

Liberty Utilities (St. Lawrence Gas) Corp.

THIS AGREEMENT is made as of the _____ day of _____, 20__

AMONG:

Liberty Utilities (St. Lawrence Gas) Corp., a New York corporation
(hereinafter called "Company")

and

_____, a _____
(name) (state)

(type of organization)
(hereinafter called "Agent")

and

THOSE CUSTOMERS of Company who have agreed to acquire their natural gas commodity requirements from Agent and whose names appear in Schedule A hereto (hereinafter called "Customers")

WHEREAS Agent has contracted with Customers to supply to Customers their natural gas commodity requirements for the location(s) ("Service Locations") shown in Schedule A hereto in conjunction with each of Customers' names;

WHEREAS Agent herein contracts with Company to utilize a portion of Company's upstream pipeline capacity on TransCanada PipeLines Limited, or Agent utilizes its own capacity, for the term of this agreement in order to ship Customers' natural gas commodity requirements to the Point of Receipt;

WHEREAS Customers do herein appoint Agent as their representative to do all things necessary and associated with their acquiring their natural gas commodity requirements from Agent;

WHEREAS Customers require Company to transport their gas acquired from Agent from the Point of Receipt to the Point of Delivery, each as shown in Schedule A hereto in conjunction with each of Customers' names;
THE PARTIES AGREE AS FOLLOWS:

1.0 GENERAL

1.1 Headings contained in this Service Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Service Agreement.

1.2 Words and phrases having specialized meanings in the context of this Agreement are recognizable by the first letter of such word or of such words in a phrase being capitalized. Such words and phrases are defined herein or in Company's Tariff, P.S.C. No. 1 - Gas.

2.0 INCORPORATION OF TARIFF

2.1 This Service Agreement is made pursuant to Company's Tariff, P.S.C. No. 1 - Gas ("Tariff"), on file with the New York State Public Service Commission ("PSC"), as modified and amended from time to time, and the terms and conditions specified in such Tariff as they may pertain to this Service Agreement are expressly incorporated herein by reference.

3.0 AGENCY RELATIONSHIP

3.1 Customers do hereby appoint and duly constitute Agent as their representative (agent) to act on their behalf, including but not limited to, acting in respect to their rights and obligations under this Service Agreement for transportation of Customers' or Agent's gas by Company. Customers agree that Agent shall perform all nominating, scheduling, and all other gas control functions specified in Company's Tariff.

3.2 Company shall be entitled to deal exclusively with Agent in respect to the rights and obligations of Customers under this Service Agreement.

3.3 Agent does hereby accept appointment as Customers' agent to act on their behalf in respect to the rights and obligations of Customers under this Service Agreement.

3.4 Agent, by executing this Service Agreement, agrees to be bound by all applicable provisions of Company's Tariff for gas services. In the event Agent commits any material breach of the terms and conditions of such Tariff or this Service Agreement, Company reserves the right to refuse to receive further deliveries of gas from Agent.

3.5 Company does hereby accept Customers' appointment of Agent as their agent to act on their behalf, including with respect to but not limited to, their rights and obligations under this Service Agreement in connection with Company's transportation of Customers' or Agent's gas.

- 3.6 Agent hereby represents and warrants to Company as follows:
- i. Agent is the duly appointed agent of Customers whose names and Service Locations are set out in Schedule A hereto and, in such capacity, is entitled to enter into this Agreement and to act on behalf of Customers hereunder; and
 - ii. Company is entitled to rely on anything done or any document signed by Agent in respect of this Agreement as if the action had been taken or the document had been signed by Customers.

4.0 BASIC AGREEMENT

- 4.1 On the Date of First Deliveries and on each Day during the Term of this Agreement:
- i. Unless otherwise advised by Company by notice given to Agent, Agent shall Nominate and deliver to Company and Company shall receive from Agent at the Point of Receipt the aggregated Daily Transportation Volume required by Customers;
 - ii. Company shall transport for such Day from the Point of Receipt to each of Customers' Service Locations (the Point of Delivery), or otherwise make available, Customers' natural gas requirements at the Point of Delivery for such Day. Customers shall receive such gas from Company at such Point(s)

of Delivery, all in accordance with Company's Tariff.

4.2 For any contract year, Company shall only be responsible to Customers for the redelivery of volumes of gas received, net of volumes retained in respect to Lost and Unaccounted For Gas.

4.3 Customers agree to pay Company for transportation services provided hereunder in accordance with this Service Agreement and with the Service Classification of Company's Tariff, the provisions of which are incorporated herein and made a part hereof by reference, as set out in Schedule A hereto in conjunction with each of Customers' names.

