PROPRIETARY
MATERIAL
PROTECTED FROM
PUBLIC DISCLOSURE

AGREEMENT TO ASSIGN

FIRM NOVA AND TCPL TRANSPORTATION CAPACITY

BETWEEN

ENRON CAPITAL & TRADE RESOURCES CANADA CORP.

AND

BOSTON GAS COMPANY

TABLE OF CONTENTS

PAGE

ARTICLE 1 - DEFINITIONS

1.1 Definitions 1
1.2 Article and Section References 2
1.3 Headings 2

ARTICLE 2 - TRANSFER OF CAPACITY

2.1 Agreement to Transfer 2
2.2 Assignment Date 2
2.3 Assumption of Obligations 2
2.4 Termination 3

ARTICLE 3 - CONDITIONS

3.1 Boston's Conditions 3
3.2 ECT Canada's Conditions 3
3.3 Regulatory Approvals 4

ARTICLE 4 - TRANSFER DOCUMENTS

4.1 Execution of Documents 5
4.2 Empress Processing 5

ARTICLE 5 - ACTIONS PRIOR TO THE ASSIGNMENT DATE

5.1 Creditworthiness Requirements 5
5.2 Activities of Boston 5

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES

6.1 Mutual Representations and Warranties 5
6.2 Additional Representation of Boston 5
6.3 No Other Representations and Warranties 6

ARTICLE 7 - GENERAL

7.1 Assignment 6
7.2 Indemnities 6
7.3 Limitation of Liability 7
7.4 Survival of Covenants, Indemnities, Representations and Warranties 7
7.5 Further Assurances 7
7.6 Entire Agreement 7
7.7 Governing Law 7
7.8 Inurement 7
7.9 Time of Essence 7
7.10 Notices 8
7.11 Invalidity of Provisions 8
7.12 Waiver 8
7.13 Remedies Generally 8

7.14 Amendment 8
7.15 Counterpart Execution and Delivery by Fax 8
7.16 Invoicing and Payment 8
7.17 Prior Agreements 9

AGREEMENT TO ASSIGN
FIRM NOVA AND TCPL TRANSPORTATION CAPACITY

THIS AGREEMENT made as of the 12th day of November, 1997,

BETWEEN:

BOSTON GAS COMPANY, a Massachusetts corporation (hereinafter referred to as "Boston");

- and -

ENRON CAPITAL & TRADE RESOURCES CANADA CORP., an Alberta corporation (hereinafter referred to as "ECT Canada").

WHEREAS, Boston has agreed to assign or cause to be assigned the Assigned Capacity (as hereinafter defined) to ECT Canada and ECT Canada has agreed to accept such assignment and transfer;

NOW THEREFORE, in consideration of the premises hereto and the mutual covenants and agreements herein set forth, the parties hereto mutually agree as follows:

ARTICLE 1.
DEFINITIONS

1.1. **Definitions**. In this Agreement, capitalized terms not elsewhere defined in this Agreement, shall have the following meanings:

"***Assigned Capacity***" means the Assigned NOVA Capacity on the NOVA Service and the Assigned TCPL Capacity on the TCPL Service ;

"***Assigned NOVA Capacity***" means 1100 $10^3 m^3$ per day;

"***Assigned NOVA Tolls***" shall mean, subject to Sections 2.3(b) and 7.16, a rate equal to 89.27% of the rate applicable to the Assigned NOVA Capacity for NOVA Service approved by the AEUB (defined in Section 3.3) computed on a 100% load factor basis;

"***Assigned TCPL Capacity***" means 995.8 $10^3 m^3$ per day;

"***Assigned TCPL Tolls***" shall mean, subject to Sections 2.3(b) and 7.16, a rate equal to 89.27% of the rate applicable to the Assigned TCPL Capacity for TCPL Service approved by the NEB (defined in Section 3.3) computed on a 100% load factor basis;

