

3.18 Materially Non-Conforming Service Agreements

The following service agreements are being listed in accordance with Section 154.112(b) of the Commission's regulations. This list of agreements will be updated to reflect new agreements containing material, non-conforming provisions, with the exception of an extension in the term of one of the agreements identified below.

Customer Name	Contract Number	Rate Schedule	Primary Term Begin Date
Algonquin Gas Transmission, LLC	400226	SS-1	11/01/1999
Arkansas Western Gas Company	400184	SS-1	05/01/1994
Bay State Gas Company	400193	SS-1	09/01/1994
Boston Gas Company d/b/a National Grid	400225	SS-1	11/01/1999
Brooklyn Union Gas Company d/b/a National Grid	400186	SS-1	06/01/1994
CenterPoint Energy Services, Inc.	910661	FT-1	11/01/2010
Chesapeake Energy Marketing, Inc.	910952	FT-1	11/01/2013
Chevron U.S.A Inc.	911109	FT-1	2/
Chief Oil & Gas LLC	911187	FT-1	11/01/2014
Colonial Gas Company d/b/a National Grid	400200	SS-1	11/01/2001
Columbia Gas Transmission Corporation	910587R1	FT-1	07/01/2006
Connecticut Natural Gas Corporation	400223	SS-1	12/01/1996
Connecticut Natural Gas Corporation	400229	SS-1	05/01/2004
Connecticut Natural Gas Corporation	800529	CDS	10/01/2003
ConocoPhillips Company	910662	FT-1	11/01/2010
ConocoPhillips Company	910882	FT-1	11/01/2011
Consolidated Edison Company of New York, Inc.	400224	SS-1	01/01/1999
Consolidated Edison Company of New York, Inc.	910950	FT-1	11/01/2013
Dominion Transmission, Inc.	800317	FT-1	12/01/2012
Enerplus Resources (USA) Corporation	911186	FT-1	11/01/2014
Entergy Arkansas, Inc.	910941	MLS-1	1/
EQT Energy, LLC	910900	FT-1	03/01/2012
EQT Energy, LLC	911108	FT-1	2/
Liberty Utilities (Midstates)	400245	SS-1	08/01/2012
Liberty Utilities (Midstates)	400246	SS-1	08/01/2012
Liberty Utilities (New England Natural Gas Company) Corp	400187	SS-1	09/01/1994
Narragansett Electric Company (The) d/b/a National Grid	331722	FTS-7	11/01/1996
Narragansett Electric Company (The) d/b/a National Grid	331819	FTS-8	11/01/1996
Narragansett Electric Company (The) d/b/a National Grid	400185	SS-1	05/01/1994
Narragansett Electric Company (The) d/b/a National Grid	400221	SS-1	06/01/1996
New Jersey Natural Gas Company	331724	FTS-7	11/01/2002
New Jersey Natural Gas Company	331821	FTS-8	11/01/2002
New Jersey Natural Gas Company	400188	SS-1	11/01/1999
New Jersey Natural Gas Company	910610	FT-1	11/01/2008

