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FERC GAS TARIFF
FIRST REVISED VOLUME NO. 1
of
ANR STORAGE COMPANY

Filed With The
FEDERAL ENERGY REGULATORY COMMISSION

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First Revised Volume No. 2

<u>Rate</u>	<u>Description</u>	<u>Section No.</u>
<u>Schedule</u>		
	Reserved for Future Use	

PRELIMINARY STATEMENT

This First Revised Volume No. 1 of the FERC Gas Tariff ("Tariff") of ANR Storage Company (ANR) contains the Rates and Charges, Rate Schedules, Forms of Service Agreement and the General Terms and Conditions applicable to Storage Service performed by ANR pursuant to the FS and IS Rate Schedules.

The currently effective system map is available on ANR's Internet Website at
www.gasnom.com/ip/ANR/map.

STATEMENT OF RATES

STATEMENT OF RATES FOR STORAGE OF NATURAL GAS

RATE SCHEDULE FS

	Rate per Dth
1. Reservation Rate	
a. Deliverability – Monthly	Market Based
b. Capacity – Monthly	Market Based
c. Deliverability - Daily (3)	Market Based
d. Capacity - Daily (3)	Market Based
2. Injection/Withdrawal Commodity Rate	Market Based
3. Overrun Service Rate (1)	Market Based

RATE SCHEDULE IS

	Rate per Dth
1. Commodity Rate	Market Based

SURCHARGE APPLICABLE TO
 FS AND IS SERVICE (2)

	Maximum Rate per Dth	Minimum Rate per Dth
1. ACA	(4)	(4)

Rate Schedules FS and IS (5)

Seller's Injection Use	Market Based
Seller's Withdrawal Use	Market Based

- (1) See Section 5.1.4.2 of Rate Schedule FS for definition.
- (2) See Section 5.1.5 of Rate Schedule FS and Section 5.2.5 of Rate Schedule IS for applicability.
- (3) Rates applicable for Volumetric Rate Capacity Release.
- (4) The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.
- (5) May be assessed in-kind or on a dollars-per-dekatherm basis.

RESERVED FOR FUTURE USE

RATE SCHEDULES

Firm Storage Service (FS)

Interruptible Storage Service (IS)

Merchant Sales (MS)

RATE SCHEDULE FS
FIRM STORAGE

5.1.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas Storage Service from ANR Storage Company (hereinafter referred to as "Seller"), when:

- (a) Seller has determined that it has sufficient available and uncommitted Storage capacity or capacity released in accordance with Section 5.1.7 of this Rate Schedule FS to perform service requested by Customer; and
- (b) Customer and Seller have executed a Service Agreement under this Rate Schedule.

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Storage Service which is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (a) The receipt of Gas on behalf of Customer at the Point of Injection at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (b) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity, except as provided for in Section 5.1.6 of this Rate Schedule; and
- (c) The Tender of Gas for redelivery by Seller to or for the account of Customer at the Point of Withdrawal a quantity not to exceed Customer's Working Storage Gas at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.
- (d) The receipt of Gas on behalf of Customer and redelivery of Gas for the account of Customer in excess of its applicable Maximum Daily Injection Quantity and Maximum Daily Withdrawal Quantity on a best efforts basis by Seller when required to allow Customer full utilization of its Maximum Storage Quantity.
- (e) Storage Service under this Rate Schedule shall be firm up to the Maximum Storage Quantity and shall be firm up to the Maximum Daily Withdrawal Quantity and Maximum Daily Injection Quantity on any Day. The Maximum Storage Quantity, the Maximum Daily Injection Quantity, and the Storage Demand Withdrawal Quantity shall be specified in the executed Agreement.

5.1.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are applicable to this Rate Schedule, and are specifically incorporated herein by reference.

5.1.4 RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the charges due under the subsections of this Section 5.1.4 and charges under Section 5.1.5, below, that are applicable to Customer for such Month, computed by use of the applicable rates set forth in Customer's FS Service Agreement which are effective during such Month or portions thereof.

Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent. If, at initiation of service, service is provided for only a portion of a Month, any applicable reservation fee shall be prorated for the number of Days that service is provided.

5.1.4.1 Storage Charges:

(a) Reservation Charges:

- (1) The FS Deliverability Reservation Rate shall be paid each Month for each Dekatherm of Customer's Storage Demand Withdrawal Quantity.
- (2) The FS Capacity Reservation Rate shall be paid each Month for each Dekatherm of Customer's Maximum Storage Quantity.
- (3) If, due to Seller's scheduling of necessary maintenance of pipeline facilities, necessary maintenance of compression facilities and/or facility outages for tie-in of new facilities, Seller fails to Tender for redelivery or accept for Storage injection at the Point of Injection/Withdrawal for the account of Customer during any Day the quantity of Gas that Customer has so nominated for such Day up to a Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as applicable, then subject to the provisions of the General Terms and Conditions of this Tariff, Customer's Monthly bill shall be reduced by an amount equal to the product of
(a):

$$\frac{A \times B \times 12 + D \times 12}{C}$$

Where: A = Deliverability Rate
B = Storage Demand Withdrawal Quantity
C = Maximum Storage Quantity
D = Capacity Charge

and (b): the difference between such quantity of Gas nominated for injection or withdrawal up to the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as applicable, and the applicable quantity actually injected or withdrawn by Seller for the account of Customer during such Day. Such reductions of Seller's Reservation Charges shall not be applicable in the event of Seller's failure to accept from Customer quantities of Gas tendered for injection during April 1 of any calendar year through October 31 of such year, if Seller and Customer agree upon and place into effect the make-up of such injection deficiency during such April through October period.