"***Assignment Date***" means January 1, 1998

"***Business Day***" means any day other than a Saturday, a Sunday or a statutory holiday in Alberta, Canada or New York, New York;

"***ECT***" means Enron Capital & Trade Resources Corp.;

"***MDPU***" means the Massachusetts Department of Public Utilities;

"***MMBtu***" means a million British thermal units;

"***NOVA***" means NOVA Gas Transmission Ltd., an Alberta corporation;

"***NOVA Service***" means firm service for the delivery of natural gas on NOVA's gas transmission system to the interconnection with TCPL's gas transmission system at Empress, Alberta;

"***Parties***" means Boston and ECT Canada and "***Party***" means either of them;

"***$10^3 m^3$***" means one thousand cubic meters;

"***TCPL***"means TransCanada Pipeline Limited, a Canada corporation;

"***TCPL Service***" means firm service for delivery of natural gas from the NOVA receipt point at Empress, Alberta to the interconnection with Iroquois Gas Transmission System, L.P.'s gas transmission system at Iroquois, Ontario and Waddington, New York;

"***Termination Date***" has the meaning given by Section 2.2;

"***Transfer Documents***" means all documentation required by NOVA and TCPL in respect of the assignment of the Assigned NOVA Capacity and the Assigned TCPL Capacity from Boston to ECT Canada.

1.2. **Article and Section References**. Unless otherwise expressly provided, a reference in this Agreement to an "Article", "section" or "subsection" is a reference to an article, section or subsection of this Agreement.

1.3. **Headings**. The headings in this Agreement are for convenience only and shall not effect or be considered in the interpretation of this Agreement.

ARTICLE 2.
TRANSFER OF CAPACITY

2.1. **Agreement to Transfer**. Subject to the terms and conditions hereof, Boston agrees to assign or cause to be assigned the Assigned NOVA Capacity and the Assigned TCPL Capacity to ECT Canada and ECT Canada agrees to accept assignment of the Assigned NOVA Capacity and the Assigned TCPL Capacity.

2.2. **Assignment Date**. The transfer and assignment of the Assigned Capacity pursuant hereto shall be effective on the Assignment Date. The term of this Agreement shall be for a period beginning on the Assignment Date and continuing through March 31, 2007 (the "Termination Date"). Boston shall remain entitled to all rights and benefits with respect to the Assigned Capacity accruing or pertaining to the period prior to the Assignment Date and from and after the Termination Date and shall be liable for all liabilities and obligations with respect to the Assigned Capacity accruing or pertaining to the period prior to the Assignment Date and from and after the Termination Date. ECT Canada shall be entitled to all rights and benefits with respect to the Assigned NOVA Capacity and the Assigned TCPL Capacity accruing or pertaining to periods on or after the applicable Assignment Date and prior to the Termination Date and shall be liable for all liabilities and obligations with respect to the Assigned NOVA Capacity and the Assigned TCPL Capacity accruing or pertaining to periods on or after the Assignment Date and prior to the Termination Date.

2.3 **Assumption of Obligations.**

(a) During the term of this Agreement ECT Canada shall assume all liabilities and obligations associated with the Assigned NOVA Capacity and the Assigned TCPL Capacity only to the extent of the Assigned NOVA Tolls and the Assigned TCPL Tolls. .

(b) Should ECT match up a higher bid received on the Federal Energy Regulatory Commission of the United States' electronic bulletin board with regards to Section 2.3 of the Agreement to Assign Firm Iroquois Gas Transmission and Tennessee Gas Pipeline Capacity between ECT and Boston, the discount applicable to the Assigned NOVA Tolls or the Assigned TCPL Tolls will be adjusted by the amount of the reduced discount over ECT's bid to the effect that all four transportation contracts (Iroquois, TGP, NOVA and TCPL for the delivery of 35,000 MMBtu per day to the Boston Citygate) are, as considered in the aggregate, assigned to ECT Canada and ECT, as applicable, at the rate of 89.27%. Boston shall forthwith execute and deliver to ECT Canada all such agreements and documentation as may be requested by ECT Canada in respect of such adjustments to the Assigned NOVA Tolls and the Assigned TCPL Tolls, including, without limitation, any amendments or acknowledgments of this Agreement confirming, for all purposes under this Agreement, the adjusted discount rate applicable to the Assigned NOVA Tolls and the Assigned TCPL Tolls, and all Transfer Documents with NOVA and TCPL to evidence to NOVA and TCPL the assignment of the Assigned NOVA Capacity and the Assigned TCPL Capacity at the applicable Assigned NOVA Tolls and Assigned TCPL Tolls.