Customer Name	Contract Number	Rate Schedule	Primary Term Begin Date
Nstar Gas Company	331723	FTS-7	11/01/1996
Nstar Gas Company	331820	FTS-8	11/01/1996
Nstar Gas Company	800527	CDS	10/01/2003
Orange and Rockland Utilities, Inc.	400216	SS-1	11/01/1994
Paulsboro Refining Company LLC	800526	FT-1	12/04/1998
Peco Energy Company	400120	SS-1	07/01/2003
Philadelphia Gas Works	331725	FTS-7	11/01/1996
Philadelphia Gas Works	331822	FTS-8	11/01/1996
Pivotal Utility Holdings, Inc.	400196	SS-1	10/01/1994
PPL EnergyPlus, LLC	910663	FT-1	11/01/2010
PSEG Power, LLC	400241	SS-1	11/01/2007
Shell Energy North America (US), L.P.	910791	FT-1	10/01/2010
Southern Connecticut Gas Company	400192	SS-1	05/01/1994
Southern Connecticut Gas Company	400233	SS-1	05/01/2004
Southern Connecticut Gas Company	800304	CDS	10/01/2003
Statoil Natural Gas, LLC	910953	FT-1	11/01/2013
Tug Hill Marcellus, LLC	911189	FT-1	11/01/2014
UGI Central Penn Gas, Inc.	400190	SS-1	05/01/1994
Union Electric Company DBA Ameren Missouri	400211	SS-1	05/01/1999
Union Electric Company DBA Ameren Missouri	400237	SS-1	07/01/2006
Union Electric Company DBA Ameren Missouri	800241	CDS	11/01/1997
Union Electric Company DBA Ameren Missouri	800242	FT-1	11/01/1997
Yankee Gas Services Company	400191	SS-1	09/01/1994

- 1/ This agreement will become effective upon the permanent release of capacity under Contract No. 910757 to Entergy Arkansas, Inc.
- 2/ This agreement will become effective upon the date on which the TEAM 2014 Project facilities are placed into service.

Texas Eastern Transmission, LP

FERC NGA Gas Tariff

Filed Agreements

Effective on February 16, 2015

(Version 2.0.0, Section 1.) **Liberty Utilities (New England Gas) – contract 400187**

Option Code "A"

SERVICE AGREEMENT
FOR RATE SCHEDULE SS-1

Date: 10/9/14

Contract No. 400187-R2

SERVICE AGREEMENT

This AGREEMENT is entered into by and between Texas Eastern Transmission, LP, ("Pipeline") and LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP D/B/A LIBERTY UTILITIES ("Customer").

WHEREAS, Customer and Pipeline are currently parties to an executed service agreement dated September 20, 1994, under Pipeline's Rate Schedule SS-1 (Pipeline Contract No. 400187R1); and

WHEREAS, Customer and Pipeline are also currently parties to service agreements under pipeline Rate Schedule SS-1 (Pipeline's Contract Nos. 400220R1 dated October 1, 1995); and

WHEREAS, Customer and Pipeline desire to enter into this Service Agreement to combine Pipeline's Contract No. 400220R1 into service under Pipeline's Rate Schedule SS-1 and to combine such service rights with Customer's service rights under Pipeline's Contract No. 400187R1 into this single Service Agreement;

NOW THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties do agree as follows:

1. Pipeline shall deliver and Customer shall take and pay for service pursuant to the terms of this Agreement and subject to Pipeline's Rate Schedule SS-1 and the General Terms and Conditions of Pipeline's Tariff, which are incorporated herein by reference and made a part hereof.
2. The Maximum Daily Injection Quantity (MDIQ), Maximum Storage Quantity (MSQ), and Maximum Daily Withdrawal Quantity (MDWQ) for service under this Agreement and any right to increase or decrease the MDIQ, MSQ, and MDWQ during the term of this Agreement are listed on Exhibit C attached hereto. The Point(s) of Delivery are listed on Exhibit A attached hereto. Customer's Storage Withdrawal Quantities are specified on Exhibit B attached hereto. Exhibit(s) A, B, and C are incorporated herein by reference and made a part hereof.
3. This Agreement shall be effective on November 1, 2014 and shall continue for a term ending on and including April 30, 2025 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party upon 5 years prior written notice prior to the end of the Primary Term or any successive term thereof. This Agreement may be terminated at any time by Pipeline in the event Customer fails to pay part or all of the amount of any bill for service hereunder and such failure continues for thirty (30) days after payment is due; provided, Pipeline gives thirty (30) days prior written notice to Customer of such termination and provided further such termination shall not be effective if, prior to the date of termination, Customer either pays such outstanding bill or furnishes a good and sufficient surety bond or other form of security reasonably acceptable to Pipeline guaranteeing payment to Pipeline of such outstanding bill. In the event there is Gas in storage for Customer's account on April 30 of the year of termination of this Agreement, this Agreement shall continue in force and effect for the sole purpose of withdrawal and delivery of said Gas to Customer for an additional one-hundred and twenty (120) Days.

