



The Northeast Utilities System

**AGREEMENT FOR GAS SUPPLY OPERATOR
ASSOCIATED WITH RATE TRS**

THIS AGREEMENT ("Operator Agreement"), dated and effective as of _____ ("Effective Date") is made between YANKEE GAS SERVICES COMPANY, located at 107 Selden Street, Berlin, Connecticut (the "Company") and _____, located at _____ (the "Operator"), (collectively the "Parties").

WHEREAS, the Operator has secured supplies of natural gas, including upstream pipeline transportation, which it intends to supply and sell to gas customers located on the Company's system within the parameters established by the Company under its Rates, Riders and the Company's Rules and Regulations attached hereto and made a part hereof; and

WHEREAS, the Company is willing and able, pursuant to the terms of this Operator Agreement, to accept gas delivered into its city gate delivery points by the Operator and to redeliver such gas supplies to the Operator's Pool Customers (as defined below) using Rates 03, 10, 20, 30 and 36, all of whom have elected Commodity Service, Option 2 - Operator Gas Supply Service (Operator Gas Supply Service) from the Company under the above Rates and Rate IS, who elected commodity service by an Operator of gas supply under Rate TRS.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS

Technical terms used herein which are not defined under Rate TRS, the Company's Rates 03, 10, 20, 30, 36 and IS, or in the Company's Rules and Regulations, shall have the meaning customarily accorded them in the natural gas industry.

For purposes of interpreting this Operator Agreement the following definitions shall apply:

A. Aggregation: A service offered by the Company that allows an Operator (a customer acting as its own supplier or any approved party acting as a supplier of natural gas and pipeline transportation services) to deliver to the Company those natural gas supplies that are needed to meet the transportation requirements of one or more of its Customers using Rates 03, 10, 20, 30 and 36, all of whom have elected Operator Gas Supply Service, and Rate IS, who elected commodity service by an Operator of gas supply under Rate TRS that comprise the membership of the Operator's "Pool", in accordance with Rate TRS and this Operator Agreement.

B. Pool(s): Aggregation of Pool Customers served from the same pipeline with similar balancing requirements.

C. Pool Customer(s): Customer(s) receiving transportation service provided by the Company under its Rates 03, 10, 20, 30, 36 and IS, and obtaining its supply of gas and pipeline transportation services from an Operator.

2. REQUIREMENTS FOR PARTICIPATION AS OPERATOR

- A. General Provisions: The Operator agrees that the transactions contemplated under this Operator Agreement are governed by the terms herein and the Company's Rules and Regulations, Rates, Riders and Gas Operator Switch Form ("Switch Form"), all of which are incorporated by reference.

Prior to the commencement of service the Operator must satisfy the following conditions ("Conditions of Service"):

1. Register and receive approval from the Connecticut Department of Public Utility Control ("DPUC") to supply gas,
2. Execute this Operator Agreement,
3. Execute a Switch Form, and
4. Satisfy the financial requirements specified in the following subsection.

B. Financial: The Operator shall permit the Company to conduct a credit investigation to determine the Operator's creditworthiness. The Operator shall, upon request, furnish the Company with required trade and banking references. In addition, if requested by the Company, the Operator shall deliver (i) within 120 days following the end of each fiscal year, a copy of the annual report of the Operator, and if applicable, of any guarantor, containing audited consolidated financial statements of such fiscal year certified by independent certified public accountants and (ii) within 60 days after the end of each of its first three quarters of each fiscal year, a copy of the quarterly report of the Operator (and of any guarantor) containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with GAAP or such other principles then in effect; provided, should any such statements not be available timely due to a delay in preparation or certification, such delay shall not be considered a default so long as the Operator diligently pursues the preparation, certification and delivery of the statements.