2.4 **Termination.** At the end of the term of this Agreement, the Assigned Capacity shall automatically revert back to Boston or its third-party nominee who shall be liable for all liabilities and obligations with respect to the Assigned Capacity on and after the Termination Date and the Parties shall forthwith execute and deliver to NOVA and TCPL all instruments and documentation as may be required by NOVA and TCPL to give effect to such reversion of the Assigned Capacity to Boston or its third-party nominee, and to release and discharge ECT Canada from all liabilities and obligations for the Assigned Capacity from and after the Termination Date.

ARTICLE 3.
CONDITIONS

3.1. **Boston's Conditions.** Boston's obligations hereunder to the assignment of the Assigned Capacity to ECT Canada is subject to the following conditions:

(i) the representations and warranties made by ECT Canada herein shall be true and correct as of the Assignment Date ;

(ii) ECT Canada shall have performed all of the obligations required to be performed by it hereunder at or prior to the Assignment Date ;

(iii) on or before the Assignment Date , NOVA and TCPL shall have confirmed that ECT Canada satisfies their respective creditworthiness requirements for purposes of permitting the transfer of the Assigned NOVA Capacity and the Assigned TCPL Capacity to ECT Canada;

(iv) any encumbrances shall be eliminated by the Assignment Date; and

(v) by the Assignment Date, Boston shall have received from the MDPU an order authorizing Boston to enter into the purchase and sale agreement between ECT and Boston for the purchase by Boston from ECT of 35,000 MMBtu of natural gas delivered to the Boston Citygate for a period of delivery ending March 31, 2007 (the "MDPU Approval").

If any of such conditions are not satisfied at or prior to the Assignment Date, the Parties shall be released from all obligations under this Agreement.

3.2. **ECT Canada's Conditions.** ECT Canada's obligations to accept the assignment of the Assigned Capacity are subject to the following conditions:

(i) the representations and warranties made by Boston herein shall be true and correct on the Assignment Date;

(ii) Boston shall have performed all of the obligations required to be performed by it hereunder on or before the Assignment Date;

(iii) on or before the Assignment Date , NOVA and TCPL shall have confirmed that ECT Canada satisfies their respective creditworthiness requirements for purposes of permitting the transfer of the Assigned NOVA Capacity and the Assigned TCPL Capacity to ECT Canada;

(iv) the Agreement to Assign Firm Transportation Capacity of Iroquois Gas Transmission and Tennessee Gas Pipeline between ECT and Boston Gas Company shall have been executed and ECT shall have been awarded the Assigned Iroquois Capacity service and the Assigned Tennessee Capacity service as such terms are referred to in that Agreement;

(v) ECT Canada shall have had the opportunity to perform the required due diligence, including review of the underlying gas transportation contracts with NOVA and TCPL;

(vi) ECT Canada shall have received signed confirmation letters (including any amendments thereto, and, including any such amendments, in form and content solely satisfactory to ECT Canada) to acquire 35,000 MMBtu's, in aggregate of upstream natural gas from Alberta, Canada producers whose gas will be transported on the Assigned NOVA Capacity and the Assigned TCPL Capacity and such confirmation letters (as so amended) shall be in full

force and effect. ECT Canada shall notify Boston when they receive the signed confirmation letters; and

(vii) by the Assignment Date, Boston shall have received the MDPU Approval.

