

**PRECEDENT AGREEMENT  
BETWEEN  
ET ROVER PIPELINE, LLC  
AND**

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This Precedent Agreement ("Precedent Agreement" or "PA") is made and entered, effective as of this \_\_\_ day of July, 2014, by and between ET Rover Pipeline, LLC ("Transporter") and \_\_\_\_\_ ("Shipper"). Transporter and Shipper are referred to herein at times, individually, as a "Party" and, collectively, as the "Parties." In consideration of the mutual promises of the parties, Transporter and Shipper agree as follows:

**WHEREAS**, Transporter is developing and proposes to construct a new interstate natural gas pipeline system consisting of large diameter mainline pipeline, together with pipeline laterals and compression facilities necessary to receive and transport natural gas from certain Marcellus and Utica area processing plants and/or pipeline interconnection points ("Supply Zone") extending westward through Ohio to points of interconnection with Panhandle Eastern Pipeline ("PEPL") and ANR near Defiance, Ohio with downstream deliveries to various interconnections in Michigan and to the Union Gas Dawn Hub in Ontario, Canada ("Dawn Hub") and with deliveries to certain off system delivery points, collectively referred to as the "Pipeline Project"; and

**WHEREAS**, Transporter is willing to continue developing, and to proceed with obtaining the necessary governmental authorizations to construct and operate, the Pipeline Project, including the filing of an application at the Federal Energy Regulatory Commission (the "FERC") for certificate authority (the "Certificate") to construct and operate the Pipeline Project in accordance with sections 7(c) and 3 of the Natural Gas Act, provided that Transporter receives sufficient binding commitments from Shipper and/or other third parties for firm transportation service on the Pipeline Project, and subject to the other conditions herein; and

**WHEREAS**, Transporter and/or its affiliates will develop and proceed with the necessary authorizations for a border crossing near Sarnia and pipeline facilities that extend to the Dawn Hub, including the filing of an application for NGA Section 3 authorization and a presidential permit and such other authorizations as required by the National Energy Board (the "NEB"), the Ontario Energy Board ("OEB") and other applicable governmental or regulatory authorities; and

**WHEREAS**, this Precedent Agreement has been executed as evidence of the agreement between Transporter and Shipper that, subject to the terms and conditions set forth below, the Parties will enter into a firm transportation service agreement substantially in the form attached as Attachment A hereto and a negotiated rate agreement substantially in the form of Attachment B hereto.

**NOW, THEREFORE,** in consideration of the mutual covenants and agreements contained herein, and intending to be legally bound hereby, Transporter and Shipper agree as follows:

**1. Pipeline Facilities.**

(a) The Supply Zone shall include pipeline and interconnection facilities necessary to receive \_\_\_\_\_ MMBtu/day from \_\_\_\_\_, at a minimum pressure of 1100 psig, and, if economically justified, in the sole discretion of Transporter, additional pipeline, compression and interconnection facilities to receive gas from other processing plants in Pennsylvania, Ohio, and West Virginia. The pipeline as described above, will continue in a Westward direction to a point at or near the Leesville Plant in Carroll County, OH where the Mainline Zone commences.

(b) The Mainline Zone shall consist of pipeline and compression facilities that originate at or near the Leesville Plant, in Carroll County, Ohio and continue westward to a point of interconnection with PEPL near Defiance, Ohio (such point of interconnection, the “Midwest Hub”).

(c) The Market Zone South (“Market Zone South”) shall consist of the facilities necessary to transport quantities from the Midwest Hub southward on PEPL to the interconnection with TGC at Bourbon, in Tuscola, Illinois and further southward on TGC to Zone 1A. The final design of the Market Zone South facilities will depend on the total requested delivery point quantities following the Open Season (as defined below). Transporter will contract for and/or lease from PEPL and TGC the facilities necessary to reach these markets; provided however, that regardless of ownership, Transporter will seek regulatory approvals to make such deliveries subject to Transporter’s tariff.

