

# Capacity Release

## MASS GAS

This Agreement ("Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among Colonial Gas Company d/b/a National Grid, a Massachusetts Corporation, having its principal office at 175 East Old Country Road, Hicksville, NY 11801 ("Company"), \_\_\_\_\_, a \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ ("ESCO"), and \_\_\_\_\_, a \_\_\_\_\_, having its principal place of business at \_\_\_\_\_ ("Aggregator"). (Company, ESCO and Aggregator are hereinafter sometimes referred to collectively as the "Parties" or individually as a "Party").

WHEREAS, ESCO has been authorized by the Massachusetts Department of Telecommunications and Energy ("MDTE") to act as an energy services company in the State of Massachusetts and approved by the Company to participate in the Company's retail access program (the "Program");

WHEREAS, ESCO has retained Aggregator to assist it in ESCO's participation in the Program;

NOW THEREFORE, in consideration of the mutual representation, covenants and agreements set forth herein, and intending to be legally bound hereby, the Parties agree as follows:

1. ESCO represents that it is in compliance with all applicable laws, and all applicable MDTE rules, regulations, and MDTE orders relating to ESCO qualification or obligations (collectively, "Applicable Law"), and all Tariff provisions for the Company (including Transportation Terms and Conditions as may be amended from time to time ("Company Requirements") relating to the sale of natural gas by energy services companies in Company's service territory.
2. ESCO represents that it has appointed Aggregator as its agent for purposes providing services to ESCO under the Program.
3. Aggregator represents that it is acting as ESCO's agent for purposes of providing services to ESCO under the Program.
4. ESCO represents that it is obligated to supply gas to one or more retail customers on Company's distribution system in quantities determined by the Company from time to time ("Contract Quantity"), pursuant to a state-regulated retail access program ("State Program"), as defined in Part 284 of the Federal Energy Regulatory Commission's ("FERC") Regulations. The details of ESCO's eligibility to participate in such State Program shall not be deemed to be altered in any way by this Agreement or the transactions contemplated hereunder.
5. Aggregator represents that it has a contractual obligation to supply gas to ESCO in an amount equivalent to the Contract Quantity and to act as an agent or as an

asset manager for ESCO.

6. ESCO and Aggregator requests that, in lieu of a release of interstate pipeline capacity by Company to ESCO, Company release interstate pipeline capacity sufficient to transport the full Contract Quantity to Aggregator (the "Capacity Release").

7. Aggregator represents that is obligated to use up to the full amount of the Capacity Release to supply the Contract Quantity to ESCO and, as a result, Aggregator qualifies for the exemptions from bidding and the prohibition against tying of releases of interstate gas pipeline capacity pursuant to FERC's Regulations.

8. The Parties intend that the transactions hereunder qualify for the waiver of the Federal Energy Regulatory Commission's ("FERC") prohibition on tying and bidding requirements for capacity releases made as part of state-approved retail access programs contemplated by FERC Orders 712, 712-A and 712-B.

9. As between Company, Aggregator and ESCO, Aggregator and ESCO warrant title to the gas to be transported pursuant to the Capacity Release to LDC.

10. If ESCO ceases to be authorized to sell natural gas in Company's service territory or if ESCO terminates its retail natural gas business in Company's service territory, ESCO shall immediately notify Company and this Agreement shall be suspended or terminated effective the same day as such event occurred.

11. To the fullest extent allowed by law, in no event shall any Party be liable for any consequential, incidental, indirect, special or punitive damages incurred by another Party and connected with, arising from or related to this Agreement or the performance or failure to perform services hereunder, including but not limited to loss of good will, cost of capital, claims of customers and lost profits or revenue, whether or not such loss or damages is based in contract, warranty, tort, negligence, strict liability, indemnity, or otherwise, even if a party has been advised of the possibility of such damages.

12. ESCO and Aggregator, to the fullest extent allowed by law, shall indemnify, defend and save harmless Company, its parent, subsidiary and affiliate companies, and its and their officers, directors, shareholders, agents, employees, contractors, representatives, successors and assigns ("Indemnified Parties") from and against any and all suits, actions, legal proceedings, claims, losses, demands, damages, costs, liabilities, fines, penalties, royalties, obligations, judgments, orders, writs, injunctions, decrees, assessments, diminutions in value of any kind and expenses of whatsoever kind or character, including reasonable attorneys' fees and court costs, whether incurred in a third party action or in an action to enforce this provision that may at any time be imposed on, incurred by or asserted against any of the Indemnified Parties by any third party, including, without limitation, the FERC or ESCO Customers, arising from on in connection with any (a) breach of a representation or warranty or failure to perform any covenant or agreement in this Agreement by ESCO or Aggregator, (b) any violation of applicable law, regulation or order by ESCO or Aggregator, or (c) any act or

omission by ESCO or Aggregator with respect to this Agreement, first arising, occurring or existing during the term of this Agreement, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of the Agreement, except to the extent caused by an act of gross negligence or willful misconduct by an officer, director, agent, employee, or affiliate of Company or its respective successors or assigns. The obligations of ESCO and Aggregator as set forth in this section shall survive the expiration, cancellation, or termination of this Agreement.

13. No Party shall assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

14. This Agreement constitutes the entire agreement and understanding between the Parties with respect to the subject matter hereof, supersedes any and all previous agreements and understandings between the Parties with respect to the subject matter hereof, and binds and inures to the benefit of the Parties, their successors and permitted assigns.

15. Except as otherwise provided herein, no modification or waiver of all or any part of this Agreement will be valid unless in writing and signed by the Parties or their agents and approved by Company. A waiver will be effective only for the particular event for which it is issued and will not be deemed a waiver with respect to any subsequent performance, default or matter.

16. Interpretation and performance of this Agreement will be in accordance with, and will be controlled by the laws of the Commonwealth of Massachusetts, except its conflict of laws provisions to the extent they would require the application of the laws of any other jurisdiction. Both parties irrevocably consent that any legal action or proceeding arising under or relating to this Agreement will be brought in a court of the State of New York in New York or Kings County, or a Federal court of the United States of America located in the State of New York, New York or Kings County. Both Parties irrevocably waive any objection that it may now or in the future have to the State of New York, New York or Kings County as the proper and exclusive forum for any legal action or proceeding arising under or relating to this Agreement.

17. If one or more provisions herein are held to be invalid, illegal or unenforceable in any respect, it will be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability will not affect the validity of the other provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed as of the date first above written.

Colonial Gas Company d/b/a National Grid

By: \_\_\_\_\_

Name (Print): Terrence Kain

Title: Director

Date: \_\_\_\_\_

\_\_\_\_\_ (ESCO)

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_ (Aggregator)

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_