

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

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### FILER

#### COLONIAL GAS CO

CIK: **60653** | IRS No.: **041558100** | State of Incorporation: **MA** | Fiscal Year End: **1231**  
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Business Address  
40 MARKET ST  
LOWELL MA 01852  
5084583171

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

X Annual Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the fiscal year ended December 31, 1993

OR

Transition Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NUMBER 0-10007

COLONIAL GAS COMPANY

(Exact name of registrant as specified in its charter)

Massachusetts	04-1558100
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

40 Market Street, Lowell, Massachusetts	01852
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (508) 458-3171

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$3.33 par value  
(Title of Class)

Indicate by check mark whether the registrant (1) has filed  
all reports required to be filed by Section 13 or 15(d) of the  
Securities Exchange Act of 1934 during the preceding 12 months  
(or for such shorter period that the registrant was required to  
file such reports), and (2) has been subject to such filing  
requirements for the past 90 days.

Yes X No

Indicate by check mark if disclosure of delinquent filers  
pursuant to Item 405 of Regulation S-K is not contained herein,

and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 1, 1994 was \$189,122,548.

The number of shares of the registrant's common stock outstanding as of March 1, 1994 was 8,047,768.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the annual report to stockholders for the year ended December 31, 1993 are incorporated by reference into Part II and Part IV. Portions of the proxy statement for the 1994 annual meeting of stockholders are incorporated by reference into Part III.

#### COLONIAL GAS COMPANY

#### FORM 10-K ANNUAL REPORT - 1993

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PART I

- Item 1. Business

THE COMPANY

Colonial Gas Company ("Colonial" or the "Company"), a Massachusetts corporation formed in 1849, is primarily a regulated natural gas distribution utility. The Company serves 132,000 utility customers in 24 municipalities located northwest of Boston and on Cape Cod. Through its wholly-owned energy trucking subsidiary, Transgas Inc. ("Transgas"), the Company also provides over-the-road transportation of liquefied natural gas ("LNG"), propane and other commodities.

The Company's corporate office is located at 40 Market Street, Lowell, Massachusetts 01852. The telephone number is (508) 458-3171.

The Company's combined natural gas distribution service areas in the Merrimack Valley region northwest of Boston and on Cape Cod cover approximately 622 square miles with a year-round population of approximately 500,000, which increases by approximately 350,000 during the summer tourist season on Cape Cod. The Company is serving approximately 48% of potential customers in its service areas. Of its 132,000 customers,

approximately 90% are residential accounts. The Company added 4,223 firm customers in 1993. The Company's growth during the 1980's had been based primarily on new residential and commercial construction in its service areas. More recently, as new construction in the region has slowed from previous levels, the Company has actively sought new customers to convert to gas from other energy sources for their existing homes and businesses. Of the total number of new customers in 1993, 57% converted from other fuels.

The Company's 1993 consolidated operating revenues from gas sales were derived 64% from residential customers, 32% from commercial and firm industrial customers, 2% from interruptible industrial customers and 1% from transportation customers. For the year 1993, the Company sold 19,965 MMcf of gas, of which 12,889 MMcf was sold in the Merrimack Valley area and 7,076 MMcf in the Cape Cod area. At December 31, 1993, 90% of the Company's residential customers used gas as their source of heating fuel. The demand for the products and services furnished by the Company is to a great extent seasonal, being heaviest in the colder months.

At December 31, 1993, the Company had 464 full-time and 51 part-time gas employees. Of those employees, 97 are covered by a collective bargaining agreement with the United Steelworkers of America which expires in April 1996 and 82 are covered by a separate collective bargaining agreement with the United Steelworkers of America which expires in February 1995. In addition, the Company has 11 full-time and 3 part-time appliance sales employees and Transgas employs 86 full-time employees. Of those Transgas employees, 59 are covered by a collective bargaining agreement with the International Brotherhood of Teamsters, which expires in June 1996.

#### GAS SUPPLY

As of November 1, 1993, all interstate pipelines were required to implement restructuring programs pursuant to Order 636 of the Federal Energy Regulatory Commission ("FERC"). See "Regulatory Matters - Federal Regulation" below. Intended to create a more competitive environment in the natural gas industry, Order 636 required the pipelines to unbundle/separate the three components of their former city gate sales services: supply, transportation and storage. Under this restructuring program local distribution companies ("LDCs") such as the Company have been assigned their pro-rata share of the transportation and storage entitlements which were inherent in the discontinued sales service. Further, LDCs now negotiate directly with suppliers for their supply requirements and must effectively manage their transportation and storage in conjunction with those supplies. In general, the Company pays

negotiated rates for gas supplies and tariffed rates (approved by FERC) for transportation and storage services.

The Company has determined that its supply requirements should be met through a combination of firm purchases, spot purchases, supply from underground storage, liquefied natural gas ("LNG") and propane.

The following table shows the Company's sources of firm supply to meet its gas requirements and the actual components of gas sendout for each of the last three years:

	1993		1992		1991	
	MMcf(a)	%	MMcf(a)	%	MMcf(a)	%
Firm Gas Sources (b)						
Supply purchase contracts (c)	19,731	74	-	-	-	-
Pipeline contracts	-	-	24,933	81	24,933	81
LNG contracts	3,450	13	3,125	10	3,125	10
Storage inventory at						
January 1(d)	3,417	13	2,786	9	2,625	9
Total sources	26,598	100	30,844	100	30,683	100
Gas Sendout						
Pipeline:						
Firm gas supply	2,620	13	-	-	-	-
Pipeline contracts (e)	7,184	35	8,292	40	5,053	27
Spot purchases	5,178	26	8,341	40	9,604	51
Supplemental:						
Underground storage	3,501	17	2,666	13	3,018	16
LNG-as liquid	907	4	564	2	524	3
LNG-as vapor	915	5	1,095	5	462	3
Propane-air	8	-	9	-	13	-
Total sendout	20,313	100	20,967	100	18,674	100
Ratio of firm sources to sendout	1.63 (f)		1.47		1.64	

(a) The term "MMcf" means one million cubic feet of vapor or vapor equivalent.

(b) 1993 reflects the Company's portfolio of firm sources subsequent to the pipeline unbundling mandated by FERC Order 636, calculated on an annualized basis.

(c) The Company's total firm pipeline transportation capacity for 1993 following the unbundling mandated by FERC Order 636 was 26,239 MMcf. The Company's firm supply purchase contracts are structured to enable the Company to purchase volumes equivalent to its total firm pipeline capacity during the winter or peak season, but less than total firm pipeline capacity during the off-peak season when customer

demand is less. Accordingly, on an annualized basis, the total supply purchase contract volume shown is less than total firm transportation capacity.

- (d) The Company's storage inventory is drawn down and refilled throughout the year depending upon the availability and price of gas sources and upon the requirements of the Company's customers. The Company's current level of underground storage inventory capacity is 4,309 MMcf.
- (e) 1993 reflects pipeline contracts prior to implementation of FERC Order 636.
- (f) The Company's ratio of firm sources to sendout for 1993 was determined by adding available transportation capacity (26,239 MMcf) to LNG contracts (3,450 MMcf) and storage inventory (3,417 MMcf), and then dividing by total sendout.

Based upon presently available information concerning its firm contracts for transportation, storage and supply, and other supplemental sources, the Company expects to be able to meet the gas requirements of its firm customers for the foreseeable future. Additional information concerning the Company's firm sources of gas transportation, storage and supply for its two service territories is set forth below.

#### Merrimack Valley Service Area Sources

The Merrimack Valley service area is directly served by the Tennessee Gas Pipeline Company ("Tennessee"). The Company has three separate firm transportation contracts with Tennessee, and two storage contracts with accompanying transportation contracts.

One of the firm transportation service contracts with Tennessee is for approximately 25,196 Mcf per day and will be in effect until November 1, 2000 and year to year thereafter unless terminated upon twelve months prior written notice. The three firm supply contracts which utilize this transportation service provide various levels of supply service up to a total of 25,196 Mcf per day during the peak period, and have been filed with the Massachusetts Department of Public Utilities ("DPU") for its approval. A ruling is expected shortly. See "Regulatory Matters - Federal Regulation" below.

The second firm transportation service contract with Tennessee is for approximately 17,300 Mcf per day and will be in effect until April 1, 2013 and year to year thereafter unless terminated upon twelve months prior written notice. To meet its own peak season supply requirements, the Company has a firm supply contract for the months of November through March which

provides the entire volume associated with this transportation contract. The firm supply contract will be in effect until October 31, 2000 and year to year thereafter unless terminated with twelve months prior written notice. During the off-peak season the Company expects to utilize its capacity entitlements under this transportation contract to transport gas on behalf of an 84 MW cogeneration facility which is independently owned.

The third firm transportation service contract with Tennessee is utilized in conjunction with the Iroquois Pipeline System ("Iroquois"). The Company has contracted for approximately 2,000 Mcf per day of capacity on Iroquois and Tennessee for delivery of the Company's Canadian supplies to the Merrimack Valley service area. These transportation contracts are in effect until November 1, 2011 and continue year to year thereafter unless terminated by twelve months prior written notice.

In addition, contingent upon all necessary regulatory approvals, the Company has contracted for approximately 4,000 Mcf of additional Canadian supply, along with associated capacity on Iroquois and Tennessee. These volumes would be deliverable to either the Merrimack Valley or Cape Cod service areas on a firm basis.

The Company has underground storage capacity of approximately 2,000,000 Mcf of natural gas pursuant to a contract with Penn-York Energy Corporation. This storage contract is for service to the Merrimack Valley service area and continues until March 31, 1995 and from year to year thereafter unless terminated upon twelve months prior written notice. The gas is transported from storage to the Merrimack Valley service area by Tennessee pursuant to a firm transportation contract for up to approximately 15,691 Mcf per day which continues until March 31, 1995 and from year to year thereafter unless terminated upon twelve months prior written notice.

The Company has another underground gas storage service pursuant to separate storage and transportation contracts with Tennessee. The storage contract provides capacity of approximately 1,053,898 Mcf of natural gas, and the related transportation contract is for up to approximately 7,504 Mcf per day. These contracts continue until November 1, 2000 and from year to year thereafter unless terminated upon twelve months prior written notice.

To serve the Merrimack Valley service area, the Company owns an LNG facility, located in Tewksbury, Massachusetts, which has liquefaction capacity of approximately 5,000 Mcf of natural gas per day. LNG can also be delivered by truck for injection into this facility which has a total storage capacity of approximately 1,000,000 Mcf. In addition, the facility has the capability of



vaporizing and injecting back into the distribution system approximately 60,000 Mcf per day.

The Company has also contracted for the purchase of LNG that can be available to both the Merrimack Valley and Cape Cod service areas. This contract provides for approximately 150,000 Mcf in the 1993-94 winter season with an expiration date of October 31, 1994. The Company has an option to increase the quantity of natural gas available under this contract by as much as one-third during the winter season. In addition, the Company has a separate contract for the liquefaction of approximately 300,000 Mcf of LNG each year through October 31, 1996.

The Company also owns facilities for the storage of approximately 158,000 Mcf natural gas equivalent of propane which can be vaporized, mixed with air and injected into the Merrimack Valley service area distribution system at a rate of up to approximately 26,000 Mcf per day. The Company does not normally enter into long-term contracts for the purchase of propane to supply either its Merrimack Valley or Cape Cod service areas, and there are no such contracts currently in effect.

#### Cape Cod Service Area Sources

The Cape Cod service area is directly served by the Algonquin Gas Transmission Company ("Algonquin") through various transportation services. The Company has ten firm transportation agreements with Algonquin which total approximately 37,207 Mcf of capacity per day. Each of these ten Algonquin transportation arrangements will be in effect until either October 31, 2012 or October 31, 2013 and will continue year to year thereafter unless terminated upon twelve months prior written notice. Because there are no production supply sources directly connected to Algonquin, these services are supported by multiple transportation and storage services on seven upstream pipelines of several different pipeline companies. The Company has contracted with four suppliers for various levels of firm supply service up to a total of 20,918 Mcf per day during the peak season, and those contracts have been filed with the DPU for its approval. A ruling is expected shortly. See "Regulatory Matters - Federal Regulation" below.

The Company has six unbundled storage contracts to service the Cape Cod area, three of which are on the Texas Eastern Transmission Company ("Texas Eastern") system and three on the CNG Transmission Corporation ("CNG") system. Colonial has contracted for underground natural gas storage capacity of approximately 461,396 Mcf with Texas Eastern (related firm transportation out of storage of up to approximately 6,451 Mcf per day) through the 2012-2013 heating season and with CNG for underground

natural gas storage capacity of approximately 1,056,129 Mcf (related firm transportation out of storage of up to approximately 6,442 Mcf per day). Texas Eastern and Algonquin transport the natural gas from these storage fields to the Cape Cod service area under a variety of transportation contracts.

Also, the Company leases facilities in the Cape Cod service area for the storage (but not the liquefaction) of approximately 180,000 Mcf of LNG and, through May 1994, the Company has contracted with a subsidiary of Algonquin for the annual storage capacity of approximately 42,000 Mcf of LNG in a Providence, Rhode Island facility. In addition, the Company has storage for 27,000 Mcf natural gas equivalent of propane which the Company normally purchases on a short-term basis.

Lastly, the Company has one bundled supply and transportation arrangement for the purchase and firm delivery of gas. The arrangement provides for the delivery to the Company of up to approximately 10,000 Mcf per day and approximately 3,000,000 Mcf annually of LNG as either liquid or vapor for a one year period ending October 31, 1994. Under this arrangement the primary delivery point is the Cape Cod service area, but the Company can designate the Merrimack Valley service area on a day to day basis as an alternate delivery point.

## REGULATORY MATTERS

### Federal Regulation

By the fall of 1993, several interstate pipelines serving Colonial had implemented FERC Order 636. Order 636, issued in 1992, required interstate pipeline companies to "unbundle" gas supply, transportation and storage services previously provided under a unified tariffed service. Now, the Company is responsible for procuring gas supplies and storage services to meet its load requirements, with the pipelines providing transportation only service. In general, Colonial pays negotiated rates for gas supplies and FERC-approved tariffed rates for transportation and storage services. On November 9, 1993, the Company filed each of its gas supply purchase contracts to be reviewed by the DPU, which has not previously exercised jurisdiction with respect to the Company's base load supplies. These FERC ordered changes may increase the contracting, supply and regulatory risk for the Company. At the same time, they could also create a more competitive market for gas supply which would permit the Company to achieve savings in its cost of gas. Because the new rules have recently been implemented, the Company cannot now predict their impact, but it does not expect them to have a material direct effect on its results of operations.

## State Regulation

The Company is a public utility subject to the jurisdiction and regulatory authority of the Massachusetts DPU with respect to its rates as well as to the issuance of securities, franchise territory and other related matters. The DPU permits Massachusetts gas companies to utilize a cost of gas adjustment clause which enables them to pass on to their customers, via their monthly gas bill, changes in the cost of gas. Other changes in rates charged to customers are subject to approval by the DPU after formal proceedings.

The Company periodically receives refunds and charges from its gas transporters related to rate adjustments ordered by the FERC. All of the refunds and charges are returned to or collected from utility customers under methods approved by the DPU.

During 1990, the DPU ruled that the Company and eight other Massachusetts gas distribution companies can recover environmental response costs related to former gas manufacturing operations through the CGAC as described under "Environmental Matters".

In August 1992, the DPU approved the second phase of the Company's demand side management program. When completed this program is expected to save over \$15 million in gas costs that would have been incurred over the lives of the installed conservation measures. In order to achieve these savings, Colonial is investing \$8 million over a two-year period in customer conservation measures such as insulation, heating systems controls and water heating conservation devices. As a result, Colonial expects to reduce customer bills by a net \$7 million from the levels they would have been at if no conservation occurred. Colonial has been authorized by the DPU to fully recover all costs associated with the program through the CGAC. In addition, the Company is also authorized to recover the margins lost as a result of this program and, if certain milestones are met, to receive an additional financial incentive of up to \$400,000. In January 1994, the Company filed a request with the DPU to extend the operation of this program from September 1994 until September 1995. A ruling is expected shortly.

In October 1992, the Company received authorization from the DPU to extend natural gas service into the Town of Eastham, Massachusetts. Eastham, located at the eastern end of Cape Cod, provides Colonial with new growth opportunities. Colonial believes that there are 5,000 homes and businesses in Eastham that currently utilize other fuels such as oil, electricity and propane which present opportunities for natural gas conversions.

The Company has added 104 customers in the town since facilities were constructed in the fourth quarter of 1992.

In November 1992, the DPU approved Colonial's request for two new rate schedules which are designed to overcome equipment cost disadvantages that existed in the natural gas air conditioning and small scale cogeneration markets. By reducing , if not eliminating, these cost disadvantages, the Company expects to increase sales into these markets and increase the usage of its distribution system during off-peak periods. The Company has used these new rate schedules to make proposals to potentially large customers and expects to continue to pursue this new market opportunity in 1994.

In April 1993, the Company applied for a \$10.75 million or 7.87% increase of its base rates. This was only the second base rate increase requested by Colonial since 1984. Effective November 1, 1993, the Company received DPU approval of a settlement agreement that called for a base rate increase designed to produce additional revenues of \$6.7 million or 4.9% annually. In addition to this rate increase, the DPU approved a proposal to expand the eligibility criteria for Colonial's discount rate to be applied to low-income residential heating customers. The table below summarizes the Company's recent rate activity:

#### Results of the Company's Requests to Increase Base Revenue

Date Effective	Requested		Approved	
	Amount	Percentage	Amount	Percentage
November 1, 1984	\$ 4.30 million	3.73%	\$2.8 million	2.4%
November 1, 1990	\$ 12.80 million	9.86%	\$7.9 million	5.6%
November 1, 1993	\$ 10.75 million	7.87%	\$6.7 million	4.9%

In response to new marketing opportunities which may result from the FERC Order 636 and the unbundling of interstate pipeline services, Colonial requested in its 1993 rate filing and gained DPU approval to offer a firm transportation service on the Company's distribution system in order to provide customers with an alternative to traditional firm sales service. The DPU order also permits the Company to retain 10% of the revenues generated from releasing the Company's interstate pipeline transportation capacity to third parties above a threshold of \$2,500,000 for 1994. In 1993, the Company earned \$2,200,000 in capacity release revenue that was credited back to firm customers and had no impact on earnings.

In October 1993, the DPU approved Colonial's proposal for a rate targeted at the natural gas vehicle market. The approved rates remain in effect over the course of a "market-development" period that extends until January 1, 1997. To assist Colonial in

selling additional quantities of natural gas to the natural gas powered vehicle market, the authorized rate is to be indexed \$.50 below the retail price of gasoline, provided that it cannot fall below a floor rate equal to Colonial's marginal cost of gas plus 5%. As of December 31, 1993, these rates are approximately equal to \$0.70 per gallon equivalent for retail customers.

#### COMPETITION

Massachusetts law protects gas companies from competition with respect to pipeline distribution of natural gas within its franchise areas by providing that, where a gas company exists in active operation, no other person may lay pipe in the public ways without the approval, after notice and hearing, of the municipal authorities and the DPU. If a municipality desires to enter the gas business, it must take certain procedural steps, including a favorable vote by a majority of the voters in a city election or two-thirds vote at each of two town meetings, and must purchase the property of any gas company operating in the municipality, if the company elects to sell, to the extent, and at such prices, as may be agreed upon or, if no agreement is reached, as the DPU determines.

Although, under a series of FERC orders issued in the late 1980's, certain larger industrial users may attempt to obtain gas from other sources and by-pass a utility's distribution system, the Company does not believe that these FERC orders will have a material adverse effect on its business, in part because large industrial users are not a significant part of its customer base.

The Company provides a transportation-only service of gas through its distribution system for commercial and industrial customers either on a firm basis or an interruptible basis. While such transportation may displace direct gas sales by the Company, this service assists qualifying customers in obtaining the lowest possible gas costs while still contributing to the profit margin of the Company. Profit margins from interruptible sales and interruptible transportation result in lower gas costs which are passed through to firm customers by the cost of gas adjustment clause and, therefore, do not directly affect operating margin or net income.

Fuel oil suppliers, electric utilities and propane suppliers provide competition generally for residential, commercial and industrial customers. Interruptible sales are generally in competition with No. 6 fuel oil which most of the interruptible customers are equipped to use. Lower worldwide oil prices may adversely affect the Company's ability to retain or attract customers. The Company's rates have remained generally competitive with the price of alternative fuels, but the long-term impact of fuel price changes on the Company and its rates

cannot be predicted.

The Company is aware that a steam generating enterprise plans to begin operations in the City of Lowell in the fall of 1994. The enterprise would operate a "trigeneration" facility which would produce (i) electric power for its own operation and for sale to the New England power pool, (ii) gases such as CO<sub>2</sub> and argon for sale in industrial applications, and (iii) steam for sale through a pipeline system to government offices, schools and businesses within the City of Lowell. The enterprise is in the process of obtaining the easements and other permits and regulatory approvals necessary for its steam pipeline system and its fuel storage and generating facilities.

In the event this Lowell steam generating enterprise is successfully able to produce and distribute steam to government and private businesses in Lowell, many of whom are currently customers of the Company, the Company would be faced with an additional energy source competitor for those customers. It cannot currently be determined what impact, if any, such competition would have on the Company's sales to commercial and industrial customers in Lowell.

#### ENVIRONMENTAL AND PIPELINE SAFETY MATTERS

The Company is subject to Federal and state laws and regulations dealing with environmental protection. Compliance with such environmental laws and regulations has resulted in increased costs with respect to the Company's existing operations.

Working with the Massachusetts Department of Environmental Protection, the Company is engaged in site assessments and evaluation of remedial options for contamination that has been attributed to the Company's former gas manufacturing site and at various related disposal sites. During 1990, the DPU ruled that Colonial and eight other Massachusetts gas distribution companies can recover environmental response costs related to former gas manufacturing operations over a seven-year period, without carrying costs, through the CGAC. Through December 31, 1993, the Company had incurred \$7,750,000 of environmental response costs related to these sites, \$1,521,000 for the former gas manufacturing site and \$6,229,000 for the related disposal sites. The Company expects to continue incurring costs arising from these environmental matters.

As of December 31, 1993 the Company has recorded on the balance sheet a long-term liability of \$5,300,000 representing estimated future response costs relating to these sites based on the Company's preferred methods of remediation; of this amount \$2,200,000 relates to the gas manufacturing site. Based upon the

DPU order approving rate recovery of environmental response costs, a regulatory asset of \$5,300,000 has been recorded on the balance sheet ("Unrecovered Environmental Costs Accrued"). This amount has decreased from the prior year estimate based upon the completion of certain remedial actions and a lower expectation of future costs due to changes in environmental regulations and a better understanding of on-site exposures. Actual environmental response costs to be incurred depends on various factors, and therefore future costs may differ from the amount currently recorded as a liability.

As of December 31, 1993, the Company has settled claims relating to this matter with all liability insurers and other known potentially responsible parties ("PRP"), except for one. The Company expects to receive \$250,000 in 1994 from that PRP. In accordance with the DPU order referred to above, half the costs incurred in pursuing insurers and other PRP are recovered from the ratepayers through the CGAC and half are initially borne by the Company. Also, per this order, any insurance and other proceeds are applied first to the Company's costs of pursuing recovery from insurers and other PRP, with the remainder divided equally between the ratepayers and shareholders.

The table below summarizes the environmental response costs incurred and insurance and other proceeds received relating to these environmental response costs:

Year	(In Thousands) Incurred	Response Costs		Insurance and Other Proceeds	
		Recovered from Customers	Period of Rate Recovery	Returned to Customers	Recorded as Non- Operating Income Net of Taxes
1988	\$ 853	\$ 488	1990-1997	-	-
1989	4,031	2,303	1990-1997	-	-
1990	639	274	1991-1998	-	-
1991	374	107	1992-1999	\$ 851	\$ 525
1992	617	88	1993-2000	1,121	673
1993	1,236	-	1994-2001	469	290
Total	\$7,750	\$3,260		\$2,441	\$1,488

#### TRANSGAS INC.

Transgas primarily provides over-the-road transportation of LNG, propane and other commodities. Transgas acts as a common carrier for approximately 60 commercial and gas utility customers located in the eastern half of the United States. Canadian over-the-road transportation services are also available through CGI Transport Limited, which is a wholly-owned subsidiary of Transgas. Transgas also provides a unique LNG portable pipeline service, which permits gas utilities to provide continuous supply

of natural gas to communities while the pipeline supply is temporarily interrupted during scheduled maintenance, upgrading, and recertification, or during emergency interruption.

Rates charged for Transgas' common carrier transportation service are filed as tariffs under operating authorities issued to Transgas by the Interstate Commerce Commission and regulatory agencies in various states, and to CGI Transport Limited by Canadian provincial authorities. As common carriers, they are also subject to various regulations applicable to motor common carriers, including accounting matters, safety matters, rates charged and various fiscal matters.

Transgas had revenues of \$8.1 million in 1993. Approximately 50% of Transgas' revenue in 1993 was derived from transporting Algerian LNG from the Distrigas import terminal which is located in Everett, Massachusetts.

Transgas provides over-the-road transportation services by utilizing a permanent fleet of 37 tractors. Transgas operates 56 trailers which are specifically designed for the transportation of cryogenic liquids. Of those cryogenic transport trailers, 21 are leased on a long-term basis. In addition, Transgas has 25 trailers which are designed for the transportation of propane. Of those propane transport trailers, 4 are leased on a long-term basis. There were also 12 owner-operated tractors utilized for propane hauling during the year. In addition to the equipment described above, Transgas also has 11 trailers which are designed for carrying vaporizers and 2 flat bed trailers.

Transgas competes with many other motor carriers engaged in the transportation of various gases and other products. Transgas believes, however, that it is the leading over-the-road transporter of LNG due to the size of its fleet of specialized cryogenic transport trailers.

Transgas closed its unprofitable bulk cement trucking operation during the first half of 1993. The closing of this operation permitted Transgas to reduce overhead expenses. In addition, trucking equipment associated with this operation were sold at prices exceeding net book value.

Item 1A. Executive Officers of the Registrant.

The following table indicates the present executive officers of the Company, their ages, the dates when their service with the Company began and their respective positions with the Company.

Name and Age	Position with Company	Affiliated with Company Since
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Frederic L. Putnam, Jr. (69)	Chairman and Chief Executive Officer	1953
Charles O. Swanson (62)	President	1971
Frederic L. Putnam, III (48)	Executive Vice President and General Manager	1975
John P. Harrington (51)	Vice President - Gas Supply	1966
Nickolas Stavropoulos (36)	Vice President - Finance and Chief Financial Officer	1979
Victor W. Baur (50)	President - Transgas Inc.	1972
Dennis W. Carroll (47)	Vice President and Treasurer	1990
Charles A. Cook (41)	Vice President and General Counsel	1978

Mr. Putnam, Jr. has been Chairman of the Board of Directors since 1981 and the Chief Executive Officer since 1977. He has also been a Director since 1973.

Mr. Swanson has been President since July 1990. He is scheduled to retire on May 1, 1994. He had been Executive Vice President since November 1986. He has also been a Director since 1986.

Mr. Putnam, III, the son of F.L. Putnam, Jr., has been Executive Vice President and General Manager since April 1993. He has been elected President effective May 1, 1994. He had been Vice President and General Manager since August 1989. He has also been a Director since November 1991.

Mr. Harrington has been Vice President - Gas Supply since August 1989. He had been Vice President - General Manager - Lowell Division since November 1986. He has also been a Director since February 1993.

Mr. Stavropoulos has been Vice President - Finance and Chief Financial Officer since August 1989. He had been Vice President - Rates and Planning since November 1985. He has also been a Director since February 1993.

Mr. Baur has been President of Transgas Inc. since July 1990. He had been Executive Vice President - General Manager of Transgas Inc. since 1984. He also became a Director in August 1993.

Mr. Carroll has been Vice President and Treasurer since August 1990. Prior to then he was a partner with Grant Thornton, the Company's independent certified public accountants.

Mr. Cook has been Vice President and General Counsel since July 1990. He had been Vice President and Counsel since August 1989.

These officers hold office until the next annual meeting of the Board of Directors or until their successors are duly elected and qualified.

#### Item 2. Properties.

The Company has two principal operations centers and a natural gas liquefaction and storage facility with approximately 1,000,000 Mcf of LNG storage capacity located in Tewksbury, Massachusetts. The Company's gas production and storage facilities, metering and regulation stations and operations centers are generally located on land it owns.

A 175,000 Mcf LNG storage tank located on land owned by the Company in South Yarmouth, Massachusetts is leased from an unaffiliated company through 1998. The Company also has a lease which expires in 2002 for office facilities in Lowell, Massachusetts.

The Company's distribution mains of approximately 2,690 miles are located within public highways under franchises or permits from state or municipal authorities, or on land owned by others under easements or licenses from the owners. The Company's first mortgage bonds are collateralized by utility property.

Management considers that the Company's properties are adequate for the conduct of its business for the reasonably foreseeable future.

#### Item 3. Legal Proceedings.

See Item 1, "Business--Environmental and Pipeline Safety Matters" above, which is incorporated herein.

#### Item 4. Submission of Matters to a Vote of Security Holders.

No matter was submitted to a vote of the Company's security holders during the quarter ended December 31, 1993.

## PART II

#### Item 5. Market for Registrant's Common Stock and Related Stockholder Matters.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's 1993 annual report to stockholders under the caption "Shareholder Information" and under Note D of the "Notes to Consolidated Financial Statements".

Item 6. Selected Financial Data.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's 1993 annual report to stockholders under the caption "Selected Financial Data".

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's 1993 annual report to stockholders under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Item 8. Financial Statements and Supplementary Data.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's 1993 annual report to stockholders under the following captions: "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Cash Flows", "Consolidated Statements of Common Equity", "Notes to Consolidated Financial Statements", "Report of Independent Certified Public Accountants" and "Shareholder Information".

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The information required to be reported hereunder for the Company's Directors is incorporated by reference to the information reported in the Company's Proxy Statement for its 1994 annual meeting of stockholders under the caption "Election of Directors".

The information required to be reported hereunder for the Executive Officers of the Registrant is incorporated by reference

to the information in Item 1A of this Form 10-K under the caption "Executive Officers of the Registrant".

Item 11. Executive Compensation.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's Proxy Statement for its 1994 annual meeting of stockholders under the captions "Executive Compensation" and under the subheading "Directors' Compensation" of the caption "Election of Directors".

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's Proxy Statement for its 1994 annual meeting of stockholders under the caption "Security Ownership of Certain Beneficial Owners and Management".

Item 13. Certain Relationships and Related Transactions.

The information required to be reported hereunder is incorporated by reference to the information reported in the Company's Proxy Statement for its 1994 annual meeting of stockholders under the caption "Election of Directors".

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

- (a) 1. Financial Statements The Consolidated Financial Statements of the Company (including the Report of Independent Certified Public Accountants) required to be reported herein are incorporated by reference to the information reported in the Company's 1993 annual report to stockholders under the following captions: "Consolidated Statements of Income", "Consolidated Balance Sheets", "Consolidated Statements of Cash Flows", "Consolidated Statements of Common Equity", "Notes to Consolidated Financial Statements" and "Report of Independent Certified Public Accountants".
2. Financial Statement Schedules The following Financial Statement Schedules and report thereon are filed as part of this Form 10-K on the pages indicated below:

Schedule Number	Description
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Report of Independent Certified Public  
Accountants on Schedules

- V Property, Plant and Equipment for the three  
years ended December 31, 1993
- VI Accumulated Depreciation, Depletion and  
Amortization of Property, Plant and Equipment  
for the three years ended December 31, 1993
- VIII Valuation and Qualifying Accounts for the  
three years ended December 31, 1993
- IX Short-term Debt for the three years ended  
December 31, 1993
- X Supplementary Income Statement Information  
for the three years ended December 31, 1993

Schedules other than those listed above are either not required or not applicable, or the required information is shown in the financial statements or notes thereto. Columns omitted from schedules filed have been omitted because the information is not applicable.

3. List of Exhibits

Exhibit Number	Exhibit	Reference
3a	Restated Articles of Organization of Colonial Gas Company, dated April 19, 1989, as amended on July 16, 1992, and supplemented by a Certificate of Vote of Directors establishing a series of a class of stock filed on November 30, 1993.	Filed herewith as Exhibit 3a.
3b	By-Laws of Colonial Gas Company, as amended to date.	Filed herewith as Exhibit 3b.
4a	Second Amended and Restated First Mortgage Indenture, dated as of June 1, 1992, filed as Exhibit 4(b) to Form 10-Q of the Registrant for the quarter ended June 30, 1992.	Incorporated herein by reference.

- 4b First Supplemental Indenture, dated as of June 15, 1992, filed as Exhibit 4(c) to Form 10-Q of the Registrant for the quarter ended June 30, 1992. Incorporated herein by reference.
- 4c Credit Agreement for Colonial Gas Company, dated as of June 27, 1990, filed as Exhibit 10(a) to Form 8-K of the Registrant for the quarter ended June 30, 1990, as amended on December 24, 1991, filed as Exhibit 4(j) to Form 10-K of the Registrant for the year ended December 31, 1991, as amended on July 27, 1993, filed as Exhibit 4(a) to Form 10-Q of the Registrant for the quarter ended June 30, 1993. Incorporated herein by reference.
- 4d Credit Agreement for Massachusetts Fuel Inventory Trust, dated as of June 27, 1990, filed as Exhibit 10(b) to Form 8-K of the Registrant for the quarter ended June 30, 1990, as amended on July 27, 1993, filed as Exhibit 4(b) to Form 10-Q of the Registrant for the quarter ended June 30, 1993. Incorporated herein by reference.
- 4e Purchase Contract, dated as of June 27, 1990 between Massachusetts Fuel Inventory Trust acting by and through its Trustee, Shawmut Bank, N.A. and Colonial Gas Company, filed as Exhibit 10(e) to Form 8-K of the Registrant for quarter ended June 30, 1990. Incorporated herein by reference.
- 4f Security Agreement and Assignment of Contracts, dated as of June 27, 1990 made by Massachusetts Fuel Inventory Trust in favor of The First National Bank of Boston as Agent, for the Ratable Benefit of the Secured Parties Named Herein, filed as Exhibit 10(c) to Form 8-K of the Registrant for the quarter ended June 30, 1990. Incorporated herein by reference.
- 4g Trust Agreement, dated as of June 22, 1990 between Colonial Gas Incorporated herein by reference.

Company (as Trustor) and Shawmut Bank, N.A. (as Trustee), filed as Exhibit 10(d) to Form 8-K of the Registrant for quarter ended June 30, 1990.

- 10a Storage Service Transportation Contract with Tennessee Gas Pipeline Company, a Division of Tenneco Inc., dated January 1, 1983, filed as Exhibit 10(b) to the Registrant's Registration Statement on Form S-2. Commission File No. 2-93118. Incorporated herein by reference.
- 10b Service Agreement with Algonquin Gas Transmission Company, dated December 11, 1972, filed as Exhibit 13(n) to Colonial Gas Energy System's Registration Statement on Form S-1. Commission File No. 2-54673. Incorporated herein by reference.
- 10c Storage Service Agreement with Penn-York Energy Corporation, dated as of December 21, 1984, filed as Exhibit 10(r) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1984. Incorporated herein by reference.
- 10d Agreement for Sale of Gas between Bay State Gas Company and Colonial Gas Company, dated December 11, 1987, filed as Exhibit 10(m) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1987. Incorporated herein by reference.
- 10e Agreement for Liquefaction of Gas with Bay State Gas Company, dated March 14, 1988, filed as Exhibit 10(p) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989. Incorporated herein by reference.
- 10f Service Agreement with Distrigas of Massachusetts Corporation, as related to firm vapor service, dated September 30, 1989, filed as Exhibit 10(q) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989. Incorporated herein by reference.

- 10g Letter Agreement with Distrigas of Massachusetts Corporation, related to firm vapor service agreement, dated December 8, 1989, filed as Exhibit 10(r) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989. Incorporated herein by reference.
- 10h Service Agreement with Distrigas of Massachusetts Corporation, related to firm vapor service, dated October 31, 1990, filed as Exhibit 10(s) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990. Incorporated herein by reference.
- 10i Gas Transportation Contract for Firm Reserved Service with Iroquois, dated February 7, 1991, filed as Exhibit 10(v) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990. Incorporated herein by reference.
- 10j Gas Sales Agreement No. 1 with ANE, dated February 7, 1991, filed as Exhibit 10(y) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990. Incorporated herein by reference.
- 10k Gas Sales Agreement between Sonat Exploration Company and Sonat Marketing Company and Colonial Gas Company, dated October 1, 1990, filed as Exhibit 10(cc) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990. Incorporated herein by reference.
- 10l Firm Natural Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule NET-NE), dated February 7, 1991, filed as Exhibit 10(ff) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991. Incorporated herein by reference.
- 10m Amended and Restated Gas Sales Agreement between Sonat Marketing Company and Colonial Gas Company, Incorporated herein by reference.



dated July 16, 1991, filed as Exhibit 10(jj) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991.

- |     |   |                                   |
|-----|---|-----------------------------------|
| 10n | Letter Agreement with Distrigas of Massachusetts Corporation, related to firm vapor service agreement, dated November 16, 1992, filed as Exhibit 10(dd) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.                         | Incorporated herein by reference. |
| 10o | Gas Transportation Contract for Firm Reserved Service between Iroquois Gas Transmission System, L.P. and Colonial Gas Company, dated November 25, 1991, filed as Exhibit 10(gg) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992. | Incorporated herein by reference. |
| 10p | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-E), dated June 1, 1993.  | Filed herewith as Exhibit 10p.    |
| 10q | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated June 1, 1993.  | Filed herewith as Exhibit 10q.    |
| 10r | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated June 1, 1993.  | Filed herewith as Exhibit 10r.    |
| 10s | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated June 1, 1993.  | Filed herewith as Exhibit 10s.    |
| 10t | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-E), dated June 1, 1993.  | Filed herewith as Exhibit 10t.    |
| 10u | Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated June 1, 1993.  | Filed herewith as Exhibit 10u.    |

10v	Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated June 1, 1993.	Filed herewith as Exhibit 10v.
10w	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule CDS), dated June 1, 1993.	Filed herewith as Exhibit 10w.
10x	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated June 1, 1993.	Filed herewith as Exhibit 10x.
10y	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FTS-8), dated June 1, 1993.	Filed herewith as Exhibit 10y.
10z	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FTS-7), dated June 1, 1993.	Filed herewith as Exhibit 10z.
10aa	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated June 1, 1993.	Filed herewith as Exhibit 10aa.
10bb	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule SS-1), dated June 1, 1993.	Filed herewith as Exhibit 10bb.
10cc	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule SS-1), dated June 1, 1993.	Filed herewith as Exhibit 10cc.
10dd	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule SS-1), dated June 1, 1993.	Filed herewith as Exhibit 10dd.
10ee	Service Agreement between Transcontinental Gas Pipe Line Corporation and Colonial Gas Company (under Rate Schedule FT), dated June 1, 1993.	Filed herewith as Exhibit 10ee.