If the Company has reasonable grounds for insecurity regarding the Operator's performance of any of its obligations under this Operator Agreement (whether or not then due, including, without limitation, the occurrence of a material change in the creditworthiness of the Operator), the Company may demand that the Operator promptly post (within 48 hours of the Operator's receipt of a verbal or written request from the Company) a cash deposit, a surety bond, a guaranty, an irrevocable letter of credit or any other security instrument ("Security Instrument"), as the Company may require, in order to assure the Operator's performance of all of its obligations under this Operator Agreement. The decision as to the form, amount, term and scope of the Security Instrument to be posted by the Operator shall be within the sole and absolute discretion of the Company. The required amounts of such Security Instrument may be adjusted by the Company from time to time throughout the term of this Operator Agreement. Such adjustment shall be at the sole discretion of the Company. The Operator agrees that in the event it defaults on any of its obligations under this Operator Agreement (including, without limitation, any of its obligations under Section 13 hereof), the Company shall have the unrestricted right to use all or any portion of the proceeds from such Security Instrument to satisfy the Operator's obligations under this Operator Agreement, including any outstanding claims the Company may have against the Operator, including imbalance charges, cash-out charges, current and future minimum charges under Riders STB and BAL, pipeline penalty charges, litigation costs, and any other amounts owed to the Company by the Operator. The Company may, in its sole discretion, use proceeds from the Security Instrument as set forth above or for any other lawful purpose.

In the event the Operator elects or is forced to terminate its participation as an Operator, in accordance with the provisions of this Operator Agreement and/or the Company's Rate TRS, the Operator shall continue its obligation to maintain the Security Instrument until the Operator has satisfied all of its obligations and any outstanding claims of the Company as set forth in this Operator Agreement.

Credit evaluation shall be ongoing throughout the contract term and Operator agrees to provide the Company with financial information as requested by the Company from time to time at its reasonable discretion.

C. Performance: The Operator's participation in the Operator Gas Supply Service program is conditioned upon the Operator conducting itself in accordance with acceptable industry standards of conduct and practices. The Operator acknowledges that in its capacity as an Operator, and throughout the term of this Operator Agreement, it has a continuing responsibility to conduct business in accordance with such standards. The Operator is solely responsible for all actions and any activities of all its agents, brokers, independent contractors or other entities, together with any employee or agent thereof, employed, contracted, or acting on an Operator's behalf. If, as a result of a Pool Customer's complaint and/or from its own investigation, the Company determines that the Operator is not operating under this Operator Agreement in accordance with acceptable industry standards of conduct and practices, then the Company shall have the unilateral right to terminate and/or suspend this Operator Agreement without liability of any kind and without prior notice and the Company shall have the right to deny the Operator further participation in the Company's Operator Gas Supply Service program.

The Operator shall in no way imply or cause Pool Customers to infer that financial and operational responsibilities assumed by the Operator are the Company's recommendation or requirement. These responsibilities include but are not limited to balancing and associated charges, daily nominations, cash out charges and penalty condition charges.

In addition, cost savings projections provided to Pool Customers shall be clearly defined as commodity-based. The Operator shall not imply nor cause Pool Customers to infer that the Company's tariff charges will be discounted in any way or that the Company supports or agrees with the Operator's statements on savings.

D. Other: The Company will maintain a list of Operators who have met the financial and performance requirements set forth herein and in other policies by the Company. That list will be made available upon request. The Operator shall not misrepresent, imply or cause customers to infer that inclusion on the Company's Operator list is in any way an endorsement of its company or its programs/products by the Company.

Notwithstanding the foregoing, the Operator may not use the name, logos, trade names, service marks, trademarks, printed materials, or art work of the Company or its affiliates in any promotional or advertising material, statement, document, press release, broadcast or other oral or written communication without the prior, written consent of the Company, which consent may be given or withheld in the sole discretion of the Company.

3. SERVICE COMMENCEMENT

The Company will use reasonable efforts to, at its option, commence service under Rate TRS on (i) the Effective Date or (ii) the first day of a given month that a Pool Customer has satisfied its obligations under the Switch Form on or before the last business day prior to the 20th of said given month. The later of (i) or (ii) is defined as the "Start Date". Under either (i) or (ii) all of the aforementioned Conditions of Service must be satisfied prior to the Start Date.

4. CHARGES AND PENALTIES

The Operator agrees that the execution of this Operator Agreement obligates the Operator to pay all transportation charges and penalties incurred on behalf of its Pool Customers. These charges and penalties include all charges and penalties incurred under Rate TRS, applicable charges under optional Riders and any other charges and penalties related to scheduling and delivery of natural gas to Pool Customers, including those assessed for unfulfilled contractual obligations. All bills rendered by the Company to the Operator must be paid within 25 days of the billing date. Any bill not paid on time will be subject to a late payment charge calculated in accordance with the Rules and Regulations of the Company, as amended from time to time. Additionally, the Company reserves the right, at its sole discretion, to suspend enrollment to the Operator's Pools and, if necessary, suspend or terminate the Operator's participation in the Operator Gas Supply Service program for non-payment. The Operator shall reimburse the Company for all sums expended in connection with any action or suit to remedy a default or collect payment, including reasonable attorneys' fees and costs.