(d) The Market Zone North (“Market Zone North”) shall consist of the facilities necessary to transport quantities from the Midwest Hub northward to interconnections in Michigan and to the Dawn Hub. The final design of the Market Zone North facilities will depend on the total requested delivery point quantities following the Open Season (as defined below). Transporter may contract for and/or lease the facilities necessary to reach these markets; provided however, that regardless of ownership, Transporter will seek regulatory approvals to make such deliveries consistent with Transporter’s tariff.

**2. Maximum Daily Transportation Quantity and Term.**

Shipper agrees to a Maximum Daily Transportation Quantity (MDQ) of \_\_\_\_\_ (\_\_\_\_\_) MMBtu/day beginning on the later of December 31, 2016 or the In Service Date (as defined below) and continuing for a term of twenty (20) years (the “Primary Term. The project shall be deemed to be “In Service” on the first day of the month (the “In Service Date”) following the date that Transporter advises Shipper that it is able to transport gas from the Supply Zone to a point in the Market Zone North; provided however, that interim service is

available when Transporter advises Shipper that it is able to transport gas from the Supply Zone to the Market Zone South (“Interim In-Service”).

**3. Open Season.**

Within forty-five (45) days after the close of Transporter’s Open Season, Transporter will provide Shipper with written notice of the initial design capacity of the Pipeline Project ("Initial Design Capacity") that Transporter anticipates it will construct, as well as the total aggregate quantity of firm capacity that, as of the date of such notice, is under written contract between Transporter and any and all parties (including Shipper) in connection with the Pipeline Project; *provided, however, that* Transporter shall retain the right at all times to increase or decrease the Initial Design Capacity of the Pipeline Project in its sole discretion, except that Transporter shall not decrease such Initial Design Capacity below Shipper’s MDQ under the FTS Agreement, and that Transporter shall provide written notice to Shipper of any such subsequent change in the Initial Design Capacity from time to time, and that any such increase or decrease in Initial Design Capacity will not cause the In Service Date to be delayed, or Shipper’s rate to be increased.

**4. Negotiated Rate Shipper**

Shipper shall be considered a Negotiated Rate Shipper due to the size and timing of this commitment and shall have the following rights:

(a) A Negotiated Rate Agreement that provides a Fixed Negotiated Daily Reservation Rate in lieu of the otherwise currently effective maximum monthly reservation rate set forth in Transporter’s Tariff for firm service under Rate Schedule FTS.

(b) The right to utilize Secondary Receipt and Delivery points as outlined in Attachment B.

**5. Firm Transportation Agreement.**

(a) Shipper agrees that at any time after Transporter’s acceptance of the Certificate, Shipper will execute, within ten (10) business days after tender by Transporter, (i) the Firm Transportation Service Agreement, in a form substantially similar to that attached hereto as Attachment A, and (ii) the Negotiated Rate Agreement, in a form substantially similar to that attached hereto as Attachment B (the Firm Transportation Service Agreement and the Negotiated Rate Agreement, collectively, the "FTS Agreement"), as such forms may be revised by Transporter (1) to reflect Shipper’s primary receipt point MDQ for Shipper’s primary receipt points, and/or (2) as otherwise deemed necessary by Transporter, in the exercise of its reasonable judgment, to conform to the Certificate or to any other order, condition, or requirement of the FERC.

(b) With respect to transportation service within Canada, Shipper agrees that Shipper will execute any and all agreements with terms and conditions similar to those referenced in section 5 (a) above to conform to the Certificate, to any other order, condition, or requirement of the

FERC, or any order of the NEB, the OEB or any other applicable governmental or regulatory authorities necessary to effectuate transportation service in Canada.

(c) Subject to the respective termination rights of the parties under Section 10 below, service under such FTS Agreement will commence in accordance with Section 2 hereof.

## **6. Certain Transporter and Shipper Obligations.**

(a) Each of the parties shall use commercially reasonable efforts to satisfy the Conditions Precedent set out in Section 7 and Section 8 throughout the term of this PA (including, without limitation, during any notice period under Section 11, below).

(b) Transporter shall use commercially reasonable efforts to complete, place into service, and provide firm service to Shipper on, the Pipeline Project by the In Service Date.

