

Columbia Gas Transmission, LLC  
FERC NGA Gas Tariff  
Baseline Tariffs  
Proposed Effective Date: May 4, 2012  
Service Agreement Number 131579– Northeast Natural Energy, LLC  
Option Code A

FTS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 26 day of April 2012, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and NORTHEAST NATURAL ENERGY, LLC ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. This Agreement shall be effective as of the later of <sup>May 4, 2012</sup> ~~May 1, 2012~~ or the date that all of Transporter's Rimersburg Expansion Project facilities necessary to provide firm transportation service to Shipper have been commissioned, tested, and are ready for service as determined in Transporter's discretion and shall remain in full force and effect for a term of twelve years. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. Shipper, having been apprised of the availability of a maximum recourse rate, has elected to pay a negotiated reservation charge for service ("Negotiated Reservation Rate"), as set forth in the table below. This Negotiated Reservation Rate will be fixed for the primary term of the Service Agreement, regardless of the maximum recourse rate set forth in Columbia's tariff, as it may change from time to time. In addition to the Negotiated Reservation Rate, Customer will pay any applicable demand surcharges (including TCRA, EPCA and OTRA), as well as all other maximum applicable commodity rates, commodity surcharges and retainage rates set forth in Transporter's tariff, as it may change from time to time.

5/4/12 *JKW*

Term	Negotiated Reservation Rate
5/1/12 to 12/31/13	\$5.612 per Dth per Month
1/1/14 to 4/30/24	\$9.125 per Dth per Month

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at Northeast Natural Energy, LLC, 707 Virginia St. E., Charleston, WV 25301, Attention: Jon Young, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements: N/A

Section 6. Credit Annex. The credit requirements appended hereto to as Attachment A are incorporated herein by reference with full force and effect and are made a part of this Service Agreement as though restated herein verbatim.

NORTHEAST NATURAL ENERGY, LLC

COLUMBIA GAS TRANSMISSION, LLC

By *John Ochs*


By *John P. Shields*

Title *VP Operations*

Title *CHIEF COMMERCIAL OFFICER*

Date *5/2/12*

Date April 26, 2012

*JKW*  
  
*urg*

Appendix A to Service Agreement No. 131579 Revision No. 0  
 Under Rate Schedule FTS  
 Between (Transporter) Columbia Gas Transmission, LLC  
 and (Shipper) Northeast Natural Energy, LLC

Transportation Demand			
Begin Date	End Date	Transportation Demand Dth/day	Recurrence Interval
<del>May 4, 2012</del> May 4, 2012 <i>gca</i>	April 30, 2024	16,550	1/1 - 12/31

Primary Receipt Points

Begin Date	End Date	Scheduling Point Name	Scheduling Point No.	Measuring Point Name	Measuring Point No.	Maximum Daily Quantity (Dth/day)	Minimum Receipt Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
<del>May 1, 2012</del> May 4, 2012 <i>gca</i>	April 30, 2024	Boyles	642589	Boyles	642589	16,550			1/1 - 12/31

Primary Delivery Points

Begin Date	End Date	Scheduling Point Name	Scheduling Point No.	Measuring Point Name	Measuring Point No.	Maximum Daily Delivery Obligation (Dth/day)	Design Daily Quantity (Dth/day)	Aggregate Daily Quantity 1/	Minimum Delivery Pressure Obligation (psig) 1/	Hourly Flowrate (Dth/hour) 1/	Recurrence Interval
<del>May 1, 2012</del> May 4, 2012 <i>gca</i>	April 30, 2024	Rimersburg - Dutch Hill	642643	Rimersburg - Dutch Hill	642643	16,550					1/1 - 12/31

1/ Application of MDDOs, DDQs and ADQs and/or minimum pressure and/or hourly flowrate shall be as follows:

May 4, 2012 Jaa

Service pursuant to this Appendix A, Revision No. 0 shall be effective from May 4, 2012 through April 30, 2024 and will cancel and supersede the previous Appendix A to this Service Agreement, Revision No. \_\_\_\_\_, dated \_\_\_\_\_. The Master List of Interconnects (MLI) as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for the purposes of listing valid secondary interruptible receipt points and delivery points.

     Yes    X    No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

   X    Yes    No (Check applicable blank) Shipper has a contractual right of first refusal equivalent to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

     Yes    X    No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDO's, and/or ADQ's and/or DDQ's, as applicable, set forth in Transporter's currently effective Rate Schedule FTS Service Agreement No. 131579 Appendix A with Shipper, which for such points set forth are incorporated herein by reference.