If any of such conditions are not satisfied at or prior to the Assignment Date, the Parties shall be released from all obligations under this Agreement.

3.3. **Regulatory Approvals.**

(a) In this section, "Regulatory Authorities" means all governmental, regulatory authorities having jurisdiction over the assignment of the Assigned Capacity pursuant hereto including without limitation, Alberta Energy and Utilities Board ("AEUB", as herein referred to, including any successor) and the National Energy Board of Canada ("NEB". as herein referred to, including any successor).

(b) The Parties shall take all reasonable measures to ensure that the assignment of the Assigned Capacity is made in compliance with all requirements of Regulatory Authorities.

ARTICLE 4.
TRANSFER DOCUMENTS

4.1. **Execution of Documents.** Between the date hereof and the Assignment Date, each Party shall execute and deliver or, in the case of Boston, cause any third parties which may hold title to the Assigned Capacity for and on behalf of Boston, to execute and deliver the Transfer Documents and take all other actions required by NOVA and TCPL or the terms of the tariffs applicable to the Assigned Capacity in order to transfer the Assigned Capacity from Boston to ECT Canada effective on the Assignment Date.

4.2. **Empress Processing.** The Parties acknowledge and agree that the third party currently holding title to the Assigned Capacity shall retain all of the economic benefits of, and that the obligations of Boston hereunder are conditional on such third party retaining all economic benefits of the processing of the natural gas associated with the Assigned NOVA Capacity as it moves through the straddle plant facilities at Empress, Alberta and McNeil, Alberta such condition to be satisfied by the Assignment Date in accordance with the terms and conditions of the agreement between Boston and such third party providing for the release and assignment of the Assigned NOVA Capacity to Boston or, at the direction of Boston, to ECT Canada.

ARTICLE 5.
ACTIONS PRIOR TO THE ASSIGNMENT DATE

5.1. **Creditworthiness Requirements.** Prior to the Assignment Date, ECT Canada shall provide all information which NOVA and TCPL may reasonably request in order to satisfy their requirements respecting the creditworthiness of ECT Canada for purposes of the assignment of the Assigned Capacity pursuant hereto.

5.2. **Activities of Boston.** Between the date hereof and the Assignment Date, Boston shall comply with and perform all of its liabilities and obligations in respect of the Assigned Capacity.

ARTICLE 6.
REPRESENTATIONS AND WARRANTIES

6.1. **Mutual Representations and Warranties.** Each Party represents and warrants to each other Party that:

(a) ***Corporate Authority***: It is a corporation, duly organized and validly existing under the laws of its jurisdiction of incorporation with the requisite corporate power and authority to perform its obligations under this Agreement;

(b) ***No Conflicts***: The consummation of the transactions contemplated by this Agreement will not violate, nor be in conflict with, its articles of incorporation and by-laws or other similar constitutional documents or any judgment, decree, order, law, statute, rule or regulation applicable to it;

(c) ***Execution of Documents***: This Agreement has been duly executed and delivered by it and the Transfer Documents will be duly executed and delivered by it and this Agreement does, and the Transfer Documents will, constitute legal, valid and binding obligations of such Party enforceable against it in accordance with their terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditors' rights generally and the discretion of courts with respect to equitable or discretionary remedies and defenses; and

6.2. **Additional Representation of Boston.** Boston hereby represents and warrants to ECT Canada that:

(a) ***No Encumbrances***: Should any encumbrances now exist with respect to the Assigned Capacity, they shall be eliminated by the Assignment Date. The Assigned Capacity shall also be free and clear of all liens, mortgages, pledges, charges, encumbrances and adverse claims created by, through or under Boston or any third parties which hold or have held title to the Assigned Capacity for or on behalf of Boston, except the terms and conditions of the tariffs applicable to the Assigned Capacity; and

(b) ***No Defaults***: Boston and any respective third parties related to this Agreement have complied with and performed all of its liabilities and obligations in respect of the Assigned Capacity and is not in default in respect thereof.