10ff	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated June 1, 1993.	Filed herewith as Exhibit 10ff.
10gg	Firm Gas Transportation Agreement between Koch Gateway Pipeline Company and Colonial Gas Company, dated December 1, 1993.	Filed herewith as Exhibit 10gg.
10hh	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated June 1, 1993.	Filed herewith as Exhibit 10hh.
10ii	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated June 1, 1993.	Filed herewith as Exhibit 10ii.
10jj	Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule PSS-T), dated August 1, 1993.	Filed herewith as Exhibit 10jj.
10kk	Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-2), dated August 1, 1993.	Filed herewith as Exhibit 10kk.
10ll	Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AFT-1), dated August 1, 1993.	Filed herewith as Exhibit 10ll.
10mm	Gas Storage Contract between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FS), dated September 1, 1993.	Filed herewith as Exhibit 10mm.
10nn	Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated September 1, 1993.	Filed herewith as Exhibit 10nn.

10oo	Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated September 1, 1993.	Filed herewith as Exhibit 10oo.
10pp	Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated September 1, 1993.	Filed herewith as Exhibit 10pp.
10qq	Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule FST-LG), dated October 1, 1993.	Filed herewith as Exhibit 10qq.
10rr	Service Agreement between CNG Transmission Corporation and Colonial Gas Company (under Rate Schedule FTNN), dated October 1, 1993.	Filed herewith as Exhibit 10rr.
10ss	Service Agreement between CNG Transmission Corporation and Colonial Gas Company (under Rate Schedule GSS), dated October 1, 1993.	Filed herewith as Exhibit 10ss.
10tt	Service Agreements between CNG Transmission Corporation and Colonial Gas Company (under Rate Schedule GSS-II), dated September 30, 1993.	Filed herewith as Exhibit 10tt.
10uu	Service Agreement between Texas Eastern Transmission Corporation and Colonial Gas Company (under Rate Schedule FT-1), dated October 1, 1993.	Filed herewith as Exhibit 10uu.
10vv	Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated September 1, 1993.	Filed herewith as Exhibit 10vv.
10ww	Service Agreement between National Fuel Gas Supply Corporation and Colonial Gas Company (under Rate	Filed herewith as Exhibit 10ww.

- Schedule EFT), dated October 28, 1993.
- 10xx Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated September 1, 1993. Filed herewith as Exhibit 10xx.
- 10yy Service Agreement between Algonquin Gas Transmission Company and Colonial Gas Company (under Rate Schedule AIT-1), dated September 15, 1993. Filed herewith as Exhibit 10yy.
- 10zz Gas Transportation Agreement between Tennessee Gas Pipeline Company and Colonial Gas Company (under Rate Schedule FT-A), dated October 1, 1993. Filed herewith as Exhibit 10zz.
- 10aaa Lease Agreement, dated as of May 1, 1982, with Olde Market House Associates of Lowell, filed as Exhibit 10(y) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1982. Incorporated herein by reference.
- 10bbb Lease of Equipment from The National Shawmut Bank of Boston (now Shawmut, Bank N.A.) as Trustee, as Lessor dated as of May 1, 1973, filed as Exhibit 13(c) to Colonial Gas Energy System's Registration Statement on Form S-1. Commission File No. 2-54673. Incorporated herein by reference.
- 10ccc Form Employment Agreement for corporate officers, filed as Exhibit 10(kk) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992. Incorporated herein by reference.
- 10ddd Supplemental Retirement Plan Agreement between Colonial Gas Company and F. L. Putnam, Jr., dated December 29, 1981, filed as Exhibit 10(ll) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992. Incorporated herein by reference.

- 10eee Supplemental Retirement Plan Agreement between Colonial Gas Company and C. O. Swanson, dated December 29, 1981, filed as Exhibit 10(mm) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992. Incorporated herein by reference.
- 13a Those portions of the 1993 Annual Report to Stockholders which have been incorporated by reference in Part II Items 5 - 8 and Part IV Item 14 part a 1. Filed herewith as Exhibit 13a.
- 22a Subsidiaries of the Registrant. Filed herewith as Exhibit 22a.
- 24a Consent of Independent Certified Public Accountants. Filed herewith as Exhibit 24a.
- 

#### EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

Exhibits 10bbb, 10ccc and 10ddd above are management contracts or compensatory plans or arrangements in which the executive officers of the Company participate.

b) Reports on Form 8-K.

There were no reports on Form 8-K for the quarter ended December 31, 1993.

#### REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SCHEDULES

To the Shareholders of  
Colonial Gas Company

In connection with our audit of the consolidated financial statements of Colonial Gas Company and subsidiaries referred to in our report dated January 18, 1994, which is included in the 1993 Annual Report to Stockholders and incorporated by reference in Part II of this Form 10-K, we have also audited the schedules listed at Part IV, Item 14(a)2. In our opinion, these schedules present fairly, in all material respects, the information required to be set forth therein.

## GRANT THORNTON

Boston, Massachusetts  
January 18, 1994

[END OF REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
SCHEDULES]

SCHEDULE V

COLONIAL GAS COMPANY AND SUBSIDIARIES  
PROPERTY, PLANT AND EQUIPMENT  
Year ended December 31, 1993  
(In Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFI- CATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIRE- MENTS	OTHER CHANGES- ADD (DEDUCT) - DESCRIBE	BALANCE AT END OF PERIOD
Utility Property					
				\$ 71 (b)	
Land, rights of way and structures	\$ 12,269	\$ -	\$ 131	345 (a) 1,233 (a)	\$ 12,554
Gas production equipment	10,403	-	151	287 (b) 19,464 (a)	11,772
Transmission and distribution Utilization equipment	196,256	-	747	(358) (b)	214,615
General equipment	5,674	-	284	954 (a)	6,344
Intangible plant	6,188	-	462	2,226 (a)	7,952
Construction work in progress	372	418	-	-	790
Total Utility Property	5,353	25,412	-	(24,222) (a)	6,543
	\$236,515	\$25,830	\$ 1,775	\$ -	\$260,570
Non-Utility Property					
Land and buildings	\$ 1,348	\$ 12	\$ 25	\$ -	\$ 1,335
Services	640	-	-	-	640
General equipment	8,742	359	2,156	-	6,945
Total Non-					

Utility Property	\$ 10,730	\$ 371	\$ 2,181	\$ -	\$ 8,920
Assets Under Capital Leases	\$ 8,329	\$ 494	\$ 1,348	\$ -	\$ 7,475

See Note A of Notes to Consolidated Financial Statements.

- (a) Transfers to plant in service from construction work in progress.  
(b) Intercompany transfer or reclassification of fixed assets.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES PROPERTY, PLANT AND EQUIPMENT YEAR ENDED DECEMBER 31, 1993]

SCHEDULE V

COLONIAL GAS COMPANY AND SUBSIDIARIES  
PROPERTY, PLANT AND EQUIPMENT  
Year ended December 31, 1992  
(In Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFI- CATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIRE- MENTS	OTHER CHANGES- ADD (DEDUCT) - DESCRIBE	BALANCE AT END OF PERIOD
Utility Property					
Land, rights of way and structures	\$ 11,977	\$ -	\$ 8	\$ 300 (a)	\$ 12,269
Gas production equipment	10,549	-	180	34 (a)	10,403
Transmission and distribution Utilization equipment	177,916	-	528	18,868 (a)	196,256
General equipment	4,376	-	221	1,519 (a)	5,674
Intangible plant	3,065	-	83	3,206 (a)	6,188
Construction work in progress	433	372	-	(433) (a)	372
	2,547	26,300	-	(5) (b) (23,489) (a)	5,353
Total Utility Property	\$210,863	\$26,672	\$ 1,020	\$ -	\$236,515

Non-Utility Property  
Land and



buildings	\$ 1,343	\$ -	\$ -	\$ 5 (b)	\$ 1,348
Services	640	-	-	-	640
General equipment	8,626	154	38	-	8,742
Total Non-Utility Property	\$ 10,609	\$ 154	\$ 38	\$ 5	\$ 10,730
Assets Under Capital Leases	\$ 7,963	\$ 628	\$ 262	\$ -	\$ 8,329

See Note A of Notes to Consolidated Financial Statements.

- (a) Transfers to plant in service from construction work in progress.  
(b) Intercompany transfer or reclassification of fixed assets.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES PROPERTY, PLANT AND EQUIPMENT YEAR ENDED DECEMBER 31, 1992]

SCHEDULE V

COLONIAL GAS COMPANY AND SUBSIDIARIES  
PROPERTY, PLANT AND EQUIPMENT  
Year ended December 31, 1991  
(In Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
CLASSIFI- CATION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS AT COST	RETIRE- MENTS	OTHER CHANGES- ADD (DEDUCT)- DESCRIBE	BALANCE AT END OF PERIOD
Utility Property					
Land, rights of way and structures	\$ 11,976	\$ -	\$ 46	\$ (47) (b) 94 (a)	\$ 11,977
Gas production equipment	10,642	-	173	80 (a)	10,549
Transmission and distribution Utilization equipment	164,013	-	534	14,437 (a)	177,916
General equipment	2,799	-	163	1,740 (a)	4,376
Intangible plant	2,765	-	24	324 (a)	3,065
Construction work in progress	-	433	-	-	433
Total Utility Property	3,108	16,114	-	(16,675) (a)	2,547
Property	\$195,303	\$16,547	\$ 940	\$ (47)	\$210,863

Non-Utility Property					
Land and buildings	\$ 1,346	\$ 14	\$ 64	\$ 47 (b)	\$ 1,343
Services	640	-	-	-	640
General equipment	8,318	563	255	-	8,626
Total Non-Utility Property	\$ 10,304	\$ 577	\$ 319	\$ 47	\$ 10,609
Assets Under Capital Leases					
	\$ 8,646	\$ 273	\$ 956	\$ -	\$ 7,963

See Note A of Notes to Consolidated Financial Statements.

- (a) Transfers to plant in service from construction work in progress.  
(b) Intercompany transfer or reclassification of fixed assets.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES PROPERTY, PLANT AND EQUIPMENT YEAR ENDED DECEMBER 31, 1991]

SCHEDULE VI

COLONIAL GAS COMPANY AND SUBSIDIARIES  
ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION  
OF PROPERTY, PLANT AND EQUIPMENT  
For the Three Years Ended December 31, 1993  
(In Thousands)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	RETIREMENTS	OTHER CHANGES - ADD (DEDUCT) - DESCRIBE	BALANCE AT END OF PERIOD
	Year Ended December 31, 1993				
Accumulated depreciation of utility property (separate reserves not maintained)	\$52,700	\$6,939	\$1,882	\$ 100 (1)	\$57,857
Accumulated depreciation of non-utility property	\$ 6,691	\$ 670	\$1,615	\$ (61) (3)	\$ 5,685
Amortization on				\$ 61 (3)	

capital leases	\$ 3,963	\$ -	\$ -	\$ (463)	\$ 3,561
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Year Ended December 31, 1992

Accumulated depreciation of utility property (separate reserves not maintained)	\$48,127	\$6,023	\$1,464	\$ 14 (1)	\$52,700
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Accumulated depreciation of non-utility property	\$ 5,842	\$ 941	\$ 8	\$ (84) (3)	\$ 6,691
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Amortization on capital leases	\$ 3,406	\$ -	\$ -	\$ 84 (3) \$ 473	\$ 3,963
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Year Ended December 31, 1991

Accumulated depreciation of utility property (separate reserves not maintained)	\$43,823	\$5,488	\$1,276	\$ 92 (1)	\$48,127
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Accumulated depreciation of non-utility property	\$ 5,228	\$ 957	\$ -	\$ (265) (2) \$ (78) (3)	\$ 5,842
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Amortization on capital leases	\$ 3,684	\$ -	\$ -	\$ 78 (3) \$ (356)	\$ 3,406
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(1) Depreciation charged on clearing accounts.

(2) Sold to third party.

(3) Capitalized tractor lease.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT FOR THE THREE YEARS ENDED DECEMBER 31, 1993]

SCHEDULE VIII

COLONIAL GAS COMPANY AND SUBSIDIARIES  
VALUATION AND QUALIFYING ACCOUNTS  
For the Three Years Ended December 31, 1993  
(In Thousands)

COLUMN A

COLUMN B

COLUMN C

COLUMN D

COLUMN E

DESCRIPTION	BALANCE	ADDITIONS	DEDUC-	BALANCE
	AT	CHARGED		AT
	BEGINNING	TO COSTS	TIONS	END OF
	OF PERIOD	AND		PERIOD
		EXPENSES		

For the Year Ended December 31, 1993

Reserve for uncollectible accounts	\$1,187	\$2,101	\$1,606 (1)	\$1,682
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Reserve for insurance claims	\$ 548	\$ 616	\$ 566	\$ 598
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For the Year Ended December 31, 1992

Reserve for uncollectible accounts	\$ 778	\$1,696	\$1,287 (1)	\$1,187
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Reserve for insurance claims	\$ -	\$ 622	\$ 74	\$ 548
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For the Year Ended December 31, 1991

Reserve for uncollectible accounts	\$ 856	\$1,516	\$1,594 (1)	\$ 778
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Reserve for insurance claims	\$ 50	\$ -	\$ 50	\$ -
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(1) Accounts charged off, net of collections.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES VALUATION AND QUALIFYING ACCOUNTS FOR THE THREE YEARS ENDED DECEMBER 31, 1993]

SCHEDULE IX

COLONIAL GAS COMPANY AND SUBSIDIARIES  
SHORT-TERM DEBT  
For the Three Years Ended December 31, 1993  
(In Thousands Except Percentages)

COLUMN A      COLUMN B      COLUMN C      COLUMN D      COLUMN E      COLUMN F

CATEGORY OF AGGREGATE SHORT-TERM DEBT	BALANCE AT END OF PERIOD	WEIGHTED	MAXIMUM	AVERAGE	WEIGHTED
		AVERAGE INTEREST RATE AT END OF PERIOD	AMOUNT OUTSTANDING DURING THE PERIOD	AVERAGE AMOUNT DURING THE PERIOD (1)	AVERAGE INTEREST RATE DURING THE PERIOD (2)

Year Ended December 31, 1993

Bank Loans	\$32,600	3.64%	\$32,600	\$14,546	3.71%
Gas Inventory Purchase Obligations	\$15,233	3.47%	\$15,233	\$10,982	3.55%

Year Ended December 31, 1992

Bank Loans	\$24,500	3.76%	\$42,600	\$20,314	4.62%
Gas Inventory Purchase Obligations	\$14,741	3.81%	\$11,768	\$10,676	4.05%

Year Ended December 31, 1991

Bank Loans	\$28,000	5.06%	\$28,000	\$ 9,251	6.42%
Gas Inventory Purchase Obligations	\$11,726	5.12%	\$11,864	\$ 9,601	6.54%

See Note F of Notes to Consolidated Financial Statements.

- (1) Amounts calculated by weighting the average of amount of short-term debt outstanding each day during the year.
- (2) Rates calculated by dividing actual interest expense by average outstanding balance of short-term debt.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES SHORT-TERM DEBT  
FOR THE THREE YEARS ENDED DECEMBER 31, 1993]

SCHEDULE X

COLONIAL GAS COMPANY AND SUBSIDIARIES  
SUPPLEMENTARY INCOME STATEMENT INFORMATION

CHARGED TO  
COSTS AND EXPENSES  
YEAR ENDED DECEMBER 31,

	1993	1992	1991
Maintenance and repairs included in:			
Operating Expenses - Maintenance	\$5,631	\$5,477	\$5,124
Other Income	444	593	550
Total	\$6,075	\$6,070	\$5,674

Depreciation, depletion and amortization of property, plant equipment included in:

Operating Expenses - Depreciation	\$6,831	\$5,895	\$5,488
Operating Expenses - Operations	240	175	126
Other Income	632	906	910
Total	\$7,703	\$6,976	\$6,524

Taxes, other than payroll and income

Local property taxes included in:

Operating Expenses - Local property taxes	\$2,496	\$2,059	\$1,683
Other Income	42	36	31
	2,538	2,095	1,714

Other taxes included in:

Operating Expenses - Other Taxes	130	131	103
Other Income	186	299	347
	316	430	450

Total	\$2,854	\$2,525	\$2,164
-------	---------	---------	---------

Depreciation and amortization of intangible assets, pre-operating costs and similar deferrals, royalties and advertising costs are not shown since the amounts are either less than 1% of operating revenues or none.

[END OF COLONIAL GAS COMPANY AND SUBSIDIARIES  
SUPPLEMENTARY INCOME STATEMENT INFORMATION]

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COLONIAL GAS COMPANY

Date

By

March 18 , 1994

F.L. Putnam, Jr., Chairman  
of the Board of Directors

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
F.L. Putnam, Jr.	Chief Executive Officer, Director	March 18 , 1994
Nickolas Stavropoulos	Vice President - Finance and Chief Financial Officer, Director (Principal Financial Officer)	March 18 , 1994
D.W. Carroll	Vice President and Treasurer (Principal Accounting Officer)	March 18 , 1994
V.W. Baur	Director	March 18 , 1994
A.C. Dudley	Director	March 18 , 1994
J.P. Harrington	Director	March 18 , 1994
H.C. Homeyer	Director	March 18 , 1994
R.L. Hull	Director	March 18 , 1994
K.R. Lydecker	Director	March 18 , 1994
F.L. Putnam, III	Director	March 18 , 1994
J.F. Reilly, Jr.	Director	March 18 , 1994
A.B. Sides, Jr.	Director	March 18 , 1994
M.M. Stapleton	Director	March 18 , 1994
C.O. Swanson	Director	March 18 , 1994
G.E. Wik	Director	March 18 , 1994

[EXHIBIT 3a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

The Commonwealth of Massachusetts

MICHAEL JOSEPH CONNOLLY  
Secretary of State

ONE ASHBURTON PLACE, BOSTON, MASS. 02108      FEDERAL IDENTIFICATION  
NO. 04-1558100

RESTATED ARTICLES OF ORGANIZATION  
General Laws, Chapter 164 Section 8C

This Certificate must be submitted to the Secretary of the Commonwealth within sixty days after the date of the vote of stockholders adopting the restated articles of organization. The fee for filing this certificate is prescribed by General Laws, Chapter 156B, Section 114. Make check payable to the Commonwealth of Massachusetts.

\_\_\_\_\_  
We, Eugene P. Hart, President, and Carol E. Elden, Clerk of

Colonial Gas Company  
(Name of Corporation)

located at 40 Market Street, Lowell, Massachusetts 01852

do hereby certify that the following restatement of the articles of organization of the corporation was duly adopted at a meeting held on April 19, 1989, by vote of the directors.

1. The name by which the corporation shall be known is:

Colonial Gas Company

2. The purposes for which the corporation is formed are as follows:

To carry on the business of a "gas company" as that term is defined in Massachusetts General Laws, Chapter 164, Section 1.

To manufacture, produce, process, distribute, use, own, hold, store, sell, supply, furnish, transport, transmit or otherwise dispose of gas (including, without limitation, manufacture, natural or by-product gas), oil, chemicals of any kind or quality, any related products of any of them and the by-products and the residual products of any of them.



To sell, furnish, distribute, supply and in any manner to use energy, light, heat and power by gas, oil, steam, water or other means.

To explore, develop, produce, acquire, buy, sell and generally deal in oil or gas producing properties, wherever situated.

To engage in the sale, rental and installation of gas and other appliances and to engage in gas fitting and installation work.

To carry on any business, operation or activity which it would have power to conduct itself as a joint venture or partner of, or under any other arrangement with, any other corporation, association, trust, firm or individual.

To carry on any business, operation or activity through a wholly or partly owned subsidiary.

To carry on or perform any manufacturing, mercantile, selling, management, service or other business, operation or activity which may be lawfully carried on under Massachusetts General Laws, Chapters 156B and 164, provided that no such service, activity or business shall be prohibited by Chapter 164 or any other applicable provision of the Massachusetts General Laws.

3. The total number of shares and the par value, if any, of each class of stock which the corporation is authorized to issue is as follows:

With Par Value		
Class of Stock *	Number of Shares	Par Value
Class A Preferred Stock	547,559	\$25.00
Class B Preferred Stock	370,000	\$ 1.00
Common Stock	15,000,000	\$ 3.33

\* Number of shares and par value of each authorized Class reflects Articles of Amendment effective July 16, 1992.

4. If more than one class is authorized, a description of each of the different classes of stock with, if any, the preferences, voting powers, qualifications, special or relative rights or privileges as to each class thereof and any series now established:

PREFERENCE, VOTING POWERS, QUALIFICATIONS AND SPECIAL OR RELATIVE RIGHTS AND PRIVILEGES OF THE SEVERAL CLASSES OF CAPITAL STOCK OF COLONIAL GAS COMPANY.

#### Preferred Stock

1. The Class A Preferred Stock, \$25.00 par value, and the Class B Preferred Stock, \$1.00 par value, may from time to time be divided into and issued in series. The different series of each such class shall be established and designated, and the variations in the relative rights and preferences as between the different series shall be fixed and determined by the Board of Directors as hereinafter provided. In all other respects all shares of Class A Preferred Stock shall be identical and all shares of Class B Preferred Stock shall be identical.

2. The Board of Directors is hereby expressly authorized, subject to the provisions of these articles, to establish series of Class A Preferred Stock and Class B Preferred Stock, respectively, and, with respect to each series of each such class, to fix and determine by vote providing for the issue of such series.

(a) The distinctive designation of such series and the number of shares which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors is creating such series) or decreased (but not below the number of shares then outstanding) from time to time by the Board of Directors;

(b) The dividend rate or rates and preferences, if any, to which the shares of such series shall be entitled, the times at and conditions upon which dividends shall be paid, any limitations, restrictions or conditions on the payment of dividends, and whether dividends shall be cumulative and, if cumulative, the terms upon and dates from which such dividends shall be cumulative, which dates may differ for shares of any one series issued at different times;

(c) Whether or not the shares of such series shall be redeemable, and, if redeemable, the redemption prices which the shares of such series shall be entitled to receive and the terms and manner of redemption;

(d) The preferences, if any, and the amounts which the shares of such series shall be entitled to receive and all other special or relative rights of the shares of such series, upon any voluntary or involuntary liquidation, dissolution or winding up of, or upon and distribution of the assets of, the corporation;

(e) The obligation, if any, of the corporation to maintain a purchase, retirement or sinking fund for shares of such series and the provisions with respect thereto;

(f) The terms, if any, upon which the shares of such series shall be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same or any other class or classes of stock of the corporation, including the price or prices or the rate or rates of conversion or exchange and the terms of adjustments, if any;

(g) The terms and conditions of the voting rights, if any, of the holders of the shares of such series, including the conditions under which the shares of such series shall vote as a separate class; and

(h) Such other designating preferences, powers, qualifications and special or relative rights or privileges of such series to the full extent now or hereafter permitted by the laws of the Commonwealth of Massachusetts.

3. The holders of any series of Class A Preferred Stock or Class B Preferred Stock shall be entitled to receive such dividends, upon such terms and with such preferences over the Common Stock and any junior series of Class A or Class B Preferred Stock as the Board of Directors may fix and determine in accordance with this Article.

4. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the corporation, the holders of the shares of any series of Class A Preferred Stock or Class B Preferred Stock then outstanding shall be entitled to receive out of the net assets of the corporation, but only in accordance with the preferences, if any, provided for such series, before any distribution or payment shall be made to the holders of the Common Stock and any junior series of Class A or Class B Preferred Stock, the amount per share fixed and

determined by the Board of Directors in accordance with this Article upon such terms as the Board may so determine.

5. The shares of Class A Preferred Stock and Class B Preferred Stock shall have no voting power or voting rights with respect to any matter whatsoever, except as may be otherwise required by law or may be provided by the Board of Directors in accordance with this Article.

#### Common Stock

Except otherwise provided by law and subject only to the rights and preferences conferred upon the holders of the Class A Preferred Stock, the Class B Preferred Stock and of any class of capital stock hereafter authorized senior to the Common Stock, the holders of the Common Stock shall have and may exercise exclusively all the rights of stockholders of the Company.

No stockholder shall have any preemptive right to acquire stock of the Company.

Notice of any increase in the capital stock of the Company shall be given only to such stockholders as are entitled to subscribe therefor.

5. The restrictions, if any, imposed by the articles of organization upon the transfer of shares of stock of any class are as follows:

NONE

6. Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or stockholders, or of any class of stockholders:

#### Amendment of By-Laws

The By-laws may provide that the directors may make, amend or repeal the By-laws in whole or in part, except with respect to any provision thereof which by law, these articles of organization or the By-laws requires action by the stockholders.

#### Power To Be A Partner

The corporation may carry on any business, operation or activity which it would have power to conduct itself as a joint venturer or partner of, or under any arrangement with, any other corporation, association, trust, firm or individual.

#### Limitation of Certain Liabilities of Directors

No director shall be personally liable to the corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director notwithstanding any provision of law imposing such liability, except that, to the extent provided by applicable law, this provision shall not eliminate or limit the liability of a director (i) for breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 61 or 62 of the Massachusetts Business Corporation Law or any amendatory or successor provisions thereto or (iv) for any transaction from which the director derived an improper personal benefit. This provision shall not eliminate or limit the liability of a director for any act or omission occurring prior to the date upon which this provision became effective, and no amendment or repeal of this provision shall deprive a director of the benefits hereof with respect to any act or omission occurring prior to such amendment or repeal.

#### CLASSIFICATION OF DIRECTORS

The number of the members of the board of directors shall be determined in the manner provided in the by-laws of the corporation. The board of directors shall be divided into three classes as nearly equal in number as may be: Class I, Class II and Class III. The number of directors in each class shall be the whole number contained in the quotient arrived at by dividing the authorized number of directors by three and, if a fraction is also contained in such quotient, then if such fraction is one-third the extra director shall be a member of Class III and if the fraction is two-thirds one of the directors shall be a member of Class III and the other shall be a member of Class II. Each director shall serve for a term ending at the third annual meeting following the annual meeting at which such director was elected; provided, however, that the directors first elected to Class I shall serve for a term ending at the annual meeting next ensuing, the directors first elected to Class II shall serve for a term ending at the second annual meeting following the meeting at which such directors were first elected and the directors first elected to Class III shall serve a full term as hereinabove provided. The foregoing notwithstanding, each director shall serve until his successor shall have been duly elected and qualified, unless he shall die, retire, resign, become

disqualified or disabled or shall otherwise be removed.

For purposes of the preceding paragraph, reference to the first election of directors shall signify the first election of directors following the election of directors at the annual meeting or special meeting in lieu of the annual meeting of stockholders at which this provision is adopted or, if not so adopted, the annual meeting or special meeting in lieu of the annual meeting next following the adoption of this provision. At each annual election held thereafter, the directors chosen to succeed those whose terms then expire shall be identified as being of the same class as the directors they succeed. If for any reason the number of directors in the various classes shall not conform with the formula set forth in the preceding paragraph, the board of directors may redesignate any director into a different class in order that the balance of directors in such classes shall conform thereto.

Newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the board of directors resulting from death, retirement, resignation, disability, removal or other cause shall be filled by a majority vote of the directors then in office, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which they have been elected expires.

This provision cannot be amended, altered or repealed without the approval of the holders of at least eighty percent of the shares of all classes of stock of the corporation entitled to vote for the election of directors, considered for purposes of this provision as a single class.

This provision is subject to the rights of holders of the Preferred Stock, the Convertible Preferred Stock and any other class or series of preferred stock which may be created to elect members of the board of directors of the corporation pursuant to the provisions of these Restated Articles of Organization applicable to each such class or series of preferred stock.

#### CERTAIN BUSINESS COMBINATIONS

(i) Except as set forth in part (ii) of this provision, the affirmative vote or consent of the holders of at least eighty percent of the shares of all classes of stock of the corporation entitled to vote for the election of directors, considered for purposes of this provision as one class, shall be required; (a) for the adoption of any agreement for the merger or consolidation of the corporation with or into any Other Corporation (as hereinafter defined), (b) to authorize any sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially

all, of the assets of the corporation to any Other Corporation, (c) to authorize the issuance or transfer by the corporation of any Substantial Amount (as hereinafter defined) of securities of the corporation in exchange for the securities or assets of any Other Corporation or (d) to engage in any other transaction the effect of which is to combine the assets and business of the corporation with any Other Corporation. Such affirmative vote or consent shall be in addition to whatever vote or consent of the holders of the stock of the corporation may otherwise be required by law, the Restated Articles of Organization of the corporation or any agreement or contract to which the corporation shall be a party.

(ii) The provisions of part (i) of this provision shall not be applicable to any transaction described therein if such transaction is approved by a resolution of the board of directors of the corporation, provided that the directors voting in favor of such resolution include a majority of the persons who were duly elected and acting members of the board of directors prior to the time any such Other Corporation became a Beneficial Owner (as hereinafter defined) of ten percent or more of the shares of stock of the corporation entitled to vote for the election of directors. In considering such transaction, the board of directors shall give due consideration to all relevant factors, including without limitation the social and economic effect on the employees, customers, suppliers and other constituents of the corporation and on the communities in which the corporation and its subsidiaries operate or are located.

(iii) the board of directors shall have the power and duty to determine for the purposes of this provision, on the basis of information known to such board, if and when any Other Corporation is the Beneficial Owner of ten percent or more of the outstanding shares of stock of the corporation entitled to vote for the election of directors. Any such determination, if made in good faith, shall be conclusive and binding for all purposes of this provision.

(iv) As used in this provision, the following terms shall have the meanings indicated:

"Other Corporation" means any person, firm, corporation or other entity, other than a Subsidiary of the corporation, which is the Beneficial Owner of ten percent or more of the shares of stock of the corporation entitled to vote for the election of directors.

"Subsidiary" means any corporation in which the corporation owns, directly or indirectly, more than fifty percent of the voting securities.

"Substantial Amount" means any securities of the corporation having a then fair market value of more than \$500,000.

An Other Corporation (as defined above) shall be deemed to be the "Beneficial Owner" of stock if such Other Corporation or any "affiliate" or "associate" of such Other Corporation (as those terms are defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 (15 U.S.C. 78a-78jj as amended from time to time), directly or indirectly, controls the voting of such stock or has any options, warrants, conversion or other rights to acquire such stock.

(v) This provision cannot be amended, altered or repealed without the approval of the holders of at least eighty percent of the shares of all classes of stock of the corporation entitled to vote for the election of directors, considered for the purposes of this provision as a single class.

We further certify that the foregoing restated articles of organization effect no amendments to the articles of organization of the corporation as heretofore amended, except amendments to the following articles           None\*\*

\*\*The foregoing restated articles of organization have been adopted to reflect the elimination of the Class A Common Stock and its conversion into Common Stock in accordance with the terms of the Class A Common Stock and, accordingly, effect no amendments to the articles of organization. In accordance with the terms of the Class A Common Stock and agreements among the Company and the holders of the Class A Common Stock implementing such terms, the Restrictions on Dividends Applicable to the Class A Common Stock terminated as of January 1, 1989 and each share of Class A Common Stock was converted into and became a share of Common Stock.

IN WITNESS WHEREOF AND UNDER THE PENALTIES OF PERJURY, we have hereto signed our names this 19th day of April in the year 1989.

Eugene P. Hart, President

Carol E. Elden, Clerk



THE COMMONWEALTH OF MASSACHUSETTS

RESTATED ARTICLES OF ORGANIZATION  
(General Laws, Chapter 164, Section 8c)

I hereby approve the within  
restated articles of  
organization and, the filing  
fee in the amount of \$200.00  
having been paid, said  
articles are deemed to have  
been filed with me this 20th  
day of April, 1989.

MICHAEL JOSEPH CONNOLLY  
Secretary of State

TO BE FILLED IN BY CORPORATION

PHOTO COPY OF RESTATED ARTICLES OF ORGANIZATION TO BE SENT

TO:

Telephone:

Copy Mailed

[END OF RESTATED ARTICLES OF ORGANIZATION FORM]

THE COMMONWEALTH OF MASSACHUSETTS

OFFICE OF THE MASSACHUSETTS SECRETARY OF STATE

MICHAEL JOSEPH CONNOLLY, Secretary

FEDERAL IDENTIFICATION  
NO. 04-1558100

ONE ASHBURTON PLACE, BOSTON, MASS. 02108

CERTIFICATE OF VOTE OF DIRECTORS ESTABLISHING  
A SERIES OF A CLASS OF STOCK

General Laws, Chapter 156B, Section 26

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We, Nickolas Stavropoulos, Vice President and Carol E. Elden,  
Clerk of

Colonial Gas Company  
(Name of Corporation)

located at 40 Market Street, Lowell, MA 01853  
do hereby certify that at a meeting of the directors of the  
corporation held on November 9, 1993, the following vote establishing  
and designating a series of a class of stock and determining the  
relative rights and preferences thereof was duly adopted.

VOTED, that pursuant to the authority vested in the Board of  
Directors of this Company by Article Four of its Restated  
Articles of Organization, a series of Class A Preferred Stock of  
the Company be and it hereby is created, and the designations,  
powers, preferences and rights of the shares of such series, and  
the qualifications, limitations or restrictions thereof are as  
follows:

1. Authorized Amount and Designation. The shares of such  
series shall be designated as "Series A-1 Junior Participating  
Preferred Stock" (the "Junior Preferred Stock"). The number of  
shares constituting such series shall be 100,000 shares and the  
par value shall be \$25.00 per share. Such number of shares may  
be increased or decreased by resolution of the Board of  
Directors; provided, that no decrease shall reduce the number of

shares of Junior Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Company convertible into Junior Preferred Stock.

## 2. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Class A or Class B (collectively, the "Preferred Stock") ranking prior and superior to the Junior Preferred Stock with respect to dividends, the holders of shares of Junior Preferred Stock, in preference to the holders of Common Stock of the Company (the "Common Stock"), and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Junior Preferred Stock. In the event the Company shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Company shall declare a dividend or distribution on the Junior Preferred Stock as provided in paragraph (A) of this Section 2 immediately after it declares a dividend or

distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Junior Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

3. Voting Rights. The holders of shares of Junior Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Company. In the event the Company shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator

of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in the Restated Articles of Organization, in any other Resolution of the Board of Directors of the Company creating a series of Preferred Stock, or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Company having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Company.

(C) Except as set forth herein or as otherwise provided by law, holders of Junior Preferred Stock shall have no voting rights.

#### 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Company shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except dividends paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Junior Preferred Stock; or

(iv) redeem, purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity with the Junior Preferred Stock,

except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (A) of this section 4 purchase or otherwise acquire such shares at such time and in such manner.

5. Reacquired Shares. Any shares of Junior Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Class A Preferred Stock and may be reissued as part of a new series of Class A Preferred Stock, subject to the conditions and restrictions on issuance set forth herein, in the Restated Articles of Organization, in any other Resolution of the Board of Directors of the Company creating a series of Preferred Stock, or as otherwise required by law.

6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Company, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock unless, prior thereto, the holders of shares of Junior Preferred Stock shall have received \$100.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Junior Preferred Stock shall be entitled to receive, to the extent greater than the foregoing, an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except distributions made ratably on the Junior Preferred Stock and all other such parity stock in proportion of the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Company shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common

Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

7. Consolidation, Merger, etc. In case the Company shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Junior Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. Redemption. The shares of Junior Preferred Stock shall not be redeemable.

9. Rank. The Junior Preferred Stock shall rank junior with respect to the payment of dividends and the distribution of assets to all series of the Company's Preferred Stock that specifically provide that they shall rank prior to the Junior Preferred Stock. Nothing herein shall preclude the Board from creating any series of Preferred Stock ranking on a parity with or prior to the Junior Preferred Stock as to the payment of dividends or the distribution of assets.

10. Amendment. The Restated Articles of Organization of the Company shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Junior Preferred Stock so as to affect them

adversely without the affirmative vote of the holders of at least two-thirds of the outstanding Junior Preferred Stock, voting together as a single series.

11. Fractional Shares. The Junior Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of the Junior Preferred Stock.

IN WITNESS WHEREOF AND UNDER THE PENALTIES OF PERJURY, we have hereto signed our names this 23rd day of November in the year 1993.

Nickolas Stavropoulos, Vice President

Carole E. Elden, Clerk

THE COMMONWEALTH OF MASSACHUSETTS

Certificate of Vote of Directors Establishing  
A Series of a Class of Stock

(General laws, Chapter 156B, Section 26)

I hereby approve the within certificate and, the  
filing fee in the amount of \$ \_\_\_\_\_  
having been paid, said certificate is hereby filed  
this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_.

MICHAEL JOSEPH CONNOLLY

Secretary of State

TO BE FILLED IN BY CORPORATION  
PHOTO COPY OF CERTIFICATE TO BE SENT



TO:

Telephone

Copy Mailed

[END OF EXHIBIT 3a TO COLONIAL GAS COMPANY  
FORM 10-K FOR TERM ENDING 12/31/93]

[EXHIBIT 3b TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Amended and effective 11/9/93

BY-LAWS  
of  
COLONIAL GAS COMPANY

ARTICLE I

SEAL AND FISCAL YEAR

The seal shall be circular in form with the name of the corporation around the periphery and words and figures "Incorporated 1849" within. The fiscal year shall commence on January 1 of each year.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. Place. Meetings of the stockholders shall be held at the principal office of the corporation in Massachusetts or at such other place as may be named in the call.

SECTION 2. Annual Meetings. The annual meeting of the stockholders shall be held after the close of each fiscal year on the third Wednesday of April if not a legal holiday and, if a legal holiday, then on the next preceding Wednesday not a legal holiday, or on such other date within six months after the close of the fiscal year as the Directors or an officer designated by the Directors shall determine, and at such hour as may be named in the call. In the event the annual meeting is not held on such date, a special meeting in lieu of the annual meeting may be held with all the force and effect of an annual meeting.

SECTION 3. Special Meetings. Special meetings of the stockholders may be called by the chairman of the board of directors, the president, a vice president or by the directors, and shall be called by the clerk, or by any other officer, upon written application of one or more stockholders who hold at least 40% in interest of the capital stock entitled to vote thereat.

SECTION 4. Notice. A written notice of the date, place and hour of all meetings of stockholders stating the

purposes of the meeting shall be given by the clerk or an assistant clerk (or by any other officer who is entitled to call such a meeting) at least seven (7) days before the meeting to each stockholder entitled to vote thereat and to each stockholder who is entitled to such notice, by leaving such notice with him or at his residence or usual place of business, or by mailing it, postage prepaid, and addressed to such stockholder at his address as it appears in the records of the corporation. Notwithstanding the foregoing, in the case of any special meeting called upon the written application of stockholders, such meeting shall be called not less than sixty (60) days nor more than ninety (90) days after such application is received by the corporation and written notice thereof shall be given in accordance with the preceding sentence at least twenty (20) days before the meeting.

SECTION 5. Quorum. A majority in interest of all the capital stock issued, outstanding and entitled to vote at a meeting shall constitute a quorum, but a smaller number may adjourn from time to time without further notice until a quorum is secured.

SECTION 6. Voting. Stockholders entitled to vote shall have one vote for each share of stock owned by them, provided that the corporation shall not directly or indirectly vote any share of its own stock. Stockholders may vote in person or by proxy. Any elections of directors by stockholders shall be by ballot if so requested by any stockholder entitled to vote thereon. When a quorum is present at any meeting, a majority in interest of the capital stock represented thereat shall decide any question brought before such meeting, unless the question is one upon which by express provision of law or of the charter or of these by-laws a larger or different vote is required, in which case such express provision shall govern and control the decision of such question.