     Yes    X    No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

     Yes    X    No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

Northeast Natural Energy, LLC  
By John D. Duv...  
Title VP Operations  
Date 5/2/12

COLUMBIA GAS TRANSMISSION, LLC  
By [Signature]  
Title \_\_\_\_\_  
Date \_\_\_\_\_



Attachment A

**CREDIT ANNEX**

Columbia Gas Transmission, LLC ("COLUMBIA") and Northeast Natural Energy LLC ("Customer") hereby agree effective as of the 11th day of March 2011, to the following Credit Annex (the "Annex") to the Precedent Agreement dated and effective as of March 4, 2011 (the "Precedent Agreement"). All capitalized terms not otherwise defined herein shall have the meaning set forth in the Precedent Agreement. COLUMBIA and Customer may be referred to herein individually as "Party," or collectively as "Parties".

**WITNESSETH:**

WHEREAS, COLUMBIA and Customer entered into the Precedent Agreement relating to 16,550 Dth/day of capacity on COLUMBIA that will be made available by the modification of facilities on COLUMBIA's system (the "Facilities"); and

WHEREAS, Section 4 of the Precedent Agreement provides that Customer will enter into a Service Agreement with COLUMBIA for service under COLUMBIA's Rate Schedule FTS, with a term of ten (10) years, and with demand quantity as set forth in the Precedent Agreement (the "Service Agreement") at the completion of the project; and

WHEREAS, Section 6 of the Precedent Agreement provides that Customer will enter into this Annex;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, COLUMBIA and Customer agree as follows:

1. In addition to other requirements set forth in this Annex and without effecting a waiver or compromise of any right or entitlement which may be available to COLUMBIA, including but not limited to Section 4 below, Customer must at all times throughout the term of this Annex comply with the following creditworthiness requirements:

- (a) If Customer is rated by Fitch, Standard and Poor's or Moody's Investor Service, then Customer must maintain:
  - (i) a minimum senior unsecured debt rating (not supported by third party credit enhancement) of BBB- by Fitch and Standard and Poor's, and Baa3 by Moody's Investor Service; or
  - (ii) if subpart (i) above is not applicable, then a minimum issuer credit rating or corporate credit rating (or underlying rating, if applicable) will apply. If the existing ratings in parts (i) and (ii) result in split ratings, then Customer must maintain an investment grade rating from any two of the three investment rating agencies mentioned above.
- (b) Customer will deliver to COLUMBIA within three (3) business days of any request by COLUMBIA, Customer's Financial Information. For purposes of this provision, Financial Information includes: (i) within 120 days following each fiscal year, a copy of Customer's annual reports containing audited consolidated financial statements for such fiscal year; and (ii) within 60 days after the end of each of its first three fiscal quarters of each fiscal year, a copy of Customer's quarterly reports, if available,

containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements must be for the most recent accounting period and prepared in accordance with generally accepted accounting principles. If any such statements are not available on a timely basis due to a delay in preparation or certification, that delay will not be deemed an Event of Default so long as Customer diligently pursues the preparation, certification and delivery of the statements. If Customer provides COLUMBIA access to such identified information on its publicly available and accessible internet website (in downloadable format), the physical delivery of such information is waived. Any non-public Financial Information delivered by Customer will be treated as confidential by COLUMBIA and circulated internally only to those employees of COLUMBIA whose duties involve credit evaluation.

2. If Customer does not comply with and maintain all of the requirements set forth in Section 1 above, and subject to Section 4 herein, throughout the term of this Annex, then Customer may be deemed uncreditworthy and must post one of the following forms of credit assurance within three (3) business days after Customer's receipt of COLUMBIA's demand therefor.

- (a) A guaranty in a form and issued by a creditworthy guarantor acceptable to COLUMBIA in its sole discretion for an amount equal to the revenues Customer would pay to COLUMBIA for six (6) months of Rate Schedule FTS service at the demand rates as set forth in Customer's FTS Service



Agreement at the time Customer is deemed uncreditworthy pursuant to this section; or

- (b) A letter of credit to be effective through the term hereof for an amount equal to the revenues Customer would pay to COLUMBIA for six (6) months of Rate Schedule FTS service as contemplated hereunder, including all applicable commodity charges and surcharges, at the demand rates as set forth in Customer's FTS Service Agreement at the time Customer is deemed uncreditworthy pursuant to this section, in a form and from a financial institution approved by and acceptable to COLUMBIA, in COLUMBIA's sole reasonable discretion; or
- (c) A cash prepayment in an amount equal to the revenues Customer would pay to COLUMBIA for six (6) months of Rate Schedule FTS service as contemplated hereunder, including all applicable commodity charges and surcharges, at the demand rate as set forth in Customer's FTS Service Agreement at the time Customer is deemed uncreditworthy pursuant to this section.