5. POOLING, DELIVERY AND DISTRIBUTION POINTS AND TITLE

A. The Operator must furnish the Company with a completed Switch Form to identify service characteristics for each Pool Customer. Such characteristics will be used to classify Pool Customers into one of the following Pools:

Customer Classification Pool #1 – All Rate 03, 10, 20, 30 and 36 Customers physically served by Algonquin Gas Transmission Company (AGT)

Customer Classification Pool #2 – All Rate 03, 10, 20, 30 and 36 Customers physically served by Tennessee Gas Pipeline Company (TGP)

Customer Classification Pool #3 – All Rate IS Customers physically served by Algonquin Gas Transmission Company (AGT)

Customer Classification Pool #4 – All Rate IS Customers physically served by Tennessee Gas Pipeline Company (TGP)

B. The Operator must establish separate Pools for each interstate pipeline. Operator nomination and balancing requirements must be submitted on a Pool-specific basis.

C. Pursuant to the provisions of this Operator Agreement and Rate TRS, the Operator is required to nominate and deliver a volume of gas from an interstate pipeline company ("Pipeline") for receipt by the Company at the Delivery Point. The Company shall receive the Operator's gas from the Pipeline and transport and deliver such gas to the Pool Customer(s) at the Distribution Point(s).

D. The Operator shall be solely responsible for making all necessary arrangements for the procurement, transportation and delivery of required gas to the Company's Delivery Points.

E. The Operator must deliver to the Pool Customer's specific Delivery Point as identified in the Switch Form.

F. The Operator warrants that it will have good and merchantable title to the gas delivered to the Company for transportation, free and clear of all encumbrances and claims. Title to the Operator's gas shall at all times remain with the Operator and shall not pass to the Company. The Operator shall indemnify the Company and hold it harmless from and against all suits, actions, debts, damages, costs and expenses caused by any adverse claims of persons to title to the Operator's gas. In the event that a suit or action caused by such adverse claims is commenced against the Company, the Company shall notify the Operator in writing. The

Operator shall then immediately assume and conduct the defense of any such suit or action and the Company shall cooperate in such defense. The Company has the right but not the obligation to participate in the defense of such claim with attorneys of its choosing. If the Company has provided notice to the Operator and the Operator does not assume the Company's defense, the Company has the right to assume and conduct the defense of any such suit or action and the Operator shall indemnify the Company for all legal expenses incurred.

6. REGULATORY APPROVALS

The Operator shall be responsible for securing approvals from all regulatory bodies having jurisdiction and for making any filings or reports, as required, pertaining to the acquisition and transportation of the gas on the Operator's transmission pipeline. Upon request, the Operator shall supply the Company with all documentation of receipt of necessary approvals.

7. RISK OF LOSS

The gas transported under Rate TRS, less transportation losses, shall remain the property of the Operator, but the Company reserves the right to commingle such gas with other supplies. The Operator shall bear the risk of loss of the Operator's gas from the interconnection with the Operator's Pipeline to the Delivery Point(s) specified in the Switch Form, unless such loss is caused by the negligence of the Company, its employees or agents.

In no event shall the Company be liable for any indirect, special or consequential damages including, without limitation, lost profits or business opportunities resulting from any loss of gas or stoppage, interruption, curtailment, variation, or diminution of service.

8. COSTS ASSOCIATED WITH UPSTREAM IMBALANCES

The Operator shall reimburse the Company for all penalties or surcharges imposed by the Company's Pipeline suppliers that are caused by the Operator's overtakes or undertakes and are not fully covered by the charges contained herein. The Company shall furnish the Operator with billing information detailing any such charges.

9. TAXES AND ASSESSMENTS

All prices set forth in Rate TRS are also subject to adjustment pursuant to the requirements of all applicable state and federal statutes, regulations, and orders. Gas delivered to the Operator's Pool is subject to the State of Connecticut Gross Receipts Tax. The Company has the right to provide detailed delivery and Pool Customer information related to the Operator's Pool to any state or regulatory agency for the purpose of computing and collecting such taxes.

