

CONNECTICUT NATURAL GAS CORPORATION

RATE STB (OPTIONAL STANDBY SERVICE RIDER)

1. Availability

Service under this ancillary service rider is available for a minimum of a 12-month period to any Operator which:

- (a) Receives service under the Company's Rate TRS and has
- (b) Executed a TRS Operator Agreement under Rate TRS setting forth their initial Pool entitlement to service under Rate TRS and ancillary service entitlement provided under this Rate STB.

2. Applicability

Standby service offered under this schedule is optional for Operators.

3. Definitions

The definitions contained in Rate TRS in conjunction with the following definitions shall apply to this rate, the incorporated general terms and conditions, and any written document(s) between the Company and the Operator related to service under this rider.

- (a) The term "Pool Aggregated Daily Standby Quantity" or "Pool ADSQ" shall mean the maximum daily quantity of Company's gas that the Company is obliged to provide at the receipt point on a firm basis to Operators who elect such quantities for ultimate delivery to customers who comprise Operator's Pool(s).
- (b) The terms "system gas sales service" and "standby service" shall mean the sale of Company-owned gas to the Operator, under the standby provisions contained herein.
- (c) The term "Open Season" refers to the annual standby quantity election period commencing on the first business day of August and terminating on the last business day of August. Elected Pool ADSQ's will be effective for deliveries commencing November 1st of that year.
- (d) The term "Nominated Service" refers to the nominated quantity of gas of Standby Service for the applicable gas day up to the Pool ADSQ.
- (e) The term "Make Whole Service" refers to the applicable quantity of gas of Standby Service for the applicable gas day used to cover any shortfall between the nominated and scheduled volumes (failure to deliver) for an Operator's

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Pool up to the Pool ADSQ, for those Operators that have elected standby service under this Rider STB.

4. Rate: Monthly Charges as Applicable:

The minimum monthly bill shall be the Standby Reservation Charge times the Pool ADSQ. In addition, the Operator will pay all supply charges, charges for gas used, penalty charges, balancing charges, cash-out charges, any charges applicable under transportation service agreements, taxes and surcharges that may apply. The rates and charges that apply to the Rate are shown below:

- (a) Standby Reservation Charge: calculated based upon costs incurred by the Company to reserve firm gas supplies and firm deliverability for its Customers. This charge shall be determined annually using actual gas costs as filed in the Company's August PGA filing for availability in the annual open season election period.
- (b) Standby Supply Charge equals the Gas Daily City Gate Delivery Price at the applicable City Gate Delivery Point for the gas day the supply was used. The Customer shall also continue to pay all Delivery Service charges in accordance with the applicable firm rate schedule (Rate RMDS, SGS, GS, LGS) under which the Customer is receiving service.

5. Standby Sales Service

Standby Gas provided under this Rate shall be on a firm basis and shall not be subject to reduction or interruption except as permitted under the Company's Rules and Regulations.

During each annual open season, Operators electing standby service must identify a portion, up to and including 100% of their Pool ADDQ as their Pool ADSQ. Additionally, at any time when an individual Customer is switching Pools, the Operator(s) shall have the right to transfer an equal amount of Pool ADSQ associated with that Customer (not to exceed the individual Customer's MDQ grossed up for retention) to the new pool that the Customer will be participating in.

Charges for such standby service are outlined in Sections 4(a) and 4(b) above.

Said sales shall have been deemed to occur immediately and at any time when the Company makes available its standby service gas and the Operator has:

- (a) elected to purchase standby service whether in lieu of, or in addition to, Transportation Service, or

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- (b) failed to deliver sufficient supplies to meet the daily nominated amount, up to the elected Pool ADSQ.

The Company will not provide system gas sales service to the Operator at the same receipt point(s) as that at which service is being provided in Rate TRS other than as standby service as specified herein.

In the event that the Company determines that it does not have the resources available to make up for Operator or Operator's supplier(s) underdelivery beyond the Pool's effective ADSQs the Company will institute curtailments to the impacted Delivery Service customers according to the Company's load curtailment plan as approved by the Connecticut Public Utilities Regulatory Authority.

6. Nomination Service

All nomination requirements contained in Rate TRS apply to service under this rider with the addition of the following nomination service:

- (a) Standby Sales Nomination Service

Standby Sales nominations are a mechanism to schedule or adjust the amount of gas being received from the Company for the Operator's Pool(s). For Operators who hold standby sales service entitlement (Pool ADSQs greater than zero), standby sales service can either be received as a nominated service or on an as-used-basis by Pools, under operational flow orders, or during critical days.