If this Agreement qualifies as a "ROFR Agreement" as defined in the General Terms and Conditions of Pipeline's Tariff, the provision of a termination notice by either Customer or Pipeline, pursuant to the preceding paragraph, a notice of partial reduction in MDIQ, MSQ and MDWQ pursuant to Exhibit C or the expiration of this Agreement of its own terms triggers Customer's right of first refusal under Section 3.13 of the General Terms and Conditions of Pipeline's Tariff.

4. Maximum rates, charges, and fees shall be applicable to service pursuant to this Agreement except during the specified term of a discounted rate or a Negotiated Rate to which Customer and Pipeline have agreed. Provisions governing such discounted rate shall be as specified in the Discount Confirmation to this Agreement. Provisions governing such Negotiated Rate and term shall be as specified on an appropriate Statement of Negotiated Rates filed, with the consent of Customer, as part of Pipeline's Tariff. It is further agreed that Pipeline may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Pipeline's Tariff, and Pipeline shall have the right to place such changes in effect in accordance with the Natural Gas Act. Notwithstanding the foregoing, Customer does not agree that Pipeline shall have the unilateral right without the consent of Customer subsequent to the execution of this Agreement and Pipeline shall not have the right during the effectiveness of this Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDIQ, MSQ, MDWQ, the term of the agreement, the Point(s) of Receipt, the Point(s) of Delivery, or the firm character of the service hereunder. Nothing contained herein shall be construed to deny Customer any rights it may have

**EXHIBIT A, POINT(S) OF DELIVERY, DATED 10/9/14,
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1
BETWEEN TEXAS EASTERN TRANSMISSION, LP ("Pipeline")
AND LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP D/B/A LIBERTY UTILITIES ("Customer")
DATED 10/9/14**

Exhibit A Effective Date: 11/01/2014

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsibilities	Owner	Operator
70087	ALGONQUIN - LAMBERTVILLE, NJ HUNTERDON CO., NJ	4,329	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 POUNDS PER SQUARE INCH GAUGE	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN - HANOVER, NJ MORRIS CO., NJ	6,644	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 POUNDS PER SQUARE INCH GAUGE	TX EAST TRAN	TX EAST TRAN	ALGONQUIN

Provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's Aggregate Maximum Daily Delivery Obligations ("AMDDOs") under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the AMDDOs set forth below. Further, the list below includes the AMDDOs for all Points of Delivery under this and all other firm Service Agreements between Pipeline and Customer, but such AMDDOs and Points of Delivery shall only be available to Customer under this Service Agreement for those Points of Delivery listed above with specified Maximum Daily Delivery Obligations.

Point of Delivery	Aggregate Maximum Daily Delivery Obligation (dth)
70087	19,316
71078	11,264

**EXHIBIT A, POINT(S) OF DELIVERY, DATED 10/9/14,
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AND LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP D/B/A LIBERTY UTILITIES ("Customer")
DATED 10/9/14**

Exhibit A Effective Date: 11/01/2014

Point of Delivery	Aggregate Maximum Daily Delivery Obligation (dth)
79513	3,547

SIGNED FOR IDENTIFICATION:

PIPELINE:

CUSTOMER:

SUPERSEDES EXHIBIT A DATED N/A

Legal Approved by ELS, Asset Planning Approved by JDH, Capacity Approved by WW, Credit Approved by JER

**EXHIBIT B, WITHDRAWAL QUANTITIES, DATED 10/9/14,
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1
BETWEEN TEXAS EASTERN TRANSMISSION, LP ("Pipeline")
AND LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP D/B/A LIBERTY
UTILITIES ("Customer")
DATED 10/9/14**