SECTION 7. Action by Consent. Any action required or permitted to be taken at any meeting of the stockholders may be taken without a meeting if all stockholders entitled to vote on the matter consent to the action in writing and the written consents are filed with the records of the meetings of stockholders. Such consents shall be treated for all purposes as a vote at a meeting.

SECTION 8. Notification of Proposed Business. At any meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be brought properly before a meeting of stockholders, business must be either (a) specified in the

notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements for business to be brought properly before a meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Clerk of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that (except as to an annual meeting held on the date specified in these by-laws, such date not having been changed since the last annual meeting), if less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. A stockholder's notice shall set forth as to each matter the stockholder proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business. Notwithstanding anything in the by-laws to the contrary, no business shall be conducted at any meeting of stockholders except in accordance with the procedures set forth in this section. The chairman of the meeting may determine whether any business was properly brought before the meeting in accordance with the provisions of this section, and any such business not properly brought before the meeting shall not be transacted.

### ARTICLE III

#### OFFICERS AND DIRECTORS

SECTION 1. Enumeration. The corporation shall have a board of not less than three nor more than fifteen directors, except that whenever there shall be fewer than three stockholders, the number of directors may be less than three but in no event less than the number of stockholders. The number of directors shall be fixed from time to time by a majority of the members of the board of directors then in office, and may be enlarged at any time (within the limits above specified) by a majority of the members of the board of directors then in office. The officers of the

corporation shall be a chairman of the board of directors, a president, one or more vice presidents, a treasurer, a clerk and such other officers as the directors may from time to time appoint.

SECTION 2. Qualification. Directors and officers need not be stockholders. The chairman of the board of directors and the president shall be members of the board of directors. Two or more offices may be held by the same person. The clerk shall be a resident of Massachusetts unless a resident agent shall have been appointed in the manner set forth in the Massachusetts Business Corporation Law.

SECTION 3. Election. The directors shall be elected in the manner provided by the Restated Articles of Organization as in effect from time to time. The directors at their annual meeting in each year shall elect a chairman of the board of directors, a president, one or more vice presidents, a treasurer and a clerk, and may at any time elect such officers as they shall determine. Except as hereinafter provided, the president, the vice presidents, the treasurer and the clerk shall hold office until the date fixed in these by-laws for the next annual meeting of stockholders and until their respective successors are elected and qualified. Other officers shall serve at the pleasure of the directors.

SECTION 4. Removal. Directors may be removed from office at any time for cause by vote of a majority of the directors then in office. No director of the corporation shall be removed from his office as a director without cause unless such removal is approved by the holders of at least eighty percent of the shares of all classes of stock of the corporation entitled to vote for the election of directors, considered for purposes of this provision as a single class. Officers elected or appointed by the directors may be removed from their respective offices without cause by vote of a majority of the directors then in office. A director or officer may be removed for cause only after a reasonable notice and opportunity to be heard before the body proposing to remove him.

SECTION 5. Resignation. Resignations by officers or directors shall be given in writing to the chairman of the board of directors, the president, treasurer, clerk or directors. Any member of any committee may resign by giving written notice either as aforesaid or to the committee of which he is a member or the chairman.

SECTION 6. Vacancies. Continuing directors may act

despite a vacancy in the board and shall for this purpose be deemed to constitute the full board. Vacancies in the board of directors shall be filled only in the manner provided by the Restated Articles of Organization as in effect from time to time. Vacancies in any other office may be filled by the directors.

SECTION 7. Approval of Changes. No change in Sections 1, 3, 4 or 6 of this Article III may be made unless approved by the holders of at least eighty percent of the shares of stock of the corporation then entitled to vote for the election of directors.

SECTION 8. Notification of Nominations. Subject to the rights of holders of any class or series of stock having a preference over the common stock as to dividends or upon liquidation to elect Directors under specified circumstances, nominations for the election of Directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any stockholder entitled to vote in the election of Directors generally. However, any stockholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such stockholder's intent to make such nomination or nominations has been timely given to the Clerk of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than sixty (60) days nor more than ninety (90) days prior to the meeting; provided, however, that (except as to an annual meeting held on the date specified in these by-laws, such date not having been changed since the last annual meeting), if less than seventy (70) days' notice or prior public disclosure of the date of the meeting is given or made to stockholders, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. Each such notice shall set forth (a) the name and address of the stockholder who intends to make the nomination and of the person or persons to be nominated, (b) a representation that the stockholder is a holder of record of stock of the corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (c) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the stockholder, (d) such other information regarding each nominee proposed by such

stockholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission, and (e) the consent of each nominee to serve as a Director of the corporation if so elected. The chairman of the meeting may refuse to acknowledge the nomination of any person not made in compliance with the foregoing procedure.

#### ARTICLE IV

##### POWERS AND DUTIES OF DIRECTORS AND OFFICERS

SECTION 1. Directors. The business of the corporation shall be managed by the directors, who may exercise all such powers of the corporation as are not by law, by the articles of organization or by the by-laws required to be otherwise exercised. The directors may from time to time to the extent permitted by law delegate any of their powers to committees, officers, attorneys or agents of the corporation, subject to such limitations as the directors may impose. The directors shall have power to determine what constitutes net earnings, profits and surplus, respectively, what amount shall be reserved for working capital and for any other purposes, and what amount shall be declared as dividends, and such determination by the directors shall be final and conclusive.

SECTION 2. Fees of Directors and Others. The board of directors shall have power to fix and determine the fee or fees to be paid members of the board of directors or of any committee appointed by the directors or stockholders for attendance at meetings of said directors or committees. Any fees so fixed and determined by the board of directors shall be subject to revision or amendment by the stockholders.

SECTION 3. Executive and Other Committees. The board of directors may elect from their number an executive committee of not less than three nor more than seven members, which committee shall, when the board of directors is not in session, have and exercise any or all of the powers of the board of directors in the management of the business and affairs of the corporation except as prohibited by law and have power to authorize the seal of the corporation to be affixed to all papers which may require it. The executive committee shall report its action to the board of directors. The executive committee may make rules for notice, holding and conduct of the meetings and the keeping of the records thereof.

The board of directors likewise may appoint from their number or from the stockholders other committees from time

to time, the number composing such committees and the powers conferred upon the same to be determined by vote of the board of directors.

SECTION 4. Chairman of the Board. The chairman of the board of directors shall be the senior officer of the corporation. He shall preside over all meetings of the stockholders and directors; he shall direct the policy of the corporation; he shall have primary control of methods and amounts of capital financing, and may define and prescribe the duties of each officer or employee of the corporation which are not fully prescribed by these by-laws or by the resolutions of the board of directors. The board of directors may permit a vacancy to exist in the office of chairman of the board, in which event the duties and rights herein prescribed for such chairman shall vest in the president.

SECTION 5. President. The president shall be the chief executive officer of the corporation and as such shall have immediate supervision, direction and control of its business and affairs, subject to the chairman of the board of directors and, where specifically defined, to the board of directors. In the absence of the chairman of the board of directors, he shall preside at all meetings of the directors and of the stockholders at which he is present, and, in general, perform the functions of the chairman of the board of directors in the latter's absence.

SECTION 6. Vice Presidents. Any vice president, except as especially limited by vote of the board of directors, shall perform the duties and have the powers of the president during the absence or disability of the president and shall have the power to sign all certificates of stock, bonds, deeds and contracts of the corporation. He shall perform such other duties and have such other powers as the board of directors shall designate from time to time.

SECTION 7. Treasurer. The treasurer, subject to the order of the board of directors, shall have the care and custody of the money, funds, valuable papers and documents, of the corporation (other than his own bond which shall be in the custody of the president) and shall have and exercise, under the supervision of the board of directors, all the powers and duties commonly incident to his office, and shall give bond in such form and with such sureties as shall be required by the board of directors. He shall deposit all funds of the corporation in such bank or banks, trust company or trust companies or with such firm or firms doing a banking business as the directors shall designate, and shall have power to borrow in accordance with



authorizations of the board of directors given from time to time, monies for the corporate needs of the company and to cause to be issued as evidence thereof notes of the company. He may endorse for deposit or collection all checks, notes, etc., payable to the corporation or its order, may accept drafts on behalf of the corporation and, together with the president or a vice president, may sign certificates of stock. He shall keep accurate books of account and records of the corporation's transactions resulting from the performance of his duties except where such books and/or records are kept by some other person or persons pursuant to instructions of the board of directors, all of which books and records shall be the property of the corporation, and, together with all its property in his possession, shall be subject at all times to the inspection and control of the board of directors. The treasurer shall hold his office during the pleasure of the board of directors, and shall be subject in every way to its orders.

All checks, drafts, notes or other instruments or obligations for the payment of money shall be signed by the president or treasurer or such other person as the board of directors may from time to time designate. With the exception of certificates of stock, bonds, and other instruments that specifically require counter signature or registration as the condition to their validity, such checks, drafts, notes or other obligations need not be countersigned or registered as a condition to their validity by any other officer or person. Checks for the total amount of any payroll may be drawn, in accordance with the foregoing provisions and deposited in a special fund. Checks upon this fund may be drawn by such person or persons as the treasurer shall designate and need not be countersigned.

The directors may appoint one or more assistant treasurers with such powers and duties, including the powers and duties of the treasurer as herein stated, as the directors shall determine.

SECTION 8. Clerk. The clerk shall record all proceedings of the stockholders, the directors and the executive committee in a book or books to be kept therefor and shall have custody of the seal of the corporation. In his absence, an assistant clerk or a clerk pro tempore shall perform his duties.

SECTION 9. Other Officers. Other officers shall have such powers as may be designated from time to time by the directors.

## ARTICLE V

### MEETINGS OF THE DIRECTORS

SECTION 1. Regular Meetings. Regular meetings may be held at such times and places within or without the Commonwealth of Massachusetts as the directors may fix. An annual meeting shall be held in each year immediately after and at the place of the meeting at which the board is elected.

SECTION 2. Special Meetings. Special meetings may be held at such times and places within or without the Commonwealth of Massachusetts as may be determined by the president, a vice president, the clerk, an assistant clerk or three or more directors.

SECTION 3. Notice. No notice need be given for a regular or annual meeting. Notice of special meetings, stating the time and place thereof, shall be given by mailing the same to each director or by delivering the same to him personally or by telephoning or telegraphing the same to him at his residence or business address at least one day before the meeting unless, in case of exigency, the chairman of the board of directors or the president shall prescribe a shorter notice to be given personally or by telephoning or telegraphing each director at his residence or business address. A notice or waiver of notice need not specify the purpose of any special meeting. Notice of a meeting need not be given to any director, if a written waiver of notice, executed by him before or after the meeting, is filed with the records of the meeting, or to any director who attends the meeting without protesting prior thereto or at its commencement the lack of notice to him.

SECTION 4. Quorum. Three of the directors then in office shall constitute a quorum, but a smaller number may adjourn finally or from time to time without further notice until a quorum is secured. If a quorum is present, a majority of the directors present may take any action on behalf of the board except to the extent that a larger number is required by law or the articles of organization or these by-laws.

SECTION 5. Action by Consent. Any action required or permitted to be taken at any meeting of the directors may be taken without a meeting if all the directors consent to the action in writing and the written consents are filed with the records of the meetings of directors. Such consents shall be treated for all purposes as a vote at a meeting.

## ARTICLE VI

### CERTIFICATE OF STOCK

Every stockholder shall be entitled to a certificate or certificates of the capital stock of the corporation in such form as may be prescribed by the board of directors, duly numbered and sealed with the corporate seal of the corporation and setting forth the number and the class and the designation of the series, if any, of shares to which such stockholder is entitled. Such certificates shall be signed by the president or a vice president and by the treasurer or an assistant treasurer; except as otherwise provided by law such signatures may be facsimile. The board of directors may also appoint one or more transfer agents and/or registrars for its stock of any class or classes and may require stock certificates to be countersigned and/or registered by one or more of such transfer agents and/or registrars.

## ARTICLE VII

### STOCK AND TRANSFER BOOKS

The corporation shall keep in the Commonwealth of Massachusetts at its principal office (or at an office of its transfer agent or of its clerk or of its resident agent) stock and transfer records, which shall contain the names of all stockholders and the record address and the amount of stock held by each. The corporation for all purposes may conclusively presume that the registered holder of a stock certificate is the absolute owner of the shares represented thereby and that his record address is his proper address. It shall be the duty of every stockholder to notify the corporation of a change in his post office address. The directors may fix in advance a time, which shall not be more than sixty days before the date of any meeting of stockholders or the date for the payment of any dividend or the making of any distribution to stockholders or the last day on which the consent or dissent of stockholders may be effectively expressed for any purpose, as the record date for determining the stockholders having the right to notice of and to vote at such meeting and any adjournment thereof or the right to receive such dividend or distribution or the right to give such consent or dissent, and in such case only stockholders of record on such record date shall have such right, notwithstanding any transfer of stock on the books of the corporation after the record date; or without fixing such record date the directors may for any of such purposes close the transfer books for all or any part of such period.

If no record date is fixed and the transfer books are not closed:

(1) The record date for determining stockholders having the right to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given.

(2) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors acts with respect thereto.

## ARTICLE VIII

### TRANSFER OF STOCK

Shares of stock may be transferred by delivery of the certificate accompanied either by an assignment in writing on the back of the certificate or by a written power of attorney to sell, assign and transfer the same on the books of the corporation, signed by the person appearing by the certificate to be the owner of the shares represented thereby, and shall be transferable on the books of the corporation upon surrender thereof so assigned or endorsed.

## ARTICLE IX

### LOSS OF CERTIFICATES

In case of the loss, mutilation or destruction of a certificate of stock, a duplicate certificate may be issued upon such terms as the directors shall prescribe.

## ARTICLE X

### SIGNATURE OF CHECKS

All checks drawn on bank accounts of the corporation may be signed on its behalf provided in these by-laws or as otherwise authorized from time to time by the directors.

## ARTICLE XI

### AMENDMENT OF BY-LAWS

The board of directors may make, amend or repeal the by-laws in whole or in part, except with respect to any provision thereof which by law, the articles of organization or these by-laws requires action by the stockholders. These by-laws also may be amended by vote of the holders of a

majority of the shares outstanding and entitled to vote.

## ARTICLE XII

### EMPLOYMENT CONTRACTS

The corporation may enter into employment contracts authorized by the directors, and the provisions of such contracts shall be valid in accordance with their terms despite any inconsistent provision of these by-laws relating to terms of officers and removal of officers with or without cause.

## ARTICLE XIII

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

The corporation shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as a director or officer of the corporation or of any of its subsidiaries, or who at the request of the corporation may serve or at any time has served as a director, officer or trustee of, or in a similar capacity with, another organization or an employee benefit plan, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which he may become involved by reason of his serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he is successful on the merits, the proceeding was authorized by the corporation or the proceeding seeks a declaratory judgment regarding his own conduct); provided that no indemnification shall be provided for any such person with respect to any matter as to which he shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation or, to the extent such matter relates to service with respect to any employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan; and provided, further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the corporation, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the corporation of expenses incurred in defending a civil or criminal action or

proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he shall be adjudicated to be not entitled to indemnification under this article, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

A person entitled to indemnification hereunder whose duties include service or responsibilities as a fiduciary with respect to a subsidiary or other organization shall be deemed to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation if he acted in good faith in the reasonable belief that his action was in the best interests of such subsidiary or organization or of the participants or beneficiaries of, or other persons with interests in, such subsidiary or organization to whom he had a fiduciary duty.

Where indemnification hereunder requires authorization or approval by the corporation, such authorization or approval shall be conclusively deemed to have been obtained, and in any case where a director of the corporation approves the payment of indemnification, such director shall be wholly protected, if:

(i) the payment has been approved or ratified (1) by a majority vote of a quorum of the directors consisting of persons who are not at that time parties to the proceeding, (2) by a majority vote of a committee of two or more directors who are not at that time parties to the proceeding and are selected for this purpose by the full board (in which selection directors who are parties may participate), or (3) by a majority vote of a quorum of the outstanding shares of stock of all classes entitled to vote for directors, voting as a single class, which quorum shall consist of stockholders who are not at that time parties to the proceeding; or

(ii) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the corporation) appointed for the purpose by vote of the directors or in the manner specified in clauses (1), (2) or (3) of subparagraph (i); or

(iii) the payment is approved by a court of competent jurisdiction; or

(iv) the directors have otherwise acted in accordance with the standard of conduct set forth in the Massachusetts Business Corporation Law.

Any indemnification or advance of expenses under this article shall be paid promptly, and in any event within 30 days, after the receipt by the corporation of a written request therefor from the person to be indemnified, unless with respect to a claim for indemnification the corporation shall have determined that the person is not entitled to indemnification. If the corporation denies the request or if payment is not made within such 30 day period, the person seeking to be indemnified may at any time thereafter seek to enforce his rights hereunder in a court of competent jurisdiction and, if successful in whole or in part, he shall be entitled also to indemnification for the expenses of prosecuting such action. Unless otherwise provided by law, the burden of proving that the person is not entitled to indemnification shall be on the corporation.

The right of indemnification under this article shall be a contract right inuring to the benefit of the directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this article shall adversely affect any right of such director, officer or other person existing at the time of such amendment or repeal.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a director, officer or other person entitled to indemnification hereunder. The indemnification provided hereunder may, to the extent authorized by the corporation, apply to the directors, officers and other persons associated with constituent corporations that have been merged into or consolidated with the corporation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the corporation.

The right of indemnification under this article shall be in addition to and not exclusive of all other rights to which such director or officer or other person may be entitled. Nothing contained in this article shall affect any rights to indemnification to which employees or agents of the corporation other than directors and officers and other persons entitled to indemnification hereunder may be entitled by contract or otherwise under law.

#### ARTICLE XIV

##### SHAREHOLDING, OFFICE HOLDING AND DEALINGS BY DIRECTORS AND OFFICERS

No contract or other transaction of this corporation

with any other person, corporation, association, or partnership shall be affected or invalidated by the fact that (i) this corporation is a stockholder in such other corporation, association or partnership; or (ii) any one or more of the officers or directors of this corporation is an officer, director or partner of such other corporation, association or partnership, or (iii) any officer or director of this corporation, individually or jointly with others, is a party to or is interested in such contract or transaction. Any director of this corporation may be counted in determining the existence of a quorum at any meeting of the board of directors for the purpose of authorizing or ratifying any such contract or transaction, and may vote thereon, with like force and effect as if he were not so interested or were not an officer, director or partner of such other corporation, association or partnership.

## ARTICLE XV

### CONTROL SHARE ACQUISITIONS

SECTION 1. Application of Statute. The provisions of chapter 110D of the Massachusetts General Laws, Regulation of Control Share Acquisitions, shall not apply to control share acquisitions of this corporation.

SECTION 2. Right to Redeem Control Shares. If the provisions of chapter 110D of the Massachusetts General Laws, Regulation of Control Share Acquisitions, shall at any time apply to control share acquisitions of the corporation, the corporation shall be authorized to redeem, at its option but without requiring the agreement of the person who has made a control share acquisition, all but not less than all shares acquired in such control share acquisition under the circumstances and pursuant to the provisions set forth in section 6 of said chapter 110D, as amended from time to time.

### Definitions

The term "articles of organization" as used in these by-laws shall have the same meaning as the term "articles of organization" in section 1 of chapter 164 of the Massachusetts General Laws.

[END OF EXHIBIT 10b TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-E)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-E, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	11,577 MMBtu
Maximum Annual Transportation Quantity	3,125,790 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any

day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-E as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-E, nor less than the minimum rate under Rate Schedule AFT-E.

- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.
- 3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-E, (b) Algonquin's Rate Schedule AFT-E, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-E. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-E.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement,

with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Point of Delivery.

Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-E.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different

jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule F-1 dated November 1, 1984

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-E between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Receipt.

Primary Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Hanover, NJ (TETCO)	4,415	At any pressure requested by Algonquin but not in excess of 750 Psig.
Lambertville, NJ	7,162	At any pressure requested by Algonquin but not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-E between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Delivery.

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
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On the outlet side of meter station located at:

Bourne, MA	7,124	200
Sagamore, MA	7,327	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10p TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

93203

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of June 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum	Daily	Transportation	Quantity	1,951 MMBtu
Maximum	Annual	Transportation	Quantity	712,115 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided,



however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule

AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.

- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.
- 3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

#### ARTICLE IV POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

#### ARTICLE V POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement,

with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Primary Point of Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn.: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto, except that in the case of conversions from former Rate Schedules F-2 and F-3, the parties' obligations under Article II of the service agreements pertaining to such rate schedules shall continue in effect.

Service Agreement executed by Customer and Algonquin under Rate Schedule F-2 dated July 30, 1984.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Receipt

Primary

Maximum Daily

Maximum

Point of Receipt	Receipt Obligation (MMBtu)	Receipt Pressure (Psig)
Lambertville, NJ	1,951	At any pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and Colonial Gas  
Company (Customer)  
concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
On the outlet side of meter station located at:		
Bourne, MA	650	200
Sagamore, MA	1,301	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10q TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	577 MMBtu
Maximum Annual Transportation Quantity	210,605 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at

any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.



3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Primary Point of

Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto, except that in the case of conversions from former Rate Schedules F-2 and F-3, the parties' obligations under Article II of the service agreements pertaining to such rate schedules shall continue in effect.

Service Agreement executed by Customer and Algonquin under Rate Schedule F-3 dated July 30, 1984.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Receipt

Primary  
Point of  
Receipt

Maximum Daily  
Receipt Obligation  
(MMBtu)

Maximum  
Receipt Pressure  
(Psig)

Centerville, NJ

577

At any pressure

requested by  
Algonquin not in  
excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1  
between Algonquin Gas Transmission Company (Algonquin)  
and Colonial Gas Company (Customer)  
concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
---------------------------------	---	--

On the outlet side  
of meter station  
located at:

Bourne, MA	192	200
Sagamore, MA	385	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10r TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	7,918 MMBtu
Maximum Annual Transportation Quantity	2,890,070 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided,

however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

## ARTICLE II TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

## ARTICLE III RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Primary Point of

Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn: Mr. John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII



AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto, except that in the case of conversions from former Rate Schedules F-2 and F-3, the parties' obligations under Article II of the service agreements pertaining to such rate schedules shall continue in effect.

Service Agreement executed by Customer and Algonquin under Rate Schedule F-4 dated August 29, 1988.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Receipt

Primary  
Point of

Maximum Daily  
Receipt Obligation

Maximum  
Receipt Pressure

Receipt

(MMBtu)

(Psig)

Lambertville, NJ

7,918

At any pressure requested  
by Algonquin but not  
in excess of 750  
Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
---------------------------------	---	--

On the outlet side  
of meter station  
located at:

Bourne, MA	2,573	200
Sagamore, MA	5,345	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10s TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

9W002E

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-E)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-E, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	4,886 MMBtu
Maximum Annual Transportation Quantity	293,160 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of

delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.

2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-E as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-E, nor less than the minimum rate under Rate

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-E, (b) Algonquin's Rate Schedule AFT-E, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-E. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-E.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of

Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Point of Delivery.

Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-E.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(a) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be

in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule WS-1 dated November 1, 1984.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-E between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas



Company (Customer) concerning Point(s) of Receipt

Primary Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Hanover, NJ (TETCO)	3,028	At any Pressure requested by Algonquin not in excess of 750 Psig.
Lambertville, NJ	1,858	At any Pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-E between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
---------------------------	---	----------------------------------

On the outlet side of meter stations located at:

Bourne, MA	4,580	200
Sagamore, MA	4,886	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10t TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

9S100

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	972 MMBtu
Maximum Annual Transportation Quantity	100,000 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided,

however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

## ARTICLE II TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

## ARTICLE III RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery

pressure obligation indicated for each such Primary Point of Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII

AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto, except that in the case of conversions from former Rate Schedules F-2 and F-3, the parties' obligations under Article II of the service agreements pertaining to such rate schedules shall continue in effect.

Service Agreement executed by Customer and Algonquin under Rate Schedule SS-III dated September 25, 1986, to the extent it provides for 972 MMBtu of Storage Demand.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Receipt

Primary Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Lambertville, NJ	985	At any pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin:       /s/ John J. Mullaney

Customer:       /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
Bourne, MA	325	200
Sagamore, MA	647	200

Signed for Identification

Algonquin:       /s/ John J. Mullaney

Customer:       /s/ John P. Harrington

[END OF EXHIBIT 10u TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]





9B101

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of June, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	3,000 MMBtu
Maximum Annual Transportation Quantity	700,000 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any

day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending on and including October 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery

pressure obligation indicated for each such Primary Point of Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P. O. Box 3064  
Lowell, MA 01853  
Attn.: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto, except that in the case of conversions from former Rate Schedules F-2 and F-3, the parties' obligations under Article II of the service agreements pertaining to such rate schedules shall continue in effect.

Service Agreement executed by Customer and Algonquin under Rate Schedule STB dated November 1, 1984, to the extent it provides for 3,000 MMBtu of Storage Demand.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A  
Point(s) of Receipt

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and Colonial  
Gas Company (Customer) concerning Point(s) of Receipt

Primary Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Lambertville, NJ	3,016	At any pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Exhibit B  
Point(s) of Delivery

Dated: June 1, 1993

To the service agreement under Rate Schedule AFT-1 between Algonquin Gas Transmission Company (Algonquin) and Colonial Gas Company (Customer) concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
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On the outlet side of the meter station located at:

Bourne, MA	1,000	200
Sagamore, MA	2,000	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

[END OF EXHIBIT 10v TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



[EXHIBIT 10w TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 800288

SERVICE AGREEMENT  
FOR RATE SCHEDULE CDS

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this

Service Agreement to reflect the assignment of Algonquin's service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule CDS, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Sections 2.3 and 2.4 of Pipeline's Rate Schedule CDS, Pipeline shall deliver to those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), for Customer's account, as requested for any day, natural gas quantities up to Customer's MDQ. Customer's MDQ is as follows:

Maximum Daily Quantity (MDQ)	10,415 dth
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Subject to variances as may be permitted by Sections 2.4 of Rate Schedule CDS or the General Terms and Conditions, Customer shall deliver to Pipeline and Pipeline shall receive, for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) daily quantities of gas equal to the daily quantities delivered to Customer pursuant to this Service Agreement up to Customer's MDQ, plus Applicable Shrinkage as specified in the General Terms and Conditions.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the MDQ.

In addition to the MDQ and subject to the terms, conditions

and limitations hereof, Rate Schedule CDS and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

## ARTICLE III

## RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule CDS and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule CDS as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule CDS, (b) Pipeline's Rate Schedule CDS pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule CDS. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

### ARTICLE IV

#### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

## ARTICLE V

### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P.O. Box 3064  
40 Market Street  
Lowell, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

## ARTICLE VIII

### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

## ARTICLE IX

### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

NONE

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST: Robert W. Reed, Secretary

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST: Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
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None

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M1 to M3	10,415

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsibilities	Owner	Operator
70087	ALGONQUIN-LAMBERTVILLE NJ HUNTERDON, CO., NJ	10,415	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN-HANOVER, NH MORRIS CO., NJ	9,418	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79513	SS-1 STORAGE POINT	2,372 04/01-10/31 2,372	N/A	N/A	N/A	N/A



79821 AGT-COLONIAL 0 N/A N/A N/A N/A  
 GAS-FOR  
 NOMINATION  
 PURPOSES

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligations at each of the Points of Delivery described above, including Pipeline's maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

EXHIBIT B, POINT(S) OF DELIVERY (Continued)  
 COLONIAL GAS COMPANY

POINT OF DELIVERY	AGGREGATE MAXIMUM DAILY DELIVERY OBLIGATION (DTH)
No. 1	21,318
No. 2	9,418
No. 3	2,372

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

EXHBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY EXIT QUANTITY, DATED JUNE 1, 1993, TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE CDS BETWEEN TEXAS EASTERN TRANSMISSION COPRORATION ("Pipeline") AND COLONIAL GAS COMPANY ("CUSTOMER"), DATED JUNE 1, 1993:

ZONE BOUNDARY ENTRY QUANTITY  
 Dth/D

FROM STX TO M1-TGC: 295

FROM ETX TO M1-24: 1,256  
 FROM ETX TO M1-TXG: 447  
 FROM WLA TO M1-TXG: 136  
 FROM WLA TO M1-TGC: 295  
 FROM ELA TO M1-30: 8,155  
 FROM M1-24 TO M2-24: 1,256  
 FROM M1-30 TO M2-30: 8,155  
 FROM M1-TXG TO M2-TXG: 583  
 FROM M1-TGC TO M2-TGC: 591  
 FROM M2 TO M3: 10,415

EXHIBIT C (Continued)  
 COLONIAL GAS COMPANY

ZONE BOUNDARY EXIT QUANTITY  
 Dth/D

FROM M1-24 TO M2-24: 1,256  
 FROM M1-30 TO M2-30: 8,155  
 FROM M1-TXG TO M2-TXG: 583  
 FROM M1-TGC TO M2-TGC: 591  
 FROM M2 TO M3: 10,415

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT C DATED: \_\_\_\_\_

[END OF EXHBIT 10w TO COLONIAL GAS COMPANY  
 FORM 10-K FOR YEAR ENDING 12/31/93]



Contract #: 800313

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's

service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Quantity (MDQ)	7,918 dth
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Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment

Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

## ARTICLE III

### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which

are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in

Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P O BOX 3064  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of



Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

##### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

##### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

NONE

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year

first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
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None

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL").

Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M1 to M3	7,918

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
 TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
 COLONIAL GAS COMPANY ("Customer"),  
 DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsibilities	Owner	Operator
70087	ALGONQUIN-LAMBERTVILLE NJ, HUNTERDON CO., NJ	7,918	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN-HANOVER, NJ MORRIS CO., NJ	7,918	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79513	SS-1 STORAGE POINT	2,372 04/01-10/31 2,372 11/01-03/31	N/A	N/A	N/A	N/A
79821	AGT-COLONIAL	0	N/A	N/A	N/A	N/A

GAS-FOR  
NOMINATION  
PURPOSES

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

EXHIBIT B, POINT(S) OF DELIVERY (Continued)  
COLONIAL GAS COMPANY

POINT OF DELIVERY	AGGREGATE MAXIMUM DAILY DELIVERY OBLIGATION (DTH)
No. 1	21,318
No. 2	9,418
No. 3	2,372

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY  
EXIT QUANTITY, DATED JUNE 1, 1993, TO THE SERVICE AGREEMENT UNDER  
RATE SCHEDULE FT-1 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION  
("Pipeline") AND COLONIAL GAS COMPANY ("CUSTOMER"), DATED  
JUNE 1, 1993:

ZONE BOUNDARY ENTRY QUANTITY  
Dth/D

FROM STX TO M1-TGC:	255
FROM ETX TO M1-24:	954
FROM ETX TO M1-TXG:	340
FROM WLA TO M1-TXG:	103

FROM WLA TO M1-TGC: 225  
FROM ELA TO M1-30: 6,200  
FROM M1-24 TO M2-24: 954  
FROM M1-30 TO M2-30: 6,200  
FROM M1-TXG TO M2-TXG: 443  
FROM M1-TGC TO M2-TGC: 449  
FROM M2 TO M3: 7,918

EXHIBIT C (Continued)  
COLONIAL GAS COMPANY

ZONE BOUNDARY EXIT QUANTITY  
Dth/D

FROM M1-24 TO M2-24: 954  
FROM M1-30 TO M2-30: 6,200  
FROM M1-TXG TO M2-TXG: 443  
FROM M1-TGC TO MW-TGC: 449  
FROM M2 TO M3: 7,918

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERCEDES EXHIBIT C DATED: \_\_\_\_\_

[END OF EXHIBIT 10x TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 331800

SERVICE AGREEMENT  
FOR RATE SCHEDULE FTS-8

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS-8, Pipeline agrees to deliver on a firm basis for Customer's account quantities of gas up to the following quantity:

Maximum Daily Quantity (MDQ) 985 dth

Pipeline shall receive for Customer's account, at the Customer Point(s), for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at the CNG Point(s), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall receive for Customer's account, at the CNG Point(s), for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at the Customer Point(s), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage, as specified in the executed service agreement. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ, as specified in the executed service agreement.

## ARTICLE II

### TERM OF AGREEMENT

This Service Agreement shall become effective on June 1, 1993, and shall continue in force and effect until March 31,

2006, and from year to year thereafter unless terminated by either party upon twenty-four months' prior written notice. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill. Notwithstanding the foregoing, service shall not be terminated unless and until Pipeline has received abandonment authority pursuant to Section 7 of the Natural Gas Act. Customer shall have the right to oppose Pipeline's application to the Federal Energy Regulatory Commission, or any successor agency, for such abandonment authority. For the 120 days following termination of this Service Agreement, Pipeline shall utilize its best efforts to provide Customer with such additional interruptible transportation service, to be provided pursuant to Rate Schedule IT-1 or successor of Rate Schedule IT-1, as is necessary for Customer to withdraw and receive delivery of all gas remaining in storage pursuant to CNG's Rate Schedule GSS.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FTS-8 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline for, all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FTS-8 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Pipeline shall have the right from time to time, by the



filing of a revised rate schedule, to increase or decrease the rates, to change the form of the applicable rate schedule and to take such other and further action with respect thereto without further consent by Customer and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

ARTICLE IV

CUSTOMER POINT(S) AND CNG POINT(S)

Natural gas to be received by Pipeline for Customer's account for service hereunder shall be received on the outlet side of the measuring station at or near the following designated Customer Point(s) or CNG Point(s), and natural gas to be delivered by Pipeline for Customer's account hereunder shall be delivered at the outlet side of the measuring stations at or near the following designated CNG Point(s) or Customer Point(s), in accordance with the Maximum Daily Receipt Obligation (MDRO) plus Applicable Shrinkage, Maximum Daily Delivery Obligation (MDDO), receipt and delivery pressure obligations and measurement responsibilities indicated below for each:

Customer Point	Maximum Daily Obligation	Pressure Obligation	Measurement Responsibilities
1. In Hunterdon County, New Jersey, and designated by Pipeline as Measuring Station 70087	985 dth	As requested by Customer, not to exceed 750 psig.	Pipeline
2. In Morris County, New Jersey, and designated by Pipeline as Measuring Station 71078	985 dth	As requested by Customer, not to exceed 750 psig. Pipeline	Pipeline
3. AGT - Colonial Gas Company for nomination purposes only 79821	0	N/A	N/A

CNG Point	Maximum Daily Obligation	Pressure Obligation	Measurement Responsibilities
1. In Noble County, Ohio, and designated by Pipeline as Measuring Station 70450	0 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure.	Pipeline
2. In Monroe County, Ohio, and designated by Pipeline as Measuring Station 70471	0 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure.	Pipeline
3. In Monroe County, Ohio, and designated by Pipeline as Measuring Station 70983	0 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure.	CNG Transmission
4. In Monroe County, Ohio, and designated by Pipeline as Measuring Station 70004	0 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure.	Pipeline
5. In Marshall County, West Virginia, and designated by Pipeline as Measuring Station 70372	0 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure.	Pipeline
6. In Greene County, Pennsylvania, and designated by Pipeline as Measuring Station	515 dth 1/ 515 dth 2/	At such pressure existing in Pipeline's facilities not to exceed the	Pipeline

7. In Somerset County, Pennsylvania, and designated by Pipeline as Measuring Station 70051 515 dth 1/ 515 dth 2/ At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure. Pipeline CNG Transmission
8. In Westmoreland County, Pennsylvania, and designated by Pipeline as Measuring Station 75082 515 dth 1/ 515 dth 2/ At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure. CNG Transmission
9. In Clinton County, Pennsylvania, and designated by Pipeline as Measuring Station 75931 470 dth 1/ 470 dth 2/ At such pressure existing in Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure. CNG Transmission

1/ for receipt by Pipeline for Customer's account

2/ for delivery by Pipeline for Customer's account

provided, however, that Pipeline's maximum daily receipt obligation shall not exceed 515 dth in the aggregate at CNG Points (6), (7) and (8) above;

further provided, however, that Pipeline's maximum daily delivery obligation shall not exceed 515 dth in the aggregate at CNG Points (1) through (8) above;

further provided, however, receipt of gas by Pipeline for Customer's account at Customer Point(s) shall be accomplished solely by the displacement of gas quantities otherwise deliverable to Customer by Pipeline pursuant to other contractual arrangements between Pipeline and Customer, and which quantities shall be billed by Pipeline and paid by Customer as if such deliveries in fact occurred pursuant to the relevant contractual arrangements;

further provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate

maximum daily delivery obligations at each of the Customer Points described above, including Pipeline's maximum daily delivery obligations under this and all other Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

Customer Point	Aggregate Maximum Daily Delivery Obligation
No. 1	21,318 dth
No. 2	9,418 dth

and provided further that Pipeline shall have no obligation to deliver natural gas designated as MDQ at any Customer Point other than that listed below:

Customer Point

Measuring Station 70087, Hunterdon County, New Jersey

ARTICLE V

QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications.

ARTICLE VI

ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P.O. Box 3064  
40 Market Street  
Lowell, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other.

## ARTICLE VIII

### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

## ARTICLE IX

### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

None

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed, Secretary

COLONIAL GAS COMPANY

By John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuck

[END OF EXHIBIT 10y TO COLONIAL GAS COMPANY  
FORM 10-K FOR THE YEAR ENDED 12/31/93]

Contract #: 331700

SERVICE AGREEMENT  
FOR RATE SCHEDULE FTS-7

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this

Service Agreement to reflect the assignment of Algonquin's service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS-7, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FTS-7, Pipeline agrees to deliver for Customer's account quantities of natural gas up to Customer's MDQ. Customer's MDQ is as follows:

Maximum Daily Quantity (MDQ) 3,016 dth

Pipeline shall receive for Customer's account, at the Customer Point(s), for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at the CNG Point(s), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall receive for Customer's account, at the CNG Point(s), for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at the Customer Point(s), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage, as specified in the executed service agreement. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ, as specified in the executed service agreement.



## ARTICLE II

### TERM OF AGREEMENT

This Service Agreement shall become effective on June 1, 1993, and shall continue in force and effect until April 15, 2000 and from year to year thereafter unless terminated by either party upon twenty-four months' prior written notice. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill. Notwithstanding the foregoing, service shall not be terminated unless and until Pipeline has received abandonment authority pursuant to Section 7 of the Natural Gas Act. Customer shall have the right to oppose Pipeline's application to the Federal Energy Regulatory Commission, or any successor agency, for such abandonment authority. For the 120 days following termination of this Service Agreement, Pipeline shall utilize its best efforts to provide Customer with such additional interruptible transportation service, to be provided pursuant to Rate Schedule IT-1 or successor of Rate Schedule IT-1, as is necessary for Customer to withdraw and receive delivery of all gas remaining in storage pursuant to CNG's Rate Schedule GSS.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

## ARTICLE III

### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FTS-7 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline for, all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FTS-7 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Pipeline shall have the right from time to time, by the filing of a revised rate schedule, to increase or decrease the rates, to change the form of the applicable rate schedule and to take such other and further action with respect thereto without further consent by Customer and such changes in rates and other changes shall become the Rate Schedule and Terms and Conditions under which the gas shall be transported hereunder. Customer shall have the right to oppose any of the foregoing and to request reduction in rates to the extent that Customer is legally permitted to do so under the Natural Gas Act.