(c) Except as otherwise provided herein, upon written request by Transporter, Shipper agrees to support before the FERC any notification, tariff filing, or certificate filing made to the FERC to assist Transporter in obtaining any necessary authorizations to construct and operate the Pipeline Project or to provide transportation services under the FTS Agreement in accordance with the terms and conditions of this Precedent Agreement; *provided, however, that* Shipper shall have no obligation to support any notification, tariff filing, or certificate filing that is inconsistent with the terms and conditions of this Precedent Agreement.

## **7. Conditions Precedent to Transporter's Obligations.**

Transporter's obligations under this PA are expressly made subject to the following Conditions Precedent, which are solely for the benefit of Transporter, and only Transporter shall have the right to waive such Conditions Precedent:

(a) Transporter's receipt on or before July 25, 2014 of binding commitments for firm transportation service on the Pipeline Project in an aggregate amount and in each of the supply, mainline and market zones that is satisfactory to Transporter, in Transporter's sole discretion.

(b) Transporter's receipt on or before August 31, 2014 of all necessary internal approvals.

(c) Issuance by the FERC of all final and non-appealable orders granting authorizations and approvals necessary to effectuate the transaction contemplated by this PA, and completion by Transporter of any and all actions which are in compliance with such FERC orders necessary to implement this transaction, in each case on terms acceptable to Transporter, in Transporter's sole discretion.

(d) Issuance by the NEB, the OEB and any other applicable governmental or regulatory authorities of all final and non-appealable orders granting authorizations and approvals necessary to effectuate the transaction contemplated by this PA, and completion by Transporter of any and all actions which are in compliance with such orders necessary to implement this transaction, in each case on terms acceptable to Transporter, in Transporter's sole discretion.

(e) Receipt by Transporter of contract for or lease of capacity required to reach off system delivery points as contemplated by Section 1(c) hereof, issuance by FERC of all final and non-appealable orders granting authorizations and approvals necessary to effectuate any such contract for or lease of capacity, and completion by each applicable party of any and all actions which are in compliance with such FERC orders necessary to effectuate such lease of capacity, in each case on terms acceptable to Transporter, in Transporter's sole discretion.

(f) Transporter's procurement of all materials, rights-of-way and other surface rights necessary for the construction and operation of the Pipeline Project, in each case on terms acceptable to Transporter in its sole discretion.

(g) Receipt by Transporter of evidence of Shipper creditworthiness as set forth in Section 9, below.

(h) Transporter's receipt of any and all necessary authorizations, including but not limited to, presidential export permits and required authorizations from the NEB, the OEB and other applicable governmental or regulatory authorities for a border crossing near Sarnia and the Dawn Pipeline.

#### **8. Condition Precedent to Shipper's Obligations.**

Shipper's obligations under this PA are expressly made subject to the following Condition Precedent, which is solely for the benefit of Shipper, and only Shipper shall have the right to waive such Condition Precedent:

(a) Shipper's receipt, on or before July 25, 2014 of necessary senior management and Board of Directors approvals.

#### **9. Credit.**

Shipper shall comply with, and provide to Transporter sufficient evidence of Shipper's compliance with, the credit provisions described on Attachment C, for the period commencing on the date hereof and continuing until the end of the Primary Term of the FTS Agreement, after which Shipper shall comply with the credit provisions of Transporter's tariff.

#### **10. Term and Termination.**

(a) This PA shall be effective on the date hereof and, unless terminated earlier in accordance with the terms hereof, shall remain in effect until the date on which service commences pursuant to the FTS Agreement.

(b) If any Condition Precedent set forth in Sections 7 or 8, above, has not been fully satisfied or waived by Transporter or Shipper, as applicable, by the applicable date specified therein, then (except as provided in the following sentence) either Transporter (in the case of a Condition Precedent set forth in Section 7) or Shipper (in the case of a Condition Precedent

set forth in Section 8) may thereafter terminate this PA, without liability of any kind to the other party hereto, by giving ninety (90) days' advance written notice of such termination, which such notice of termination must be delivered to the other party within sixty (60) days after the applicable date (if any) specified for the satisfaction of the indicated Condition Precedent or the right to terminate will be deemed to have been waived. If the relevant Condition Precedent is satisfied or waived after a party provides the ninety (90) day notice described above but before such ninety (90) day period has completely run, then such notice shall be deemed null and void with respect to that Condition Precedent.