10. PROVISIONS OF AGENCY BETWEEN OPERATOR AND POOL CUSTOMERS

The Company will rely upon information provided by the Operator as to deliveries, nominations, scheduling, and other duties so assigned by the Pool Customers. The Operator will indemnify and hold the Company harmless from and against any and all damage, loss, cost and expense, including reasonable attorneys' fees and costs of all legal actions, which the Company may incur as a result of claims, demands or suits including, without limitation, those brought by or on behalf of any of the Operator's Pool Customers, arising from any such information provided to the Company by the Operator. Further, any notice provided by the Company to the Operator shall be deemed to have been sent to each individual Pool Customer in the Operator's Pool and the Operator shall indemnify and hold the Company harmless from and against any loss, cost, damage or expense that may be claimed or demanded by any of the Operator's Pool Customers in connection with actions taken by the Operator in regard to the information provided or failure of the Operator to transmit such information to its Pool Customer(s).

The Company will bill the Operators for transportation service under the Company's Rates when a Pool Customer(s) designates the Operator as payment agent. In this instance, if the Operator fails to pay the Company, regardless of whether the Pool Customer(s) has paid the Operator, in addition to the other remedies provided under this Operator Agreement, the Company may terminate service to the Pool Customer(s) for nonpayment.

11. TERM AND TERMINATION

This Operator Agreement shall be in effect for an initial term of 12 months from the Effective Date and shall be automatically renewed thereafter unless sooner terminated pursuant to the terms of this Operator Agreement. Either party may terminate this Operator Agreement at the expiration of the initial term or thereafter, provided that written notice is given at least 90 days prior to termination, except in the case of the Company terminating the Operator Agreement for cause pursuant to the terms of this Operator Agreement including, without limitation, those contained in Section 2 herein. In addition to the aforementioned, if the DPUC approves a material amendment to, or material modification of, Rate TRS or related Riders at any time during the term of this Operator Agreement, upon 60 days written notification, either party shall have the right to cancel and terminate this Operator Agreement within 60 days following the earlier of the DPUC's Final Decision relating to such amendment or modification or the effective date of any such amendment or modification.

12. FORCE MAJEURE

Except with regard to the Operator's obligation to (1) make payments due under this Operator Agreement, (2) maintain its creditworthiness and the Security Instrument, and (3) fully comply with all applicable laws, orders and regulations, neither party shall be responsible for any failure or delay in the performance of any obligation hereunder, if such failure or delay is due to a cause beyond the party's control, including but not limited to acts of God, labor disputes, riots, war, or compliance with any state or federal statute, and not due to a negligent act or failure to act by a party. The party claiming such force majeure shall give timely notice to the other party and shall use due diligence to remedy the situation. Such force majeure shall not relieve either party of liability in the event of its concurrent negligence or in the event of its failure to use due diligence and remove the cause of the force majeure in an adequate manner and with all reasonable dispatch.

13. CREDITWORTHINESS

In the event the Operator: (i) makes an assignment or any general arrangement for the benefit of creditors; (ii) defaults in the performance of this Operator Agreement and any other agreement with the Company; (iii) files a bankruptcy petition or otherwise commences, authorizes or acquiesces in the commencement of bankruptcy proceedings against it; (iv) becomes bankrupt or insolvent (however evidenced); (v) is unable to pay its debts as they become due; or (vi) has a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets, then the Company shall have the immediate right to take any reasonable actions and remedies available hereunder or pursuant to law including, but not limited to: (1) prohibiting the addition of new Pool Customers to the Operator's Pool(s); (2) terminating this Operator Agreement and suspending deliveries; (3) using all or any portion of the proceeds from any Security Instrument posted by the Operator to satisfy any of the Operator's obligations under this Operator Agreement; and/or (4) demanding that the Operator provide an Additional Security Instrument (within 24 hours of the Operator's receipt of a verbal or written request from the Company) in order to assure the Operator's payment and performance of all of its obligations under this Operator Agreement. For purposes of this Operator Agreement, an "Additional Security Instrument" shall mean a cash deposit, a surety bond, a guaranty, an irrevocable letter of credit or any other security instrument (excluding any Security Instrument posted by the Operator pursuant to Section 3 of this Operator Agreement), as the Company may require, in order to assure the Operator's payment and performance of all of its obligations under this Operator Agreement. The decision as to the form, amount, term and scope of the Additional Security Instrument to be posted by the Operator shall be within the sole and absolute discretion of the Company. The required amount of such Additional Security Instrument may be adjusted by the Company from time

to time throughout the term of this Operator Agreement, and such adjustment shall be at the sole discretion of the Company.