ARTICLE IV

CUSTOMER POINT(S) AND CNG POINT(S)

Natural gas to be received by Pipeline for Customer's account for service hereunder shall be received on the outlet side of the measuring station at or near the following designated Customer Point(s) or CNG Point(s), and natural gas to be delivered by Pipeline for Customer's account hereunder shall be delivered at the outlet side of the measuring stations at or near the following designated CNG Point(s) or Customer Point(s), in accordance with the Maximum Daily Receipt Obligation (MDRO) plus Applicable Shrinkage, Maximum Daily Delivery Obligation (MDDO), receipt and delivery pressure obligations and measurement responsibilities indicated below for each:

Customer Point	Maximum Daily Obligation	Pressure Obligation	Measurement Responsibilities
1. In Hunterdon County, NJ, and designated by Pipeline as Measuring Station 70087	3016 dth	As requested by Customer not to exceed 750 psig	Pipeline
2. In Morris County, NJ, and designated by Pipeline as Measuring	3016 dth	As requested by Customer not to exceed 750 psig	Pipeline

3. AGT - Colonial Gas Company for nomination purposes only 79821 0 N/A N/A

CNG Point	Maximum Daily Obligation	Pressure Obligation	Measurement Responsibilities
1. In Westmoreland County, PA, and designated by Pipeline as Measuring Station 75082	3016 dth	At such pressure necessary to enter Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure	Pipeline
2. In Clinton County, PA, and designated by Pipeline as Measuring Station 75931	0 dth	At such pressure necessary to enter Pipeline's facilities not to exceed the Maximum Allowable Operating Pressure	CNG Transmission

provided, however, receipt of gas by Pipeline for Customer's account at Customer Point(s) shall be accomplished solely by the displacement of gas quantities otherwise deliverable to Customer by Pipeline pursuant to other contractual arrangements between Pipeline and Customer, and which quantities shall be billed by Pipeline and paid by Customer as if such deliveries in fact occurred pursuant to the relevant contractual arrangements;

further provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligations at each of the Customer Points described above, including Pipeline's maximum daily delivery obligations under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

Customer Point	Aggregate Maximum Daily Delivery Obligation
No. 1	21,318 dth
No. 2	9,418 dth

and provided further that Pipeline shall have no obligation to deliver natural gas designated as MDQ at any Customer Point other than that listed below:

Customer Point

Measuring Station 70087, Hunterdon County, New Jersey

ARTICLE V

QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications.

ARTICLE VI

ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P. O. BOX 3064  
40 Market Street  
Lowell, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other.

## ARTICLE VIII

### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

## ARTICLE IX

### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

None

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By Diane T. Tom  
Vice President

ATTEST: Robert W. Reed, Secretary

COLONIAL GAS COMPANY

By John P. Harrington  
Vice President, Gas Supply

ATTEST: Phyllis G. Semenchuck

[END OF EXHIBIT 10z TO COLONIAL GAS COMPANY  
FORM 10-K FOR THE YEAR ENDED 12/31/93]

Contract #: 800289

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's

service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Quantity (MDQ)	1,951 dth
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Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment



Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2009 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

## ARTICLE III

### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which

are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in

Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P O BOX 3064  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of

Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

##### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

##### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

NONE

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year

first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
75931	LEIDY STORAGE FIELD, POTTER CO., PA	1,951 dth	CNG	CNG	CNG

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M3 to M3	1,951

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsi- bilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	1,951	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN- HANOVER, NJ MORRIS CO., NJ	1,951	AS REQUESTED BY CUSTOMER NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer,

shall in no event exceed the following:

EXHIBIT B, POINT(S) OF DELIVERY (Continued)  
COLONIAL GAS COMPANY

POINT OF DELIVERY	AGGREGATE MAXIMUM DAILY DELIVERY OBLIGATION (DTH)
No. 1	21,318
No. 2	9,418

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

[END OF EXHIBIT 10aa TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 400142

SERVICE AGREEMENT  
FOR RATE SCHEDULE SS-1

This agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer," whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's service rights to Customer;



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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule SS-1, Pipeline agrees to provide firm service for Customer under Rate Schedule SS-1 and to receive and store for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Injection Quantity (MDIQ)	677 dth
Maximum Storage Quantity (MSQ)	131,686 dth

Pipeline agrees to withdraw from storage for Customer, at Customer's request, quantities of gas up to Customer's Maximum Daily Withdrawal Quantity (MDWQ) of 1,115 dekatherms, or such lesser quantity as determined pursuant to Rate Schedule SS-1, from Customer's Storage Inventory, plus Applicable Shrinkage, and to deliver for Customer's account such quantities. Pipeline's obligation to withdraw gas on any day is governed by the provisions of Rate Schedule SS-1, including but not limited to Section 6.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 04/30/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

In the event there is gas in storage for Customer's account on April 30 of the year of termination of this Service Agreement, this Service 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.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule SS-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule SS-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule SS-1, (b) Pipeline's Rate Schedule SS-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule SS-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDIQ, MSQ and MDWQ specified in Article I, to change the term of the service agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings,

and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The natural gas received by Pipeline for Customer's account for storage injection pursuant to this Service Agreement shall be those quantities scheduled for delivery pursuant to Service Agreements between Pipeline and Customer under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 which specify as a Point of Delivery the "SS-1 Storage Point". For purposes of billing of Usage Charges under Rate Schedules CDS, FT-1, SCT, PTI or IT-1, deliveries under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 for injection into storage scheduled directly to the "SS-1 Storage Point" shall be deemed to have been delivered 60% in Market Zone 2 and 40% in Market Zone 3. In addition, at Customer's request any positive or negative variance between scheduled deliveries and actual deliveries on any day at Customer's Points of Delivery under Rate Schedules CDS, FT-1, SCT, or IT-1 shall be deemed for billing purposes delivered at the Point of Delivery and shall be injected into or withdrawn from storage for Customer's account. In addition to accepting gas for storage injection at the SS-1 Storage Point, Pipeline will accept gas tendered at points of interconnection between Pipeline and third party facilities at Oakford and Leidy Storage Fields provided that such receipt does not result in Customer tendering aggregate quantities for storage in excess of the Customer MDIQ.

The Point(s) of Delivery at which Pipeline shall deliver gas shall be specified in Exhibit A of the executed service agreement.

Exhibit A and B are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform and be subject to the provisions of Section 5 of the General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all

costs associated with processing of such gas as necessary to comply with such quality specifications.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: Texas Eastern Transmission Corporation  
5400 Westheimer Court  
Houston, Texas 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P O BOX 3064  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms

and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

ARTICLE VIII

INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX

CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below: NONE

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents, or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsi- bilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	1,115	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN- HANOVER, NJ MORRIS CO., NJ	1,115	AS REQUESTED BY CUSTOMER NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

EXHIBIT A, POINT(S) OF DELIVERY (Continued)  
COLONIAL GAS COMPANY

POINT OF DELIVERY                      AGGREGATE MAXIMUM DAILY  
DELIVERY OBLIGATION (DTH)

No. 1 21,318

No. 2 9,418

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

[END OF EXHIBIT 10bb TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 400144

SERVICE AGREEMENT  
FOR RATE SCHEDULE SS-1

This agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer," whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's service rights to Customer;



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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule SS-1, Pipeline agrees to provide firm service for Customer under Rate Schedule SS-1 and to receive and store for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Injection Quantity (MDIQ) 1,351 dth

Maximum Storage Quantity (MSQ) 262,860 dth

Pipeline agrees to withdraw from storage for Customer, at Customer's request, quantities of gas up to Customer's Maximum Daily Withdrawal Quantity (MDWQ) of 4,381 dekatherms, or such lesser quantity as determined pursuant to Rate Schedule SS-1, from Customer's Storage Inventory, plus Applicable Shrinkage, and to deliver for Customer's account such quantities. Pipeline's obligation to withdraw gas on any day is governed by the provisions of Rate Schedule SS-1, including but not limited to Section 6.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 04/30/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

In the event there is gas in storage for Customer's account on April 30 of the year of termination of this Service Agreement, this Service 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.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule SS-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule SS-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule SS-1, (b) Pipeline's Rate Schedule SS-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule SS-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDIQ, MSQ and MDWQ specified in Article I, to change the term of the service agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect

to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The natural gas received by Pipeline for Customer's account for storage injection pursuant to this Service Agreement shall be those quantities scheduled for delivery pursuant to Service Agreements between Pipeline and Customer under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 which specify as a Point of Delivery the "SS-1 Storage Point". For purposes of billing of Usage Charges under Rate Schedules CDS, FT-1, SCT, PTI or IT-1, deliveries under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 for injection into storage scheduled directly to the "SS-1 Storage Point" shall be deemed to have been delivered 60% in Market Zone 2 and 40% in Market Zone 3. In addition, at Customer's request any positive or negative variance between scheduled deliveries and actual deliveries on any day at Customer's Points of Delivery under Rate Schedules CDS, FT-1, SCT, or IT-1 shall be deemed for billing purposes delivered at the Point of Delivery and shall be injected into or withdrawn from storage for Customer's account. In addition to accepting gas for storage injection at the SS-1 Storage Point, Pipeline will accept gas tendered at points of interconnection between Pipeline and third party facilities at Oakford and Leidy Storage Fields provided that such receipt does not result in Customer tendering aggregate quantities for storage in excess of the Customer MDIQ.

The Point(s) of Delivery at which Pipeline shall deliver gas shall be specified in Exhibit A of the executed service agreement.

Exhibit A and B are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform and be subject to the provisions of Section 5 of the General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to

comply with such quality specifications.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: Texas Eastern Transmission Corporation  
5400 Westheimer Court  
Houston, Texas 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P O BOX 3064  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and

the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

#### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

#### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

NONE

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents, or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
 Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
 TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1  
 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
 COLONIAL GAS COMPANY ("Customer"),  
 DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsi- bilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	1,881	AS REQUESTED BY CUSTOMER, NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
71078	ALGONQUIN- HANOVER, NH MORRIS CO., NJ	2,500	AS REQUESTED BY CUSTOMER NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

EXHIBIT A, POINT(S) OF DELIVERY (Continued)  
 COLONIAL GAS COMPANY

AGGREGATE MAXIMUM DAILY

POINT OF DELIVERY

DELIVERY OBLIGATION (DTH)

No. 1

21,318

No. 2

9,418

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

[END OF EXHIBIT 10cc TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 400143

SERVICE AGREEMENT  
FOR RATE SCHEDULE SS-1

This agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer," whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Algonquin Gas Transmission Company ("Algonquin") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of Algonquin; and

WHEREAS, Algonquin, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-28, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of Algonquin's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of Algonquin's



service rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule SS-1, Pipeline agrees to provide firm service for Customer under Rate Schedule SS-1 and to receive and store for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Injection Quantity (MDIQ)	344 dth
Maximum Storage Quantity (MSQ)	66,850 dth

Pipeline agrees to withdraw from storage for Customer, at Customer's request, quantities of gas up to Customer's Maximum Daily Withdrawal Quantity (MDWQ) of 955 dekatherms, or such lesser quantity as determined pursuant to Rate Schedule SS-1, from Customer's Storage Inventory, plus Applicable Shrinkage, and to deliver for Customer's account such quantities. Pipeline's obligation to withdraw gas on any day is governed by the provisions of Rate Schedule SS-1, including but not limited to Section 6.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 04/30/2013 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

In the event there is gas in storage for Customer's account on April 30 of the year of termination of this Service Agreement, this Service 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.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule SS-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule SS-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule SS-1, (b) Pipeline's Rate Schedule SS-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule SS-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDIQ, MSQ and MDWQ specified in Article I, to change the term of the service agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change

the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The natural gas received by Pipeline for Customer's account for storage injection pursuant to this Service Agreement shall be those quantities scheduled for delivery pursuant to Service Agreements between Pipeline and Customer under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 which specify as a Point of Delivery the "SS-1 Storage Point". For purposes of billing of Usage Charges under Rate Schedules CDS, FT-1, SCT, PTI or IT-1, deliveries under Rate Schedules CDS, FT-1, SCT, PTI or IT-1 for injection into storage scheduled directly to the "SS-1 Storage Point" shall be deemed to have been delivered 60% in Market Zone 2 and 40% in Market Zone 3. In addition, at Customer's request any positive or negative variance between scheduled deliveries and actual deliveries on any day at Customer's Points of Delivery under Rate Schedules CDS, FT-1, SCT, or IT-1 shall be deemed for billing purposes delivered at the Point of Delivery and shall be injected into or withdrawn from storage for Customer's account. In addition to accepting gas for storage injection at the SS-1 Storage Point, Pipeline will accept gas tendered at points of interconnection between Pipeline and third party facilities at Oakford and Leidy Storage Fields provided that such receipt does not result in Customer tendering aggregate quantities for storage in excess of the Customer MDIQ.

The Point(s) of Delivery at which Pipeline shall deliver gas shall be specified in Exhibit A of the executed service agreement.

Exhibit A and B are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform and be subject to the provisions of Section 5 of the General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's

quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: Texas Eastern Transmission Corporation  
5400 Westheimer Court  
Houston, Texas 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
P O BOX 3064  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its

rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

ARTICLE VIII

INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX

CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below: NONE

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents, or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
 Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
 TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE SS-1  
 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
 COLONIAL GAS COMPANY ("Customer"),  
 DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Responsi- bilities	Owner	Operator
71078	ALGONQUIN- HANOVER, NJ MORRIS CO., NJ	955	AS REQUESTED BY CUSTOMER NOT TO EXCEED 750 PSIG	TX EAST TRAN	TX EAST	ALGONQUIN TRAN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

provided, however, that until changed by a subsequent Agreement between Pipeline and Customer, Pipeline's aggregate maximum daily delivery obligation under this and all other firm Service Agreements existing between Pipeline and Customer, shall in no event exceed the following:

EXHIBIT A, POINT(S) OF DELIVERY (Continued)  
 COLONIAL GAS COMPANY

POINT OF DELIVERY	AGGREGATE MAXIMUM DAILY DELIVERY OBLIGATION (DTH)
No. 1	9,418

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

[END OF EXHIBIT 10dd TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT

THIS AGREEMENT entered into this first day of June, 1993, by and between TRANSCONTINENTAL GAS PIPE LINE CORPORATION, a Delaware corporation, hereinafter referred to as "Seller," first party, and COLONIAL GAS COMPANY, hereinafter referred to as "Buyer," second party,

WITNESSETH

WHEREAS, pursuant to the requirements of Order Nos. 636, 636-A and 636-B, issued by the Federal Energy Regulatory Commission, Algonquin Gas Transmission Company ("Algonquin") has assigned to several of its customers upstream capacity previously provided under Seller's Rate Schedule X-284; and

WHEREAS, upon the effective date of the Agreement, the contractual arrangement between Algonquin and Seller is terminated and abandonment of service under Rate Schedule X-284 is automatically authorized; and

WHEREAS, Buyer has been assigned a portion of Algonquin's capacity previously provided under Rate Schedule X-284, and agrees to such assignment and assumes, in part, Algonquin's obligations pursuant to the Service Agreement and Seller's FT Rate Schedule of Vol. 1 of its FERC Gas Tariff; and

WHEREAS, Seller will provide Incremental Leidy Line Annual Firm Transportation service hereunder to Buyer pursuant to the Seller's blanket certificate authorization and Rate Schedule FT for that portion of assigned capacity designated hereinbelow.

NOW, THEREFORE, Seller and Buyer agree as follows:

ARTICLE I  
GAS TRANSPORTATION SERVICE

1. Subject to the terms and provisions of this agreement and of Seller's Rate Schedule FT, Buyer agrees to deliver or cause to be delivered to Seller gas for transportation and Seller



agrees to receive, transport and redeliver natural gas to Buyer or for the account of Buyer, on a firm basis, up to the dekatherm equivalent of a Transportation Contract Quantity ("TCQ") of 557 Mcf per day.

2. Transportation service rendered hereunder shall not be subject to curtailment or interruption except as provided in Section 11 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE II  
POINT(S) OF RECEIPT

Buyer shall deliver or cause to be delivered gas at the point(s) of receipt hereunder at a pressure sufficient to allow the gas to enter Seller's pipeline system at the varying pressures that may exist in such system from time to time; provided, however, the pressure of the gas delivered or caused to be delivered by Buyer shall not exceed the maximum operating pressure(s) of Seller's pipeline system at such point (s) of receipt. In the event the maximum operating pressure(s) of Seller's pipeline system, at the point(s) of receipt hereunder, is from time to time increased or decreased, then the maximum allowable pressure(s) of the gas delivered or caused to be delivered by Buyer to Seller at the point(s) of receipt shall be correspondingly increased or decreased upon written notification of Seller to Buyer. The point(s) of receipt for natural gas received for transportation pursuant to this agreement shall be:

Point of Receipt

Interconnection between the facilities of National Fuel and Seller at Wharton in Potter County, Pennsylvania.

ARTICLE III  
POINT(S) OF DELIVERY

Seller shall redeliver to Buyer or for the account of Buyer the gas transported hereunder at the following point(s) of delivery at a pressure(s) of:

Point of Delivery	Pressure
Existing Centerville point of interconnect between Algonquin Gas Transmission Company and Seller located in Somerset County,	Prevailing pressure in Seller's pipeline system not to exceed 750 psig

ARTICLE IV  
TERM OF AGREEMENT

This agreement shall be effective as of June 1, 1993 and shall remain in force and effect until 8:00 a.m. Eastern Standard Time June 1, 2008 and thereafter until terminated by Seller or Buyer upon at least one year prior written notice; provided, however, this agreement shall terminate immediately and, subject to the receipt of necessary authorizations, if any, Seller may discontinue service hereunder if (a) Buyer, in Seller's reasonable judgment fails to demonstrate credit worthiness, and (b) Buyer fails to provide adequate security in accordance with Section 8.3 of Seller's Rate Schedule FT. As set forth in Section 8 of Article II of Seller's August 7, 1989 revised Stipulation and Agreement in Docket Nos. RP88-68 et.al., (a) pregranted abandonment under Section 284.221(d) of the Commission's Regulations shall not apply to any long term conversions from firm sales service to transportation service under Seller's Rate Schedule FT and (b) Seller shall not exercise its right to terminate this service agreement as it applies to transportation service resulting from conversions from firm sales service so long as Buyer is willing to pay rates no less favorable than Seller is otherwise able to collect from third parties for such service.

ARTICLE V  
RATE SCHEDULE AND PRICE

1. Buyer shall pay Seller for natural gas delivered to Buyer hereunder in accordance with Seller's Rate Schedule FT and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff as filed with the Federal Energy Regulatory Commission, and as the same may be legally amended or superseded from time to time. Such Rate Schedule and General Terms and Conditions are by this reference made a part hereof.

2. Seller and Buyer agree that the quantity of gas that Buyer delivers or causes to be delivered to Seller shall include the quantity of gas retained by Seller for applicable compressor fuel, line loss make-up (and injection fuel under Seller's Rate Schedule GSS, if applicable) in providing the transportation service hereunder, which quantity may be changed from time to time and which will be specified in the currently effective Sheet No. 44 of Volume No. 1 of this Tariff which relates to service under this

agreement and which is incorporated herein.

3. In addition to the applicable charges for firm transportation service pursuant to Section 3 of Seller's Rate Schedule FT, Buyer shall reimburse Seller for any and all filing fees incurred as a result of Buyer's request for service under Seller's Rate Schedule FT, to the extent such fees are imposed upon Seller by the Federal Energy Regulatory Commission or any successor governmental authority having jurisdiction.

ARTICLE VI  
MISCELLANEOUS

1. This Agreement supersedes and cancels as of the effective date hereof the following contract(s):

Algonquin/Transcontinental Gas Pipe Line Corporation former X-284 Agreement, dated November 1, 1985; specifically for that portion of capacity provided in Article I above.

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

3. The interpretation and performance of this agreement shall be in accordance with the laws of the State of Texas, without recourse to the law governing conflict of laws, and to all present and future valid laws with respect to the subject matter, including present and future orders, rules and regulations of duly constituted authorities.

4. This agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns.

5. Notices to either party shall be in writing and shall be considered as duly delivered when mailed to the other party at the following address:

(a) If to Seller:  
Transcontinental Gas Pipe Line Corporation  
P.O. Box 1396  
Houston, Texas 77251  
Attention: Customer Service, Northern Market Area

(b) If to Buyer:  
Colonial Gas Company  
P.O. Box 3064  
40 Market Street  
Lowell, MA 01853  
Attention: Mr. John P. Harrington

Such addresses may be changed from time to time by mailing appropriate notice thereof to the other party by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be signed by their respective officers or representatives thereunto duly authorized.

TRANSCONTINENTAL GAS PIPE LINE CORPORATION  
(Seller)

By Thomas E. Skains  
Senior Vice President  
Transportation and Customer Services

COLONIAL GAS COMPANY

By John P. Harrington  
Vice President, Gas Supply  
May 27, 1993

[END OF EXHIBIT 10ee TO COLONIAL GAS COMPANY  
FORM 10-K FOR THE YEAR ENDED 12/31/93]

Contract #: 330869

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Customer made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order;

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

ARTICLE I

SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following

quantity:

Maximum Daily Quantity (MDQ) 2,222 dth

Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service

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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right

during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.



## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

- (a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310
  
- (b) Customer: COLONIAL GAS COMPANY  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

ARTICLE VIII

INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

ARTICLE IX

CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

Service Agreement(s) dated, 12/19/1991 between Pipeline and Customer under Pipeline's Rate Schedule FTS-5 (Pipeline's Contract No. 200211).

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
79923	COMPRESSOR STATION 23 FRANKLIN CO., PA	2,222 dth	TETCO	TETCO	CNG TRANS

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL").  
Customer hereby agrees that Pipeline's MRPL as revised and published  
by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as  
set forth in Section 6 of Pipeline's General Terms and Conditions at such  
Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M3 to M3	2,222 dth

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
 TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
 COLONIAL GAS COMPANY ("Customer"),  
 DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Respon- sibilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	2,222	AS REQUESTED BY ALGONQUIN PROVIDED HOW- EVER, THE MAXIMUM DELIVERY PRESSURE SHALL NOT EXCEED 750 POUNDS PER SQUARE INCH GAUGE	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

[END OF EXHIBIT 10ff TO COLONIAL GAS COMPANY  
 FORM 10-K FOR YEAR ENDING 12/31/93]

[EXHIBIT 10gg TO COLONIAL GAS COMPANY  
FORM 10-K FOR THE YEAR ENDED 12/31/93]

FIRM GAS TRANSPORTATION SERVICE AGREEMENT  
PURSUANT TO SECTION 284, SUBPART "G" or "B"  
between KOCH GATEWAY PIPELINE COMPANY, as KGPC, and  
COLONIAL GAS COMPANY, as CUSTOMER

Rate Schedule FTS  
Option SCO Yes [ ]  
No [X]

Reference No.: 9580      Contract No.: 16247      Contract Date: December 1, 1993

CUSTOMER      CUSTOMER Billing:      Primary Term: 3 yrs.  
Correspondence:

COLONIAL GAS COMPANY      COLONIAL GAS COMPANY      Beginning 7:00 A.M. on  
40 Market Street      40 Market Street      December 1, 1993  
Lowell, MA 01852      Lowell, MA 01852      Thru 7:00 A.M. on October 31,  
1996

Attn: John P.      Attn: John P.  
Harrington      Harrington

Telephone No.      Telephone No.      Contract  
(508) 458-3177 x3440      (508) 458-3177 x3440      Maximum Daily Quantity (MDQ)  
Fax No.      Fax No.      3,310 MMBtu  
(508) 459-2314      (508) 459-2314      Contract Rate Type: IV

KGPC's Customer      Telephone No. (800) 890-0205      Fax No. (713) 229-4624  
Service Dept:  
CUSTOMER's Dispatcher:      Telephone No. (508) 458-3177      Fax No. (508) 459-2314  
Joseph P. Murphy      x3439

Primary Receipt Point(s):

Station Location Number	Description	Primary Point MDQ (MMBtu)
----------------------------	-------------	------------------------------

----- SEE EXHIBIT A -----

(Additional Primary Receipt Points may be continued on  
Exhibit A which is hereby incorporated by reference)

Primary Delivery Point(s):

Station Location  
Number

Description

Primary Point MDQ  
(MMBtu)

----- SEE EXHIBIT B -----

(Additional Primary Delivery Points may be continued on  
Exhibit B which is hereby incorporated by reference)

(ALL POINTS ARE AVAILABLE AS SUPPLEMENTAL RECEIPT AND DELIVERY  
POINTS UP TO THE CONTRACT MDQ)

Special Service hereunder is provided pursuant to Section 284  
Provisions: either Subpart G or B. Please indicate below as appropriate:  
 Subpart G  Service hereunder is subject to Section 284.223, Title  
 18, of the Code of Federal Regulations and may not exceed  
 one hundred twenty (120) days unless the transportation  
 arrangement herein provided has been authorized under the  
 prior notice procedures of Section 157.205 of the Code of  
 Federal Regulations, or  
 Subpart B  Service hereunder is subject to Section 284.101, Title  
 18, of the Code of Federal Regulations, and CUSTOMER must  
 execute Exhibit C and the affidavits attached thereto,  
 all of which are hereby incorporated by reference and made  
 a part of this Agreement.

THE STANDARD TERMS AND CONDITIONS SET FORTH ON THE REVERSE SIDE ARE  
INCORPORATED HEREIN BY REFERENCE. IF YOU ARE IN AGREEMENT WITH THE  
FOREGOING, PLEASE INDICATE IN THE SPACE PROVIDED BELOW.

KGPC Signature:  
 Name: R. A. Gafvert Title: President Date:

CUSTOMER Signature:  
 Name: John P. Harrington Title: Vice President- Date:  
 Gas Supply

STANDARD TERMS & CONDITIONS

1. CONDITIONS OF SERVICE: Services provided hereunder are subject to and governed by the applicable rate schedule and the General Terms and Conditions of KGPC's current tariff, as may be revised from time to time, or any effective superseding tariff (Tariff) on file with the Federal Energy Regulatory Commission (FERC). The Tariff is incorporated

by reference. In the event of any conflict between this Agreement and the Tariff, the Tariff shall govern as to the conflict. KGPC shall have the right to interrupt service under this Agreement to the extent permitted by the Tariff.

2. **TRANSPORTATION QUANTITY:** CUSTOMER may deliver or cause to be delivered to KGPC at the firm Primary Receipt Point(s) and Supplemental receipt point(s) and KGPC agrees to accept, at such point(s) for transportation, daily quantities of natural gas up to the Contract MDQ. KGPC shall redeliver Equivalent Quantities, as defined in the Tariff, to CUSTOMER at firm Primary Delivery Points provided herein, and at Supplemental delivery points as may be determined from time to time. Should CUSTOMER desire a change in the Contract MDQ, CUSTOMER shall notify KGPC in writing of the amount of the increase or decrease and of the date CUSTOMER desires the change to become effective. If KGPC advises it is not agreeable to the changed quantities of gas requested in CUSTOMER's notice, the Contract MDQ shall remain unchanged. KGPC shall review CUSTOMER's request within thirty (30) days subject to the Tariff. Nothing herein shall require KGPC to install equipment or facilities.
3. **QUALITY AND PRESSURE:** The gas received and delivered hereunder shall be merchantable and of a quality sufficient to meet the Tariff standards. Gas delivered to KGPC shall be at a delivery pressure adequate to enter KGPC's facilities and such pressure shall not exceed the Maximum Allowable Operating Pressure.
4. **TERM:** This Agreement shall become effective as of 7:00 A.M. on the beginning Primary Term Date and continue as stated on the face hereof and month to month thereafter.
5. **TERMINATION:** Subject to Section 30 of the General Terms and Conditions of the Tariff, either party may cancel this Agreement effective as of the end of the Primary Term or any succeeding one (1) month period by giving written notice to the other at least thirty (30) days prior to the date on which cancellation is requested. Termination of this Agreement shall not relieve KGPC and CUSTOMER of the obligation to correct any volume imbalances, or CUSTOMER to pay money due to KGPC or KGPC to pay money due to CUSTOMER.
6. **TRANSPORTATION CHARGES:** CUSTOMER shall be obligated to pay KGPC monthly for the service provided under this Agreement. CUSTOMER shall pay KGPC for any transportation of liquid hydrocarbons and liquefiabiles. CUSTOMER shall also pay KGPC a Fuel and Company Used Gas allowance in-kind pursuant to the Tariff. Unless otherwise agreed to by KGPC and CUSTOMER, charges hereunder will be the maximum rates specified in the FTS Rate Schedule and/or the FTS Rate Sheet of the Tariff. KGPC may from time to time elect in writing to collect a rate lower than that specified in the FTS Rate Schedule of the Tariff. KGPC shall have no obligation to make refunds to CUSTOMER unless the

maximum rate ultimately established by the FERC for the service covered hereby is less than the rate paid by CUSTOMER.

7. PAYMENTS: Payment shall be made in compliance with the Tariff. Payments by check shall be made to the remittance address indicated on KGPC's invoice. Payment by wire transfer shall be to a bank account designated by KGPC.
8. WAIVER: No waiver by either party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or different character.
9. APPLICABLE LAW: THE VALIDITY, CONSTRUCTION, INTERPRETATION AND EFFECT OF THIS AGREEMENT SHALL BE GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF TEXAS, THE PARTIES AGREE THAT TEXAS' CHOICE OF LAW RULES MAY NOT BE USED TO DIRECT OR DETERMINE THAT SOME OTHER STATES' LAW SHALL GOVERN A DISPUTE ARISING UNDER THIS AGREEMENT.
10. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon and inure to the benefit of the respective heirs, representatives, successors and assigns of the parties hereto. Except as provided in the General Terms and Conditions of the Tariff, neither party may assign, pledge or otherwise transfer or convey its rights, obligations or interests hereunder for any purpose without the prior written consent of the other party, which consent shall not unreasonably be withheld. Any assignment, pledge, transfer or conveyance in breach of this provision is voidable by the non-breaching party.
11. FILINGS: Each party shall make and diligently prosecute, all necessary filings with governmental bodies as may be required for the initiation and continuation of the transportation service subject to this Agreement, as well as inform and, upon request, provide copies to the other party of all filing activities. CUSTOMER shall reimburse KGPC for all incurred filing fees. KGPC shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (i) the filed rates and charges applicable under this Rate Schedule, including both the level and design of such rates and charges; and/or (ii) this Rate Schedule and the General Terms and Conditions. Customer shall have the right to protest or contest the aforementioned filings.
12. NOTICES: Routine communications shall be considered delivered when received by ordinary mail. Communications concerning scheduling, curtailments, and changes in nominations shall be made via U-NITE or by fax in the event of failure of KGPC's or the Customer's electronic communication system. CUSTOMER's Dispatcher on the face hereof shall be the recipient on a twenty-four (24) hour basis of all notices regarding scheduling, curtailments, and changes in nominations. Either party shall immediately notify the other of any changes of the designated individuals or addresses herein.



All Administration Notices and Accounting Matters:

Koch Gateway Pipeline Company  
P. O. Box 1478  
Houston, Texas 77251-1478  
Attention: Customer Service

Master Contract No.: 16247

EXHIBIT A  
TO  
FIRM GAS TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
KOCH GATEWAY PIPELINE COMPANY  
AND  
COLONIAL GAS COMPANY  
DATED  
DECEMBER 01, 1993

RECEIPT POINT(S)

Point(s) of Receipt:

Gas shall be tendered by Customer for transportation hereunder at the following receipt point(s):

SLN	Location Description	Gathering Charges and Maximum Daily Quantity	
		(A)	(B)
10144	The existing interconnection between Transporter and Natural Gas Pipeline Co. of America near Goodrich, Augustin Viesca, A-77, Polk County, Texas. SLN 10144/671	\$.0000	3,310
	Service Agreement MDQ		-----
	Aggregate Firm Receipt Point MDQ		3,310
			=====

Maximum Operating Pressure

Maximum Allowable Operating Pressure (MAOP) is the maximum pressure (psig) at which a pipeline or segment of a pipeline may be operated according to federal safety standards defined in Part 192, Title 49, Code of Federal Regulations or such safety standards, as may be applicable.

Delivery Pressure

Natural gas to be delivered by Customer to Pipeline at any receipt point(s) shall be at a delivery pressure sufficient to enter Pipeline's facilities, at a pressure available in Pipeline's facilities in from time to time; but Customer shall not deliver gas at a pressure in excess of the Maximum Allowable Operating Pressure (MAOP).

Column Headings

- (A) Gathering Charge per MMBtu
- (B) Maximum Daily Quantity in MMBtu

END OF EXHIBIT A

26158:0131t

Master Contract No.: 16247

EXHIBIT B  
TO  
FIRM GAS TRANSPORTATION SERVICE AGREEMENT  
BETWEEN  
KOCH GATEWAY PIPELINE COMPANY  
AND  
COLONIAL GAS COMPANY  
DATED  
DECEMBER 01, 1993

RECEIPT POINT(S)

Point(s) of Receipt:

Gas shall be tendered by Shipper for transportation hereunder at the following point(s):

SLN	Location Description	Pipeline Charges and Maximum Daily Quantity			
		(A)	(B)	(C)	(D)
2471	The existing interconnection between Transporter and Texas Eastern Transmission Corporation near Kosciusko, (UGPL to TET), Section 14, T-13-N, R-7-E, Attala County,	\$6.9200	\$.0053	\$.0025	3,310

Service Agreement MDQ  
Aggregate Firm Receipt Point MDQ

-----  
3,310  
=====

Shipper shall initially pay the amounts listed above, however, such amounts are subject to change pursuant to Article VI of this Service Agreement without the need for this Exhibit B to be amended.

Delivery Pressure

Natural gas to be taken by Shipper from Transporter Delivery Point(s) shall be at a pressure sufficient to satisfy the pressure requirement of Texan Eastern at the Delivery Point(s), but not to exceed Koch Gateway Pipeline Company's Maximum Allowable Operating Pressure (MAOP).

Column Headings

- (A) Reservaition Charge per MMBtu
- (B) Commodity Rate per MMBtu
- (C) Annual Charage Adjustment (ACA)
- (D) Maximum Daily Quantity in MMBtu

END OF EXHIBIT B

26159:0132t

[END OF EXHIBIT 10gg TO COLONIAL GAS COMPANY  
FORM 10-K FOR THE YEAR ENDED 12/31/93]

Contract #: 330916

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Customer made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order;

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

ARTICLE I

SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of

Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Quantity (MDQ) 52 dth

Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary

term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered

for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline:       TEXAS EASTERN TRANSMISSION CORPORATION  
                  5400 Westheimer Court  
                  Houston, TX 77056-5310

(b) Customer:       COLONIAL GAS COMPANY  
                  40 MARKET STREET  
                  LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and



the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

#### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

#### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

Service Agreement(s) dated, 01/13/1993 between Pipeline and Customer under Pipeline's Rate Schedule FTS-5 (Pipeline's Contract No. 200417).

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
72822	CNG, N. Summit Storage Fayette Co., PA	52 dth	TETCO	TETCO	CNG

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M2 to M3	52

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Respon- sibilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	52	AT ANY PRESSURE REQUESTED BY CUSTOMER, PROVIDED, HOWEVER, THE MAXIMUM DELIVERY PRESSURE SHALL NOT EXCEED 750 POUNDS PER SQUARE INCH GAUGE	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY  
EXIT QUANTITY, DATED JUNE 1, 1993, TO THE SERVICE AGREEMENT UNDER  
RATE SCHEDULE FT-1 BETWEEN TEXAS EASTERN TRANSMISSION COPRORATION

("Pipeline") AND COLONIAL GAS COMPANY ("CUSTOMER"), DATED  
JUNE 1, 1993:

ZONE BOUNDARY ENTRY QUANTITY  
Dth/D

FROM M2 TO M3: 52

EXHIBIT C (Continued)  
COLONIAL GAS COMPANY

ZONE BOUNDARY EXIT QUANTITY  
Dth/D

FROM M2 TO M3: 52

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT C DATED: \_\_\_\_\_

[END OF EXHIBIT 10hh TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 330211

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of June, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, Customer made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order;

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

ARTICLE I

SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm.

Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Quantity (MDQ) 52 dth

Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

## ARTICLE II

### TERM OF AGREEMENT

The term of this Service Agreement shall commence on June 1, 1993 and shall continue in force and effect until 10/31/2012 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date

of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

### ARTICLE III

#### RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable

to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to



transport liquids associated with the gas produced and tendered for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: TEXAS EASTERN TRANSMISSION CORPORATION  
5400 Westheimer Court  
Houston, TX 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms

and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

#### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

#### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

Service Agreement(s) dated, 12/19/1991 between Pipeline and Customer under Pipeline's Rate Schedule FTS-5 (Pipeline's Contract No. 200211).

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage)	Measurement Responsibilities	Owner	Operator
72822	CNG, N. Summit Storage Fayette Co., PA	52 dth	TETCO	TETCO	CNG

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M2 to M3	52

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED JUNE 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED JUNE 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Respon- sibilities	Owner	Operator
70087	ALGONQUIN- LAMBERTVILLE NJ, HUNTERDON CO., NJ	52	AT ANY PRESSURE REQUESTED BY CUSTOMER, PROVIDED, HOWEVER, THE MAXIMUM DELIVERY PRESSURE SHALL NOT EXCEED 750 POUNDS PER SQUARE INCH GAUGE	TX EAST TRAN	TX EAST TRAN	ALGONQUIN
79821	AGT-COLONIAL GAS-FOR NOMINATION PURPOSES	0	N/A	N/A	N/A	N/A

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY  
EXIT QUANTITY, DATED JUNE 1, 1993, TO THE SERVICE AGREEMENT UNDER  
RATE SCHEDULE FT-1 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION  
("Pipeline") AND COLONIAL GAS COMPANY ("CUSTOMER"), DATED  
JUNE 1, 1993:

ZONE BOUNDARY ENTRY QUANTITY  
Dth/D

FROM M2 TO M3: 52

EXHIBIT C (Continued)  
COLONIAL GAS COMPANY  
ZONE BOUNDARY EXIT QUANTITY  
Dth/D

FROM M2 TO M3: 52

SIGNED FOR IDENTIFICATION:

CUSTOMER: John P. Harrington

SUPERCEDES EXHIBIT C DATED: \_\_\_\_\_

[END OF EXHIBIT 10ii TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

[EXHIBIT 10jj TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

933003

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE PSS-T)

This Agreement ("Agreement") is made and entered into this 1st day of August, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company a Massachusetts Corporation (herein called "Customer" whether one or more persons).