6.3. **No Other Representations and Warranties.** Neither Party makes any representations or warranties whatsoever in connection with the transactions contemplated hereby except as and to the extent expressly set forth in Sections 6.1 and 6.2. A Party shall have no liability and responsibility, whether in contract, tort or otherwise, for any statements, representations or warranties except those in Sections 6.1 and 6.2 including, without limiting the generality of the foregoing, any opinion, information or advice which may have been provided by it or any of its officers, shareholders, directors, employees, agents, consultants or representatives.

ARTICLE 7.
GENERAL

7.1. **Assignment.** No Party shall assign its rights or obligations hereunder.

7.2. **Indemnities.**

(a) Boston agrees to indemnify, defend and hold harmless ECT Canada, its parent or other affiliates, partners, successors, assigns, legal representatives, officers, directors, shareholders, agents and employees of ECT Canada (collectively, "ECT Canada Indemnified Persons"), from and against all claims, causes of action, damages, suits, judgments, settlements made by an ECT Canada Indemnified Person, and liabilities of every kind, including all expenses of litigation, court costs and reasonable attorneys' and expert witness fees, civil or criminal fines or penalties or similar payments, or other losses not enumerated above (hereafter referred to collectively as the "ECT Canada Indemnified Person Claims"), caused by or arising out of, (i) Boston's breach of any portion of its obligations, covenants, representations, or warranties contained in this Agreement, (ii) Boston's acts or omissions with regard to this Agreement or the transactions documented hereby or (iii) all obligations and liabilities for the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and from and after the Termination Date and for the balance of the obligations and liabilities for the Assigned Capacity (the "Discounted Balance", being 100% of the AEUB and NEB-approved rates for the NOVA Service and for the TCPL Service, as applicable, less the discount percentage rate applicable to the

Assigned NOVA Tolls and the Assigned TCPL Tolls) accruing or pertaining to the periods from and after the Assignment Date to the Termination Date.

(b) ECT Canada agrees to indemnify, defend and hold harmless Boston, its parent or other affiliates, partners, successors, assigns, legal representatives, officers, directors, shareholders, agents and employees of Boston (collectively, "Boston Indemnified Persons"), from and against all claims, causes of action, damages, suits, judgments, settlements made by an Boston Indemnified Person, and liabilities of every kind, including all expenses of litigation, court costs and reasonable attorneys' and expert witness fees, civil or criminal fines or penalties or similar payments, or other losses not enumerated above (hereafter referred to collectively as the "Boston Indemnified Person Claims"), caused by or arising out of, (i) ECT Canada's breach of any portion of its obligations, covenants, representations, or warranties contained in this Agreement, (ii) ECT Canada's acts or omissions with regard to this Agreement or the transactions documented hereby, or (iii) all obligations and liabilities for the Assigned Capacity accruing or pertaining to the periods prior to the Assignment Date and after the Termination Date and for the balance of the obligations and liabilities for the Assigned Capacity.

7.3. **Limitation of Liability.** Notwithstanding any of the above, neither party shall be liable for special, consequential, punitive, exemplary, or indirect damages in tort or contract.

7.4. **Survival of Covenants, Indemnities, Representations and Warranties.** The covenants, indemnities, representations and warranties contained in this Agreement shall survive the assignment and shall be separate from and additional to those contained in the Transfer Documents and any other documents delivered pursuant to this Agreement.

7.5. **Further Assurances.** Each Party will, from time to time and at all times, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

7.6. **Entire Agreement.** The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. This Agreement supersedes all other agreements, documents, writings and verbal understanding among the Parties relating to the subject matter hereof.

7.7. **Governing Law.** This Agreement shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

7.8. **Inurement.** This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

7.9. **Time of Essence.** Time shall be of the essence in this Agreement.