**11. Notice.**

All notices required or permitted under this PA shall be in writing and hand delivered, or sent by overnight delivery service, with all charges fully prepaid, and addressed to the parties hereto, respectively, as follows:

To Transporter:

Energy Transfer Interstate Holdings  
1300 Main St, Houston, Texas 77002  
Attention: Senior Director - Marketing

To Shipper:

Each party hereto has the right to change its address for all purposes of this PA by notifying the other party thereof in writing. For all purposes of this PA, notices shall be deemed given when received on a business day by the receiving party. In the absence of proof of the actual receipt date, the following presumptions will apply. Notice by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party.

**12. Assignment.**

Either Transporter or Shipper may assign its rights and obligations under, and interests in, this PA and the FTS Agreement to a trustee or trustees or its lenders, individual or corporate, as security for bonds or other financing arrangements, obligations or securities. In the event of such an assignment, the non-assigning party shall execute such consents or acknowledgements of the assignment as may be reasonably necessary to support the financing arrangements provided, however, that Shipper or Transporter shall not be required to provide in such consents or acknowledgements any rights materially different from those set forth in this PA. Otherwise, except with respect to Transporter (who may assign this Agreement to an affiliate without consent), any assignment by either party shall require the written consent of the other party, which consent shall not be unreasonably withheld; provided that such assignment shall be conditioned upon assignee's creditworthiness or provision of credit support in accordance with Section 9. After the In Service Date any transfer of capacity rights must be accomplished through the capacity release provisions of the Tariff and FERC's regulations.

**13. Applicable Law.**

THIS PA SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULES THAT MAY REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION. ANY SUIT BROUGHT WITH RESPECT TO OR RELATING TO THIS PA SHALL BE BROUGHT IN THE STATE OR FEDERAL COURTS WHOSE JURISDICTION INCLUDES HARRIS COUNTY, TEXAS.

**14. Limitation of Liability.**

NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS PA OR UNDER THE AGREEMENTS TO BE EXECUTED PURSUANT TO THIS PA FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE, OR FOR ANY LOST PROFITS, HOWEVER ARISING, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR LOST PROFITS.

**15. Further Assurance.**

Transporter and Shipper shall enter into such additional agreements as may be necessary in furtherance of this PA.

**16. Non-Waiver.**

No waiver by either party of any one or more defaults by the other in the performance of any of the provisions of this PA shall operate or be construed as a waiver of any other existing or future defaults, whether of a like or different character.

**17. No Joint Venture.**

Nothing in this PA shall be construed to create a joint venture or partnership between the parties or to constitute one party as the agent of the other for any purpose.

**18. Entire Agreement; Amendments.**

This PA (including the attached Attachments) and the FTS Agreement if and when executed contain the entire agreement between Transporter and Shipper respecting the subject matter hereof, and supersede any and all prior understandings and agreements, whether oral or written, concerning the subject hereof. No amendments to or modifications of this PA or the FTS Agreement or Exhibits shall be effective unless agreed upon in a written instrument which expressly refers to this PA or the FTS Agreement, as applicable, and is executed by both Transporter and Shipper.

**19. Counterparts.**

This PA may be executed in counterparts and delivered by facsimile, and each such counterpart shall have the same legal effect as an original.

Executed as of the date first above written.

**TRANSPORTER:**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

**SHIPPER:**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_



**ATTACHMENT A**  
**FORM OF FIRM TRANSPORTATION SERVICE AGREEMENT**

**ET ROVER PIPELINE LLC ("ET ROVER ")**  
**RATE SCHEDULE FTS**  
**TRANSPORTATION AGREEMENT NO. \_\_\_\_\_**  
**DATED \_\_\_\_\_**  
**UNDER SUBPART G OF PART 284**  
**OF THE FERC'S REGULATIONS**

1. SHIPPER is: \_\_\_\_\_. Shipper shall be a "Negotiated Rate Shipper" under the provisions of ET ROVER 's FERC Gas Tariff, as may be revised from time to time ("Tariff"), subject to the provisions of this Transportation Agreement.