WHEREAS, Algonquin and Customer entered into a Service Agreement dated April 2, 1990 for service under Rate Schedule PSS-T; and

WHEREAS, Algonquin applied for authority to institute new service agreements under Rate Schedule PSS-T as part of its compliance filing under FERC Order No. 636 in Docket No. RS92-28-000; and

WHEREAS, the Federal Energy Regulatory Commission approved Algonquin's compliance filing in Docket No. RS92-28-000 by orders dated February 11, 1993 and May 13, 1993; and

WHEREAS, Algonquin and Customer agree to execute a superseding service agreement under Rate Schedule PSS-T to conform with the terms approved in the Commission's orders in Docket No. RS92-28-000;

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule PSS-T, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	2,222 MMBtu
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- 1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

- 2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending March 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Section 8 of the General Terms and Conditions.
- 2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule PSS-T as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.
- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the

same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule PSS-T, (b) Algonquin's Rate Schedule PSS-T, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule PSS-T. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Point of Receipt.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Point of Delivery.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road



Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P.O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule PSS-T dated April 2, 1990.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A

Point(s) of Receipt

Dated: August 1, 1993

To the Service Agreement under Rate Schedule PSS-T between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning Point(s) of Receipt

Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Lambertville, NJ	2,222	At any Pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit A Dated \_\_\_\_\_

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE PSS-T)

Exhibit B

Point(s) of Delivery

Dated: August 1, 1993

To the Service Agreement under Rate Schedule PSS-T between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning Point(s) of Delivery

Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
Bourne, MA	766	200
Sagamore, MA	1,456	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit B Dated \_\_\_\_\_

[END OF EXHIBIT 10jj TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-2)

This Agreement ("Agreement"), made and entered into this 1st day August, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin") and Colonial Gas Company, a Massachusetts Corporation (herein called "Customer" whether one or more persons).

WHEREAS, Algonquin and Customer entered into a Service Agreement dated July 24, 1992 for service under Rate Schedule AFT-2; and

WHEREAS, Algonquin applied for authority to institute new service agreements under Rate Schedule AFT-2 as part of its compliance filing under FERC Order No. 636 in Docket No. RS92-28-000; and

WHEREAS, the Federal Energy Regulatory Commission approved Algonquin's compliance filing in Docket No. RS92-28-000 by orders dated February 11, 1993 and May 13, 1993; and

WHEREAS, Algonquin and Customer agree to execute a superseding service agreement under Rate Schedule AFT-2 to conform with the terms approved in the Commission's orders in Docket No. RS92-28-000;

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-2, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer any day at the Point(s) of Receipt; provided, however, Customer shall not tender, without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such

Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further, that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity	3,948 MMBtu
Maximum Annual Transportation Quantity	1,441,020 MMBtu

The above quantities are based on a Fuel Reimbursement Percentage of 1.3%. Fuel Reimbursement will vary from time to time. A decrease or increase in the daily Fuel Reimbursement Quantity will result in an equal increase or decrease, respectively, in the Maximum Daily Transportation Quantity ("MDTQ") for all purposes other than the computation of the Reservation Charge under Section 3.2(a) of Rate Schedule AFT-2. Any such fuel-related increase or decrease in MDTQ shall be reflected proportionately in the Maximum Annual Transportation Quantity.

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending twenty (20) years from November 1, 1993 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Section 8 of the General Terms and Conditions.

2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

- 3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-2 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed.
- 3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.
- 3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-2, (b) Algonquin's Rate Schedule AFT-2, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-2. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b) or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Point of Receipt.

ARTICLE V  
POINT(S) OF DELIVERY

Natural Gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Point of Delivery.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P.O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

ARTICLE VII  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VIII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule AFT-2 dated July 24, 1992.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A

Point(s) of Receipt

Dated: August 1, 1993



To the Service Agreement under Rate Schedule AFT-2 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning Point(s) of Receipt

Point of Pressure Receipt	Maximum Daily Receipt Obligation  (MMBtu)	Maximum Receipt  (Psig)
Mendon, MA	3,948	At any pressure requested by Algonquin not in excess of 750 Psig.

Above quantities are based on a Fuel Reimbursement  
Percentage of 1.3%. Fuel reimbursement will vary from time  
to time. A decrease or increase in the Fuel Reimbursement  
Quantity will result in an equal increase or decrease,  
respectively, in the aggregate Maximum Daily Receipt  
Obligation.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit A Dated \_\_\_\_\_  
9227

Exhibit B

Point(s) of Delivery

Dated: August 1, 1993

To the Service Agreement under Rate Schedule AFT-2 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning Point(s) of Delivery

Point of Pressure Delivery	Maximum Daily Delivery Obligation  (MMBtu)	Minimum Delivery  Psig)
Sagamore, MA	3,948	200
Bourne, MA	3,948	200

Algonquin's Maximum Daily Delivery Obligation for the Sagamore and Bourne delivery points under this Agreement for service under Rate Schedule AFT-2 shall not exceed a combined daily total of 3,948 MMBtu.

Above quantities are based on a Fuel Reimbursement Percentage of 1.3%. Fuel reimbursement will vary from time to time. A decrease or increase in the Fuel Reimbursement Quantity will result in an equal increase or decrease, respectively, in the aggregate Maximum Daily Delivery Obligation.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit B Dated \_\_\_\_\_

[END OF EXHIBIT 10kk TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

92100

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AFT-1)

This Agreement ("Agreement") is made and entered into this 1st day of August, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company, a Massachusetts Corporation (herein called "Customer" whether one or more persons).

WHEREAS, Algonquin and Customer entered into a Service Agreement dated December 19, 1991 for service under Rate Schedule AFT-1; and

WHEREAS, Algonquin applied for authority to institute new service agreements under Rate Schedule AFT-1 as part of its compliance filing under FERC Order No. 636 in Docket No. RS92-28-000; and

WHEREAS, the Federal Energy Regulatory Commission approved Algonquin's compliance filing in Docket No. RS92-28-000 by orders dated February 11, 1993 and May 13, 1993; and

WHEREAS, Algonquin and Customer agree to execute a superseding service agreement under Rate Schedule AFT-1 to conform with the terms approved in the Commission's orders in Docket No. RS92-28-000;

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

ARTICLE I  
SCOPE OF AGREEMENT

1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AFT-1, Algonquin agrees to receive from or for the account of Customer for transportation on a firm basis quantities of natural gas tendered by Customer on any day at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, without the prior consent of Algonquin, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

Maximum Daily Transportation Quantity

104 MMBtu

1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantities; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation.

ARTICLE II  
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending March 31, 2012 ("Primary Term") and shall remain in force from year to year thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter. Algonquin's right to cancel this Agreement upon the expiration of the Primary Term hereof or any succeeding term shall be subject to Customer's rights pursuant to Sections 8 and 9 of the General Terms and Conditions.

2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AFT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AFT-1, nor less than the minimum rate under Rate Schedule AFT-1.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or

other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AFT-1, (b) Algonquin's Rate Schedule AFT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AFT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
POINT(S) OF RECEIPT

Natural gas to be received by Algonquin for the account of Customer hereunder shall be received at the outlet side of the measuring station(s) at or near the Primary Point(s) of Receipt set forth in Exhibit A of the service agreement, with the Maximum Daily Receipt Obligation and the receipt pressure obligation indicated for each such Primary Point of Receipt. Natural gas to be received by Algonquin for the account of Customer hereunder may also be received at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.2 of Rate Schedule AFT-1.

ARTICLE V  
POINT(S) OF DELIVERY

Natural gas to be delivered by Algonquin for the account of Customer hereunder shall be delivered on the outlet side of the measuring station(s) at or near the Primary Point(s) of Delivery set forth in Exhibit B of the service agreement, with the Maximum Daily Delivery Obligation and the delivery pressure obligation indicated for each such Primary Point of Delivery. Natural gas to be delivered by Algonquin for the account of Customer hereunder may also be delivered at the outlet side of any other measuring station on the Algonquin system, subject to reduction pursuant to Section 6.4 of Rate Schedule AFT-1.

ARTICLE VI  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms

and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road  
Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street  
P.O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by formal written notice.

#### ARTICLE VII INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

#### ARTICLE VIII AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule AFT-1 dated December 19, 1991.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

Exhibit A

Point(s) of Receipt

Dated: August 1, 1993

To the Service Agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning  
Point(s) of Receipt

Primary Point of Receipt	Maximum Daily Receipt Obligation (MMBtu)	Maximum Receipt Pressure (Psig)
Lambertville, NJ	104	At any Pressure requested by Algonquin not in excess of 750 Psig.

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit A Dated \_\_\_\_\_

Exhibit B

Point(s) of Delivery

Dated: August 1, 1993

To the Service Agreement under Rate Schedule AFT-1 between  
Algonquin Gas Transmission Company (Algonquin) and  
Colonial Gas Company (Customer) Concerning Point(s) of Delivery

Primary Point of Delivery	Maximum Daily Delivery Obligation (MMBtu)	Minimum Delivery Pressure (Psig)
Bourne, MA	36	200
Sagamore, MA	68	200

Signed for Identification

Algonquin: /s/ John J. Mullaney

Customer: /s/ John P. Harrington

Supersedes Exhibit B Dated \_\_\_\_\_

[END OF EXHIBIT 1011 TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



TENNESSEE GAS PIPELINE COMPANY  
FERC GAS TARIFF  
FIFTH REVISED VOLUME NO. 1

Original Sheet No. 526

GAS STORAGE CONTRACT

(For Use under Rate Schedule FS)

This Contract is made as of the 1st day of September 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware corporation herein called "Transporter," and Colonial Gas Company a Massachusetts corporation, herein called "Shipper." Transporter and Shipper collectively shall be referred to herein as the "Parties."

ARTICLE I - SCOPE OF CONTRACT

Following the commencement of service hereunder, in accordance with the terms of Transporter's Rate Schedule FS, and of this Agreement, Transporter shall receive for injection for Shipper's account a quantity of gas up to Shipper's Maximum Injection Quantity (on any day) and Maximum Storage Quantity of 1,053,898 Dth (on a cumulative basis) and on demand shall withdraw from Shipper's storage account and deliver to Shipper a daily quantity of gas up to Shipper's Maximum Daily Withdrawal Quantity of 7,504 Dth.

ARTICLE II - SERVICE POINT

The point or points at which the gas is to be tendered for delivery by Transporter to Shipper under this Contract shall be at the storage service point at Tranporter's Compressor Station 313.

ARTICLE III - PRICE

1. Shipper agrees to pay Transporter for all natural gas storage service furnished to Shipper hereunder, including compensation for system fuel and losses, at Transporter's legally effective rate or at any effective superseding rate applicable to the type of service specified herein. Transporter's present legally effective rate for said service is contained in Transporter's Rate Schedule FS as filed with the Federal Energy Regulatory Commission.
2. Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid by Shipper, which Transporter incurs

in rendering service hereunder.

GAS STORAGE CONTRACT (continued)

(For Use under Rate Schedule FS)

3. Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FS, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE IV - INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms of Transporter's Rate Schedule FS, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule or General Terms and Conditions as may from time to time be filed and made effective by Transporter).

ARTICLE V - TERM OF CONTRACT

This Agreement shall be effective as of September 1, 1993 and shall remain in force and effect until November 1, 2000 ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Tennessee to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the primary term for a term of five years; and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body. Transporter shall be required to seek specific abandonment authorization from the FERC prior to terminating the Agreement pursuant to the preceding or pursuant to any pregranted abandonment authorization that may be deemed to apply to this Agreement.

GAS STORAGE CONTRACT (continued)

ARTICLE VI - NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TENNESSEE: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511

Attention: Transportation Marketing

SHIPPER:

NOTICES: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852

Attention: James M. Stephens

BILLING: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852

Attention: Marty DeBruin

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE VII - ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this contract. Otherwise no assignment of the contract or any of the rights or obligations thereunder shall be made by Shipper, except pursuant to the General Terms and Conditions of Transporter's FERC Gas Tariff.

GAS STORAGE CONTRACT (continued)

(For Use under Rate Schedule FS)

It is agreed, however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Contract from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII - 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, without regard to doctrines governing choice of law.

ARTICLE IX - PRIOR AGREEMENTS CANCELLED

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

Contract for Storage Service Dated 7/1/92.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their authorized agents.

TENNESSEE GAS PIPELINE COMPANY

By \_\_\_\_\_  
Agent and Attorney-in-fact

SHIPPER

By: John P. Harrington

Title: Vice President, Gas Supply

EXHIBIT "A"  
TO GAS STORAGE AGREEMENT  
DATED SEPTEMBER 01, 1993  
RATE SCHEDULE FS  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS COMPANY

CONTRACT: 524

CONTRACT MSQ:

1,053,898

METER	AMENDMENT	ZONE	W/I	MAXIMUM DAILY QUANTITY
-----	-----	-----	-----	-----
070018	0	04	WITHDRAWAL	7,504
060018	0	04	INJECTION	7,026

[END OF EXHIBIT 10mm TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 25,196 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

#### ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

#### ARTICLE V

##### QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

#### ARTICLE VI

##### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is

rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

## ARTICLE VII

### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE VIII

### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

## ARTICLE IX

### REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

## ARTICLE X



## RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

### ARTICLE XI

#### WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

### ARTICLE XII

#### TERM

12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of November, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive

five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

### ARTICLE XIII

#### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

LOWELL, MA 01852-3064  
Attention: JAMES M. STEPHENS

BILLING: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

LOWELL, MA 01852-3064  
Attention: MARTIN DEBRUIN

or to such other address as either Party shall designate by formal written notice to the other.

#### ARTICLE XIV

##### ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

##### MISCELLANEOUS

- 15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall

be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.

15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: John P. Harrington  
TITLE: Vice President, Gas Supply

DATE: 8/27/93

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
TO GAS TRANSPORTATION AGREEMENT  
DATED September 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: September 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 2025  
SERVICE PACKAGE TQ: 25,196 Dth

[RECEIPT POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
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010008	UNION-WARDNER COASTAL PLT D	2,284	2,284
010031	UNION-E TEXAS PLT DEHYD	1,323	1,323
011306	CHANNEL-AQUA DULCE EXCH	5,212	5,212
011366	CHEVRON-VERMILION BLK 245E DE	8,215	8,215
012272	UNION-SHIP SHOAL BLK 180	2,871	2,871
018034	NEWFIELD-VERMILION 155	3,920	3,920
050136	TENNECO-UTOS JOHNSON BAYOU	1,371	1,371

[DELIVERY POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
020139	COLONIAL-TEWKSBURY MASS	25,196	25,196
020532	COLONIAL-WILMINGTON MASS	12,312	12,312
020572	COLONIAL-DRACUT MASS	12,312	12,312
020578	PENN-NFG-ANDREWS SETTLEMENT	13,679	13,679
060018	TGP-NORTHERN STORAGE INJECT	7,026	7,026

NUMBER OF RECEIPT POINTS: 7

NUMBER OF DELIVERY POINTS: 5

[END OF EXHIBIT 10nn TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 17,300 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

#### ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

#### ARTICLE V

##### QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

#### ARTICLE VI

##### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly

constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

## ARTICLE VII

### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE VIII

### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

## ARTICLE IX

### REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

## ARTICLE X

### RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and



ARTICLE XI

WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of April, 2013, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service

rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

#### ARTICLE XIII

##### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET  
LOWELL, MA 01852  
Attention: JAMES M. STEPHENS

BILLING: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064  
LOWELL, MA 01852-3064  
Attention: MARTIN DEBRUIN

or to such other address as either Party shall designate by formal written notice to the other.

#### ARTICLE XIV

##### ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

##### MISCELLANEOUS

- 15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: John P. Harrington  
TITLE: Vice President, Gas Supply  
DATE: August 27, 1993

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT  
DATED September 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: September 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 435  
SERVICE PACKAGE TQ: 17,300 Dth

[RECEIPT POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
010331	UNION-E TEXASPLT DEHYD	10,000	10,000
010609	CRYSTAL-SEPASS DE	2,765	2,765
012043	AGIP-SOUTHPASS BL	4,535	4,535

[DELIVERY POINT]

Meter Number	Meter Name	Total Quantity	Billable Quantity
020139	COLONIAL-TEWKSBURY MASS	17,300	17,300

NUMBER OF RECEIPT POINTS: 3

NUMBER OF DELIVERY POINTS: 1

[END OF EXHIBIT 1000 TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE PACKAGE NO. 2029  
AMENDMENT NO. 0

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 7,504 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

ARTICLE V

QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

ARTICLE VI

RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date

hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.

6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.

6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

#### ARTICLE VII

##### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

#### ARTICLE VIII

##### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

#### ARTICLE IX

##### REGULATION

9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.

9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

#### ARTICLE X

##### RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

#### ARTICLE XI

##### WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

(a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream

transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.

- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

## ARTICLE XII

### TERM

12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of November, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

## ARTICLE XIII

### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET

LOWELL, MA 01852  
Attention: JAMES M. STEPHENS

BILLING: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064



or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV

ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV

MISCELLANEOUS

- 15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: John P. Harrington  
TITLE: Vice President, Gas Supply  
DATE: August 27, 1993

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT  
DATED September 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY

AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: September 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 2029  
SERVICE PACKAGE TQ: 7,504 Dth

[RECEIPT AND DELIVERY POINTS FOR WITHDRAWAL]

Meter Number	Meter Name	Total Quantity	Billable Quantity
070018	CNG-ELLISBURG WITHDRAWAL	7,504	7,504
020139	COLONIAL-TEWKSBURY, MASS	7,504	7,504
020532	COLONIAL-WILMINGTON, MASS	7,504	7,504
020572	COLONIAL-DRACUT, MASS	7,504	7,504

[RECEIPT AND DELIVERY POINTS FOR INJECTION]

Meter Number	Meter Name	Total Quantity	Billable Quantity
020139	COLONIAL-TEWKSBURY, MASS	32,700	32,700
020532	COLONIAL-WILMINGTON, MASS	12,312	12,312
020572	COLONIAL-DRACUT, MASS	12,312	12,312
070018	CNG-ELLISBURG WITHDRAWAL	7,026	7,026
020578	PENN-NFG-ANDREWS SETTLEMENT	13,679	13,679

[END OF EXHIBIT 10pp TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

FST-LG3

SERVICE AGREEMENT

(Applicable to Service Under Rate Schedule FST-LG)

This Agreement, is made and entered into this 1st day of October, 1993, by and between Algonquin LNG, Inc., a Delaware corporation (hereinafter referred to as "ALNG") and Colonial Gas Company, a Massachusetts Corporation (hereinafter referred to as "Customer" whether one or more persons).

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

ARTICLE I

QUANTITY OF LNG TO BE STORED

Subject to the terms, conditions and limitations hereof and of ALNG's Rate Schedule FST-LG, ALNG agrees to:

- receive for Customer's account and inject into its storage facility liquefied natural gas ("LNG") in liquid form;
- store such LNG up to a total quantity at any one time of  
  
12,000 barrels, to constitute Customer's Contract Storage Capacity; and  
  
-withdraw such stored gas as requested by Customer and deliver it to Customer or for Customer's account.

ARTICLE II

TERM OF AGREEMENT

2.1 This agreement shall become effective as of October 1, 1993 shall continue in effect for a term ending May 31, 1994 ("Primary Term") and shall remain in force from year-to-year thereafter unless terminated by either party pursuant to Section 12 of the General Terms and Conditions.

ARTICLE III  
RATE SCHEDULE AND ADJUSTMENTS

- 3.1 Customer shall pay for all services rendered hereunder and for the availability of such service under ALNG's Rate Schedule FST-LG, as filed with the Federal Energy Regulatory Commission, and as the same may be hereafter revised or changed. The rate to be charged Customer for storage hereunder shall not be more than the maximum rate under Rate Schedule FST-LG, nor less than the minimum rate under Rate Schedule FST-LG.
- 3.2 Customer agrees that ALNG shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to ALNG's Rate Schedule FST-LG, (b) ALNG's Rate Schedule FST-LG, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FST-LG. ALNG agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of ALNG's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

ARTICLE IV  
ADDRESSES

Except as herein otherwise provided, or as provided in the General Terms and Conditions of ALNG's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

- (a) ALNG: 1284 Soldiers Field Road, Boston, MA  
02108
- (b) Customer: 40 Market Street, Lowell, MA 01853

or such other address as either party shall designate by formal written notice.

ARTICLE V  
RATE SCHEDULES AND GENERAL TERMS AND CONDITIONS

This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of ALNG's applicable rate schedules and of ALNG's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

ARTICLE VI  
INTERPRETATION

The interpretation and performance of this Agreement shall be in accordance with the laws of the state of Rhode Island, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VII  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede (as of the date of commencement of service hereunder) the following agreements between parties hereto for the storage of natural gas by ALNG for Customer:

Service Agreement executed by Customer and ALNG under Rate Schedule ST-LG dated November 1, 1984.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN LNG, INC.

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

[END OF EXHIBIT 10qq TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
APPLICABLE TO TRANSPORTATION OF NATURAL GAS  
UNDER RATE SCHEDULE FTNN

AGREEMENT made as of this first day of October, 1993, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter called "Pipeline," and COLONIAL GAS COMPANY, a Massachusetts corporation, hereinafter called "Customer."

WITNESSETH: That, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I  
Quantities

A. During the term of this Agreement, Pipeline will transport for Customer, on a firm basis, and Customer may furnish, or cause to be furnished, to Pipeline natural gas for such transportation, and Customer will accept, or cause to be accepted, delivery from Pipeline of the quantities Customer has tendered for transportation.

B. The maximum quantities of gas which Pipeline shall deliver and which Customer may tender shall be as set forth on Exhibit A, attached hereto.

ARTICLE II  
Rate

A. Unless otherwise mutually agreed in a written amendment to this Agreement, beginning on October 1, 1993, Customer shall pay Pipeline for transportation services rendered pursuant to this Agreement, the maximum rates and charges provided under Rate Schedule FTNN set forth in Pipeline's effective FERC Gas Tariff, including applicable surcharges and the Fuel Retention Percentage.

B. Pipeline shall have the right to propose, file and make effective with the Federal Energy Regulatory Commission or any other body having jurisdiction, revisions to any applicable rate schedule, or to propose, file, and make effective superseding rate schedules for the purpose of

changing the rate, charges, and other provisions thereof effective as to Customer; provided, however, that (i) Section 2 of Rate Schedule FTNN "Applicability and Character of Service," (ii) term, (iii) quantities, and (iv) points of receipt and points of delivery shall not be subject to unilateral change under this Article. Said rate schedule or superseding rate schedule and any revisions thereof which shall be filed and made effective shall apply to and become a part of this Service Agreement. The filing of such changes and revisions to any applicable rate schedule shall be without prejudice to the right of Customer to contest or oppose such filing and its effectiveness.

### ARTICLE III Term of Agreement

Subject to all the terms and conditions herein, this Agreement shall be effective as of October 1, 1993, and shall continue in effect for a primary term through and including March 31, 2003, and from year to year thereafter, until either party terminates this Agreement by giving written notice to the other at least twelve months prior to the start of the next contract year.

### ARTICLE IV Points of Receipt and Delivery

The Points of Receipt and Delivery and the maximum quantities for each point for all gas that may be received for Customer's account for transportation by Pipeline shall be as set forth on Exhibit A.

### ARTICLE V Regulatory Approval

Performance under this Agreement by Pipeline and Customer shall be contingent upon Pipeline and Customer receiving all necessary regulatory or other governmental approvals upon terms satisfactory to each. Should Pipeline or Customer be denied such approvals to provide or continue the service contemplated herein or to construct and operate any necessary facilities therefor upon the terms and conditions requested in the application therefor, then Pipeline's and Customer's obligations hereunder shall terminate.

### ARTICLE VI Incorporation By Reference of Tariff Provisions

To the extent not inconsistent with the terms and conditions of this Agreement, the following provisions of



Pipeline's effective FERC Gas Tariff, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference:

1. All of the provisions of Rate Schedule FTNN, or any effective superseding rate schedule or otherwise applicable rate schedule; and

2. All of the provisions of the General Terms and Conditions, as they may be revised or superseded from time to time.

ARTICLE VII  
Miscellaneous

A. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto; provided, however, that the parties do not intend that this Article VII.A. requires a further written agreement either prior to the making of any request or filing permitted under Article II hereof or prior to the effectiveness of such request or filing after Commission approval, provided further, however, that nothing in this Agreement shall be deemed to prejudice any position the parties may take as to whether the request, filing or revision permitted under Article II must be made under Section 7 or Section 4 of the Natural Gas Act.

B. Any notice, request or demand provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and sent to the following addresses:

Pipeline: CNG Transmission Corporation  
445 West Main Street  
Clarksburg, West Virginia 26301  
Attention: Vice President, Marketing  
and Customer Services

Customer: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: John P. Harrington

or at such other address as either party shall designate by formal written notice.

C. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this

Agreement.

D. The subject headings of the provisions of this Agreement are inserted for the purpose of convenient reference and are not intended to become a part of or to be considered in any interpretation of such provisions.

ARTICLE VIII  
Prior Contracts

If this Service Agreement becomes effective as an executed Service Agreement, it shall supersede and cancel, as of its effective date, the Service Agreement between Customer and Pipeline Applicable to Transportation of Natural Gas under Rate Schedule TF dated June 1, 1993, and the Service Agreement between Customer and Pipeline Applicable to the Sales of Natural Gas Under Rate Schedule CD dated June 1, 1993. Otherwise, each of these instruments shall remain in full force and effect unless it shall have expired by its own terms.

IN WITNESS WHEREOF, the parties hereto intending to be legally bound, have caused this Agreement to be signed by their duly authorized officials as of the day and year first written above.

CNG TRANSMISSION CORPORATION  
(Pipeline)

By: \_\_\_\_\_  
Its: Vice President

COLONIAL GAS COMPANY  
(Customer)

By: John P. Harrington  
Its: Vice President, Gas Supply  
(Title)

EXHIBIT A

To The FTNN Agreement  
Dated October 1, 1993

Between CNG Transmission Corporation  
And Colonial Gas Company

A. Quantities

The maximum quantities of gas which Pipeline shall deliver and which Customer may tender shall be as follows:

1. A Maximum Daily Transportation Quantity (MDTQ) of 5,529 dekatherms ("Dt").
2. A Maximum Annual Transportation Quantity (MATQ) of 2,018,085 Dt.

B. Points of Receipt

The Points of Receipt and the maximum quantities for each point shall be as set forth below. Pipeline will use due care and diligence to assure, and Customer will use due care and diligence to cause its transporter to assure, that uniform pressures will be maintained at the Receipt Points as reasonably may be required to render service hereunder, but Pipeline will not be required to accept gas at less than the minimum pressures specified herein. In addition to the quantities specified below, Customer may increase the quantities furnished to Pipeline at each receipt point, so long as such quantities, when reduced by the fuel retention percentage specified in Pipeline's currently effective FERC Gas Tariff, do not exceed the quantity limitation specified below for each receipt point.

1. Up to 1,951 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern") or other pipeline(s) in Westmoreland County, Pennsylvania, known as the Oakford Interconnection, at a pressure of not less than five hundred seventy-five (575) pounds per square inch gauge (psig).
2. Up to a combined maximum daily quantity of 3,578 Dt at existing points of interconnection between the facilities of Pipeline and Tennessee Gas Pipeline Company in Kanawha County, West Virginia, known as the Cornwell Interconnection, at a pressure of not less than four hundred seventy

five (475) psig; or the Institute Interconnection, at a pressure of not less than four hundred (400) psig, with the specific allocation of quantities among these points to be determined by Pipeline.

C. Points of Delivery

The Points of Delivery and the maximum quantities for each point shall be as set forth below. Pipeline will use due care and diligence to assure, and Customer will use due care and diligence to cause its transporter to assure, that uniform pressures will be maintained at the Delivery Points as reasonably may be required to render service hereunder, and Pipeline will use due care and diligence to deliver gas within the pressure limitations specified herein.

1. Up to 5,529 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern, Transcontinental Gas Pipe Line Corporation, or other pipeline(s) in Clinton County, Pennsylvania, known as the Leidy Interconnection, at a pressure of not less than one-thousand, two-hundred (1,200) psig.
2. Up to 3,578 Dt per day at an existing point of interconnection between the facilities of Pipeline and Tennessee in Potter County, Pennsylvania, known as the Ellisburg Interconnection, at a pressure of not more than one thousand (1,000) psig.

[END OF EXHIBIT 10rr TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
APPLICABLE TO THE STORAGE OF NATURAL GAS  
UNDER RATE SCHEDULE GSS  
(SECTION 7(c))

AGREEMENT made as of this October 1, 1993, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter called "Pipeline," and COLONIAL GAS COMPANY, a Massachusetts corporation, hereinafter called "Customer."

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that Pipeline will store natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided and, with respect to gas delivered by each of the parties to the other, under and subject to Pipeline's Rate Schedule GSS and all of the General Terms and Conditions contained in Pipeline's FERC Gas Tariff and any revisions thereof that may be made effective hereafter:

ARTICLE I  
Quantities

Beginning as of October 1, 1993 and thereafter for the remaining term of this agreement, Customer agrees to deliver to Pipeline and Pipeline agrees to receive for storage in Pipeline's underground storage properties, and Pipeline agrees to inject or cause to be injected into storage for Customer's account, store, withdraw from storage, and deliver to Customer and Customer agrees to receive, quantities of natural gas as set forth on Exhibit A, attached hereto.

ARTICLE II  
Rate

A. For storage service rendered by Pipeline to Customer hereunder, Customer shall pay Pipeline in accordance with Rate Schedule GSS contained in Pipeline's effective FERC Gas Tariff or any effective superseding rate schedule. Said rate schedule or superseding rate schedule and any revisions thereof which shall be filed and made effective shall apply to and be a part of this Agreement.

Pipeline shall have the right to propose to and file with the Federal Energy Regulatory Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Customer; provided, however, that any request by Pipeline to amend the terms and conditions of Rate Schedule GSS must be consistent with the terms and conditions of Article VII, Part 2, Paragraph (F) of the Stipulation filed on March 31, 1993 by Pipeline in Docket No. RS92-14 and conform to the requirements of Section 7(b) of the Natural Gas Act, if applicable, and provided further that Pipeline and Customer agree that they will not seek to place in effect a change in any aspect of the terms and conditions under Section 8 of Rate Schedule GSS for a period of two years from the date of such request. The filing of requests, changes and revisions of Rate Schedule GSS shall be without prejudice to the right of Customer to contest or oppose such requests, filings or revisions and their effectiveness.

B. The Storage Demand Charge and the Storage Capacity Charge provided in the aforesaid rate schedule shall commence on October 1, 1993.

### ARTICLE III Term of Agreement

Subject to all the terms and conditions herein, this Agreement shall be effective as of October 1, 1993, and shall continue in effect for a primary term through and including March 31, 2006, and for subsequent annual terms of April 1 through March 31 thereafter, until either party terminates this Agreement by giving written notice to the other at least twenty-four months prior to the start of an annual term.

### ARTICLE IV Points of Receipt and Delivery

The Points of Receipt for Customer's tender of storage injection quantities, and the Point(s) of Delivery for withdrawals from storage shall be specified on Exhibit A, attached hereto.

### ARTICLE V Special Operating Conditions

For the sole purpose of calculating Customer's Storage Gas Balance to determine the initial decline in Customer's Daily Entitlement, Pipeline shall multiply

Customer's actual Storage Gas Balance by a factor of 1.176. For purposes other than calculating the initial decline in Customer's Daily Entitlement, Customer's Storage Gas Balance shall remain equal to Customer's actual inventory in storage.

ARTICLE VI  
Miscellaneous

A. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto; provided, however, that the parties do not intend that this Article VI.A. requires a further written agreement either prior to the making of any request or filing permitted under Article II hereof or prior to the effectiveness of such request or filing after Commission approval, provided further, however, that nothing in this Agreement shall be deemed to prejudice any position the parties may take as to whether the request, filing or revision permitted under Article II must be made under Section 7 or Section 4 of the Natural Gas Act.

B. Any notice, request or demand provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and sent to the following addresses:

Pipeline: CNG Transmission Corporation  
445 West Main Street  
Clarksburg, West Virginia 26301  
Attention: Vice President, Marketing  
and Customer Services

Customer: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: John P. Harrington

or at such other address as either party shall designate by formal written notice.

C. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

D. The subject headings of the provisions of this Agreement are inserted for the purpose of convenient reference, and are not intended to become a part of or to be considered in any interpretations of such provisions.

ARTICLE VII  
Prior Contracts

This Service Agreement shall supersede and cancel, as of the effective date, the Service Agreements for storage service between Customer and Pipeline dated June 1, 1993.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officials as of the day and year first above written.

CNG TRANSMISSION CORPORATION  
(Pipeline)

By: \_\_\_\_\_  
Its: Vice President

COLONIAL GAS COMPANY  
(Customer)

By: John P. Harrington  
Its: Vice President, Gas Supply  
(Title)

EXHIBIT A

To The GSS (Section 7(c))  
Storage Service Agreement  
Dated October 1, 1993  
Between CNG Transmission Corporation and  
Colonial Gas Company

A. Quantities

The quantities of natural gas storage service which Customer may utilize under this Service Agreement, as well as Customer's applicable Billing Determinants, are as follows:



1. Storage Capacity of 823,529 Dekatherms (Dt), and
2. Storage Demand of 11,000 Dt per day.

B. Points of Receipt and Delivery

1. The Points of Receipt for Customer's tender of storage injection quantities, and the maximum quantities and character of service for each point shall be as set forth below. Pipeline will use due care and diligence to assure, and Customer will use due care and diligence to cause its transporter to assure, that uniform pressures will be maintained at the Receipt Points as reasonably may be required to render service hereunder, but Pipeline will not be required to accept gas at less than the minimum pressures specified herein. Pipeline will not be required to accept gas for injection into storage at the points specified in B.1.b., below, unless either (i) Customer tenders at the same time no less than 474 Dt per day at the Leidy Interconnection or (ii) Customer, during that Summer Period, has already tendered 71,574 Dt or more at the Leidy Interconnection.

a. Up to 4,575 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern") or Transcontinental Gas Pipe Line Corporation ("Transco") or other pipeline(s) in Clinton County, Pennsylvania, known as the Leidy Interconnection, at a pressure of not less than one thousand (1,000) pounds per square inch gauge ("psig").

b. Up to 4,575 Dt per Day at the "Texas Eastern Market Zone 2 Point" which shall consist of any combination of the following points:

1. The interconnection of the facilities of Pipeline and Texas Eastern or other pipeline(s) in Westmoreland County, Pennsylvania, known as the Oakford Interconnection, at a pressure of not less than five hundred seventy-five (575) psig.

2. An existing point of interconnection between Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern") located in Noble County, Ohio, at Texas Eastern Measuring Station 450, at the operating

pressure existing at the point of delivery.

3. An existing point of interconnection between Pipeline and Texas Eastern located in Monroe County, Ohio, at Texas Eastern Measuring Station 471, at a pressure of not less than two hundred (200) psig.
  4. An existing point of interconnection between Pipeline and Texas Eastern located in Monroe County, Ohio, at Texas Eastern Measuring Station 983, at a pressure of not less than three hundred (300) psig.
  5. An existing point of interconnection between Pipeline and Texas Eastern located in Monroe County, Ohio, at Texas Eastern Measuring Station 004, at the pressure provided for in the General Terms and Conditions of Texas Eastern's FERC Gas Tariff.
  6. An existing point of interconnection between Pipeline and Texas Eastern located in Marshall County, West Virginia at Texas Eastern Measuring Station 372, at the operating pressure existing at the point of delivery.
  7. An existing point of interconnection between Pipeline and Texas Eastern located in Green County, Pennsylvania at Texas Eastern Measuring Station 037, at the pressure provided for in the General Terms and Conditions of Texas Eastern's FERC Gas Tariff.
  8. An existing point of interconnection between Pipeline and Texas Eastern located in Somerset County, Pennsylvania at Texas Eastern Measuring Station 051, at the pressure provided for in the General Terms and Conditions of Texas Eastern's FERC Gas Tariff.
2. The quantity of gas which Customer shall be entitled to tender to Pipeline for injection into storage at the Leidy Interconnection on a firm basis on any Day during the Storage Year shall be one-one hundred eightieth (1/180th) of Customer's Storage Capacity whenever Customer's Storage Gas Balance is less than or equal to one half of Customer's Storage Capacity, and one-two

hundred fourteenth (1/214th) of Customer's Storage Capacity whenever Customer's Storage Gas Balance is greater than one half of Customer's Storage Capacity.

3. The Points of Delivery for withdrawals from storage, and the maximum quantities and character of service for each point, shall be as set forth below. Pipeline will use due care and diligence to assure, and Customer will use due care and diligence to cause its transporter to assure, that uniform pressures will be maintained at the Delivery Points as reasonably may be required to render service hereunder, and Pipeline will use due care and diligence to deliver gas (or cause gas to be delivered) within the pressure limitations specified herein.
  - a. Up to 474 Dt per Day on a firm basis (and up to 10,526 Dt per Day, if, in Pipeline's sole opinion, its operating or other circumstances permit) at the interconnection of the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern") or Transcontinental Gas Pipe Line Corporation ("Transco") or other pipeline(s) in Clinton County, Pennsylvania, known as the Leidy Interconnection, at a pressure of not less than one-thousand, two-hundred (1,200) psig.
  - b. Up to 11,000 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern or other pipeline(s) in Westmoreland County, Pennsylvania, known as the Oakford Interconnection, at a pressure of not less than eight hundred fifty (850) psig.
  - c. Up to 11,000 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern, in Franklin County, Pennsylvania, known as the Chambersburg Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not more than seven hundred (700) psig.
  - d. Up to 11,000 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern, in Greene County, Pennsylvania, known as the Crayne Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not more than eight hundred sixty-five (865) psig.
  - e. Up to 11,000 Dt per Day at an existing point of

interconnection between the facilities of Pipeline and Texas Eastern, in Cambria County, Pennsylvania, known as the Rager Mountain Interconnection, on an interruptible basis if mutually agreed between Pipeline and Customer, at the operating pressure existing at the point of delivery.

[END OF EXHIBIT 10ss TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
APPLICABLE TO THE STORAGE OF NATURAL GAS  
UNDER RATE SCHEDULE GSS-II

AGREEMENT made as of this September 30, 1993, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter called "Pipeline," and COLONIAL GAS COMPANY, a Massachusetts corporation, hereinafter called "Customer."

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that Pipeline will store natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided and, with respect to gas delivered by each of the parties to the other, under and subject to Pipeline's Rate Schedule GSS-II and all of the General Terms and Conditions contained in Pipeline's FERC Gas Tariff and any revisions thereof that may be made effective hereafter:

ARTICLE I  
Quantities

Beginning as of October 1, 1993 and thereafter for the remaining term of this agreement, Customer agrees to deliver to Pipeline and Pipeline agrees to receive for storage in Pipeline's underground storage properties, and Pipeline agrees to inject or cause to be injected into storage for Customer's account, store, withdraw from storage, and deliver to Customer and Customer agrees to receive, quantities of natural gas as set forth on Exhibit A, attached hereto.

