been redelivered to it in return for gas which has been delivered prior to the time of cancellation, and without waiver of any remedy to which the party not in default may be entitled for violations of the Contract.

#### ARTICLE XIII - NOTICES

Any communication, notice, request, demand, or statement provided for in this Contract, or any notice which either party may desire to give to the other, shall be in writing and shall be considered as duly presented, rendered, or delivered when mailed by either post-paid registered or ordinary mail or when sent by telegram, cable, telecopy, telex, express mail service, or such other method mutually agreed upon between the parties. The material so sent shall be addressed to the pertinent party at its last known post office address, or at such other address as either party may designate. Notices to Algonquin Gas under this Contract shall be addressed to it at 1284 Soldiers Field Road, Boston, Massachusetts 02135, Attention: Vice President — Marketing and Rates. Notices to Tennessee under this Contract shall be addressed to it at Post Office Box 2511, Houston, Texas 77001, Attention: Customer Relations and Marketing Department. Either party may change its address under this Article by written notice to the other party.

## ARTICLE XIV — TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Algonquin Gas or Tennessee, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in its obligations under this Contract. Either party may, without relieving itself of its obligations under this Contract, assign any of its rights hereunder to a company with which it is affiliated, by otherwise no assignment of this Contract or any of the rights or obligations thereunder shall be made unless there first shall have been obtained the consent thereto of Tennessee, in the event of an assignment by Algonquin Gas, or the consent thereto of Algonquin Gas, in the event of an assignment by Tennessee. It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either party to this Contract from pledging or mortgaging its rights hereunder as security for its indebtedness.

Issued by: Joseph E. Ramsey, Agent and Attorney-in-Fact Issued on: May 30, 1986

#### ARTICLE XV — NONWAIVER OF FUTURE DEFAULT

• No waiver by either party of any one or more defaults by the other in the performance of any provision of the Contract shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

#### ARTICLE XVI - MODIFICATIONS

No modification of the terms and provisions of this Contract, except as specifically permitted herein, shall be made except by the execution of a superseding Gas Service Contract.

## ARTICLE XVII — CONTRACT SUBJECT TO REGULATIONS

The respective obligations of each of the parties under this Contract are subject to valid laws, orders, rules, regulations of duly constituted authorities having jurisdiction in the premises and are subject to change from time to time by addition, amendment, or substitution as provided by law.

#### ARTICLE XVIII – LAW OF CONTRACT

The interpretation and performance of this Contract shall be in accordance with and controlled by the laws of the State of Texas.

## ARTICLE XIX – PRIOR AGREEMENTS CANCELLED

Algonquin Gas and Tennessee agree that this Contract, as of the date hereof, shall supersede and cancel the following contract(s) between the parties hereto:

Gas Service Contract dated September 9, 1958 Gas Service Contract dated November 1, 1964 Gas Service Contract dated November 1, 1964 Precedent Agreement dated March 3, 1982

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be duly executed in several counterparts by their proper officers thereunto duly authorized as of the date first hereinabove written.

ALGONQUIN GAS TRANSMISSION COMPANY

Bv \_\_\_\_\_

/s/ W.D. Jaques

W.D. Jaques Vice President

TENNESSEE GAS PIPELINE COMPANY, a Division of Tenneco Inc.

Bv

/s/ James R. Keys

Agent and Attorney-in-Fact

Issued by: Joseph E. Ramsey, Agent and Attorney-in-Fact Issued on: May 30, 1986 Effective: June 1, 1986