7.10. **Notices.** The addresses and fax number of each Party for notices shall be as follows:

Boston:

Boston Gas Company
One Beacon Street
Boston, MA 02108

Attn:Vice President-Gas Resources
Fax: (617) 742-0041

ECT Canada:

Enron Capital & Trading Resources
Canada Corp.
400 Third Avenue, S.W., Suite 3500
Calgary, Alberta, Canada T2P4H2

Attn: VicePresident -Transportation
Fax: (403) 974-6707

Any notice, communication or statement (a "notice") required, permitted or contemplated hereunder shall be in writing and shall be delivered as follows:

(a) by delivery to a Party between 8:00 a.m. and 4:00 p.m. on a Business Day at the address of such Party for notices, in which case the notice shall be deemed to have been received by that Party when it is delivered;

(b) by fax to a Party to the fax number of such Party for notices, in which case, if the notice was faxed prior to 4:00 p.m. on a Business Day, the notice shall be deemed to have been received by that Party when it was faxed and if it is faxed on a day which is not a Business Day or is faxed after 4:00 p.m. on a Business Day, it shall be deemed to have been received on the next following Business Day; or

(c) except in the event of an actual or threatened postal strike or other labor disruption that may affect mail service, by first class registered postage prepaid mail to a Party at the address of such Party for notices, in which case the notice shall be deemed to have been received by that Party on the fifth Business Day following the date of mailing.

A Party may from time to time change its address for service or its fax number for service by giving written notice of such change to the other Party.

7.11. **Invalidity of Provisions.** In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.12. **Waiver.** No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

7.13. **Remedies Generally.** No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law or in equity or by statute or otherwise conferred.

7.14. **Amendment.** This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

7.15. **Counterpart Execution and Delivery by Fax.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one agreement. Delivery of a facsimile of an executed counterpart of this Agreement shall be as legally effective as delivery of an original executed counterpart and if each Party delivers either an original or a facsimile copy of a counterpart of this Agreement executed by it to the other Party, this Agreement shall be a valid and binding agreement between the Parties.

7.16. **Invoicing and Payment.** Notwithstanding the discount rate applicable at any time to the Assigned NOVA Tolls and the Assigned TCPL Tolls, the Parties acknowledge and agree that if, as a result of the assignment of the Assigned Capacity to ECT Canada, ECT Canada is invoiced directly by NOVA or TCPL from and after the Assignment Date for up to 100% of the AEUB and NEB-approved tolls for the Assigned Capacity, by the twentieth day of each month after receipt by ECT Canada of NOVA's or TCPL's invoice, ECT Canada shall deliver to Boston, at its address designated above, a written statement of the amount of the Discounted Balance of the Assigned Capacity for which Boston is liable under this Agreement. Boston shall reimburse ECT Canada for the amount of the Discounted Balance by the twenty-fifth day of the Month in which the statement was received, provided that if such day is not a Business Day, then payment shall be made on the immediately following Business Day. If ECT Canada's delivery of the written statement of the amount of the Discounted Balance of the Assigned Capacity for which Boston is liable under this Agreement is delayed after the twentieth day of a month, the payment date shall be extended for a like period unless Boston was primarily responsible for such delay. Payment shall be made by wire transfer or cheque payable to: Enron Capital & Trade Resources Canada Corp. at The Toronto-Dominion Bank, Commercial Banking Centre, 2 Calgary Place, 340 - 5th

Avenue S.W., Calgary, Alberta, T2P 4H2; Bank #004; Branch #80609; Account #0805 0465537; Telephone: (403) 292-1100; Fax: (403) 292-1217; or as ECT Canada may otherwise designate in writing.

7.17. **Prior Agreements.** Any and all agreements executed by the Parties at a time prior to the execution of this Agreement that pertain in some manner to the subject matter of this Agreement shall be void as a matter of law.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

BOSTON GAS COMPANY

By: _____
William R. Luthern, Vice President

ENRON CAPITAL & TRADE RESOURCES CANADA CORP.

By: _____
David W. Delainey, Vice President