ARTICLE II  
Rate

A. For storage service rendered by Pipeline to Customer hereunder, Customer shall pay Pipeline in accordance with Rate Schedule GSS-II contained in Pipeline's effective FERC Gas Tariff or any effective superseding rate schedule. Said rate schedule or superseding rate schedule and any revisions thereof which shall be filed and made effective shall apply to and be a part of this Agreement. Pipeline shall have the right to propose to and file with the Federal Energy Regulatory Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, and

other provisions thereof effective as to Customer; provided, however, that any request by Pipeline to amend the terms and conditions of Rate Schedule GSS-II must be consistent with the terms and conditions of Article VII, Part 2, Paragraph (F) of the Stipulation filed on March 31, 1993 by Pipeline in Docket No. RS92-14 and conform to the requirements of Section 7(b) of the Natural Gas Act, if applicable, and provided further that Pipeline and Customer agree that they will not seek to place in effect a change in any aspect of the terms and conditions under Section 8 of Rate Schedule GSS-II for a period of two years from the date of such request. The filing of requests, changes and revisions of Rate Schedule GSS-II shall be without prejudice to the right of Customer to contest or oppose such requests, filings or revisions and their effectiveness.

B. The Storage Demand Charge and the Storage Capacity Charge provided in the aforesaid rate schedule shall commence on October 1, 1993.

### ARTICLE III Term of Agreement

Subject to all the terms and conditions herein, this Agreement shall be effective as of October 1, 1993, and shall continue in effect for a primary term through and including March 31, 2012, and for subsequent annual terms of April 1 through March 31 thereafter, until either party terminates this Agreement by giving written notice to the other at least twenty-four months prior to the start of an annual term.

### ARTICLE IV Points of Receipt and Delivery

The Points of Receipt for Customer's tender of storage injection quantities, and the Point(s) of Delivery for withdrawals from storage shall be specified on Exhibit A, attached hereto.

### ARTICLE V Miscellaneous

A. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto; provided, however, that the parties do not intend that this Article V.A. requires a further written agreement either prior to the making of any request or filing permitted under Article II hereof or prior to the effectiveness of such request or filing after Commission approval, provided further, however, that nothing in this Agreement shall be deemed to prejudice any position the parties may take as to whether the request, filing or revision permitted under Article II must be

made under Section 7 or Section 4 of the Natural Gas Act.

B. Any notice, request or demand provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and sent to the following addresses:

Pipeline: CNG Transmission Corporation  
445 West Main Street  
Clarksburg, West Virginia 26301  
Attention: Vice President, Marketing  
and Customer Services

Customer: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: John P. Harrington

Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: Joseph P. Murphy

or at such other address as either party shall designate by formal written notice.

C. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

D. The subject headings of the provisions of this Agreement are inserted for the purpose of convenient reference, and are not intended to become a part of or to be considered in any interpretations of such provisions.

ARTICLE VI  
Prior Contracts

This Service Agreement shall supersede and cancel, as of the effective date, the Service Agreement for storage service between Customer and Pipeline dated June 23, 1989.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officials as of the day and year first above written.

CNG TRANSMISSION CORPORATION  
(Pipeline)

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

Its: Vice President

COLONIAL GAS COMPANY  
(Customer)

By: John P. Harrington  
Its: Vice President, Gas Supply  
(Title)

EXHIBIT A  
To The Storage Service Agreement  
Dated September 30, 1993  
Between CNG Transmission Corporation and  
Colonial Gas Company

A. Quantities

The quantities of natural gas storage service which Customer may utilize under this Service Agreement, as well as Customer's applicable Billing Determinants, are as follows:

1. Storage Capacity of 222,200 Dekatherms (Dt), and
2. Storage Demand of 2,222 Dt per day.

B. Points of Receipt and Delivery

1. The Points of Receipt for Customer's tender of storage injection quantities, and the maximum quantities and character of service for each point shall be as set forth below. Each of the parties will use due care and diligence to assure that uniform pressures will be maintained at the Receipt Point as reasonably may be required to render service hereunder, but Pipeline will not be required to accept gas at less than the minimum pressures specified herein.
  - a. Up to 1,234 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern") or Transcontinental Gas Pipe Line Corporation ("Transco") or other pipeline(s) in Clinton County, Pennsylvania, known as the Leidy



Interconnection, at a pressure sufficient to enter Pipeline's facilities at the point(s) of interconnection.

b. Upon mutual agreement of Pipeline and Customer, up to 1,234 Dt per day at other interconnections on the system of Pipeline, at a pressure sufficient to enter Pipeline's facilities at the point(s) of interconnection.

2. The Points of Delivery for withdrawals from storage, and the maximum quantities and character of service for each point, shall be as set forth below. Each of the parties will use due care and diligence to assure that uniform pressures will be maintained at the Delivery Points as reasonably may be required to render service hereunder, but Pipeline will not be required to deliver gas at greater than the maximum pressures specified herein.

a. Up to 2,222 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern"), in Franklin County, Pennsylvania, known as the Chambersburg Interconnection, at a pressure of not more than seven hundred (700) psig.

b. Upon mutual agreement of Pipeline and Customer, up to 2,222 Dt per day at other interconnections between the facilities of Pipeline and Texas Eastern, at a pressure sufficient to enter the system of Texas Eastern.

c. Upon mutual agreement of Pipeline and Customer, up to 2,222 Dt per day at other interconnections on the system of Pipeline, at a pressure sufficient to enable delivery by Pipeline.

d. Up to 2,222 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern, in Greene County, Pennsylvania, known as the Crayne Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not more than eight hundred sixty-five (865) psig.

e. Up to 2,222 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern or other pipeline(s) in Westmoreland County, Pennsylvania, known as the Oakford Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not less than eight hundred fifty (850) psig.

3. Pipeline shall deliver on a firm basis up to Customer's

Storage Demand, as adjusted pursuant to Section 8 of Rate Schedule GSS-II and Article V of this Service Agreement.

SERVICE AGREEMENT  
APPLICABLE TO THE STORAGE OF NATURAL GAS  
UNDER RATE SCHEDULE GSS-II

AGREEMENT made as of this September 30, 1993, by and between CNG TRANSMISSION CORPORATION, a Delaware corporation, hereinafter called "Pipeline," and COLONIAL GAS COMPANY, a Massachusetts corporation, hereinafter called "Customer."

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree that Pipeline will store natural gas for Customer during the term, at the rates and on the terms and conditions hereinafter provided and, with respect to gas delivered by each of the parties to the other, under and subject to Pipeline's Rate Schedule GSS-II and all of the General Terms and Conditions contained in Pipeline's FERC Gas Tariff and any revisions thereof that may be made effective hereafter:

ARTICLE I  
Quantities

Beginning as of October 1, 1993 and thereafter for the remaining term of this agreement, Customer agrees to deliver to Pipeline and Pipeline agrees to receive for storage in Pipeline's underground storage properties, and Pipeline agrees to inject or cause to be injected into storage for Customer's account, store, withdraw from storage, and deliver to Customer and Customer agrees to receive, quantities of natural gas as set forth on Exhibit A, attached hereto.

ARTICLE II  
Rate

A. For storage service rendered by Pipeline to Customer hereunder, Customer shall pay Pipeline in accordance with Rate Schedule GSS-II contained in Pipeline's effective FERC Gas Tariff or any effective superseding rate schedule. Said rate schedule or superseding rate schedule and any revisions thereof which shall be filed and made effective shall apply to and be a part of this Agreement.

Pipeline shall have the right to propose to and file with the Federal Energy Regulatory Commission or other body having jurisdiction, changes and revisions of any effective rate schedule, or to propose and file superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Customer; provided, however, that any request by Pipeline to amend the terms and conditions of Rate Schedule GSS-II must be consistent with the terms and conditions of Article VII, Part 2, Paragraph (F) of the Stipulation filed on March 31, 1993 by Pipeline in Docket No. RS92-14 and conform to the requirements of Section 7(b) of the Natural Gas Act, if applicable, and provided further that Pipeline and Customer agree that they will not seek to place in effect a change in any aspect of the terms and conditions under Section 8 of Rate Schedule GSS-II for a period of two years from the date of such request. The filing of requests, changes and revisions of Rate Schedule GSS-II shall be without prejudice to the right of Customer to contest or oppose such requests, filings or revisions and their effectiveness.

B. The Storage Demand Charge and the Storage Capacity Charge provided in the aforesaid rate schedule shall commence on October 1, 1993.

### ARTICLE III Term of Agreement

Subject to all the terms and conditions herein, this Agreement shall be effective as of October 1, 1993, and shall continue in effect for a primary term through and including March 31, 2012, and for subsequent annual terms of April 1 through March 31 thereafter, until either party terminates this Agreement by giving written notice to the other at least twenty-four months prior to the start of an annual term.

### ARTICLE IV Points of Receipt and Delivery

The Points of Receipt for Customer's tender of storage injection quantities, and the Point(s) of Delivery for withdrawals from storage shall be specified on Exhibit A, attached hereto.

### ARTICLE V Miscellaneous

A. No change, modification or alteration of this Agreement shall be or become effective until executed in

writing by the parties hereto; provided, however, that the parties do not intend that this Article V.A. requires a further written agreement either prior to the making of any request or filing permitted under Article II hereof or prior to the effectiveness of such request or filing after Commission approval, provided further, however, that nothing in this Agreement shall be deemed to prejudice any position the parties may take as to whether the request, filing or revision permitted under Article II must be made under Section 7 or Section 4 of the Natural Gas Act.

B. Any notice, request or demand provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and sent to the following addresses:

Pipeline: CNG Transmission Corporation  
445 West Main Street  
Clarksburg, West Virginia 26301  
Attention: Vice President, Marketing  
and Customer Services

Customer: Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: John P. Harrington

Colonial Gas Company  
40 Market Street  
Lowell, MA 01852  
Attention: Joseph P. Murphy

or at such other address as either party shall designate by formal written notice.

C. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

D. The subject headings of the provisions of this Agreement are inserted for the purpose of convenient reference, and are not intended to become a part of or to be considered in any interpretations of such provisions.

#### ARTICLE VI Prior Contracts

This Service Agreement shall supersede and cancel, as of the effective date, the Service Agreement for storage

service between Customer and Pipeline dated June 23, 1989.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized officials as of the day and year first above written.

CNG TRANSMISSION CORPORATION  
(Pipeline)

By: \_\_\_\_\_  
Its: Vice President

COLONIAL GAS COMPANY  
(Customer)

By: John P. Harrington  
Its: Vice President, Gas Supply  
(Title)

EXHIBIT A

To The Storage Service Agreement  
Dated September 30, 1993  
Between CNG Transmission Corporation and  
Colonial Gas Company

A. Quantities

The quantities of natural gas storage service which Customer may utilize under this Service Agreement, as well as Customer's applicable Billing Determinants, are as follows:

1. Storage Capacity of 10,400 Dekatherms (Dt), and
2. Storage Demand of 104 Dt per day.

B. Points of Receipt and Delivery

1. The Point of Receipt for Customer's tender of storage injection quantities, and the maximum quantities and character of service for such point shall be as set forth below. Each of the parties will use due care and

diligence to assure that uniform pressures will be maintained at the Receipt Point as reasonably may be required to render service hereunder, but Pipeline will not be required to accept gas at less than the minimum pressure specified herein.

Up to 58 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern Transmission Corporation ("Texas Eastern"), in Fayette County, Pennsylvania, known as the North Summit Interconnection, at a pressure of not less than seven hundred (700) pounds per square inch ("psig").

2. The Points of Delivery for withdrawals from storage, and the maximum quantities and character of service for each point, shall be as set forth below. Each of the parties will use due care and diligence to assure that uniform pressures will be maintained at the Delivery Points as reasonably may be required to render service hereunder, but Pipeline will not be required to deliver gas at greater than the maximum pressures specified herein.

a. Up to 104 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern, in Fayette County, Pennsylvania, known as the North Summit Interconnection, at a pressure of not more than one thousand (1,000) psig.

b. Up to 104 Dt per Day at an existing point of interconnection between the facilities of Pipeline and Texas Eastern, in Greene County, Pennsylvania, known as the Crayne Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not more than eight hundred sixty-five (865) psig.

c. Up to 104 Dt per Day at the interconnection of the facilities of Pipeline and Texas Eastern or other pipeline(s) in Westmoreland County, Pennsylvania, known as the Oakford Interconnection, on an interruptible basis if operating conditions permit, at a pressure of not less than eight hundred fifty (850) psig.

3. Pipeline shall deliver on a firm basis up to Customer's Storage Demand, as adjusted pursuant to Section 8 of Rate Schedule GSS-II and Article V of this Service Agreement.

[END OF EXHIBIT 10tt TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

Contract #: 800350

SERVICE AGREEMENT  
FOR RATE SCHEDULE FT-1

This Service Agreement, made and entered into this 1st day of October, 1993, by and between TEXAS EASTERN TRANSMISSION CORPORATION, a Delaware Corporation (herein called "Pipeline") and COLONIAL GAS COMPANY (herein called "Customer", whether one or more),

W I T N E S S E T H:

WHEREAS, the Federal Energy Regulatory Commission required Pipeline to restructure Pipeline's services to reflect compliance with Order Nos. 636, 636-A, and 636-B (collectively hereinafter referred to as "Order No. 636"); and

WHEREAS, by order issued January 13, 1993 (62 FERC P61,015) and order issued April 22, 1993 (63 FERC P61,100), the Federal Energy Regulatory Commission accepted Pipeline's revised tariff sheets filed in compliance with Order No. 636 to become effective June 1, 1993, subject to certain conditions set forth in the April 22, 1993 order; and

WHEREAS, CNG Transmission Corporation ("CNG") made its final Order No. 636 service elections on May 3, 1993 pursuant to the April 22, 1993 order and Pipeline filed revised tariff sheets to become effective June 1, 1993 in compliance with the April 22, 1993 order; and

WHEREAS, Customer is also a customer of CNG; and

WHEREAS, CNG, in compliance with Order No. 636 and Federal Energy Regulatory Commission orders issued in Docket No. RS92-21, is assigning its firm service rights on Pipeline directly to its customers; and

WHEREAS, Customer's service rights hereunder are part of CNG's service rights being assigned to its customers; and

WHEREAS, Pipeline and Customer now desire to enter into this Service Agreement to reflect the assignment of CNG's service



rights to Customer;

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

## ARTICLE I

### SCOPE OF AGREEMENT

Subject to the terms, conditions and limitations hereof, of Pipeline's Rate Schedule FT-1, and of the General Terms and Conditions, transportation service hereunder will be firm. Subject to the terms, conditions and limitations hereof and of Pipeline's Rate Schedule FT-1, Pipeline agrees to deliver for Customer's account quantities of natural gas up to the following quantity:

Maximum Daily Quantity (MDQ)	1,996 dth
------------------------------	-----------

Pipeline shall receive for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Receipt) for transportation hereunder daily quantities of gas up to Customer's MDQ, plus Applicable Shrinkage. Pipeline shall transport and deliver for Customer's account, at those points on Pipeline's system as specified in Article IV herein or available to Customer pursuant to Section 14 of the General Terms and Conditions (hereinafter referred to as Point(s) of Delivery), such daily quantities tendered up to such Customer's MDQ.

Pipeline shall not be obligated to, but may at its discretion, receive at any Point of Receipt on any day a quantity of gas in excess of the applicable Maximum Daily Receipt Obligation (MDRO), plus Applicable Shrinkage, but shall not receive in the aggregate at all Points of Receipt on any day a quantity of gas in excess of the applicable MDQ, plus Applicable Shrinkage. Pipeline shall not be obligated to, but may at its discretion, deliver at any Point of Delivery on any day a quantity of gas in excess of the applicable Maximum Daily Delivery Obligation (MDDO), but shall not deliver in the aggregate at all Points of Delivery on any day a quantity of gas in excess of the applicable MDQ.

In addition to the MDQ and subject to the terms, conditions and limitations hereof, Rate Schedule FT-1 and the General Terms and Conditions, Pipeline shall deliver within the Access Area under this and all other service agreements under Rate Schedules CDS, FT-1, and/or SCT, quantities up to Customer's Operational Segment Capacity Entitlements, excluding those Operational Segment

Capacity Entitlements scheduled to meet Customer's MDQ, for Customer's account, as requested on any day.

ARTICLE II  
TERM OF AGREEMENT

The term of this Service Agreement shall commence on October 1, 1993 and shall continue in force and effect until 10/31/1999 and year to year thereafter unless this Service Agreement is terminated as hereinafter provided. This Service Agreement may be terminated by either Pipeline or Customer upon five (5) years prior written notice to the other specifying a termination date of any year occurring on or after the expiration of the primary term. Subject to Section 22 of Pipeline's General Terms and Conditions and without prejudice to such rights, this Service 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 guaranteeing payment to Pipeline of such outstanding bill.

THE TERMINATION OF THIS SERVICE AGREEMENT WITH A FIXED CONTRACT TERM OR THE PROVISION OF A TERMINATION NOTICE BY CUSTOMER TRIGGERS PREGRANTED ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT AS OF THE EFFECTIVE DATE OF THE TERMINATION. PROVISION OF A TERMINATION NOTICE BY PIPELINE ALSO TRIGGERS CUSTOMER'S RIGHT OF FIRST REFUSAL UNDER SECTION 3.13 OF THE GENERAL TERMS AND CONDITIONS ON THE EFFECTIVE DATE OF THE TERMINATION.

Any portions of this Service Agreement necessary to correct or cash-out imbalances under this Service Agreement as required by the General Terms and Conditions of Pipeline's FERC Gas Tariff, Volume No. 1, shall survive the other parts of this Service Agreement until such time as such balancing has been accomplished.

ARTICLE III

RATE SCHEDULE

This Service Agreement in all respects shall be and remain subject to the applicable provisions of Rate Schedule FT-1 and of the General Terms and Conditions of Pipeline's FERC Gas Tariff on file with the Federal Energy Regulatory Commission, all of which are by this reference made a part hereof.

Customer shall pay Pipeline, for all services rendered hereunder and for the availability of such service in the period stated, the applicable prices established under Pipeline's Rate Schedule FT-1 as filed with the Federal Energy Regulatory Commission, and as same may hereafter be legally amended or superseded.

Customer agrees that Pipeline shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Pipeline's Rate Schedule FT-1, (b) Pipeline's Rate Schedule FT-1 pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule FT-1. 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 Service Agreement and Pipeline shall not have the right during the effectiveness of this Service Agreement to make any filings pursuant to Section 4 of the Natural Gas Act to change the MDQ specified in Article I, to change the term of the service agreement as specified in Article II, to change Point(s) of Receipt specified in Article IV, to change the Point(s) of Delivery specified in Article IV, or to change the firm character of the service hereunder. Pipeline agrees that Customer may protest or contest the aforementioned filings, and Customer does not waive any rights it may have with respect to such filings.

#### ARTICLE IV

##### POINT(S) OF RECEIPT AND POINT(S) OF DELIVERY

The Point(s) of Receipt and Point(s) of Delivery at which Pipeline shall receive and deliver gas, respectively, shall be specified in Exhibit(s) A and B of the executed service agreement. Customer's Zone Boundary Entry Quantity and Zone Boundary Exit Quantity for each of Pipeline's zones shall be specified in Exhibit C of the executed service agreement.

Exhibit(s) A, B and C are hereby incorporated as part of this Service Agreement for all intents and purposes as if fully copied and set forth herein at length.

#### ARTICLE V

##### QUALITY

All natural gas tendered to Pipeline for Customer's account shall conform to the quality specifications set forth in Section 5 of Pipeline's General Terms and Conditions. Customer agrees that in the event Customer tenders for service hereunder

and Pipeline agrees to accept natural gas which does not comply with Pipeline's quality specifications, as expressly provided for in Section 5 of Pipeline's General Terms and Conditions, Customer shall pay all costs associated with processing of such gas as necessary to comply with such quality specifications. Customer shall execute or cause its supplier to execute, if such supplier has retained processing rights to the gas delivered to Customer, the appropriate agreements prior to the commencement of service for the transportation and processing of any liquefiable hydrocarbons and any PVR quantities associated with the processing of gas received by Pipeline at the Point(s) of Receipt under such Customer's service agreement. In addition, subject to the execution of appropriate agreements, Pipeline is willing to transport liquids associated with the gas produced and tendered for transportation hereunder.

## ARTICLE VI

### ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Pipeline's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Service Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or regular mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Pipeline: Texas Eastern Transmission Corporation  
5400 Westheimer Court  
Houston, Texas 77056-5310

(b) Customer: COLONIAL GAS COMPANY  
40 MARKET STREET  
LOWELL, MA 01853

or such other address as either party shall designate by formal written notice.

## ARTICLE VII

### ASSIGNMENTS

Any Company which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of Customer, or of Pipeline, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Service Agreement; and either Customer or Pipeline may assign or pledge this Service Agreement

under the provisions of any mortgage, deed of trust, indenture, bank credit agreement, assignment, receivable sale, or similar instrument which it has executed or may execute hereafter; otherwise, neither Customer nor Pipeline shall assign this Service Agreement or any of its rights hereunder unless it first shall have obtained the consent thereto in writing of the other; provided further, however, that neither Customer nor Pipeline shall be released from its obligations hereunder without the consent of the other. In addition, Customer may assign its rights to capacity pursuant to Section 3.14 of the General Terms and Conditions. To the extent Customer so desires, when it releases capacity pursuant to Section 3.14 of the General Terms and Conditions, Customer may require privity between Customer and the Replacement Customer, as further provided in the applicable Capacity Release Umbrella Agreement.

#### ARTICLE VIII

##### INTERPRETATION

The interpretation and performance of this Service Agreement shall be in accordance with the laws of the State of Texas without recourse to the law governing conflict of laws.

This Service Agreement and the obligations of the parties are subject to all present and future valid laws with respect to the subject matter, State and Federal, and to all valid present and future orders, rules, and regulations of duly constituted authorities having jurisdiction.

#### ARTICLE IX

##### CANCELLATION OF PRIOR CONTRACT(S)

This Service Agreement supersedes and cancels, as of the effective date of this Service Agreement, the contract(s) between the parties hereto as described below:

NONE

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be signed by their respective Presidents, Vice Presidents or other duly authorized agents and their respective corporate seals to be hereto affixed and attested by their respective Secretaries or Assistant Secretaries, the day and year first above written.

TEXAS EASTERN TRANSMISSION CORPORATION

By: Diane T. Tom  
Vice President

ATTEST:

Robert W. Reed

COLONIAL GAS COMPANY

By: John P. Harrington  
Vice President, Gas Supply

ATTEST:

Phyllis G. Semenchuk

EXHIBIT A, TRANSPORTATION PATHS  
FOR BILLING PURPOSES, DATED OCTOBER 1, 1993  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline")  
AND COLONIAL GAS COMPANY ("Customer"),  
DATED OCTOBER 1, 1993:

(1) Customer's firm Point(s) of Receipt:

Point of Receipt	Description	Maximum Daily Receipt Obligation (plus Applicable Shrinkage) (dth)	Measurement Responsibilities	Owner	Operator
70028	SOUTHERN NATURAL (FROM T.E.) - KOSCIUSKO, MS TO ATTALA CO., MS	6*	TX EAST TRAN	TX EAST TRN	SOTHN NAT GAS
70217	UNITED GAS KOSCIUSKO, MS ATTALA CO., MS	121*	UNIT GAS PL	UNIT GAS PL	UNIT GAS PL PL

\* Included in Firm Receipt Point entitlements as set forth in section 14 of Pipeline's General Terms and Conditions at the Kosciusko, Mississippi Point of Receipt.

(2) Customer shall have Pipeline's Master Receipt Point List ("MRPL"). Customer hereby agrees that Pipeline's MRPL as revised and published by Pipeline from time to time is incorporated herein by reference.

Customer hereby agrees to comply with the Receipt Pressure Obligation as set forth in Section 6 of Pipeline's General Terms and Conditions at such Point(s) of Receipt.

Transportation Path	Transportation Path Quantity (Dth/D)
M1 to M2	1,996

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT A DATED: \_\_\_\_\_

EXHIBIT B, POINT(S) OF DELIVERY, DATED OCTOBER 1, 1993,  
TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1  
BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("Pipeline"), AND  
COLONIAL GAS COMPANY ("Customer"),  
DATED OCTOBER 1, 1993:

Point of Delivery	Description	Maximum Daily Delivery Obligation (dth)	Delivery Pressure Obligation	Measurement Respon- sibilities	Owner	Operator
70004	CNG TRANS- MISSION - CLARINGTON, OH MONROE CO., OH		As provided in Section 6 of the Gen- eral Terms and Condi- tions of Pipeline's FERC Gas Tariff	TX EAST TRAN	TX EAST TRAN	TX EAST TRAN
70051	CNG TRANS- MISSION - SOMERSET, PA SOMERSET		As provided in Section 6 of the Gen- eral Terms	TX EAST TRAN	TX EAST TRAN	CNG TRANS

	CO., PA	and Condi- tions of Pipeline's Gas Tariff		
70372	CNG TRANS- MISSION - MOUNDS- VILLE, WV MARSHALL CO., WV	At the oper- ating pres- sure exist- ing at the point of delivery	TX EAST TRAN	TX EAST CNG TRANS TRAN
70450	CNG TRANS- MISSION - SUMMERFIELD, OH NOBLE CO., OH	At the oper- ating pres- sure exist- ing at the point of delivery	TX EAST TRAN	TX EAST CNG TRANS TRAN
70471	CNG TRANS- MISSION - WOODSFIELD, OH MONROE CO., OH	200 pounds per square inch gauge	TX EAST TRAN	TX EAST CNG TRANS TRAN
70983	CNG TRANS- MISSION POWHATAN POINT, OH MONROE CO., OH	300 pounds per square inch gauge	CNG TRANS	CNG CNG TRANS TRANS
72533	DAMSON (PEOPLES) MM - SOMER- SET, PA SOMERSET CO., PA	At the oper- ating pres- sure exist- ing at the point of delivery	PEOPLES NG (PA)	PEOPLES DAMSON NG (PA) OIL
75037	CNG TRANSMISSION- WAYNESBURG, PA(D70037) GREENE CO., PA	As provided in Section 6 of the Gen- eral Terms and Condi- tions of Pipeline's FERC Gas Tariff	TX EAST TRAN	TX EAST CNG TRANS TRAN
75082	TETCO - OAKFORD	575 pounds per square	CNG TRANS	TX EAST CNG TRANS TRAN



STORAGE, PA-  
(D70082/R76082)  
WESTMORELAND  
CO., PA

inch gauge

79921	COMPRESSOR STATION 21A (UNIONTOWN) FAYETTE CO., PA		At any pres- sure pro- vided by Texas East- ern not to exceed 1,000 pounds per square inch gauge	TX EAST TRAN	TX EAST CNG TRAN	TRANS
79849	CNG - COLONIAL GAS COMPANY FOR NOMINA- TION PUR- POSES	1,996	N/A	N/A	N/A	N/A

provided, however, that all service under this Service Agreement shall be within the limitations set forth in the Dispatching Agreement dated \_\_\_\_\_ between Pipeline, Customer and CNG Transmission Corporation.

SIGNED FOR IDENTIFICATION

PIPELINE: \_\_\_\_\_

CUSTOMER: John P. Harrington

SUPERSEDES EXHIBIT B DATED: \_\_\_\_\_

EXHIBIT C, ZONE BOUNDARY ENTRY QUANTITY AND ZONE BOUNDARY EXIT QUANTITY, DATED OCTOBER 1, 1993, TO THE SERVICE AGREEMENT UNDER RATE SCHEDULE FT-1 BETWEEN TEXAS EASTERN TRANSMISSION CORPORATION ("PIPELINE") AND COLONIAL GAS COMPANY ("CUSTOMER") DATED OCTOBER 1, 1993:

ZONE BOUNDARY ENTRY QUANTITY  
Dth/D

FROM STX TO M1-TGC:	53
FROM ETX TO M1-24:	225
FROM ETX TO M1-TXG:	80
FROM WLA TO M1-TXG:	24
FROM WLA TO M1-TGC:	53
FROM ELA TO M1-30:	1,590
FROM M1-24 TO M2-24:	225
FROM M1-30 TO M2-30:	1,590
FROM M1-TXG TO M2-TXG:	105
FROM M1-TGC TO M2-TGC:	106

[END OF EXHIBIT 10uu TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 224 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

## POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

## ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

## ARTICLE V

### QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

## ARTICLE VI

### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly

constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

## ARTICLE VII

### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE VIII

### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

## ARTICLE IX

### REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

## ARTICLE X

### RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and

ARTICLE XI

WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII

TERM

12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of November, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service

rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

#### ARTICLE XIII

#### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

LOWELL, MA 01852-3064  
Attention: JOHN P. HARRINGTON

BILLING: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

LOWELL, MA 01852-3064  
Attention: MARTIN DEBRUIN

or to such other address as either Party shall designate by formal written notice to the other.

#### ARTICLE XIV

##### ASSIGNMENTS

14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

##### MISCELLANEOUS

15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.

15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.

15.4 Exhibit "A" attached hereto is incorporated herein by



reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: John P. Harrington  
TITLE: Vice President, Gas Supply  
DATE: October 20, 1993

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT  
DATED September 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: September 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 2496  
SERVICE PACKAGE TQ: 224 Dth

[RECEIPT POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
001366	TRANSCONTINENTAL-UTOS EXCH	11	11
010031	UNION-E TEXAS PLT DEHYD	79	79
011366	CHEVRON-VERMILION BLK 245E DE	99	99

## [DELIVERY POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
020076	NATIONAL-HAMBURG NY	224	224
020077	NATIONAL-E AURORA NY	119	119
020088	NATIONAL-MAYVILLE NY	224	224
020092	NATIONAL-LEWISTON NY	119	119
020243	NATIONAL-NASHVILLE STG NY	224	224
020326	NATIONAL-PEKIN NY	119	119
020428	NATIONAL-SHERMAN NY	224	224

NUMBER OF RECEIPT POINTS: 4

NUMBER OF DELIVERY POINTS: 7

[END OF EXHIBIT 10vv TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

SERVICE AGREEMENT  
(EFT Service)

AGREEMENT made this 28th day of October, 1993, by and between NATIONAL FUEL GAS SUPPLY CORPORATION, a Pennsylvania corporation, hereinafter called "Transporter" and COLONIAL GAS COMPANY, a Massachusetts corporation, hereinafter called "Shipper."

WHEREAS, Shipper has requested that Transporter transport natural gas; and

WHEREAS, Transporter has agreed to provide such transportation for Shipper subject to the terms and conditions hereof.

WITNESSETH: That, in consideration of the mutual covenants herein contained, the parties hereto agree that Transporter will transport for Shipper, on a firm basis, and Shipper will furnish, or cause to be furnished, to Transporter natural gas for such transportation during the term hereof, at the prices and on the terms and conditions hereinafter provided.

ARTICLE I  
Quantities

Beginning on the date on which deliveries of gas are commenced hereunder and thereafter for the remaining term of this Agreement, and subject to the provisions of Transporter's EFT Rate Schedule, Transporter agrees to transport for Shipper's account up to the following quantities of natural gas: Contract Maximum Daily Transportation Quantity (MDTQ) of 577 Deatherms (Dth)

ARTICLE II  
Rate

Unless otherwise mutually agreed in a written amendment to this Agreement, for each dekatherm of gas transported for Shipper by Transporter hereunder, Shipper shall pay Transporter the maximum rate provided under Rate Schedule EFT set forth in Transporter's effective FERC Gas Tariff. In the event that the Transporter places on file with the Federal Energy Regulatory Commission ("Commission") another rate schedule which may be applicable to

transportation service rendered hereunder, then Transporter, at its option, may from and after the effective date of such rate schedule, utilize such rate schedule in performance of this Agreement. Such a rate schedule(s) or superseding rate schedule(s) and any revisions thereof which shall be filed and become effective shall apply to and be a part of this Agreement. Transporter shall have the right to propose, file and make effective with the Commission, or other body having jurisdiction, changes and revisions of any effective rate schedule(s), or to propose, file, and make effective superseding rate schedules, for the purpose of changing the rate, charges, and other provisions thereof effective as to Shipper.

Shipper agrees to reimburse Transporter for the filing fees associated with this service and paid to the Commission.

### ARTICLE III Term of Agreement

This Agreement shall be effective as of August 1, 1993 and shall continue in effect until October 31, 2000, and shall continue in effect from year to year thereafter until terminated by either Shipper or Transporter upon twelve (12) months written notice to the other.

### ARTICLE IV Points of Receipt and Delivery

The Point(s) of Receipt for all gas that may be received for Shipper's account for transportation by Transporter, and the receipt entitlements applicable to each point of receipt, or combinations of receipt points, are set forth in Appendix A.

The Point(s) of Delivery for all gas to be delivered by Transporter for Shipper's account are set forth in Appendix B.

### ARTICLE V Incorporation By Reference of Tariff Provisions

To the extent not inconsistent with the terms and conditions of this agreement, the provisions of Rate Schedule EFT, or any effective superseding rate schedule or otherwise applicable rate schedule, including any provisions of the General Terms and Conditions incorporated therein, and any revisions thereof that may be made effective hereafter are hereby made applicable to and a part hereof by reference.

ARTICLE VI  
Cancellation of Prior Contracts

If this Agreement becomes effective as an executed service agreement, it shall supersede and cancel all prior gas sales agreements between the parties, including but not limited to Shipper's interest in the Gas Sales Agreement dated February 27, 1984 between Algonquin Gas Transmission Company as Buyer and National Fuel Gas Supply Corporation as Seller.

ARTICLE VII  
Miscellaneous

1. No change, modification or alteration of this Agreement shall be or become effective until executed in writing by the parties hereto, and no course of dealing between the parties shall be construed to alter the terms hereof, except as expressly stated herein.

2. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any other default or defaults, whether of a like or of a different character.

3 Any company which shall succeed by purchase, merger or consolidation of the gas related properties, substantially as an entirety, of Transporter or of Shipper, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise, no assignment of this Agreement or of any of the rights or obligations hereunder shall be made unless there first shall have been obtained the consent thereto in writing of the other party. Consent shall not be unreasonably withheld.

4. Except as herein otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement, or any notice which either party may desire to give the other, shall be in writing and shall be considered as duly delivered when mailed by registered or certified mail to the Post Office address of the parties hereto, as the case may be, as follows:

Transporter: National Fuel Gas Supply Corporation  
Gas Supply - Transportation

Room 1200  
10 Lafayette Square  
Buffalo, New York 14203

Shipper: Colonial Gas Company  
Attn: John P. Harrington, Vice President  
Gas Supply  
40 Market Street  
P.O. Box 3064  
Lowell, MA 01853

or at such other address as either party shall designate by formal written notice. Routine communications, including monthly statements, shall be considered as duly delivered when mailed by either registered, certified, or ordinary mail, electronic communication, or telecommunication.

5. Transporter and Shipper shall proceed with due diligence to obtain such governmental and other regulatory authorizations as may be required for the rendition of the services contemplated herein, provided that Transporter reserves the right to file and prosecute applications for such authorizations, any supplements or amendments thereto and, if necessary, any court review, in such manner as it deems to be in its best interest, including the right to withdraw the application or to file leadings and motions (including motions for dismissal).

6. This Agreement and the respective obligations of the parties hereunder are subject to all present and future valid laws, orders, rules and regulations of constituted authorities having jurisdiction over the parties, their functions or gas supply, this Agreement or any provision hereof. Neither party shall be held in default for failure to perform hereunder if such failure is due to compliance with laws, orders, rules or regulations of any such duly constituted authorities.

7. The subject headings of the articles of this Agreement are inserted for the purpose of convenient reference and are not intended to be a part of the Agreement nor considered in any interpretation of the same.

8. No presumption shall operate in favor of or against either party hereto as a result of any responsibility either party may have had for drafting this Agreement.

9. The interpretation and performance of this Agreement shall be in accordance with the laws of the State of Pennsylvania, without recourse to the law regarding the

conflict of laws.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized personnel and attested by their respective Secretaries or Assistant Secretaries, the day any year first above written.

NATIONAL FUEL GAS SUPPLY CORPORATION  
Transporter

Attest:

\_\_\_\_\_  
Secretary  
(Corporate Seal)

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

COLONIAL GAS COMPANY

Shipper

Attest:

Carol E. Elden  
Secretary  
(Corporate Seal)

By: John P. Harrington  
Vice President, Gas Supply

Appendix A

Receipt Entitlements  
Colonial Gas Company  
(all Quantities in Dth)

Upstream Receipts		
TGP	Zone 4 Points	365
	Zone 5 Points	224
Total Upstream Receipts		589
Total Receipt Entitlements		589

Available Receipt Points

Meter Name	Meter Number	Line Designation
Zone 5 points		
Clarence	2-0497	XM-2
Colden Storage	6-0003	T

East Aurora	2-0077	X
Hamburg (E. Eden)	2-0076	T,X
Lewiston	2-0092	8 inch
Mayville	2-0088	6 inch
Nashville Storage	2-0243	RM-32
Pekin	2-0326	Z
Sherman	2-0428	4 inch

Zone 4 points

Cochrannton	2-0314	S-M2
Coudersport	2-0074	Y-M2
Cranberry Sales	2-0703	H
Hebron Storage	6-0001	Storage
Lamont	2-0072	K
Mercer	2-0069	N-M44
Pettis	2-0071	H-M2
Rose Lake	2-0527	Y-M2
Russel City	2-0301	L
Sharon	2-0496	N-M51
Townville	2-0390	4 inch
Union City	2-0200	Q
Wattsburg	2-0075	D-20
National-Camp Perry Sales	2-0767	200 leg

Appendix B  
Available Delivery Points

Meter Name	Meter Number	Line Designation
Wharton	3261	YM7

[END OF EXHIBIT 10ww TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of September, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 365 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

## POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

## ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

## ARTICLE V

### QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

## ARTICLE VI

### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter

agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

## ARTICLE VII

### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE VIII

### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

## ARTICLE IX

### REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

## ARTICLE X

### RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

## ARTICLE XI

### WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

## ARTICLE XII

### TERM

12.1 This Agreement shall be effective as of the 1st day of September, 1993, and shall remain in force and effect until the 1st day of November, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a

succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

#### ARTICLE XIII

##### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064  
LOWELL, MA 01852-3064  
Attention: JOHN P. HARRINGTON

BILLING: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

or to such other address as either Party shall designate by formal written notice to the other.

#### ARTICLE XIV

##### ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

##### MISCELLANEOUS

- 15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.
- 15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and Shipper has been notified through TENN-SPEED 2 of Transporter's agreement to such change.

15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

BY: \_\_\_\_\_  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: John P. Harrington

TITLE: Vice President, Gas Supply

DATE: October 20, 1993

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT  
DATED September 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: September 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 2521  
SERVICE PACKAGE TQ: 365 Dth

[RECEIPT POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
001366	TRANSCONTINENTAL-UTOS EXCH	23	23

010031	UNION-E TEXAS PLT DEHYD	110	110
012013	TENNESSEE-SABINE RIVER TRANS	54	54
012100	ENSEARCH-KATY EXCHANGE	18	18
011366	CHEVRON VERMILION BLK 245E DE	160	160

[DELIVERY POINTS]

020069	NATIONAL-MERCER PA	365	365
020071	NATIONAL-PETTIS PA	365	365
020074	NATIONAL-COUDERSPORT PA	159	159
020075	NATIONAL-WATTSBURG PA	142	142
020200	NATIONAL-UNION CITY PA	142	142
020301	NATIONAL-RUSSELL CITY PA	53	53
020314	NATIONAL-COCHRANTON PA	365	365

NUMBER OF RECEIPT POINTS: 5

NUMBER OF DELIVERY POINTS: 7

[END OF EXHIBIT 10xx TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



0003-LG

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AIT-1)

This Agreement ("Agreement") is made and entered into this 15th day of September, 1993, by and between Algonquin Gas Transmission Company, a Delaware Corporation (herein called "Algonquin"), and Colonial Gas Company (herein called "Customer" whether one or more persons).