2. MDQ:

(a) \_\_\_\_\_ Dth per Day from the Effective Date, as defined in Section 3 below.

3. TERM: This Transportation Agreement shall become effective on: (a) the first day of calendar month following notice from ET ROVER to Shipper that ET ROVER is ready to provide firm service from Shipper's Primary Receipt Points set forth in Exhibit A as of the date of this Transportation Agreement (collectively, the "Supply Zone") to Shipper's Primary Delivery Points set forth in Exhibit B as of the date of this Transportation Agreement ("Effective Date"). The Primary Term shall continue for a period of twenty (20) years from the Effective Date. Shipper shall have the right of first refusal with respect to the MDQ in accordance with the Tariff.

4. Service will be ON BEHALF OF:

XX Shipper

..... Other: ....., a .....

5. SHIPPER'S ADDRESS

ET ROVER'S ADDRESS

Energy Transfer Interstate Holdings  
1300 Main St, Houston, Texas 77002  
Attention: Senior Director - Marketing

Notices:

Payments:

6. OTHER PROVISIONS:

(a) Notifications. Except as otherwise may be expressly provided herein, any notice or communication contemplated or required by this Transportation Agreement shall be in writing and shall be sent to the appropriate party at the relevant address set forth in this Transportation Agreement, as may be revised from time to time.

(b) Nonwaiver of Rights. No delay or failure to exercise any right or remedy accruing to either ET ROVER or Shipper upon breach or default by the other will impair any right or remedy or be construed to be a waiver of any such breach or default, nor will a waiver of any single breach be deemed a waiver of any other breach or default.

(c) No Third Party Beneficiaries. This Transportation Agreement shall not create any rights in any third parties, and no provision of this Transportation Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than ET ROVER or Shipper.

(d) Conformance to Law. It is understood that performance hereunder shall be subject to all valid laws, orders, rules and regulations of duly constituted governmental authorities having jurisdiction or control of the matters related hereto, including without limitation the Federal Energy Regulatory Commission ("FERC").

(e) Effect of Tariff. This Transportation Agreement shall at all times be subject to all applicable provisions of the Tariff.

(f) **GOVERNING LAW. THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT OF THIS TRANSPORTATION AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT OF LAW RULE WHICH WOULD REFER ANY MATTER TO THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF TEXAS.**

(g) Entire Agreement. This Transportation Agreement contains the entire agreement between ET ROVER and Shipper with respect to the subject matter hereof, and supersedes any and all prior understandings and agreements, whether oral or written, concerning the subject matter hereof, and any and all such prior understandings and agreements are hereby deemed to be void and of no effect. No amendments to or modifications of this Transportation Agreement shall be effective unless agreed upon in a written instrument executed by ET ROVER and Shipper which expressly refers to this Transportation Agreement.

7. The above-stated Rate Schedule, as revised from time to time, controls this Transportation Agreement and is incorporated herein. The attached Exhibits A, B, and C are incorporated by reference and made a part of this Transportation Agreement. Shipper shall provide the actual end user purchaser name(s) to ET ROVER if ET ROVER must provide them to the FERC.

**Agreed to by:**

**ET Rover  
PIPELINE LLC ("ET ROVER ")**

**{SHIPPER NAME}  
("SHIPPER")**

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

**EXHIBIT A**  
**DATED \_\_\_\_\_**  
**TO**  
**ET ROVER PIPELINE LLC**  
**RATE SCHEDULE FTS**  
**TRANSPORTATION AGREEMENT NO. \_\_\_\_\_**  
**DATED \_\_\_\_\_**

Company:

Contract No.:

Receipt Point(s):

PRIMARY RECEIPT POINT(S):

Effective Date through \_\_\_\_\_:

Name / Location	County/Area	State	Point No.	PRIMARY <sup>1</sup> MDQ (Dth)
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SECONDARY RECEIPT POINT(S):

Shipper shall have rights to secondary receipt points in the Supply Zone in accordance with the provisions of ET ROVER's FERC Tariff.