All written (or if supported electronic) daily Standby Sales Nominations must be received by the Company at least two hours prior to the industry standard deadline, e.g. 10:30 a.m. local time on the day prior to gas flow. Intra-Day Standby Sales Nominations will also be accepted if initially scheduled volumes are not reduced, and they are received by the Company two hours prior to the effective time of the nomination.

All Standby Sales Nominations must clearly indicate "Standby Sales Nomination" and include all the information identified in the first paragraph in Section 13 of Rate TRS with the following exceptions: upstream Pipeline transportation contract number(s) are not required, Company specified receipt point(s) are not required.

7. Force Majeure

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- (a) Effect of Force Majeure - If either the Company or the Operator is rendered unable by force majeure to wholly or in part carry out its obligations under the provisions of this Rate STB, the obligations of the party affected by such force majeure, other than the obligation to make payments thereunder, shall be suspended during the continuance of any inability so caused but for no longer period; and such cause shall, insofar as possible, be remedied with all reasonable dispatch.
- (b) Definition of Force Majeure - The term "Force Majeure" as employed herein shall include acts of God, strikes, lockouts, wars, riots, insurrections, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, interruptions by government or court orders, civil disturbances, explosions, and any other cause whether of the kind herein enumerated or otherwise, not within the control of the party claiming suspension and which, by the exercise of reasonable foresight, such party is unable to avoid and, by the exercise of due diligence, such party is unable to overcome.

8. Failure to Comply

Failure of the Operator to comply with or perform any of its obligations under this schedule or the agreement shall constitute grounds for termination or suspension of service. Failure to comply shall include actions of Operator which cause the Company or any individuals receiving gas related services from the Company, either as a class or individually, to incur costs in any form which are not paid for through the charges under this rate schedule. Except in cases of willful or repeated failure to comply or perform, termination or suspension of service shall be preceded by written notice followed by a cure period of five (5) business days during which time the Operator shall have the opportunity to correct the failure to comply or perform as specified in the written notice. If such failure is not cured within such five (5) business-day period or if the Operator had been notified in writing that a particular course of conduct constituted willful or repeated failure to comply or perform, the Company may terminate or suspend service immediately. Suspension or termination of such service for any such cause shall be a cumulative remedy as to the Company, and shall not release the Operator from its obligation to make payment of any amount or amounts due or to become due from the Operator to the Company under the applicable schedule. In order to resume service under this tariff STB after termination of service hereunder, the Operator must demonstrate to the Company's satisfaction that appropriate action has been taken to ensure future compliance with tariff STB.

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9. Term of Service

The term of service shall be for one year commencing on November 1st of the open season election year through October 31st of the following year.

Under no circumstances shall an Operator receiving service under this Rate STB be able to terminate service prior to the upcoming open season with the following two exceptions: 1) the Operator pays an exit fee reflecting the full costs associated with the Standby Reservation Charges (as estimated by the Company) for the period remaining until the next anniversary date; or 2) the Operator transfers 100% of their Pool ADSQ to another Pool pursuant to the terms identified in Section 5 of this Rate STB.

10. Service Regulations

The Company's Service Rules and Regulations shall apply to service under this Rate STB, to the extent not inconsistent with the terms and conditions of this Rate STB.

11. Laws, Regulations, and Orders

All contracts and the respective rights and obligations of the parties hereto are subject to all present and future valid laws, orders, rules, and regulations of any legislative body, or duly constituted authority now or hereafter having jurisdiction and shall be varied and amended to comply with or conform to any valid rule, regulation, order, or direction of any board, tribunal, or administrative agency.

12. Successors and Assigns

Any party which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of any Operator shall be subject to the obligations and entitled to the rights of its predecessor in title under a contract. No other assignment of a contract or any of the rights or obligations thereunder by the Operator shall be effective without the written consent of the Company, which consent shall not be unreasonably withheld.

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13. Rate Filings

Nothing contained herein shall be construed in any way as affecting the Company's right to make a unilateral application to the Public Utilities Regulatory Authority for a change in rates under the laws of the State of Connecticut and the regulations promulgated by the Public Utilities Regulatory Authority.