W I T N E S S E T H :

WHEREAS, under the superseded Rate Schedule T-LG, Algonquin transported gas received by displacement from Providence Gas Company ("Providence Gas"), which delivery by Providence Gas was accomplished by physical deliveries to Providence Gas from the storage facilities of Algonquin LNG, Inc. in Providence, Rhode Island; and

WHEREAS, as a result of restructuring under Order No. 636, Rate Schedule T-LG has been superseded and replaced by service under Rate Schedule AIT-1 with the quantities being treated as "old interruptible service" for purposes of scheduling of service under Section 23 of the General Terms and Conditions;

NOW, THEREFORE, in consideration of the premises and mutual agreements, herein contained, Algonquin and Customer do agree as follows:

ARTICLE I  
SCOPE OF AGREEMENT

- 1.1 Subject to the terms, conditions and limitations hereof and of Algonquin's Rate Schedule AIT-1, Algonquin agrees to receive from or for the account of Customer for transportation on an interruptible basis quantities of natural gas tendered by Customer on any date at the Point(s) of Receipt; provided, however, Customer shall not tender without the prior consent of Algonquin, at any Point of Receipt on any day a quantity of natural gas in excess of the applicable Maximum Daily Receipt Obligation for such Point of Receipt plus the applicable Fuel Reimbursement Quantity; and provided

further that Customer shall not tender at all Point(s) of Receipt on any day or in any year a cumulative quantity of natural gas, in excess of the following quantities of natural gas plus the applicable Fuel Reimbursement Quantities:

The Maximum Daily Transportation Quantity which, on any day, shall be equal to (i) the sum of the Maximum Daily Transportation Quantities for service under Customer's existing service agreements under firm rate schedules in Algonquin's FERC Gas Tariff minus (ii) the total quantity of gas actually scheduled for delivery to Customer under such rate schedules and the Backup

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AIT-1)

ARTICLE I  
SCOPE OF AGREEMENT  
(Continued)

Portion of Storage Demand under former Rate Schedules STB and SS-III on that day, as applicable. Customer's Maximum Daily Receipt Obligation shall equal Customer's Maximum Daily Transportation Quantity for each day; provided, however, that only quantities received by displacement from Providence Gas at the Providence Point of Receipt shall be treated as "old interruptible service" under Section 23.1 of the General Terms and Conditions; and

The Maximum Annual Transportation Quantity, which is equal to the yearly aggregate of Customer's Maximum Daily Transportation Quantity.

- 1.2 Algonquin agrees to transport and deliver to or for the account of Customer at the Point(s) of Delivery and Customer agrees to accept or cause acceptance of delivery of the quantity received by Algonquin on any day, less the Fuel Reimbursement Quantity; provided, however, Algonquin shall not be obligated to deliver at any Point of Delivery on any day a quantity of natural gas in excess of the applicable Maximum Daily Delivery Obligation ("MDDO"). Customer's MDDO for each such Point of Delivery on any day shall be equal to (i) the sum of the MDDOs set forth in Customer's existing service agreements under firm rate schedules in Algonquin's FERC Gas Tariff minus (ii) the total quantity of gas actually scheduled for delivery to Customer at each such Point of Delivery under such rate schedules and the Backup Portion of Storage Demand

under former Rate Schedules STB and SS-III, as applicable, on that day.

ARTICLE II  
TERM OF AGREEMENT

2.1 This Agreement shall become effective as of the date set forth hereinabove and shall continue in effect for a term ending May 31, 1994 ("Primary Term") and shall remain in force from month to month thereafter unless terminated by either party by written notice one year or more prior to the end of the Primary Term or any successive term thereafter.

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AIT-1)

ARTICLE II  
TERM OF AGREEMENT  
(Continued)

2.2 This Agreement may be terminated at any time by Algonquin 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 days after payment is due; provided Algonquin gives ten 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 guaranteeing payment to Algonquin of such outstanding bill; provided that Algonquin shall not be entitled to terminate service pending the resolution of a disputed bill if Customer complies with the billing dispute procedure currently on file in Algonquin's tariff.

ARTICLE III  
RATE SCHEDULE

3.1 Customer shall pay Algonquin for all services rendered hereunder and for the availability of such service under Algonquin's Rate Schedule AIT-1 as filed with the Federal Energy Regulatory Commission and as the same may be hereafter revised or changed. The rate to be charged Customer for transportation hereunder shall not be more than the maximum rate under Rate Schedule AIT-1, nor less than the minimum rate under Rate Schedule AIT-1.

3.2 This Agreement and all terms and provisions contained or incorporated herein are subject to the provisions of

Algonquin's applicable rate schedules and of Algonquin's General Terms and Conditions on file with the Federal Energy Regulatory Commission, or other duly constituted authorities having jurisdiction, and as the same may be legally amended or superseded, which rate schedules and General Terms and Conditions are by this reference made a part hereof.

3.3 Customer agrees that Algonquin shall have the unilateral right to file with the appropriate regulatory authority and make changes effective in (a) the rates and charges applicable to service pursuant to Algonquin's Rate Schedule AIT-1, (b) Algonquin's Rate Schedule AIT-1, pursuant to which service hereunder is rendered or (c) any provision of the General Terms and Conditions applicable to Rate Schedule AIT-1. Algonquin agrees that Customer may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Algonquin's existing FERC Gas Tariff as may be found necessary to assure that the provisions in (a), (b), or (c) above are just and reasonable.

SERVICE AGREEMENT  
(APPLICABLE TO RATE SCHEDULE AIT-1)

ARTICLE IV  
ADDRESSES

Except as herein otherwise provided or as provided in the General Terms and Conditions of Algonquin's FERC Gas Tariff, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which any party may desire to give to the other, shall be in writing and shall be considered as duly delivered when mailed by registered, certified, or first class mail to the post office address of the parties hereto, as the case may be, as follows:

(a) Algonquin: Algonquin Gas Transmission Company  
1284 Soldiers Field Road, Boston, MA 02135  
Attn: John J. Mullaney  
Vice President, Marketing

(b) Customer: Colonial Gas Company  
40 Market Street, P. O. Box 3064  
Lowell, MA 01853  
Attn: John P. Harrington  
Vice President, Gas Supply

or such other address as either party shall designate by

formal written notice.

ARTICLE V  
INTERPRETATION

The interpretation and performance of the Agreement shall be in accordance with the laws of the Commonwealth of Massachusetts, excluding conflicts of law principles that would require the application of the laws of a different jurisdiction.

ARTICLE VI  
AGREEMENTS BEING SUPERSEDED

When this Agreement becomes effective, it shall supersede the following agreements between the parties hereto.

Service Agreement executed by Customer and Algonquin under Rate Schedule T-LG dated November 1, 1984.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective agents thereunto duly authorized, the day and year first above written.

ALGONQUIN GAS TRANSMISSION COMPANY

By: /s/ John J. Mullaney

Title: Vice President, Marketing

COLONIAL GAS COMPANY

By: /s/ John P. Harrington

Title: Vice President, Gas Supply

[EXHIBIT 10yy TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]



GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the 1st day of October, 1993, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as "Transporter" and COLONIAL GAS CO, a MASSACHUSETTS Corporation, hereinafter referred to as "Shipper." Transporter and Shipper shall collectively be referred to herein as the "Parties."

ARTICLE I

DEFINITIONS

- 1.1 TRANSPORTATION QUANTITY (TQ) - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be 3,661 dekatherms. Any limitations of the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit "A" attached hereto.
- 1.2 EQUIVALENT QUANTITY - shall be as defined in Article I of the General Terms and Conditions of Transporter's FERC Gas Tariff.

ARTICLE II

TRANSPORTATION

Transportation Service - Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt from Shipper or for Shipper's account such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

ARTICLE III

## POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit "A" attached hereto.

## ARTICLE IV

All facilities are in place to render the service provided for in this Agreement.

## ARTICLE V

### QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper's.

## ARTICLE VI

### RATES AND CHARGES FOR GAS TRANSPORTATION

- 6.1 TRANSPORTATION RATES - Commencing upon the effective date hereof, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter's Rate Schedule FT-A and the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 6.2 INCIDENTAL CHARGES - Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES - Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter



agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

## ARTICLE VII

### BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of Transporter's FERC Gas Tariff.

## ARTICLE VIII

### GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

## ARTICLE IX

### REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary approvals or authorizations, but no Party shall be liable to any other Party for failure to obtain or continue such approvals or authorizations.
- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284, of the FERC Regulations.

## ARTICLE X

### RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

## ARTICLE XI

### WARRANTIES

11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:

- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place as of the requested effective date of service, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
- (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.

11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

## ARTICLE XII

### TERM

12.1 This Agreement shall be effective as of the 1st day of October, 1993, and shall remain in force and effect until the 31st day of October, 2000, ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then unless Shipper elects upon one year's prior written notice to Transporter to request a lesser extension term, the Agreement shall automatically extend upon the expiration of the Primary Term for a term of five years and shall automatically extend for successive five year terms thereafter unless Shipper provides notice described above in advance of the expiration of a

succeeding term; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

12.2 Any portions of this Agreement necessary to resolve or cash-out imbalances under this Agreement as required by the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1, shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance no later than twelve months after the termination of this Agreement.

12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter's FERC Tariff.

#### ARTICLE XIII

##### NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company  
P. O. Box 2511  
Houston, Texas 77252-2511  
Attention: Transportation Marketing

SHIPPER:

NOTICES: COLONIAL GAS CO  
40 MARKET STREET  
P.O. BOX 3064

LOWELL, MA 01852-3064  
Attention: JAMES M. STEPHENS

BILLING: COLONIAL GAS CO  
40 MARKET STREET

LOWELL, MA 01852-3064

Attention: MARTIN DEBRUIN

or to such other address as either Party shall designate by formal written notice to the other.

#### ARTICLE XIV

#### ASSIGNMENTS

14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

#### ARTICLE XV

#### MISCELLANEOUS

15.1 The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Texas, without regard to the doctrines governing choice of law.

15.2 If any provisions of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this agreement shall be or become effective until Shipper has submitted a request for change through the TENN-SPEED 2 System and

Shipper has been notified through TENN-SPEED 2 of  
Transporter's agreement to such change.

15.4 Exhibit "A" attached hereto is incorporated herein by  
reference and made a part hereof for all purposes.

IN WITNESS WHEREOF, the Parties hereto have caused this  
Agreement to be duly executed as of the date first hereinabove  
written.

TENNESSEE GAS PIPELINE COMPANY

BY: [executed through electronic bulletin board]  
Agent and Attorney-in-Fact

COLONIAL GAS CO

BY: [executed through electronic bulletin board]

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

GAS TRANSPORTATION AGREEMENT  
(For Use Under FT-A Rate Schedule)

EXHIBIT "A"  
AMENDMENT #0 TO GAS TRANSPORTATION AGREEMENT  
DATED October 1st, 1993  
BETWEEN  
TENNESSEE GAS PIPELINE COMPANY  
AND  
COLONIAL GAS CO

COLONIAL GAS CO  
EFFECTIVE DATE OF AMENDMENT: October 1st, 1993  
RATE SCHEDULE: FT-A  
SERVICE PACKAGE: 3894  
SERVICE PACKAGE TQ: 3,661 Dth

[RECEIPT POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
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020744 STA 542 POOLING POINT 3,661 3,661

[DELIVERY POINTS]

Meter Number	Meter Name	Total Quantity	Billable Quantity
020044	CNG-BRRUN CORNWELL W FA	3,661	3,661

NUMBER OF RECEIPT POINTS: 1

NUMBER OF DELIVERY POINTS: 1

[END OF EXHIBIT 10zz TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

[EXHIBIT 13a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING DECEMBER 31, 1993]

CONSOLIDATED STATEMENTS OF INCOME

(In Thousands Except Per Share Amounts)	Year Ended December 31,		
	1993	1992	1991
Operating Revenues	\$166,261	\$145,054	\$137,719
Cost of gas sold	90,915	75,143	73,288
Operating Margin	75,346	69,911	64,431
Operating Expenses:			
Operations	32,748	31,481	29,764
Maintenance	5,631	5,477	5,124
Depreciation and amortization	6,831	5,914	5,488
Local property taxes	2,496	2,059	1,683
Other taxes	1,359	1,300	1,184
Total Operating Expenses	49,065	46,231	43,243
Income Taxes:			
Federal income tax	6,111	5,390	3,803
State franchise tax	1,280	1,139	963
Total Income Taxes	7,391	6,529	4,766
Utility Operating Income	18,890	17,151	16,422
Other Operating Income (Expense):			
Truck transportation revenues	7,558	9,799	8,087
Truck transportation expenses, including income taxes and interest	(7,163)	(9,622)	(8,678)
Truck Transportation Net Income (Loss)	395	177	(591)
Other, net of income taxes	(186)	(141)	(142)
Total Other Operating Income (Expense)	209	36	(733)
Non-Operating Income, Net of Income Taxes	1,064	922	769
Income Before Interest and Debt Expense	20,163	18,109	16,458
Interest and Debt Expense	8,141	7,466	8,141
Net Income	\$ 12,022	\$ 10,643	\$ 8,317
 Average Common Shares Outstanding	 7,931	 7,728	 7,529
 Income per Average Common Share	 \$ 1.52	 \$ 1.38	 \$ 1.10
 Dividends Paid per Common Share	 \$ 1.235	 \$ 1.213	 \$ 1.193

The accompanying notes are an integral part of these statements.

[END OF CONSOLIDATED STATEMENTS OF INCOME]

CONSOLIDATED BALANCE SHEETS

Assets (In Thousands)	December 31,	
	1993	1992
Utility Property:		
At original cost	\$260,570	\$236,515
Accumulated depreciation	(57,857)	(52,700)
Net Utility Property	202,713	183,815
Non-Utility Property - Net	3,235	4,039
Net Property	205,948	187,854
Capital Leases - Net	3,914	4,366
Current Assets:		
Cash and cash equivalents	5,482	4,433
Accounts receivable	16,156	18,535
Allowance for doubtful accounts	(1,682)	(1,187)
Accrued utility revenues	7,170	5,492
Unbilled gas costs	16,759	18,881
Fuel inventory - at average cost	13,717	13,432
Materials and supplies - at average cost	3,812	3,868
Prepayments and other current assets	6,254	8,309
Total Current Assets	67,668	71,763
Deferred Charges and Other Assets:		
Unrecovered deferred income taxes	12,689	12,928
Unrecovered environmental costs incurred	4,062	3,119
Unrecovered environmental costs accrued	5,300	13,800
Unrecovered transition costs accrued	2,000	-
Unrecovered pension costs	3,215	2,962
Excess cost of investments over net		
assets acquired	2,798	2,798
Other	4,524	3,332
Total Deferred Charges and		
Other Assets	34,588	38,939
Total Assets	\$312,118	\$302,922

#### CONSOLIDATED BALANCE SHEETS

Capitalization and Liabilities (In Thousands)	December 31,	
	1993	1992
Capitalization:		
Common Equity:		
Common Stock	\$ 26,739	\$ 26,122
Premium on Common Stock	45,799	42,133
Retained earnings	21,745	19,516
Total Common Equity	94,283	87,771
Long-Term Debt	87,432	90,750
Total Capitalization	181,715	178,521
Capital Lease Obligations	3,149	3,591



Current Liabilities:		
Current maturities of long-term debt	3,318	1,500
Current capital lease obligations	765	776
Notes payable	32,600	24,500
Gas inventory purchase obligations	15,233	14,741
Accounts Payable	12,161	12,543
Accrued interest	1,017	1,024
Pipeline refunds due customers	2,076	1,456
Accrued pipeline charges	305	911
Current deferred income taxes	2,212	4,323
Other current liabilities	3,726	2,793
Total Current Liabilities	73,413	64,567

Deferred Credits and Reserves:		
Deferred income taxes - Funded	23,395	19,054
Deferred income taxes - Unfunded	12,689	12,928
Deferred income taxes - Due customers	1,238	1,293
Accrued environmental costs	5,300	13,800
Accrued transition costs	2,000	-
Unamortized investment tax credits	4,449	4,703
Pension reserve	3,586	3,331
Other deferred credits and reserves	1,184	1,134
Total Deferred Credits and Reserves	53,841	56,243
Total Capitalization and Liabilities	\$312,118	\$302,922

The accompanying notes are an integral part of these statements.

[END OF CONSOLIDATED BALANCE SHEETS]

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)	Year Ended December 31,		
	1993	1992	1991
Cash Flows From Operating Activities:			
Net Income	\$12,022	\$10,643	\$ 8,317
Adjustments to reconcile net income to net cash:			
Depreciation and amortization	7,703	6,995	6,524
Deferred income taxes	2,139	6,264	2,176
Amortization of investment tax credits	(255)	(259)	(273)
Provision for uncollectible accounts	2,102	1,697	1,516
Other, net	190	832	893
	23,901	26,172	19,153
Changes in current assets and liabilities:			
Accounts receivable	773	(5,133)	(1,779)
Accrued utility revenues	(1,678)	1,366	(1,745)
Unbilled gas costs	2,122	(9,183)	(7,494)
Fuel inventory	(285)	(1,664)	468
Materials and supplies	56	(199)	158
Prepayments and other current assets	2,055	(3,027)	(557)

Accounts payable	(382)	35	1,499
Accrued interest	(7)	(135)	(90)
Pipeline refunds due customers	620	(20)	(1,222)
Accrued pipeline charges	(606)	(2,189)	3,100
Current deferred income taxes	(2,111)	4,323	-
Other current liabilities	933	(39)	1,076
Net Cash Provided by Operating Activities	25,391	10,307	12,567
Cash Flows From Investing Activities:			
Utility capital expenditures	(25,703)	(26,948)	(16,685)
Non-utility capital expenditures	(453)	(218)	(629)
Sale of non-utility assets	586	-	-
Change in deferred accounts	(354)	(4,781)	880
Net Cash Used in Investing Activities	(25,924)	(31,947)	(16,434)
Cash Flows From Financing Activities:			
Dividends paid on Common Stock	(9,793)	(9,379)	(8,981)
Issuance of Common Stock	4,283	4,286	2,776
Issuance of long-term debt	-	45,000	-
Retirement of long-term debt	(1,500)	(15,634)	(6,628)
Change in notes payable	8,100	(3,500)	15,900
Change in gas inventory purchase obligations	492	3,015	(1,554)
Net Cash Provided by Financing Activities	1,582	23,788	1,513
Net Increase (Decrease) in Cash and Cash Equivalents	1,049	2,148	(2,354)
Cash and Cash Equivalents at Beginning of Year	4,433	2,285	4,639
Cash and Cash Equivalents at End of Year	\$ 5,482	\$ 4,433	\$ 2,285
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the year for:			
Interest - net of amount capitalized	\$ 8,891	\$8,390	\$ 7,921
Income and state franchise taxes	\$ 4,939	\$3,639	\$ 2,455

The accompanying notes are an integral part of these statements.

[END OF CONSOLIDATED STATEMENTS OF CASH FLOWS]

#### CONSOLIDATED STATEMENTS OF COMMON EQUITY

(In Thousands Except Per Share Amounts) Year ended December 31,

	1993	1992	1991
Common Stock			
\$3.33 par value; authorized 15,000 shares; outstanding, 8,030 in 1993, 7,844 in 1992, and 7,625 in 1991			
Beginning of year	\$26,122	\$25,391	\$24,806
Issuance of Common Stock through Dividend Reinvestment and Common Stock Purchase Plan and three employee savings plans (186 shares in 1993, 219 shares in 1992 and 176			

shares in 1991)	617	731	585
End of year	\$26,739	\$26,122	\$25,391
Premium on Common Stock			
Beginning of year	\$42,133	\$38,578	\$36,387
Issuance of Common Stock through Dividend Reinvestment and Common Stock Purchase Plan and three employee savings plans	3,666	3,555	2,191
End of year	\$45,799	\$42,133	\$38,578
Retained Earnings			
Beginning of year	\$19,516	\$18,252	\$18,916
Net income	12,022	10,643	8,317
Cash dividends on Common Stock (\$1.235 a share in 1993, \$1.213 a share in 1992 and \$1.193 a share in 1991)	(9,793)	(9,379)	(8,981)
End of year	\$21,745	\$19,516	\$18,252
Total Common Equity	\$94,283	\$87,771	\$82,221

The accompanying notes are an integral part of these statements.

[END OF CONSOLIDATED STATEMENTS OF COMMON EQUITY]

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

##### Note A: Summary of Significant Accounting Policies

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany items have been eliminated in consolidation.

Utility Regulation - The Company's utility operations are subject to regulation by the Massachusetts Department of Public Utilities (DPU) with respect to rates charged for natural gas sales and transportation, among other things. The Company's policies conform with generally accepted accounting principles, as applied to regulated public utilities.

Utility Property and Non-Utility Property - Utility property and non-utility property are stated at original cost, including labor, materials, taxes and overheads. The amount of interest capitalized as a component of construction overheads amounted to \$227,000, \$181,000 and \$156,000 in 1993, 1992 and 1991, respectively.

The original cost of depreciable utility property retired, together with the cost of removal, net of salvage, is charged to accumulated depreciation. Depreciation applicable to the Company's utility property in service is calculated in accordance with depreciation rates as approved by the DPU. The composite depreciation rate was approximately 2.91% through October 31, 1993, which was increased to approximately 3.77% effective with a rate increase as approved by the DPU on November 1, 1993. The composite depreciation rate is applied to the utility property balance at the beginning of each year. Depreciation on non-utility property is computed by various methods.

Operating Revenues - Operating revenues are accrued based upon the amount of gas delivered to utility customers through the end of the accounting period. Accrued utility revenues of \$7,170,000 and \$5,492,000, as reported in the Consolidated Balance Sheets at December 31, 1993 and 1992, respectively, represent the accrual of unbilled operating revenues net of related gas costs. The Company's policy is to record lost margins and financial incentives relating to the Company's demand side management programs as revenue when earned by the Company and approved by the DPU. No lost margins or incentives have been recorded to date.

Unbilled Gas Costs - The Company charges or credits its utility customers for increases or decreases in gas costs from those reflected in its base tariffs by applying a cost of gas adjustment clause (CGAC). In accordance with the CGAC, any under or over recoveries of gas costs are charged or credited to the unbilled gas cost account and recorded as a current asset or liability. Such under or over recoveries are collected or refunded, with interest accrued at the prime rate, in subsequent periods. Unbilled gas costs as of December 31, 1993 includes \$305,000 of accrued pipeline charges relating to restructured gas supply contracts. It also includes \$2,833,000 of transition costs that have been paid but not yet recovered from utility customers (see Note I).

Pipeline Refunds Due Customers - The Company periodically receives refunds from interstate pipeline companies related to rate adjustments ordered by the Federal Energy Regulatory Commission (FERC). All of the refunds are returned to utility customers under methods approved by the DPU.

Excess Cost of Investments over Net Assets Acquired - This asset arose principally from the pre-1971 acquisitions of utility operations. No amortization has been provided since, in the opinion of management, there has been no diminution in value of the applicable investments.

Income Taxes - The Company records deferred income taxes for the income tax effect of the difference between book and tax

depreciation and all other temporary book and tax differences, in accordance with Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (SFAS 109). Unamortized investment tax credits, which were allowed under Federal income tax laws prior to 1987, have been deferred and are being amortized as a credit to income tax expense over the estimated service lives of the corresponding assets.

Interest and Debt Expense - Interest and debt expense includes interest on long-term debt, interest on short-term notes payable and regulatory interest. As approved by the DPU, regulatory interest is interest expense or income charged or credited on regulatory assets or liabilities.

Pension Plans - The Company and its subsidiaries have defined benefit pension plans covering substantially all employees. These include two qualified union plans, one qualified plan for non-union employees, and various unqualified individual deferred compensation agreements covering certain key employees and retirees. The Company's funding policy is to contribute annually an amount at least equal to the normal cost plus a 30-year amortization of the unfunded actuarially calculated accrued liability and additional contributions to fund the unqualified individual deferred compensation plans.

Cash and Cash Equivalents - For the purposes of the Consolidated Balance Sheets and Statements of Cash Flows, the Company considers cash investments with an original maturity of three months or less to be cash equivalents.

#### Note B: Federal Income Tax

During 1992, the Company adopted Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (SFAS 109). During 1991, the Company recorded deferred income taxes under Statement of Financial Accounting Standards No. 96 "Accounting for Income Taxes" (SFAS 96). The adoption of SFAS 109 had no significant impact on the Company's financial statements. SFAS 109 requires, among other things, the recording of cumulative deferred income taxes on all temporary timing differences. Prior to October 1981 as approved by the DPU, the Company did not record deferred income taxes but rather "flowed through" tax benefits to utility customers. At December 31, 1993, the Company has a liability of \$12,689,000 on the Consolidated Balance Sheet as Deferred Income Taxes - Unfunded and a corresponding unrecovered deferred charge. The liability represents the tax effect of pre-1981 timing differences for which deferred income taxes had not been provided, increased in accordance with SFAS 109 for the tax effect of future revenue requirements. The Company is recovering these unfunded deferred taxes from utility customers over the remaining book life of utility property.

The Company has a liability (Deferred Income Taxes- Due Customers) of \$1,238,000 at December 31, 1993, representing the amount of pre-July 1, 1987 deferred income taxes that were recorded in excess of the current Federal statutory income tax rate. This amount is being returned to utility customers over the remaining book life of utility property.

Federal income tax expense is comprised of the following components:

(In Thousands)	Year Ended December 31,		
	1993	1992	1991
Charged (credited) to operations:			
Current	\$5,191	\$ (362)	\$2,348
Deferred:			
Unbilled gas costs	(1,753)	3,590	-
Accelerated depreciation	2,157	2,092	1,727
Cost of removal	190	149	138
Construction contribution	-	-	(343)
Environmental response costs	(33)	(223)	(175)
Pension	141	131	110
Recovery of unfunded deferred taxes	556	578	572
Miscellaneous	(93)	(316)	(311)
Amortization of investment tax credits	(245)	(249)	(263)
Total	6,111	5,390	3,803
Charged (credited) to other income	578	486	(90)
Total Federal income tax expense	\$6,689	\$5,876	\$3,713

The effective Federal income tax rate and the reasons for the difference from the statutory Federal income tax rate are as follows:

	1993	1992	1991
Statutory Federal income tax rate	35%	34%	34%
Increases (reductions) in taxes resulting from:			
Amortization of investment tax credits	(1)	(2)	(2)
Construction contribution	-	-	(3)
Recovery of unfunded deferred taxes	3	4	5
Miscellaneous items	(1)	-	(3)
Effective Federal income tax rate	36%	36%	31%

Temporary differences which gave rise to the following deferred tax assets and liabilities at December 31, 1993 are:

(In Thousands)	Deferred Tax Assets (Liabilities)
Construction contributions	\$ 1,176
Other	940
Total deferred tax assets	2,116
Accelerated depreciation	(32,333)
Cost of removal	(2,105)

Unbilled gas costs	(2,212)
Environmental response costs	(1,634)
Other	(2,128)
Total deferred tax liabilities	(40,412)
Total deferred taxes	\$ (38,296)

#### Note C: Capital Stock

As a result of the 3 for 2 stock split effective July 29, 1992, the par value of the Company's Common Stock changed from \$5.00 per share to \$3.33 per share. Also during 1992, the number of authorized shares was increased from 8,000,000 to 15,000,000.

Pursuant to the Company's dividend reinvestment and common stock purchase plan, stockholders can automatically reinvest their cash dividends and can invest optional limited amounts of cash payments in newly issued shares.

The Company has authorized and unissued 547,559 shares of Class A Preferred Stock, \$25 par value, of which 100,000 shares have been designated a Junior Preferred Stock series and reserved for issuance under the Rights Plan described below, and 370,000 shares of Class B Preferred Stock, \$1 par value.

On November 9, 1993, the Company's Board of Directors adopted a Shareholder Rights Plan (the "Rights Plan") and declared a dividend distribution of one share purchase right (a "Right") for each outstanding share of the Company's Common Stock, to stockholders of record on December 1, 1993. Each Right entitles the holder to purchase one one-hundredth of a share of the Company's Series A-1 Junior Participating Preferred Stock, par value \$25 per share, at a price of \$60 per share, subject to adjustment. The exercise of the Rights is subject to obtaining DPU approval. The description and terms of the Rights are set forth in a Rights Agreement between the Company and The First National Bank of Boston. The Rights attach to each outstanding share issued and to be issued and expire on December 1, 2003. The Rights do not carry voting or dividend rights, have no dilutive effect and do not impact the earnings of the Company.

The Rights only become exercisable, or separately transferable, 10 days after a person or group acquires, or announces an intention to acquire, beneficial ownership of 20% or more of the Company's Common Stock. The Rights are redeemable by the Board at a price of \$.01 per Right, at any time prior to the earliest of the expiration of ten days after the acquisition by a person or group of beneficial ownership of 20% or more of the Company's Common Stock; and the final expiration date.

#### Note D: Retained Earnings

The Company's ability to pay dividends on its Common Stock from retained earnings is restricted by the first mortgage bond indenture and by the bank line of credit. Under the most restrictive covenant, approximately \$15,776,000 of retained

earnings was available to pay dividends on Common Stock as of December 31, 1993.

Note E: Long-Term Debt

The composition of long-term debt is as follows:

(In Thousands)	December 31,	
	1993	1992
First mortgage bonds:		
14.00% Series CC due 1999	\$ 2,750	\$ 3,250
8.86% Series CD due 2001	8,000	9,000
9.40% Series CE due 1997	15,000	15,000
10.25% Series CF due 2004	20,000	20,000
8.05% Series CG due 1999	20,000	20,000
8.80% Series CH due 2022	25,000	25,000
Total	90,750	92,250
Less: Long-term debt due within one year	3,318	1,500
Total long-term debt	\$ 87,432	\$ 90,750

The aggregate amount of maturities and sinking fund requirements for the years 1994, 1995, 1996, 1997, and 1998 are \$3,318,000, \$8,318,000, \$8,318,000, \$8,318,000, and \$3,318,000, respectively. In addition to these normal sinking fund requirements, the Company will have the option to call all or a portion of the Series CC first mortgage bonds on or after June 15, 1994.

The first mortgage bonds are collateralized by utility property. The Company's first mortgage bond indenture includes, among other provisions, limitations on the issuance of long-term debt, leases and the payment of dividends from retained earnings.

Note F: Short-Term Debt

In June 1993, the Company established a one-year bank line of credit of \$60,000,000 with a consortium of five banks to replace its expiring \$50,000,000 bank line of credit. The bank line of credit allows the Company to borrow on a demand basis up to \$60,000,000, less whatever amount has been borrowed through the Company's gas inventory trust (described below). The line of credit allows the Company the option to borrow under four alternative rates: prime rate, certificate of deposit rate, eurodollar rate (LIBOR), and a competitive bid option. At December 31, 1993, the credit available under the bank line of credit was \$12,167,000. The weighted average interest rates for the Company's short-term debt were 3.64% and 3.76% at December 31, 1993 and 1992, respectively.

The Company has an agreement with a single-purpose Massachusetts trust, the Company's gas inventory trust, under which the Company sells supplemental gas inventory to the trust at the Company's cost. The Company's agreement with the trust requires it to repurchase such inventory at cost when needed and reimburse the



trust for expenses incurred to finance the gas inventory. The trust finances such purchases of inventory by borrowing under a bank line of credit with a maximum borrowing commitment of \$30,000,000 that is complementary to and on similar terms as the Company's bank line of credit described above. The DPU has approved the inventory trust arrangement and has permitted the cost of such gas inventory, including fees and financing costs, to be recovered through the Company's CGAC. During 1993, 1992 and 1991 approximately \$390,000, \$433,000 and \$671,000, respectively, of financing costs were incurred by the trust.

#### Note G: Lease Obligations

The Company leases certain facilities and equipment used in its operations. In accordance with accounting for regulated public utilities, the Company has capitalized certain of these leases and reflects lease payments as rental expense in the periods to which they relate. This capitalization has no impact on the Company's net income.

Assets held under capital leases amounted to approximately \$7,475,000 and \$8,329,000 at December 31, 1993 and 1992, respectively. Accumulated amortization on assets held under capital leases amounted to approximately \$3,561,000 and \$3,963,000 at December 31, 1993 and 1992, respectively.

The most significant agreements which meet the criteria for capital lease classification are a lease which expires in 1998 for a liquefied natural gas storage tank in South Yarmouth, Massachusetts and a lease which expires in 2002 for office facilities in Lowell, Massachusetts. Both leases have fair market renewal options at the end of their initial terms.

Total rental expense for the years 1993, 1992 and 1991 approximated \$1,808,000, \$1,984,000 and \$2,163,000, respectively. At December 31, 1993, the future minimum payments (including interest) under the Company's lease agreements are: \$1,069,000 in 1994; \$917,000 in 1995; \$719,000 in 1996; \$572,000 in 1997; \$389,000 in 1998; and \$882,000 thereafter.

#### Note H: Employee Benefit Plans

Savings Plans - The Company sponsors three employee 401(k) Savings Plans. The Company's matching contribution, exclusive of plan administration costs, was \$418,000, \$316,000 and \$291,000 for 1993, 1992 and 1991, respectively.

Pension Plans - The Company and its subsidiaries have various defined benefit pension plans covering substantially all employees.

Net periodic pension cost is comprised of the following components:

(In Thousands)	Year Ended December 31,		
	1993	1992	1991
Benefits earned during the period	\$ 1,031	\$ 958	\$ 752
Interest cost on projected benefit obligation	2,690	2,500	2,093
Actual return on plan assets	(2,656)	(469)	(7,839)
Net amortization and deferral	325	(1,760)	6,276
Net periodic pension cost	\$1,390	\$1,229	\$1,282

Assumptions used in actuarial calculations were as follows:

	Year Ended December 31,		
	1993	1992	1991
Weighted average discount rate	7.25%	8.00%	8.00%
Future compensation increases	5.00%	5.50%	5.50%
Expected long-term rate of return on assets	9.00%	9.00%	9.00%

The funded status of the plans at December 31, 1993 and 1992 is as follows:

(In Thousands)	1993		1992		
	Assets Exceed Accumulated Benefits	Accumulated Exceed Assets	Assets Exceed Accumulated Benefits	Accumulated Exceed Assets	
Projected benefit obligations:					
Vested	\$ (23,689)	\$ (9,208)	\$ (19,728)	\$ (8,287)	
Nonvested	(562)	(356)	(420)	(414)	
Accumulated	(24,251)	(9,564)	(20,148)	(8,701)	
Due to recognition of future salary increases	(5,665)	(6)	(4,978)	-	
Total	(29,916)	(9,570)	(25,126)	(8,701)	
Plan assets at fair value	28,250	5,186	26,226	4,799	
Projected benefit obligation (in excess of) less than plan assets	(1,666)	(4,384)	1,100	(3,902)	
Unrecognized net loss (gain)	1,695		909	(1,203)	281
Unrecognized transition amount	2,818	2,312	2,665	2,681	
Additional liability accrued	-	(3,215)	-	(2,962)	
Prepaid (accrued) pension costs	\$2,847	\$ (4,378)	\$2,562	\$ (3,902)	

Assets of the employee benefit plans are invested in domestic and international equities, medium-term domestic fixed income securities, international fixed income securities and other short-term debt instruments.

Postretirement Life and Health Benefit Plan - The Company sponsors a postretirement benefit plan that covers substantially all employees. The plan provides medical, dental and life insurance benefits. The plan is contributory for retirees, with respect to postretirement medical and dental benefits; the plan is noncontributory with respect to life insurance benefits.

During 1993, the Company adopted Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106). Prior to 1993, expense was recognized when benefits were paid, which was \$148,000 and \$168,000 in 1992 and 1991, respectively. In accordance with SFAS 106, the Company began recording the cost for this plan on an accrual basis for 1993. As permitted by SFAS 106, the Company will record the transition obligation over a twenty-year period. The Company's cost under this plan for 1993 was \$817,000. A regulatory asset of \$431,000 has been recorded, leaving a net expense of \$386,000. This regulatory asset represents the excess of postretirement benefits on the accrual basis over the paid amounts for the period of January 1, 1993 until November 1, 1993, the effective date of the DPU's approval of the Company's new rates. Currently, the DPU allows Massachusetts utilities to recover the tax deductible portion of these postretirement benefits.

Beginning in 1990, the Company has funded a portion of these costs through the combination of a trust under Section 501(c)(9) of the Internal Revenue Code and separate accounts of the trust under Section 401(h) of the Internal Revenue Code. The Company is currently funding an amount each year equal to the maximum tax deductible amount.

The following table sets forth the Plan's funded status reconciled with the amounts recognized in the Company's financial statements at December 31, 1993:

(In Thousands)

Accumulated postretirement  
benefit obligation:

Retirees	\$ (2,523)
Fully eligible active plan participants	(1,629)
Other active plan participants	(2,388)
	(6,540)
Plan assets at fair value	2,940
Accumulated postretirement benefit obligation in excess of plan assets	(3,600)
Unrecognized net (gain) from past experience	

different from that assumed and from changes in assumptions	(60)
Unrecognized transition obligation	5,123
Prepaid postretirement benefit cost	\$1,463

Net periodic postretirement benefit cost for 1993 included the following components:

(In Thousands)

Service cost - benefits attributable to service during the period	\$ 268
Interest cost on accumulated postretirement benefit obligation	478
Actual return on plan assets	(202)
Net amortization and deferral	273
Net periodic postretirement benefit cost	817
Regulatory asset	(431)
Net expense	\$ 386

For measurement purposes, a 9% (8% for medical costs after age 65 and 4.5% for dental costs) annual rate of increase in the per capita cost of covered health care benefits was assumed for 1994; the rate for medical costs was assumed to decrease gradually to 5% for 2001 (to 4.5% for 2004 for medical costs after age 65) and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care cost trend rates by 1% point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by \$935,000 and the aggregate of the service and the interest cost components of net periodic postretirement benefit cost for 1993 by \$124,000.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 7.25%. The expected long-term rate of return on plan assets was 9% for assets in the Section 401(h) accounts and, after estimated taxes, was 6% for assets in the Section 501(c)(9) trust.

Postemployment Benefits - The Company plans to adopt prospectively for 1994 Statement of Financial Accounting Standards No. 112 "Employer's Accounting for Postemployment Benefits" (SFAS 112). This statement requires accrual accounting for benefits to former or inactive employees after employment but before retirement. The adoption of SFAS 112 should not have a significant effect on the Company's results of operations.