PRESSURE:

Shipper shall deliver its gas into Transporter's system at a pressure of at least 1100 psig as measured at the Receipt Point(s) and Transporter shall design its system to operate at such a pressure that Shipper shall not be required to deliver its gas against pressures exceeding 1150 psig as measured at the Receipt Point(s).

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<sup>1</sup> These quantities represent primary receipt quantities only. Shipper is not entitled to the Negotiated Rate for nominations or transport in excess of the MDQ our outside of Shipper's primary path.

**EXHIBIT B**  
**DATED**  
**TO**  
**ET ROVER PIPELINE, LLC**  
**RATE SCHEDULE FTS**  
**TRANSPORTATION AGREEMENT NO. \_\_\_\_\_**  
**DATED \_\_\_\_\_**

Company:

Contract No.:

Delivery Point(s):

Effective Date through \_\_\_\_\_:

Name / Location	County/Area	State	Point No.	Primary <sup>2</sup> MDQ (Dth)
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**SECONDARY DELIVERY POINT(S):**

Shipper shall have rights to secondary delivery points within the primary path and in accordance with the provisions of ET Rover’s FERC Gas Tariff, at the rates and related terms set forth in Attachment B.

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<sup>2</sup> These quantities represent primary delivery quantities only. Shipper is not entitled to the Negotiated Rate for nominations or transport in excess of the applicable MDQ to any combination of delivery points.

**EXHIBIT C**  
**DATED**  
**TO**  
**ET ROVER PIPELINE, LLC**  
**RATE SCHEDULE FTS**  
**TRANSPORTATION AGREEMENT NO. \_\_\_\_\_**  
**DATED \_\_\_\_\_**

**CREDIT PROVISIONS**

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed “Creditworthy” hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor’s Ratings Services or its successor and at least Baa3 by Moody’s Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a “Debt Rating”), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity’s overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not “Creditworthy”, then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix “A” hereof (“Guaranty”), from a third party that is “Creditworthy” and that is otherwise acceptable to Transporter, in Transporter’s sole judgment (such third party, “Guarantor”), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter’s sole judgment, in either case securing the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement (“Credit Support”), and on or after August 31, 2015, equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a

negative outlook, then the amount of Credit Support shall increase to the lesser 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer “Creditworthy”, or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter’s basis for such determination), and within five (5) business days after Shipper’s receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Exhibit C(B)(i) or Exhibit C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Exhibit C(B)(ii) (any such letter of credit, “Shipper’s Letter of Credit”), such Shipper’s Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper’s Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper’s Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper’s Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper’s Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper’s Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper’s Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper’s Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper’s Letter of Credit. Shipper’s Letter of Credit (representing any

undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.



## ATTACHMENT B

### NEGOTIATED RATE AGREEMENT

This Negotiated Rate Agreement ("Agreement") between ET ROVER PIPELINE LLC ("ET ROVER" or "Pipeline") and \_\_\_\_\_ ("Shipper"), incorporated as an exhibit to Rate Schedule FTS Transportation Agreement No. \_\_\_\_\_ between ET ROVER and Shipper dated \_\_\_\_\_ ("Transportation Agreement"), sets forth the rates and charges for the natural gas transportation service to be provided by ET ROVER to Shipper under the Transportation Agreement ("Negotiated Rates"), subject to the terms and the requirements of the Federal Energy Regulatory Commission ("FERC") pertaining to negotiated rate transactions.

#### ARTICLE 1 NEGOTIATED RATE PARAMETERS

1.1 **Negotiated Rate Term.** The Negotiated Rates set forth in this Agreement shall remain in effect through the expiration of the Primary Term of the Transportation Agreement.