Within three (3) business days, or as soon as reasonably practicable after COLUMBIA determines that Customer has come back into compliance with the requirements of this Credit Annex, COLUMBIA will refund the remaining prepayment or return to Customer the guaranty or the letter of credit.

3. COLUMBIA has the right to seek additional security to cover the value of any imbalance owed by Customer. The imbalances will be valued at the "Spot Market Price",

defined as the midpoint of the range of prices reported for "Columbia Gas, Appalachia" as published in Platts Gas Daily price survey or any successor publication on each day on which the gas is owed, less applicable transportation charges. COLUMBIA will also have the right to seek security from Customer to cover the estimated value of a future monthly imbalance in an amount equal to Customer's largest monthly imbalance owed to COLUMBIA over the most recent 12-month period multiplied by the Estimated Imbalance Rate. The term "Estimated Imbalance Rate" means the average of the NYMEX future prices for the available 12-month period as such prices close on the day the Estimated Imbalance Rate is determined.

4. If at any time during the term of any guaranty provided pursuant to Section 2, above, COLUMBIA determines in its sole reasonable discretion that the guarantor does not meet all of COLUMBIA's creditworthiness requirements set forth in Section 1(a) and 1(b) and Section 4, then Customer must within three (3) business days after COLUMBIA's demand therefore provide a letter of credit or a cash prepayment pursuant to Section 2(b) and Section 2(c) above.

5. Notwithstanding anything to the contrary in this Credit Annex, if COLUMBIA at any time throughout the term of this Annex has reasonable grounds for insecurity regarding:

- (a) the performance by Customer, or by the guarantor, of any obligation hereunder;
- (b) the guaranty with respect to the guarantor; or

(c) the Customer's performance under the terms and provisions of the Precedent Agreement (whether or not then due), including without limitation and in COLUMBIA's sole reasonable discretion, the occurrence of a material change in the creditworthiness of Customer or the guarantor,

then COLUMBIA may demand credit assurance in one or more of the forms set forth above so long as the total credit assurance demand does not exceed the amounts determined in Section 2 above. If Customer fails to provide the required credit assurance within three (3) business days after written demand therefore, COLUMBIA may suspend performance under the Precedent Agreement immediately upon written notice in accordance with Section 11 of this Credit Annex, in addition to any and all other remedies set forth in the Precedent Agreement or otherwise available to COLUMBIA at law or in equity.

6. Term. This Annex becomes effective on the date first written above and will terminate on the termination of the Service Agreements to be executed between COLUMBIA and Customer under Section 4 of the Precedent Agreement.

7. Authorization. Each of the persons executing this Annex represents and warrants that it has authority to act for and bind the entity on whose behalf he or she purports to act and to take the actions contemplated herein.

8. Effect of Agreement and Amendment. This Annex will inure to the benefit of and be binding upon each of the Parties and their permitted successors and assigns. This

---

Annex, the Precedent Agreement, and the Service Agreements to be executed in accordance with the Precedent Agreement, constitute the entire agreement and understanding between the Parties hereto with respect to the subject matter herein and therein, and supersedes all prior agreements and understandings with respect thereto, and may be amended, restated or supplemented only by a written agreement of the Parties. This Annex, the Precedent Agreement, the Service Agreements and any other agreement or annex executed in conjunction herewith can only be amended, modified, or supplemented by the written agreement of COLUMBIA and Customer.

9. Waivers. The waiver by any Party of a breach or violation of any provision of this Annex shall not operate as or be construed to be a waiver of any subsequent breach hereof.

10. Governing Law. This Annex will be governed by the laws of the State of Texas without reference to conflicts of law provisions.