Note I: Other Commitments

Long-Term Obligations - The Company has contracts, which expire at various dates through the year 2012, for the acquisition of gas supplies and the storage and delivery of natural gas stored underground. The contracts contain minimum payment provisions which correspond to gas purchases that, in the opinion of management, are not in excess of the Company's requirements. Based on current rates, the minimum payments under these contracts total \$518,000,000 through the year 2012, of which approximately \$48,000,000 is due during each of the next five years.

FERC Order No. 636 Transition Costs - As a result of FERC Order 636, several of the Company's interstate pipeline service providers have been required to unbundle their supply and transportation services. This unbundling has caused the interstate pipeline companies to incur substantial costs in order to comply with Order 636. These transition costs include four types: (1) unrecovered gas costs (gas costs that have been incurred but not yet recovered by the pipelines when they were providing bundled service to local distribution companies); (2) gas supply realignment costs (the cost of renegotiating existing gas supply contracts with producers); (3) stranded costs (unrecovered costs of assets that can not be assigned to customers of unbundled services); and (4) new facilities costs (costs of new facilities required to physically implement Order 636).

Pipelines are expected to be allowed to recover prudently incurred transition costs from customers such as the Company, primarily through a demand charge, after approval by FERC. The Company's transition cost liabilities are estimated to range from \$5,100,000 to \$12,000,000. Through December 31, 1993, the Company has paid \$3,100,000 of transition costs. The Company is recovering these costs from its customers, as approved by the DPU. As of December 31, 1993, the Company has recorded on the balance sheet a long-term liability of \$2,000,000 ("Accrued Transition Costs") and based upon rate recovery, has recorded a regulatory asset of \$2,000,000 ("Unrecovered Transition Costs Accrued"). Actual transition costs to be incurred depends on various factors, and therefore future costs may differ from the amounts discussed above.

#### Note J: Contingencies

Working with the Massachusetts Department of Environmental Protection, the Company is engaged in site assessments and evaluation of remedial options for contamination that has been attributed to the Company's former gas manufacturing site and at various related disposal sites. During 1990, the DPU ruled that Colonial and eight other Massachusetts gas distribution companies can recover environmental response costs related to former gas manufacturing operations over a seven-year period, without carrying costs, through the CGAC. Through December 31, 1993, the Company had incurred \$7,750,000 of environmental response costs related to these sites, \$1,521,000 for the former gas

manufacturing site and \$6,229,000 for the related disposal sites. The Company expects to continue incurring costs arising from these environmental matters.

As of December 31, 1993 the Company has recorded on the balance sheet a long-term liability of \$5,300,000 representing estimated future response costs relating to these sites based on the Company's preferred methods of remediation; of this amount \$2,200,000 relates to the gas manufacturing site. Based upon the DPU order approving rate recovery of environmental response costs, a regulatory asset of \$5,300,000 has been recorded on the balance sheet ("Unrecovered Environmental Costs Accrued"). This amount has decreased from the prior year estimate based upon the completion of certain remedial actions and a lower expectation of future costs due to changes in environmental regulations and a better understanding of on-site exposures. Actual environmental response costs to be incurred depends on various factors, and therefore future costs may differ from the amount currently recorded as a liability.

As of December 31, 1993, the Company had settled claims relating to this matter with all liability insurers and other known potentially responsible parties ("PRP"), except for one. The Company expects to receive \$250,000 in 1994 from that PRP. In accordance with the DPU order referred to above, half the costs incurred in pursuing insurers and other PRP are recovered from the ratepayers through the CGAC and half are initially borne by the Company. Also, per this order, any insurance and other proceeds are applied first to the Company's costs of pursuing recovery from insurers and other PRP, with the remainder divided equally between the ratepayers and shareholders.

The table below summarizes the environmental response costs incurred and insurance and other proceeds received relating to these environmental response costs:

Year	Response Costs		Period of Rate Recovery	Insurance and Other Proceeds	
	Incurred	Recovered from Customers		Returned to Customers	Recorded as Non-Operating Income Net of Taxes
1988	\$ 853	\$ 488	1990-1997	-	-
1989	4,031	2,303	1990-1997	-	-
1990	639	274	1991-1998	-	-
1991	374	107	1992-1999	\$ 851	\$ 525
1992	617	88	1993-2000	1,121	673
1993	1,236	-	1994-2001	469	290
Total	\$7,750	\$3,260		\$2,441	\$1,488

#### Note K: Fair Value of Financial Instruments

In accordance with Statement of Financial Accounting Standards No. 107 "Disclosures About Fair Values of Financial Instruments", the

following methods and assumptions were used to estimate the fair value for the following financial instruments:

Cash and Cash Equivalents and Short-term Debt - The carrying amount approximates fair value.

Long-Term Debt - The fair value of long-term debt is estimated based on the rates available to the Company at the end of each respective year for debt of the same remaining maturities. The carrying amount of long-term debt (including current maturities) was \$90,750,000 and \$92,250,000 as of December 31, 1993 and 1992, respectively. The fair value of long-term debt was \$104,562,000 and \$101,440,000 as of December 31, 1993 and 1992, respectively.

Under current regulatory treatment, any premiums paid to refinance long-term debt, would be recovered over the life of the new debt, and would not have a significant impact on the Company's results of operations.

Note L: Quarterly Financial Data (Unaudited)  
(In Thousands Except Per Share Amounts)

Quarter Ended	Operating Revenues	Utility Operating Income (Loss)	Net Income (Loss)	Income (Loss) Per Average Common Share	Dividends Paid Per Share
1993					
December 31	\$55,289	\$8,780	\$6,945	\$ .87	\$.310
September 30	12,259	(2,738)	(3,722)	(.47)	.310
June 30	20,587	(1,417)	(3,235)	(.41)	.310
March 31	78,126	14,265	12,034	1.53	.305
1992					
December 31	\$50,261	\$7,547	\$5,568	\$ .71	\$.305
September 30	12,458	(2,713)	(3,922)	(.51)	.305
June 30	18,251	(1,838)	(3,614)	(.47)	.303
March 31	64,084	14,155	12,611	1.65	.300

In the opinion of management, the quarterly financial data includes all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of such information. The Company typically reports profits during the first and fourth quarters of each year while incurring losses during the second and third quarters. This is due to significantly higher natural gas sales during the colder months to satisfy customers' heating needs.

Note M: Reclassifications

Certain amounts in the prior years have been reclassified to conform with the 1993 financial statement presentation.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders of Colonial Gas Company

We have audited the accompanying consolidated balance sheets of Colonial Gas Company and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, cash flows, and common equity for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Colonial Gas Company and subsidiaries as of December 31, 1993 and 1992, and the consolidated results of their operations and their consolidated cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Note H to the Consolidated Financial Statements, in 1993 the Company changed its method of accounting for postretirement benefits other than pensions.

Boston, Massachusetts  
January 18, 1994

[END OF REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Net Income and Dividends

Net income was \$12,022,000 or \$1.52 per common share in 1993



compared to \$10,643,000 or \$1.38 per common share in 1992, and \$8,317,000 or \$1.10 per common share in 1991.

Net income was impacted by significantly colder-than-normal temperatures in 1993 and 1992 and significantly warmer-than-normal temperatures in 1991, which is summarized as follows:

	1993	1992	1991
Percent colder (warmer) than normal			
Peak Season (January - April and November - December)	8.0%	2.6%	(8.1)%
Off-Peak Season (May - October)	3.7%	17.9%	(15.4)%
Year Average	7.3%	4.8%	(9.2)%

Percent colder (warmer) than prior year			
Peak Season (January - April and November - December)	5.2%	11.7%	3.2%
Off-Peak Season (May - October)	(12.1)%	39.4%	(12.6)%
Year Average	2.4%	15.5%	0.7%

Other items which had an impact on net income are discussed in the following sections.

Dividends per common share were \$1.235 in 1993, \$1.213 in 1992 and \$1.193 in 1991. The Company has paid dividends for 57 consecutive years, and has increased dividends each year for the past fourteen years.

#### Operating Revenues

Operating revenues were \$166,261,000 in 1993, \$145,054,000 in 1992 and \$137,719,000 in 1991. Operating revenues are impacted by the volumes of gas sold and transported, changes in base rates, as approved by the Massachusetts Department of Public Utilities (DPU), and the pass-through of gas costs to customers via a cost of gas adjustment clause (CGAC).

The volumes of gas sold are affected by fluctuations in weather and the number of customers being served. Firm customers increased by 11,239 over the last three years, an increase of 9.3%, which increase has added to sales volume. The chart below summarizes volumes of gas sold and transported and firm customers:

	1993	1992	1991
Gas sold (In MMcf)			
Firm	18,935	18,542	16,689
Interruptible	1,030	1,508	1,631
Gas transported			
Firm	4,163	1,997	1,133
Interruptible	4,026	2,820	3,352
Total gas sold and transported (In MMcf)	28,154	24,867	22,805

Firm Customers	132,188	127,965	123,185
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Operating revenues increased \$21,207,000, or 14.6%, from 1992 to 1993. This increase resulted primarily from weather that was colder than the prior year, a growing customer base and a 4.9% rate increase effective November 1, 1993. Temperatures were 2.4% colder than the comparable 1992 period and 7.3% colder than normal. This cooler weather pattern, together with continued customer growth, helped raise firm gas sales by 2.1% or 393,000 Mcf.

Operating revenues increased \$7,335,000, or 5.3%, from 1991 to 1992. This increase resulted primarily from weather that was colder than the prior year and a growing customer base. Temperatures were 15.5% colder than the comparable 1991 period and 4.8% colder than normal. This cooler weather pattern, together with continued customer growth, helped raise firm gas sales by 11.1% or 1,853,000 Mcf.

#### Cost of Gas Sold

Average cost of gas sold per Mcf was \$4.53 in 1993, \$3.73 in 1992 and \$3.98 in 1991. Cost of gas sold is based upon the sales volumes, the price and mix of gas purchased and used to satisfy demand, and profits on interruptible sales, which flow back to the customers as a credit through the CGAC.

The Company distributes natural gas purchased under long-term contracts as well as gas purchased on the spot market. The following table summarizes the sources of gas purchased by the Company:

(In MMcf)	1993	1992	1991
Gas purchased			
Pipeline firm	9,804	8,292	5,053
Pipeline spot	5,179	8,341	9,604
Underground storage	3,501	2,666	3,018
LNG/Other	1,832	1,668	999
Total gas purchased	20,316	20,967	18,674

Underground storage consists primarily of spot gas purchased and injected into storage during the summer and fall for use during the following winter.

#### Operating Expenses

Operations expense was \$32,748,000 in 1993, an increase of \$1,267,000 or 4.0%, from 1992, and \$31,481,000 in 1992, an increase of \$1,717,000, or 5.8%, from 1991. The increase in 1993 was primarily due to increased labor and medical insurance costs and an increase in bad debt expense. The majority of the increase in 1992 was the result of increased labor and medical insurance costs.

Maintenance expense increased \$154,000, or 2.8%, in 1993 from 1992 and increased \$353,000, or 6.9%, in 1992 from 1991.

Depreciation and amortization expense increased 15.5% or

\$917,000 in 1993 and 7.8% or \$426,000 in 1992. The increase in 1993 was primarily due to an increase in utility property and to increased depreciation rates as a result of the Company's 1993 rate order. The increase in 1992 was the result of an increase in utility property.

Local property and other taxes increased 14.8% in 1993 from 1992 and 17.2% in 1992 from 1991 due to higher property and payroll taxes, and additional property subject to property taxes.

#### Income Taxes

Total Federal income and state franchise taxes increased 13.2% or \$862,000 in 1993 and 37% or \$1,763,000 in 1992 as a result of a higher level of income.

#### Other Operating Income (Expense)

Other operating income (expense), net of income taxes was \$209,000 in 1993, \$36,000 in 1992 and \$(733,000) in 1991. Other operating income includes results from the Company's wholly-owned energy trucking subsidiary (Transgas) and appliance sales.

Transgas' improved financial results in 1993 are attributable to the closing of its unprofitable bulk cement trucking operation during the first half of the year. The closing of this operation permitted Transgas to reduce overhead expenses. In addition, trucking equipment associated with this operation were sold at prices exceeding net book value. Transgas' LNG transportation revenue increased due to renewed demand from natural gas distribution companies as a result of colder than normal weather throughout the Northeast during the winter of 1992/1993. However, this increase was more than offset by the decline in its portable pipeline business.

Transgas returned to profitability in 1992 after a loss in 1991 due to more normal weather, which increased demand for supplemental fuels throughout the region. In addition, portable pipeline sales rose dramatically in 1992 due to increases in construction and maintenance projects by pipeline companies.

Factors affecting the future financial results of Transgas include the amount of liquefied natural gas ("LNG") used by local distribution companies throughout the northeast United States to satisfy requirements of their customers; the price of domestic and Canadian natural gas compared to imported LNG; and the level of construction and major maintenance projects of interstate pipeline companies which drives the demand for portable pipeline services.

#### Non-Operating Income

Non-operating income, net of income taxes, was \$1,064,000 in 1993, \$922,000 in 1992 and \$769,000 in 1991. Non-operating income includes interest income and miscellaneous other income. Included in non-operating income were recoveries of \$290,000, \$673,000 and \$525,000 in 1993, 1992 and 1991, respectively, resulting from settlements reached with insurers and other potentially responsible parties relating to environmental response costs as

described under "Environmental Matters". Also included in non-operating income for 1993 is an insurance recovery of \$509,000 relating to a line of business that was discontinued in 1979.

#### Interest and Debt Expense

Interest and debt expense increased 9.0% in 1993 and decreased 8.3% in 1992. The increase in 1993 was due to the issuance of \$45 million of long-term debt in June 1992 partially offset by a decrease in interest expense on regulatory assets and decreased levels of short-term debt and lower short-term interest rates. The decrease in 1992 was primarily due to reduced levels of long-term debt during the first six months of the year and a decrease in interest expense on regulatory assets, offset by increased levels of short-term debt.

#### Effects of Inflation

Inflation generally has a negative impact upon the Company's profitability since the rates charged to the Company's utility customers, excluding changes in the cost of gas sold, cannot be increased without formal proceedings before the DPU. Changes in the cost of gas sold are automatically reflected in customer rates pursuant to semi-annual adjustments under the CGAC. In the absence of authorized rate increases, the Company must look to increased productivity and higher sales volumes to offset inflationary increases in its other costs of operations. The present regulatory process permits the Company to earn a rate of return based on the historical cost of utility property without recognition to the current replacement cost. The Company's policy is to file for an increase in rates only when increases in productivity and customers are not sufficient to counteract the impact of inflation.

#### Regulatory Matters

During 1990, the DPU ruled that the Company and eight other Massachusetts gas distribution companies can recover environmental response costs related to former gas manufacturing operations through the CGAC as described under "Environmental Matters".

In August 1992, the DPU approved the second phase of the Company's demand side management program. When completed this program is expected to save over \$15 million in gas costs that would have been incurred over the lives of the installed conservation measures. In order to achieve these savings, Colonial is investing \$8 million over a two-year period in customer conservation measures such as insulation, heating systems controls and water heating conservation devices. As a result, Colonial expects to reduce customer bills by a net \$7 million from the levels they would have been at if no conservation occurred. Colonial has been authorized by the DPU to fully recover all costs associated with the program through the CGAC. In addition, the Company is also authorized to recover the margins lost as a result of this program and, if certain milestones are met, to receive an

additional financial incentive of up to \$400,000. In January 1994, the Company filed a request with the DPU to extend the operation of this program from September 1994 until September 1995. A ruling is expected shortly.

In October 1992, the Company received authorization from the DPU to extend natural gas service into the Town of Eastham, Massachusetts. Eastham, located at the eastern end of Cape Cod, provides Colonial with new growth opportunities. Colonial believes that there are 5,000 homes and businesses in Eastham that currently utilize other fuels such as oil, electricity and propane which present opportunities for natural gas conversions. The Company has added 104 customers in the town since facilities were constructed in the fourth quarter of 1992.

In November 1992, the DPU approved Colonial's request for two new rate schedules which are designed to overcome equipment cost disadvantages that existed in the natural gas air conditioning and small scale cogeneration markets. By reducing , if not eliminating, these cost disadvantages, the Company expects to increase sales into these markets and increase the usage of its distribution system during off peak periods. The Company has used these new rate schedules to make proposals to potentially large customers and expects to continue to pursue this new market opportunity in 1994.

In April 1993, the Company applied for a \$10.75 million or 7.87% increase in its base rates. This was only the second base rate increase requested by Colonial since 1984. Effective November 1, 1993, the Company received DPU approval of a settlement agreement that called for a base rate increase designed to produce additional revenues of \$6.7 million or 4.9% annually. In addition to this rate increase, the DPU approved a proposal to expand the eligibility criteria for Colonial's discount rate to be applied to low-income residential heating customers.

The table below summarizes the Company's recent rate activity:

Results of the Company's Request to Increase Base Revenue

Date Effective	Requested		Approved	
	Amount	Percentage	Amount	Percentage
November 1, 1984	\$ 4.30 million	3.73%	\$2.8 million	2.4%
November 1, 1990	\$12.80 million	9.86%	\$7.9 million	5.6%
November 1, 1993	\$10.75 million	7.87%	\$6.7 million	4.9%

In response to new marketing opportunities which may result from the Federal Energy Regulatory Commission ("FERC") Order 636 and the unbundling of interstate pipeline services, Colonial requested in its 1993 rate filing and gained DPU approval to offer a firm transportation service on the Company's distribution system in order to provide customers with an alternative to traditional firm sales service. The DPU order also permits the Company to retain 10% of the revenues generated from releasing the Company's

interstate pipeline transportation capacity to third parties above a threshold of \$2,500,000 for 1994. In 1993, the Company earned \$2,200,000 in capacity release revenue that was credited back to firm customers and had no impact on earnings.

In October 1993, the DPU approved Colonial's proposal for a rate targeted at the natural gas vehicle market. The approved rates remain in effect over the course of a "market-development" period that extends until January 1, 1997. To assist Colonial in selling additional quantities of natural gas to the natural gas powered vehicle market, the authorized rate is to be indexed \$.50 below the retail price of gasoline, provided that it cannot fall below a floor rate equal to Colonial's marginal cost of gas plus 5%. As of December 31, 1993, these rates are approximately equal to \$0.70 per gallon equivalent for retail customers.

By the fall of 1993, two interstate pipelines serving Colonial had implemented Order 636. Order 636, issued in 1992, required interstate pipeline companies to "unbundle" gas supply, transportation and storage services previously provided under a unified tariffed service. Now, the Company is responsible for procuring gas supplies and storage services to meet its load requirements, with the pipelines providing transportation only service. In general, Colonial pays negotiated rates for gas supplies and FERC-approved tariffed rates for transportation and storage services. On November 9, 1993, the Company filed each of its gas supply purchase contracts to be reviewed by the DPU, which has not previously exercised jurisdiction with respect to the Company's base load supplies. These FERC ordered changes may increase the contracting, supply and regulatory risk for the Company. At the same time, they could also create a more competitive market for gas supply which would permit the Company to achieve savings in its cost of gas. Because the new rules have recently been implemented, the Company cannot now predict their impact, but it does not expect them to have a material direct effect on its results of operations.

#### Environmental Matters

Working with the Massachusetts Department of Environmental Protection, the Company is engaged in site assessments and evaluation of remedial options for contamination that has been attributed to the Company's former gas manufacturing site and at various related disposal sites. During 1990, the DPU ruled that Colonial and eight other Massachusetts gas distribution companies can recover environmental response costs related to former gas manufacturing operations over a seven-year period, without carrying costs, through the CGAC. Through December 31, 1993, the Company had incurred \$7,750,000 of environmental response costs related to these sites, \$1,521,000 for the former gas manufacturing site and \$6,229,000 for the related disposal sites. The Company expects to continue incurring costs arising from these environmental matters.

As of December 31, 1993 the Company has recorded on the balance

sheet a long-term liability of \$5,300,000 representing estimated future response costs relating to these sites based on the Company's preferred methods of remediation; of this amount \$2,200,000 relates to the gas manufacturing site. Based upon the DPU order approving rate recovery of environmental response costs, a regulatory asset of \$5,300,000 has been recorded on the balance sheet ("Unrecovered Environmental Costs Accrued"). This amount has decreased from the prior year estimate based upon the completion of certain remedial actions and a lower expectation of future costs due to changes in environmental regulations and a better understanding of on-site exposures. Actual environmental response costs to be incurred depends on various factors, and therefore future costs may differ from the amount currently recorded as a liability.

As of December 31, 1993, the Company had settled claims relating to this matter with all liability insurers and other known potentially responsible parties ("PRP"), except for one. The Company expects to receive \$250,000 in 1994 from that PRP. In accordance with the DPU order referred to above, half the costs incurred in pursuing insurers and other PRP are recovered from the ratepayers through the CGAC and half are initially borne by the Company. Also, per this order, any insurance and other proceeds are applied first to the Company's costs of pursuing recovery from insurers and other PRP, with the remainder divided equally between the ratepayers and shareholders.

The table below summarizes the environmental response costs incurred and insurance and other proceeds received relating to these environmental response costs:

Year	Response Costs		Period of Rate Recovery	Insurance and Other Proceeds	
	Incurred	Recovered from Customers		Returned to Customers	Recorded as Non-Operating Income Net of Taxes
1988	\$ 853	\$ 488	1990-1997	-	-
1989	4,031	2,303	1990-1997	-	-
1990	639	274	1991-1998	-	-
1991	374	107	1992-1999	\$ 851	\$ 525
1992	617	88	1993-2000	1,121	673
1993	1,236	-	1994-2001	469	290
Total	\$7,750	\$3,260		\$2,441	\$1,488

#### Accounting Standards

During 1992, the Company adopted Statement of Financial Accounting Standards No. 109 "Accounting for Income Taxes" (SFAS 109). During 1991, the Company recorded deferred income taxes under Statement of Financial Accounting Standards No. 96 "Accounting for Income Taxes" (SFAS 96). The adoption of SFAS 109 had no significant impact on the Company's financial statements.

During 1993, the Company adopted Statement of Financial Accounting Standards No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions" (SFAS 106). Prior to 1993, expense was recognized when benefits were paid, which was \$148,000 and \$168,000 in 1992 and 1991, respectively. In accordance with SFAS 106, the Company began recording the cost for this plan on an accrual basis for 1993. As permitted by SFAS 106, the Company will record the transition obligation over a twenty-year period. The Company's cost under this plan for 1993 was \$817,000. A regulatory asset of \$431,000 has been recorded, leaving a net expense of \$386,000. This regulatory asset represents the excess of postretirement benefits on the accrual basis over the paid amounts for the period of January 1, 1993 until November 1, 1993, the effective date of the DPU's approval of the Company's new rates. Currently the DPU allows Massachusetts utilities to recover the tax deductible portion of these postretirement benefits.

The Company plans to adopt prospectively for 1994 Statement of Financial Accounting Standards No. 112 "Employer's Accounting for Postemployment Benefits" (SFAS 112). This statement requires accrual accounting for benefits to former or inactive employees after employment but before retirement. The adoption of SFAS 112 should not have a significant impact on the Company's results of operations.

#### LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity is affected by its ability to generate funds from operations and to access capital markets. The Company's operations are seasonal with its cash flow reflecting this seasonality. The Company typically generates approximately 70 percent of its annual operating revenues during the November through April heating season, which results in a high level of cash flow from operations from late winter through early summer. As a result of this seasonality, the Company's liquidity can be affected by significant variations in weather. Short-term borrowings are highest during the fall and early winter months due to the completion of the annual construction program and seasonal working capital requirements.

The Company's capital additions were \$26,156,000 in 1993, \$27,166,000 in 1992 and \$17,314,000 in 1991. The Company's 1994 capital expenditure forecast is \$27,000,000. The Company has completed a comprehensive planning effort which resulted in the development of a long-range capital plan. This plan calls for annual capital expenditures averaging \$28,400,000 over the next five years as set forth in the chart below:

(In Thousands)	1994	1995	1996	1997	1998
Distribution	\$18,100	\$19,900	\$20,200	\$22,500	\$22,300



Production	1,400	3,800	5,900	3,200	1,000
Information Systems	4,400	4,200	4,300	700	700
Automated Meter					
Reading	1,600	1,100	1,000	1,000	1,100
General	1,500	300	300	1,100	300
Total Capital					
Expenditures	\$27,000	\$29,300	\$31,700	\$28,500	\$25,400

The Company has a \$60 million credit facility that expires in June 1994. Up to \$30 million of the credit facility can be used by the Company's gas inventory trust. This facility allows the Company the option to borrow under any one of four alternative rates. The Company expects to make new short-term credit arrangements prior to the expiration of the credit facility.

The Company has raised permanent capital during the last three years as follows:

(In Thousands)	1993	1992	1991
Common Stock Under			
Dividend Reinvestment			
and Common Stock			
Purchase Plan and three			
Employee Savings Plans	\$4,283	\$4,286	\$2,776
Long-Term Debt			
Series CG, 8.05%,			
due entirely in 1999	-	\$20,000	-
Series CH, 8.80%,			
due entirely in 2022	-	\$25,000	-

The equity and debt components of the Company's capital structure at the end of the year is shown in the table below:

	1993	1992	1991
Equity	52%	49%	62%
Long-Term Debt	48%	51%	38%

[END OF MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS]

#### SELECTED FINANCIAL DATA

(For the Years Ending December 31)

(In Thousands Except Per  
Share Amounts)

	1993	1992	1991	1990
Balance Sheet Data:				
Assets:				
Utility property - net	\$202,713	\$183,815	\$162,736	\$151,480
Non-utility property - net	3,235	4,039	4,767	5,076
Capital leases - net	3,914	4,366	4,557	4,962
Current assets	67,668	71,763	53,472	46,393
Deferred charges and other assets	34,588	38,939	38,789	29,925
Total	\$312,118	\$302,922	\$264,321	\$237,836

## Capitalization and Liabilities:

### Capitalization:

Common equity	\$ 94,283	\$ 87,771	\$ 82,221	\$ 80,109
Preferred stock	-	-	-	-
Long-term debt	87,432	90,750	50,410	64,604
Total Capitalization	181,715	178,521	132,631	144,713
Capital lease obligations	3,149	3,591	3,838	4,233
Current liabilities	73,413	64,567	73,993	47,729
Deferred credits and reserves	53,841	56,243	53,859	41,161
Total	\$312,118	\$302,922	\$264,321	\$237,836

### Income Statement Data:

Operating revenues	\$166,261	\$145,054	\$137,719	\$134,298
Cost of gas sold	(90,915)	(75,143)	(73,288)	(78,930)
Operating margin	75,346	69,911	64,431	55,368
Operating expenses (including income taxes)	(56,456)	(52,760)	(48,009)	(42,853)
Utility operating income	18,890	17,151	16,422	12,515
Other income - net of income taxes	1,273	958	36	1,625
Interest and debt expense	(8,141)	(7,466)	(8,141)	(8,445)
Accounting change	-	-	-	-
Preferred stock dividends	-	-	-	-
Net income applicable to common stock	\$ 12,022	\$ 10,643	\$ 8,317	\$ 5,695

### Capitalization Ratios:

Common Stockholders' equity	51.9%	49.2%	62.0%	55.4%
Preferred stocks	-	-	-	-
Long-term debt	48.1%	50.8%	38.0%	44.6%

### Common Stock Data (a):

Average shares outstanding	7,931	7,728	7,529	6,963
Income per share (b)	\$1.52	\$1.38	\$1.10	\$0.82
Dividends paid per share:				
Common stock	\$1.235	\$1.213	\$1.193	\$1.167
Class A common stock	-	-	-	-
Per weighted average common share	\$1.235	\$1.213	\$1.193	\$1.167
Dividend payout rate	81%	88%	108%	142%
Book value per share	\$11.74	\$11.19	\$10.78	\$10.75
Dividends as a percent of book value	11%	11%	11%	11%
Market price per share	\$22.50	\$21.25	\$17.50	\$15.00
Market price as a percent of book value	192%	190%	162%	139%
Return on average common equity	13.2%	12.5%	10.2%	7.8%

(a) Adjusted to reflect 3 for 2 stock split on July 29, 1992.

(b) 1988 includes the cumulative effect of an accounting change in the amount of \$2,014 (\$.50 per share).

## SELECTED FINANCIAL DATA

(For the Years Ending December 31)

(In Thousands Except Per Share Amounts)	1989	1988	1987
<b>Balance Sheet Data:</b>			
<b>Assets:</b>			
Utility property - net	\$139,764	\$131,450	\$121,034
Non-utility property - net	3,893	2,793	3,167
Capital leases - net	5,853	6,679	6,563
Current assets	56,753	50,414	36,757
Deferred charges and other assets	27,464	21,050	20,376
<b>Total</b>	<b>\$233,727</b>	<b>\$212,386</b>	<b>\$187,897</b>
<b>Capitalization and Liabilities:</b>			
<b>Capitalization:</b>			
Common equity	\$ 66,568	\$ 63,027	\$ 58,238
Preferred stock	-	-	-
Long-term debt	69,512	55,102	58,572
<b>Total Capitalization</b>	<b>136,080</b>	<b>118,129</b>	<b>116,810</b>
Capital lease obligations	4,714	5,457	5,556
Current liabilities	54,590	53,375	34,781
Deferred credits and reserves	38,343	35,425	30,750
<b>Total</b>	<b>\$233,727</b>	<b>\$212,386</b>	<b>\$187,897</b>
<b>Income Statement Data:</b>			
Operating revenues	\$139,892	\$115,851	\$117,947
Cost of gas sold	(82,189)	(63,401)	(65,093)
Operating margin	57,703	52,450	52,854
Operating expenses (including income taxes)	(41,525)	(38,844)	(38,343)
Utility operating income	16,178	13,606	14,511
Other income - net of income taxes	956	1,046	233
Interest and debt expense	(8,217)	(7,369)	(6,740)
Accounting change	-	2,014	-
Preferred stock dividends	-	-	-
Net income applicable to common stock	\$ 8,917	\$ 9,297	\$ 8,004
<b>Capitalization Ratios:</b>			
Common Stockholders' equity	48.9%	53.4%	49.9%
Preferred stocks	-	-	-
Long-term debt	51.1%	46.6%	50.1%
<b>Common Stock Data (a):</b>			
Average shares outstanding	6,200	6,065	5,948
Income per share (b)	\$1.44	\$1.53	\$1.35
<b>Dividends paid per share:</b>			
Common stock	\$1.140	\$1.113	\$1.087
Class A common stock	-	\$ .80	\$ .76
Per weighted average common share	\$1.140	\$1.013	\$ .987
Dividend payout rate	79%	66%	73%
Book value per share	\$10.62	\$10.27	\$9.69
Dividends as a percent of book value	11%	11%	11%
Market price per share	\$14.67	\$13.00	\$11.83

Market price as a percent of book value	138%	127%	122%
Return on average common equity	13.8%	15.3%	14.2%

(a) Adjusted to reflect 3 for 2 stock split on July 29, 1992.  
(b) 1988 includes the cumulative effect of an accounting change  
in the amount of \$2,014 (\$.50 per share).

#### SELECTED FINANCIAL DATA

(For the Years Ending December 31)

(In Thousands Except Per

Share Amounts)

	1986	1985	1984
Balance Sheet Data:			
Assets:			
Utility property - net	\$111,214	\$102,959	\$ 95,526
Non-utility property - net	3,665	3,834	3,213
Capital leases - net	9,201	8,432	9,022
Current assets	37,234	45,411	47,172
Deferred charges and other assets	4,235	4,676	4,605
Total	\$165,549	\$165,312	\$159,538

Capitalization and Liabilities:

Capitalization:

Common equity	\$ 54,569	\$ 46,053	\$ 42,300
Preferred stock	-	6,672	7,227
Long-term debt	47,528	40,007	46,252
Total Capitalization	102,097	92,732	95,779
Capital lease obligations	8,258	9,533	10,292
Current liabilities	41,151	50,413	43,250
Deferred credits and reserves	14,043	12,634	10,217
Total	\$165,549	\$165,312	\$159,538

Income Statement Data:

Operating revenues	\$126,099	\$128,165	\$121,732
Cost of gas sold	(75,157)	(80,623)	(76,851)
Operating margin	50,942	47,542	44,881
Operating expenses (including income taxes)	(37,938)	(35,312)	(33,214)
Utility operating income	13,004	12,230	11,667
Other income - net of income taxes	383	1,201	862
Interest and debt expense	(5,861)	(6,010)	(6,385)
Accounting change	-	-	-
Preferred stock dividends	(312)	(724)	(763)
Net income applicable to common stock	\$7,214	\$6,697	\$5,381

Capitalization Ratios:

Common Stockholders' equity	53.4%	49.7%	44.3%
Preferred stocks	-	7.2%	7.5%
Long-term debt	46.6%	43.1%	48.2%

Common Stock Data (a):			
Average shares outstanding	5,588	5,193	4,524
Income per share (b)	\$1.29	\$1.29	\$1.19
Dividends paid per share:			
Common stock	\$1.060	\$1.033	\$1.007
Class A common stock	\$ .72	\$ .68	\$ .64
Per weighted average common share	\$ .960	\$ .920	\$ .887
Dividend payout rate	74%	71%	74%
Book value per share	\$9.25	\$8.73	\$8.27
Dividends as a percent of book value	11%	12%	12%
Market price per share	\$14.33	\$11.59	\$10.50
Market price as a percent of			
book value	155%	133%	127%
Return on average common equity	14.3%	15.2%	14.0%

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(a) Adjusted to reflect 3 for 2 stock split on July 29, 1992

(b) 1988 includes the cumulative effect of an accounting change in the amount of \$2,014 (\$.50 per share).

[END OF SELECTED FINANCIAL DATA]

#### SHAREHOLDER INFORMATION

Corporate Headquarters  
Colonial Gas Company  
40 Market Street  
P.O. Box 3064  
Lowell, MA 01853-3064  
(508) 458-3171  
FAX: (508) 459-2314

#### Stock Listing

Colonial Gas Company Common Stock is traded on the NASDAQ National Market System under the trading symbol "CGES". Stock trading activity is reported in financial publications under the abbreviation of ColGas or ClnGas.

#### Annual Meeting

The Annual Meeting of Stockholders will be held on April 20, 1994 at 10:00 A.M. at The First National Bank of Boston, 100 Federal Street, Boston, Massachusetts.

#### Annual Report - Form 10-K

A copy of the Company's 1993 Annual Report on Form 10-K as filed with the Securities and Exchange Commission, will be sent free of charge to any shareholder who contacts Lisa Lynch, Manager of Financial Services, at the corporate headquarters address above.

#### Transfer Agent

The First National Bank of Boston  
P.O. Box 644  
Mail Stop: 45-02-09  
Boston, MA 02102-0644  
(617) 575-2900  
1-800-442-2001 (Outside MA)  
1-800-827-1446 (Inside MA)

Independent Certified Public Accountants  
Grant Thornton  
98 North Washington Street  
Boston, MA 02114  
(617) 723-7900

Corporate Counsel  
Palmer & Dodge  
One Beacon Street  
Boston, MA 02108  
(617) 573-0100

#### Dividends

The Company has paid dividends on Common Stock for 57 consecutive years and has increased dividends each year for the past fourteen years. Common Stock dividends are payable when declared by the Board of Directors.

Anticipated Record Date	Anticipated Payment Date
March 1, 1994	March 15, 1994
June 1, 1994	June 15, 1994
September 1, 1994	September 15, 1994
December 1, 1994	December 15, 1994

#### Dividend Reinvestment Plan

The Company's Dividend Reinvestment and Common Stock Purchase Plan (DRIP) provides shareholders of record with an economical and convenient method for purchasing additional shares of the Company's Common Stock without paying any brokerage fees.

Participants in the plan may elect to purchase additional Colonial shares at a 5% discount from the market price by reinvesting all or a portion of their dividends with no brokerage fees. Participants in the plan may also make optional cash purchases of Common Stock at the market price in amounts ranging from a minimum of \$10 to a maximum of \$5,000 per calendar quarter, with no brokerage fees.

Additional information describing the plan, including a prospectus and enrollment information, can be obtained by contacting the Company's Transfer Agent or Investor Relations Department.

#### Investment Dates

The investment date for optional cash investments under the DRIP

will be the fifteenth day of each month or, if that day is not a business day, the preceding business day. Optional cash investments must be received by the Company's Transfer Agent five business days before the investment date. The dates below will help you plan for any optional cash investments.

Date Investment Must Be Received By Transfer Agent

April 7, 1994  
 May 5, 1994  
 June 7, 1994  
 July 7, 1994  
 August 5, 1994  
 September 7, 1994  
 October 5, 1994  
 November 4, 1994  
 December 7, 1994

SHAREHOLDER INFORMATION

Market Prices and Dividends

The following table reflects the high and low bid prices as reported by the NASDAQ National Market System, for shares of the Company's Common Stock for 1993 and 1992, and the quarterly dividends paid per share.

	Bid Prices		Dividends
	High	Low	Paid per Share
<hr/>			
1993			
The Year	\$26.50	\$20.00	\$1.235
4th Quarter	25.00	21.75	.310
3rd Quarter	26.50	24.00	.310
2nd Quarter	25.00	20.00	.310
1st Quarter	25.25	21.25	.305
<hr/>			
1992			
The Year	\$23.50	\$16.67	\$1.213
4th Quarter	22.13	20.50	.305
3rd Quarter	23.50	18.50	.305
2nd Quarter	19.00	18.00	.303
1st Quarter	19.33	16.67	.300

Shareholders and Record Holders

At December 31, 1993, there were approximately 15,000

shareholders of the Company's Common Stock, including 5,783 shareholders of record.

#### Market Makers

Colonial currently has the following market makers: A. G. Edwards & Sons, Inc.; Edward D. Jones & Co.; First Albany Corporation; Herzog, Heine, Geduld, Inc.; Kidder, Peabody, & Co.; and Tucker Anthony Incorporated.

#### Investment Information

Colonial Gas Company is a corporate member of the National Association of Investors Corporation (NAIC). The Company is also a participant in NAIC's Low Cost Investment Plan.

[END OF SHAREHOLDER INFORMATION]

[END OF EXHIBIT 13a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING DECEMBER 31, 1993]



[EXHIBIT 22a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

COLONIAL GAS COMPANY

SUBSIDIARIES OF REGISTRANT

Subsidiaries:	Organized in	Ownership
(a) Transgas Inc.	Massachusetts	100%
(a) CGI Transport Limited (1)	Canada	100%
(a) Included in consolidated financial statements.		
(1) Owned by Transgas Inc.		

[END OF EXHIBIT 22a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

[EXHIBIT 24a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our reports dated January 18, 1994 accompanying the consolidated financial statements and schedules incorporated by reference or included in the Annual Report on Form 10-K of Colonial Gas Company and subsidiaries for the year ended December 31, 1993. We hereby consent to the incorporation by reference of said reports in the Colonial Gas Company Registration Statements on Forms S-8, as amended (File No. 33-34068, File No. 33-34066, File No. 33-34067 and File No. 33-44427) and Form S-16, as amended on Form S-3 (File No. 2-93005).

GRANT THORNTON

Boston, Massachusetts  
March 18, 1994

[END OF EXHIBIT 24a TO COLONIAL GAS COMPANY  
FORM 10-K FOR YEAR ENDING 12/31/93]