Exhibit B Effective Date: 11/01/2014

STORAGE WITHDRAWAL QUANTITIES

Pipeline shall not be obligated to withdraw for Customer on any Day a total daily quantity in excess of the following:

the MDWQ if Customer's Storage Inventory is equal to or less than 669,337 Dth, but more than 223,353 Dth;
a daily entitlement of 8,384 if Customer's Storage Inventory is equal to or less than 223,353 Dth, but more than 155,136 Dth;
a daily entitlement of 7,072 if Customer's Storage Inventory is equal to or less than 155,136 Dth, but more than 90,176 Dth;
a daily entitlement of 1,860 if Customer's Storage Inventory is equal to or less than 90,176 Dth, but more than 40,519 Dth;
a daily entitlement of 1,134 if Customer's Storage Inventory is equal to or less than 40,519 Dth, but more than 32,989 Dth;
a daily entitlement of 1,101 if Customer's Storage Inventory is equal to or less than 32,989 Dth, but more than 0 Dth.

If at any time during the period from November 16 through April 15 of each contract year the aggregate Storage Inventory of all Customers under Rate Schedule SS-1 equals or is less than 30% of the aggregate MSQ of all Customers under Rate Schedule SS-1, then for the balance of the period ending April 15 for such contract year injections into storage or transfers of title of Gas in Storage Inventory shall not be included in Customer's Storage Inventory for purposes of determining Customer's daily withdrawal rights pursuant to this Exhibit B. Pipeline shall notify Customer verbally and then in writing when the aggregate Storage Inventory of all Customers under Rate Schedule SS-1 and/or when Customer's individual Storage Inventory equals or is less than 40% and 30% of the aggregate MSQ or Customer's individual MSQ, respectively.

SIGNED FOR IDENTIFICATION:



PIPELINE: _____

CUSTOMER:  _____

SUPERSEDES EXHIBIT B DATED N/A

EXHIBIT C, STORAGE SERVICE QUANTITIES,
DATED 10/9/14,
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1
BETWEEN TEXAS EASTERN TRANSMISSION, LP ("Pipeline")
AND LIBERTY UTILITIES (NEW ENGLAND NATURAL GAS COMPANY) CORP D/B/A LIBERTY
UTILITIES ("Customer")
DATED 10/9/14

Exhibit C Effective Date: 11/01/2014

Pipeline agrees to receive and store for Customer's account quantities of Natural Gas up to the following quantities:

Maximum Daily Injection Quantity (MDIQ)	3,441 Dth
Maximum Storage Quantity (MSQ)	669,337 Dth
Maximum Daily Withdrawal Quantity (MDWQ)	9,489 Dth

Customer may elect to partially reduce Customer's MDIQ by N/A Dth, MSQ by N/A Dth, and MDWQ by N/A Dth, maintaining the existing MDIQ, MSQ, and MDWQ relationship, as of N/A, or any subsequent anniversary date, upon providing N/A year(s) prior written notice to Pipeline.

Pipeline and Customer agree that, if this Agreement qualifies as a "ROFR Agreement", (i) the foregoing contractual right to partially reduce Customer's MDIQ, MSQ, and MDWQ is in addition to and not in lieu of any ROFR right to reduce Customer's MDIQ, MSQ, and MDWQ on a non-geographic basis upon termination or expiration of this Agreement and (ii) only the partial reduction pursuant to the foregoing contractual right to partially reduce Customer's MDIQ, MSQ, and MDWQ is subject to the ROFR procedures specified in the General Terms and Conditions of Pipeline's Tariff and Customer may retain the balance of the MDIQ, MSQ, and MDWQ without being subject to the ROFR procedures.

PIPELINE: _____

CUSTOMER: _____

SUPERSEDES EXHIBIT C DATED N/A

Legal Approved by ELS, Asset Planning Approved by JDH, Capacity Approved by WW, Credit Approved by JER