11. Counterparts. This Annex may be executed in multiple counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

12. Notices. Notices under this Annex must be in writing and addressed as follows:

NORTHEAST NATURAL ENERGY LLC	COLUMBIA GAS TRANSMISSION, LLC
Attn: Mark A.T. Williams 707 Virginia Street East · Suite 1400 Charleston, West Virginia 25301 Phone: 304.414.7070	200 Civic Center Drive Columbus, OH 43215 Attention: Credit Relationship Manager Phone: (614) 460-6991 Fax: (614) 460-6869

Notices may be given by hand, electronic mail, facsimile, mail or courier. Notices will be deemed given upon the date the notice is sent. Either Party may change its address or facsimile number for notices hereunder by providing written notice of the change to the other Party.

13. Assignment.

- (a) Any entity that succeeds by purchase, merger, or consolidation of title to or assignment of the properties, substantially as an entirety, of Customer will be entitled to the rights and will be subject to the obligations of Customer under this Annex. Otherwise, no assignment or transfer by Customer of its rights and obligations under this Annex may be made without the prior written consent of COLUMBIA, which shall not be unreasonably withheld or delayed. COLUMBIA agrees to release Customer from its obligations for the assigned rights and obligations under this Annex if: (i) those obligations have been assumed by the assignee; and (ii) at the time of the assignment the assignee reasonably demonstrates to COLUMBIA that it is financially capable of meeting the obligations assumed and has either a creditworthiness rating no less than that described in Section 1(a) above or meets the requirements of Section 4 above.
- (b) COLUMBIA may assign its rights and obligations under this Agreement without Customer's prior written consent and, to the extent required,


pursuant to a Commission order. Customer reserves any and all rights in its sole reasonable discretion to comment on any assignment filing with the Commission and associated Commission order.

- (c) Customer and COLUMBIA acknowledge and agree that Customer and COLUMBIA shall each have the right to assign, mortgage, or pledge all or any of their rights, interests, and benefits under this Annex and/or the Precedent Agreement to secure payment of any indebtedness incurred or to be incurred in connection with the development and construction of the Facilities. Customer will execute all reasonable consents to assignment and reasonable acknowledgments requested by COLUMBIA in connection with any credit assurance interests created hereunder in favor of lenders of COLUMBIA.

14. No Drafting Presumption. No presumption shall operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Annex.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties hereto have executed this Annex.

COLUMBIA GAS TRANSMISSION, LLC

By: 

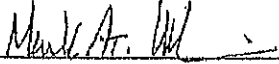
Name: W. Colin Harper  
St. Vice President

Its: \_\_\_\_\_

Date: 3.18.11



NORTHEAST NATURAL ENERGY LLC

By: 

Name: MARY A.T. WILLIAMS

Its: VICE PRESIDENT

Date: 3/1/11

REDLINE FROM *PRO FORMA*  
SERVICE AGREEMENT



## FTS SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 26 day of April, 2012, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and NORTHEAST NATURAL ENERGY, LLC ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission (Commission), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. This Agreement shall be effective as of the later of May 4, 2012 or the date that all of Transporter's Rimersberg Expansion Project facilities necessary to provide firm transportation service to Shipper have been commissioned, tested, and are ready for service as determined in Transporter's discretion and shall remain in full force and effect for a term of twelve years. Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

Section 3. Rates. ~~Shipper shall pay Transporter the charges and furnish Retainage as described in the above referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); and (f) production and/or reserves committed by the Shipper. In addition, the discount~~

~~agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates which had been charged under a discount agreement exceeded rates which ultimately are found to be just and reasonable. Shipper, having been apprised of the availability of a maximum recourse rate, has elected to pay a negotiated reservation charge for service ("Negotiated Reservation Rate"), as set forth in the table below. This Negotiated Reservation Rate will be fixed for the primary term of the Service Agreement, regardless of the maximum recourse rate set forth in Columbia's tariff, as it may change from time to time. In addition to the Negotiated Reservation Rate, Customer will pay any applicable demand surcharges (including TCRA, EPCA and OTRA), as well as all other maximum applicable commodity rates, commodity surcharges and retainage rates set forth in Transporter's tariff, as it may change from time to time.~~

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 5151 San Felipe, Suite 2500, Houston, Texas 77056, Attention: Customer Services and notices to Shipper shall be addressed to it at \_\_\_\_\_  
Attention: \_\_\_\_\_, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreements:  
\_\_\_\_\_.

[if applicable] Section 6. Credit Annex. The credit requirements appended hereto to as Attachment A are incorporated herein by reference with full force and effect and are made a part of this Service Agreement as though restated herein verbatim.

[SHIPPER]

COLUMBIA GAS TRANSMISSION, LLC

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_