

AGENCY AGREEMENT

THIS AGREEMENT made in duplicate dated as of 6th.
day of JUNE, 1988 is made

BETWEEN

GASPURCHASE DIRECT LTD.
a corporation incorporated under
the laws of Canada
(hereinafter called "GasPurchase")

AND

THE CORPORATION OF THE TOWN OF PELHAM
a municipality incorporated under
the laws of the Province of Ontario
(hereinafter called "the Municipality").

WHEREAS

The parties, in consideration of the mutual
promises made herein, agree as follows:

1. Appointment of Agent

The Municipality hereby appoints GasPurchase as its
exclusive agent to perform the services described in this
Agreement.

2. Delivery of Offer

(a) GasPurchase agrees to obtain for the
Municipality one or more offers to sell natural gas in
accordance with the Municipality's requirements within 180
days of the time this agreement is signed.

(b) An offer to sell natural gas to the
Municipality shall be deemed to be received if a copy of an

current regulatory requirements. The analysis shall include a recommendation of the preferred supplier.

(d) The negotiation and finalization of all agreements related to the purchase, transportation and distribution of natural gas, as required in order to enable the Company to consume the quantities of gas acquired under the terms of the accepted Offer to Sell Natural Gas. GasPurchase shall provide the legal services necessary to complete the negotiation and finalization of such agreements.

(e) The administration of the direct purchase arrangements.

5. When Commission Payable

The Commission shall be considered earned and payable by the Municipality to GasPurchase if:

(a) GasPurchase delivers an offer to sell gas to the Municipality within the time period set out in Section 2, which would result in the Municipality's unit cost of natural gas being less than the unit cost of natural gas from the current supplier for the volumes and class of service currently applicable to the Municipality (the delivered cost of natural gas shall be deemed lower if the Municipality's unit cost of gas is lower after crediting any revenue to the Municipality from a Buy/Sell Agreement); and

(b) The Municipality subsequently within 9 months of the date hereof enters into a contract to purchase natural gas from a producer, group of producers, natural gas marketing firm, broker, or from the current suppliers at rates below the current supplier's published OEB approved rates.

(c) In the event the Municipality enters into the direct purchase transaction recommended by GasPurchase, GasPurchase performs the services outlined in Section 4 above.

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(d) In addition to the fees outlined in paragraph 6(a) and 6(c) above, 25% interest on monies GasPurchase accumulates on behalf of the municipality representing the difference between payments it receives from the utility and payment it makes to the producer on a monthly basis, prior to distributing these monies on a quarterly basis to the municipalities, shall be shared on the following basis: the municipality - 50%, the Association of Municipalities of Ontario - 25%, and GasPurchase - 25%.

IN WITNESS WHEREOF the parties have executed this Agreement.

GASPURCHASE DIRECT LTD.

By: _____

Title: Executive Vice President

THE CORPORATION OF THE TOWN OF PELHAM

MAYOR

E.S. Bergenstam

CLERK

Murray Hebert