14. INDEMNIFICATION

The Operator agrees to indemnify, defend and hold harmless the Company, its directors, officers, employees, agents and assigns, against any liability, including reasonable attorneys' fees, resulting from the negligent and willful acts of the Operator, its employees or agents.

The Company shall have the right, but not the duty, to participate in the defense and settlement of any such claim or litigation with attorneys of the Company's selection and shall cooperate with the Operator's investigation and defense. The Operator's obligations hereunder shall survive the termination or expiration of this Operator Agreement.

15. NOTICE

When notice is required under this Operator Agreement it shall be in writing and if sent to the Company:

Transportation Services
Yankee Gas Services Company
107 Selden Street
Berlin, Connecticut 06037

if sent to the Operator:

Name: _____
Operator: _____
Address: _____

Either party may change its address by providing notice of same in accordance herewith. The Company may require the Operator to furnish additional points of contact for various business functions as deemed necessary.

16. JOINT VENTURE

Notwithstanding any obligation from one party to the other herein, the Parties hereto state that they have not created and do not intend to create by this Operator Agreement a joint venture or partnership relationship between them.

17. ASSIGNMENT

This Operator Agreement may be assigned by the Company to any corporation, person or entity succeeding to the gas distribution assets, substantially as a whole, of the Company. The Operator shall not be permitted to assign or transfer its rights and obligations under this Operator Agreement without the prior written consent of the Company. "Transfer" is defined for purposes of this paragraph to mean the sale, transfer, conveyance or other disposition, whether voluntary or involuntary, in one or more transfers, of any ownership interest in the Operator.

18. SEVERABILITY

The invalidity of one or more of the phrases, sentences or clauses contained in this Operator Agreement shall not affect the validity or enforceability of the remaining portions so long as the material purposes of this Operator Agreement can be determined and effectuated. If any portion of this Operator Agreement may be interpreted in two or more ways, one of which would render the portion invalid or inconsistent with the rest of this Operator Agreement, it shall be interpreted to render such portion valid or consistent.

19. APPLICABLE LAW

This Operator Agreement shall be governed and construed in accordance with the laws of the State of Connecticut (excluding any such laws involving conflict of laws). All parties to this Operator Agreement hereby consent to the venue and jurisdiction of the state and federal courts located in the State of Connecticut.

20. MISCELLANEOUS

This Operator Agreement fully executed by both Parties constitutes the entire agreement between the Parties and can only be amended or modified in writing and agreed to by both Parties. This Operator Agreement supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written of the Parties, including agreements made by any of their predecessors in interest, relating to the subject matter contemplated by this Operator Agreement, except that (i) any obligations incurred by the Operator under a previous Company agreement related to the sale and supply of gas to the Pool Customer(s) (a "Previous Agreement") shall continue under the terms of said Previous Agreement until satisfied and (ii) the execution of this Operator Agreement shall not be deemed to be a substitution for or novation of any Previous Agreement. Any and all representations, promises, warranties or statements by the Company's agent(s) that differ in any way from the terms of this Operator Agreement shall be given no force or effect.

This Operator Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, and the words "Company" and "Operator" shall be construed to include their respective successors and permitted assigns. This Operator Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Operator Agreement.

This Operator Agreement is not binding until accepted and executed by the Company's duly authorized person at its main office at 107 Selden Street, Berlin, CT.

21. SURVIVAL

Notwithstanding anything to the contrary herein, all obligations of the Operator created or provided for in this Operator Agreement shall survive the termination of this Operator Agreement.

IN WITNESS WHEREOF, the Company and the Operator have caused this Operator Agreement to be signed in their names and on their behalf by the persons duly authorized as of the day and year mentioned above.

YANKEE GAS SERVICES COMPANY

Witness: By: _____

Printed or Typed: Printed or Typed: _____
Its: _____
Duly Authorized
Date: _____

Operator

Witness: By: _____

Printed or Typed: Printed or Typed: _____
Its: _____
Duly Authorized
Date: _____