

Liberty Utilities (St. Lawrence Gas) Corp.

This Reservation made as of the _____ day of _____, 20__

BY AND BETWEEN:

Liberty Utilities (St. Lawrence Gas) Corp.
a New York corporation ("Contractor")

OF THE FIRST PART

- and -

("Contractee")

OF THE SECOND PART

WITNESSES THAT, WHEREAS:

A. TransCanada PipeLines ("TransCanada") and Contractor are parties to a Firm Service Contract for Firm Transportation Service to the Cornwall Delivery Point (as therein defined) made as of the 4th day of November 1992, as amended, that currently specifies a Contract Demand of _____ Gigajoules (the "FT Contract").

B. Contractee has requested Contractor to reserve part of Contractor's rights and obligations as shipper under the FT Contract to Contractee, and Contractor has agreed to do so subject to the terms and conditions of this Reservation.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties mutually covenant, agree and declare as follows:

1. During the operative term of this Reservation, Contractor reserves for Contractee, and Contractee accepts from Contractor, and agrees to utilize a part of Contractor's service entitlement as shipper under the FT Contract equal to _____ Gigajoules per day (the "Reserved Capacity").

2. This Reservation shall come in to full force and effect at 0900 hours CST on _____, 20__ (provided that, for the purpose of Contractee nominating service for that day, this Reservation shall be effective at the same time on the preceding day). Subject to paragraph 4, this Reservation shall be operative for a term ending at 0900 hours CST on _____, 20__. Notwithstanding the foregoing, the operative term of this Reservation will not extend beyond the term of the FT Contract.

3. Contractee declares that all notices, nomination authorizations, requests, invoices, and other written communications may be given by Contractor to Contractee as follows:

(a) Mailing address:

(b) Delivery address:

(c) E-mail address:

(d) Nominations:

Attention:

Facsimile:

Telephone:

E-mail:

(e) Invoices:

Attention:

Facsimile:

Telephone:

E-mail:

(f) Other matters:

Attention:

Facsimile:

Telephone:

E-mail:

4. Contractee will indemnify Contractor for and will hold Contractor harmless for all charges that TransCanada may be entitled to collect from Contractor under the FT Contract in regard to the Reserved Capacity. The scope of this indemnity shall include all gas imbalances (as defined in Section XXII, paragraph 2 of the General Terms and Conditions in TransCanada's Transportation Tariff) and energy-in-transit balances associated with the Reserved Capacity, to the extent that Contractor is held responsible therefor by TransCanada except to the extent caused by the actions of Contractor or its agent(s).

5. Contractee shall be entitled to sub-assign all or part of the service entitlement related to the Reserved Capacity to a third party by assigning the corresponding rights and obligations under this Reservation; provided that no such assignment will relieve Contractee of its obligations to Contractor hereunder without Contractor's prior written consent, which shall not be unreasonably withheld. Contractee shall promptly give Contractor a copy of each such sub-assignment.

6. Contractor represents and warrants to Contractee that, using its service entitlement under the Transportation Service Agreement made 30 October 1992 with Niagara Gas Transmission Limited, Contractor will transport and deliver to Contractor's distribution system. Contractor further warrants that it has all necessary legal and contractual authority to permit Contractee to ship gas on TransCanada pursuant to this Agreement using transportation capacity reserved by Contractor. Nominations by Contractee will be given to Contractor pursuant to the terms of the Gas Transportation Service Agreement agreed to by Contractor and Contractee dated _____, 20__ for service commencing _____, 20__.

7. Contractee represents and warrants to Contractor as follows:

a) Contractee and/or its supplier(s) has (have) obtained the authorizations necessary for the lawful removal of gas from Alberta and/or another province of production, export of gas from Canada, and import of gas into the United States of America at the level of the Reserved Capacity during the operative term of this Reservation, as indicated in Exhibit 1 hereto; and

b) Contractee and/or its supplier(s) has (have) arranged a firm transportation service entitlement corresponding to the Reserved Capacity with NOVA Gas Transmission Ltd. and/or any other upstream transporter during the operative term of this Reservation.

8. This Reservation and the rights and obligations of the parties hereunder are subject to all valid and applicable present and future laws, rules, regulations, and orders of any governmental or regulatory authority having jurisdiction or control over the parties hereto, the FT Contract, TransCanada Transportation Tariff, and the assignment or sub-assignment of all or part of the service entitlement thereunder.

9. This Reservation may be executed in counterparts, and when so executed it shall have the same effect as if both parties had executed the same document. A party that executes a counterpart of this Reservation shall deliver one copy of such counterpart to the other party.

10. This Reservation shall be construed in accordance with and governed by the laws of the State of New York and the laws of New York applicable therein.

11. This Reservation shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF the parties hereto have duly executed and delivered this Reservation as of the day, month, and year first above written.

CONTRACTOR:

Liberty Utilities (St. Lawrence Gas) Corp.

By: _____

(Title)

CONTRACTEE:

By: _____

(Title)

Exhibit 1

Temporary Partial Reservation

Contractee: _____

Reserve Volume: _____ Gigajoules per day

Term - start: _____

Term - end: _____

Receipt Point: _____

Upstream Transporter: _____

Delivery Point: _____

Downstream Transporter: _____

Authorization: _____

Alberta - Energy Resources Conservation Board

- Permit No. _____
- Term - start: _____
- Term - end: _____

Canada - National Energy Board

- Order No. _____
- Term - start: _____
- Term - end: _____

United States - Department of Energy (Office of Fossil Energy)

- Docket No. _____
- Order No. _____
- Term - start: _____
- Term - end: _____