1.2 **Primary Term Reservation Rate.** For service provided by ET ROVER to Shipper from the Eligible Receipt Points to the Eligible Delivery Points, as defined below, for aggregate quantities not to exceed the MDQ during the Primary Term of the Transportation Agreement, Shipper shall pay ET ROVER the following Fixed Negotiated Base Reservation Rate:

(a) **Fixed Negotiated Reservation Rate:** \$.\_\_\_\_\_/Dth of Shipper's Transportation Agreement Contract MDQ; provided however, that the Fixed Negotiated Reservation Rate will be reduced by the amount of any rate charged by ET Rover Canada LLC under the corresponding transport for the portion of the pipeline in Canada.

(b) The Fixed Negotiated Reservation Rate shall remain fixed for the Primary Term of the Transportation Agreement, regardless of any otherwise applicable maximum or minimum rate set forth in ET ROVER 's Tariff.

1.3 **Eligible Primary Receipt Points.** The Negotiated Rates shall apply to service provided to Shipper from the Primary Receipt Points specified in Exhibit A to the Transportation Agreement.

1.4 **Eligible Secondary Receipt Points.** The Negotiated Rates shall apply to service provided to Shipper on a secondary firm basis from all receipt points in the Supply Zone.

1.5 **Eligible Primary Delivery Points.** The Negotiated Rates shall apply to service provided to Shipper to the Primary Delivery Points specified in Exhibit B to the Transportation Agreement.

1.6 **Eligible Secondary Delivery Points.** The Negotiated Rates shall apply to service provided to Shipper on a secondary firm basis as follows:

(a) The Negotiated Rates shall apply to service provided to Shippers on a secondary firm basis to all delivery points within the Mainline Zone up to the MDQ of such path.

(b) Shippers with Dawn Primary Path – The Negotiated Rates shall apply to service provided to Shippers on a secondary firm basis to all delivery points within the Mainline Zone and the Market Zone North up to the MDQ of such path.

**ARTICLE 2**  
**MISCELLANEOUS PROVISIONS**

2.1 **Applicable Maximum and Minimum Tariff Rates.** Unless otherwise expressly provided in this Agreement, the Negotiated Rates shall apply to service provided by ET ROVER to Shipper for the term of the Transportation Agreement, notwithstanding any otherwise applicable maximum or minimum reservation rates set forth in ET ROVER 's Tariff, as may be revised from time to time. Shipper shall pay applicable commodity rates, fuel rates and surcharges in accordance with ET ROVER's tariff. In addition, Shippers to Market Zone South shall pay the applicable Panhandle Eastern Pipeline Company LP and Trunkline Gas Company LLC fuel and commodity charges.

2.2 **Refunds.** In no event shall ET ROVER be required to refund to Shipper any amounts collected for service to which the Negotiated Rates apply, notwithstanding any otherwise applicable maximum or minimum rate set forth in ET ROVER 's Tariff.

**Agreed to by:**

**ET ROVER**  
**PIPELINE LLC ("ET ROVER ")**

**("SHIPPER")**

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

**ATTACHMENT C**  
**DATED**  
**TO**  
**ET ROVER PIPELINE, LLC**  
**RATE SCHEDULE FTS**  
**TRANSPORTATION AGREEMENT NO. \_\_\_\_\_**  
**DATED \_\_\_\_\_**

**CREDIT PROVISIONS**

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Attachment C:

(A) An entity shall be deemed “Creditworthy” hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor’s Ratings Services or its successor and at least Baa3 by Moody’s Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a “Debt Rating”), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity’s overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not “Creditworthy”, then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix “A” hereof (“Guaranty”), from a third party that is “Creditworthy” and that is otherwise acceptable to Transporter, in Transporter’s sole judgment (such third party, “Guarantor”), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter’s sole judgment, in either case securing the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement (“Credit Support”), and on or after August 31, 2015, equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a

negative outlook, then the amount of Credit Support shall increase to the lesser 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer “Creditworthy”, or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Attachment C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter’s basis for such determination), and within five (5) business days after Shipper’s receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Attachment C(B)(i) or Attachment C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment C(B)(ii) (any such letter of credit, “Shipper’s Letter of Credit”), such Shipper’s Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper’s Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper’s Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper’s Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper’s Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper’s Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper’s Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper’s Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what

is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.