4.4 Subject to the conditions set forth in 4.5 below, Company hereby contracts with Agent to transport _____ Gigajoules per day (Reserved Capacity) of Customers' or Agent's gas utilizing Company's rights under its agreement(s) with its provider(s) ("Provider") of pipeline capacity.

4.5 Agent shall pay Company for all charges associated with the use of such Reserved Capacity, including (without limitation) demand charges, commodity charges, taxes, surcharges, fuel allowances, imbalance and overrun charges and/or penalties.

4.6 Company, acting reasonably, may require Agent to provide financial guarantees to assure its payments of the amounts due to Company for Reserved Capacity. Failure of Agent (or any permitted assignee) to pay any of such charges shall give Company the right to demand from Agent the reimbursement of such amounts as Company may have paid in respect to charges otherwise payable by Agent; in the absence of Agent reimbursing Company in accordance with this clause, Company shall be entitled to terminate this Service Agreement.

4.7 Agent shall be responsible for:

- i. monitoring its deliveries of gas on behalf of Customers and its receipts from Providers;
- ii. avoiding, eliminating, or paying for imbalances payable to Provider in respect to Reserved Capacity.

4.8 Company shall not be liable to Agent or to Customers, in any way, for interruptions of service by Provider(s).

4.9 Agent warrants that:

i. For Residential service, Agent has no knowledge that the attached documents labeled _____ do not meet the following requirements of the PSC:

a. Agent has advised Customers of protections that Customers have waived in the transaction. Agent has filed with the staff of PSC's Consumer Services Division a copy of its standard contract.

b. Agent has established a system to handle Customer complaints that is operational and has provided the PSC's help and hotline numbers to Customers.

c. Bills rendered by Agent to Customers will be clear and in plain language, and the staff of the PSC's Consumer Services Division has received a sample copy.

d. Agent has established procedures to ensure Customers and Company will receive adequate prior notice of termination of gas supply services. Such procedures provide that notifications will be sent at least 15 days before discontinuation of supply service and will advise Customers of the opportunity to pay the overdue bill or to request service from another provider.

ii. For Non-residential service, Agent has no knowledge that the following requirements of the PSC have not been met:

- a. Agent has advised Customers of protections that have been waived in the transaction. Agent has filed with the staff of the PSC's Consumer Services Division a copy of its standard contract.
- b. A reasonable dispute resolution process has been established with respect to Agent's service.

5.0 TERM

5.1 This Agreement shall have an initial term of _____ months and shall end at 0900 hours CST on _____, 20__.

5.2 The term of this Agreement shall be automatically extended for successive terms of one year each ending one year after the termination date specified in 5.1 above unless any party terminates this Agreement at the end of the initial term or at the end of any year of the extended term by written notice of termination given to the other parties at least 60 days prior to the end of any term.

6.0 VOLUMES

6.1 Company, Customers and Agent hereby agree that the Annual Transportation Volume set out opposite each Service Location in Schedule A is a reasonable estimate of the volume of gas required for such Service Location.

6.2 The Average Daily Transportation Volume for purposes of this Agreement is derived from the sum of the Annual Transportation Volumes set out in Schedule A and is _____ Gigajoules of gas, or

The Monthly Average Day Transportation Volume will be provided monthly by the Agent to the Company, or

The Daily Transportation Volume will be provided daily by the Agent to the Company.

6.3 Company shall not be obliged to receive from Agent in any Day a quantity of gas in excess of the Average Daily Transportation Volume, the Monthly Average Day Transportation Volume, or the Daily Transportation Volume, as applicable.

7.0 RECALL RIGHTS

7.1 The parties to this Agreement acknowledge that at any time one or more parties may wish to change agents or may wish to have Company supply such parties' natural gas requirements. In such event, Company shall have the right to recall from Agent such volume of Reserved Capacity as Company shall require (as determined from such Customers' Annual Transportation Volume as set out in Schedule A) for transmission of Customers' natural gas requirements.

7.2 Any capacity recalled from Agent shall be assigned by Company to Customers or to Customers' new agent, if Customers so direct, or in the alternative shall be used by Company to transport such volume of gas as is required for Company's resale to Customers.

7.3 Any changes required as discussed in 7.1 and 7.2 above shall be effective no sooner than 60 days from receipt of a written notice properly given pursuant to this Agreement and shall only be effective as of the regularly scheduled meter reading date following receipt of next such notice.

8.0 BANKED GAS ACCOUNT

8.1 In accordance with Company's Tariff, Company shall maintain a Banked Gas Account in Agent's name to record differences between the volumes of gas delivered by Agent on behalf of Customers and the volumes of gas consumed by Customers.

8.2 With respect to Customers whose meters are not read as at the end of a month, each year of service shall be deemed to run from the date of the regularly scheduled meter reading immediately succeeding the date of this Agreement to the date of the regularly scheduled meter reading immediately succeeding the termination date of this Agreement.

8.3 Agent shall be responsible to Company for the settlement of any debit imbalance as provided in Company's Tariff.

8.4 Company shall pay Agent in respect to any credit imbalance as provided in Company's Tariff.

9.0 BILLING

9.1 Company shall determine the appropriate Service Classification pursuant to which each Customer supplied by Agent shall be billed.

9.2 Customers shall be billed by Company in accordance with Company's appropriate Service Classification(s) for transportation service.

9.3 Customers agree that they remain the Customers of record and, accordingly, they shall be billed by Company in accordance with applicable law and filed regulations for all monies due for assignment of services. Further, Customers hereby agree that, notwithstanding the existence of this Service Agreement, they remain responsible to Company for all services provided and for any and all acts performed by Agent, including any costs, fees, penalties or imbalances incurred for assignment of services provided by Providers.

10.0 ADMINISTRATION CHARGE

10.1 Agent shall pay to Company the Administration Charge as specified in Company's Tariff.

11.0 INDEMNIFICATION

11.1 Company hereby saves harmless and indemnifies Agent and Customers for any and all losses, costs, damages, claims, suits or actions that Agent or Customers may suffer or incur as a consequence of the negligence or willful misconduct of Company.

11.2 Agent hereby saves harmless and indemnifies Company for any and all losses, costs, damages, claims, suits or actions that Company may suffer or incur as a consequence of the negligence or willful misconduct of Agent or Customers.

11.3 Customers hereby save harmless and indemnify Company for any and all losses, costs, damages, claims, suits or actions that Company may suffer or incur as a consequence of the negligence or willful misconduct of Agent or Customers.

12.0 SUCCESSORS AND ASSIGNS

12.1 This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns but shall not be assignable or be assigned by Agent to another party (“Party”) without first obtaining the consent in writing of Company, which consent shall not be unreasonably withheld in the case where all Customers acknowledge, in writing, their agreement to the assignment of their rights hereunder to Party.

12.2 Customers acknowledge that their consent to the assignment to Party of Agent’s responsibilities hereunder includes their assignment to Party of any rights obtained from Company and assigned to Agent.

12.3 This Agreement may be executed in several counterparts, each counterpart being deemed to be an original, and such counterparts together shall constitute one instrument and notwithstanding their date of execution shall be deemed to be made and dated as of the ____ day of _____, 20__.

13.0 HUMAN NEEDS

13.1 Facilities providing for HUMAN NEEDS are those requiring gas for space heating for overnight accommodation of human beings, excluding hotels and motels.

13.2 Customers replying to the question in Schedule A hereto: “Human Needs?” with the answer: “Yes” in Schedule A hereto in conjunction with each of Customers’ names in such schedule agree to be bound by the Backstop Service provisions of the Service Classification pursuant to which each of Customers is served.

13.3 In the event that Agent fails on any Day to tender gas to Company at the Point of Receipt, Company shall provide the Human Needs Customers’ gas requirement and Agent shall pay Company for such Backstop Service in accordance with the tariff provisions of the Service Classification as set forth in conjunction with each of Customers’ names in Schedule A hereto.

IN WITNESS WHEREOF the parties have executed this Agreement.

LIBERTY UTILITIES
(ST. LAWRENCE GAS) CORP.

(agent)

By: _____

By: _____

Title: _____

Title: _____

By: _____

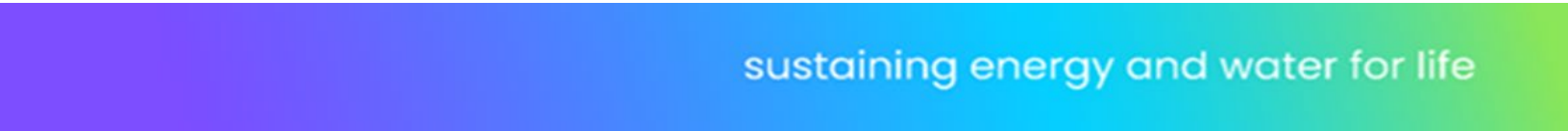
By: _____

Title: _____

Title: _____

CUSTOMERS

By: _____ (See Schedule A.)



SCHEDULE A

to the

AGENCY GAS TRANSPORTATION SERVICE AGREEMENT

Between

LIBERTY UTILITIES (ST. LAWRENCE GAS) CORP.

and

_____ ("Agent")

and

"CUSTOMERS" listed below

Customer	Service Location	Human Needs	SC No.	Annual Transportation Volume	Signature (1)	SS#	Account #

(1) Please provide either:

Signature, or

SS# and Account #.