- (b) Commodity Charge: The Injection/Withdrawal Commodity Rate shall be paid each Month for Each Dekatherm Of Gas Which Is Delivered to or for the account of Customer and Each Dekatherm of Gas Customer delivers or causes to be delivered at the Point of Injection/Withdrawal during the Month. Such charges shall be applicable both on injection and on withdrawal.

5.1.4.2 Overrun Service Charge. An overrun rate shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 5.1.6, below. As set forth in Customer's FS Service Agreement, the Overrun Service Charge shall consist of the Overrun Service Rate for each Dekatherm of the Average Monthly Storage Volume which is stored for or on behalf of Customer during the Month greater than the Customer's Maximum Storage Quantity.

5.1.4.3 Seller's Use Charge. Customer shall furnish the Gas for Seller's Injection Use and Seller's Withdrawal Use in the Storage Service as set forth in Section 4.1 or Section 4.2 (as applicable) of this Tariff.

5.1.4.4 Annual Charges Clause Adjustment (ACA). Seller shall collect the ACA charge from Customer for all Gas stored hereunder, as authorized by the Commission's Orders, so that Seller may recoup the annual charges assessed by the Commission for the previous fiscal year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B, issued September 16, 1987 at Docket No. RM87-3 or any superseding Commission Order. The currently effective rate for such charge shall be stated in Section 4.1 or Section 4.2 (as applicable) of this Tariff.

5.1.4.5 Rate Changes. Seller shall have the right to propose to FERC or any other governing regulatory body such changes in its rates and terms of service it deems necessary, and the Agreement executed by the parties shall be deemed to include any changes which are made effective pursuant to an order or regulation or provision of law, without prejudice to Customer's right to protest the same; provided, however, that any market-based rates negotiated between Seller and its Customer(s) shall remain in effect during the term(s) of the Agreement specifying such rates. Seller shall have the right to charge a rate that yields an economic value acceptable to Seller at any time as a condition for new service or for continuation of service under an existing Agreement unless agreed to otherwise between Seller and Customer. Whenever Seller adjusts the rate to be charged to a Customer pursuant to this Section 5.1.4.5, notice thereof shall be given to Customer not less than seventy-two (72) hours prior to the effective date of such adjustment.

5.1.5 ADDITIONAL CHARGES

1. **Commission and Other Regulatory Fees:** Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.
2. **Other Charges:** Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any other successor agency having jurisdiction.
3. **Third Party Charges:** If Customer requests, and Seller agrees, that Seller shall, to provide service to Customer, use service which Seller has contracted for with third party(s) pursuant to Section 6.20 of the General Terms and Conditions of this Tariff for the benefit of Customer, Customer shall pay Seller an amount up to the charges Seller is obligated to pay such third party(s), which charges may include, but are not limited to, reservation and/or Usage Charges and surcharges, fuel charges, compression fees, balancing or Storage fees, measurement fees, processing fees, and/or facility charges. Such charges shall be set forth as separate items on billings rendered to Customer.

5.1.6 STORAGE OVERRUN SERVICE

Customer may request Seller to provide Storage Service under this Rate Schedule for quantities of Gas in excess of Customer's Maximum Storage Quantity. Service requested under this section must be nominated separately as "overrun" by Customer. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Service Charge pursuant to Section 5.1.4.2 of this Rate Schedule FS for such overrun Storage Service.

5.1.7 CAPACITY RELEASE

Any Customer or Replacement Customer under Rate Schedule FS shall be entitled to release all or a portion of its capacity to Seller for resale. Additionally, Customer may release its capacity on a volumetric basis. Any Customer or Replacement Customer releasing capacity will be designated a Releasing Customer. Any person purchasing released capacity shall be designated a Replacement Customer. Any Customer that wants to release capacity must notify Seller that it wants to release capacity and the terms and conditions of such release.

5.1.7.1 Making an Offer to Release

5.1.7.1.A Procedure for Making an Offer to Release. Releasing Customer shall communicate its release notice through Seller's Internet Site. The Releasing Customer shall submit the following information, objectively stated and applicable to all potential Customers on a non-discriminatory basis:

- (1) the pricing provisions of the offer to release and whether bids should be denominated in dollars and cents or as a percentage of a rate for a non-index-based release, or the index-based formula as detailed in the capacity release offer.
- (2) the specific quantity to be released expressed in Dth; the basis for released quantity should be per Day for Storage Injection/Withdrawal, and a per release quantity for Storage capacity and total release period quantity;
- (3) the duration of release or term including any right to recall;
- (4) The terms and conditions of any recall rights. Releasing Customers may, to the extent permitted as a condition of the capacity release, recall released capacity by providing notice to the Seller in accordance with the timeline set forth below (stated in Central Clock Time). The recall notification shall show the recall quantity expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Recalled capacity notices will indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Seller will support the ability for the Releasing Customer to specify, as a condition of a release, whether the Releasing Customer's recall notification must be provided exclusively on a Business Day. When capacity is recalled, it may not be reput for the same Gas Day. The deadline for notifying Seller of a reput is 8:00 a.m. to allow for the timely nominations to flow on the next Gas Day.
 - (i) Timely Recall Notification
 - (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 8:00 a.m. on the Day that Timely Nominations are due;
 - (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 9:00 a.m. on the Day that Timely Nominations are due;
 - (ii) Early Evening Recall Notifications:

- (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 3:00 p.m. on the Day that Evening Nominations are due;
 - (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 4:00 p.m. on the Day that Evening Nominations are due;
- (iii) Evening Recall Notifications:
- (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 5:00 p.m. on the Day that Evening Nominations are due;
 - (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 6:00 p.m. on the Day that Evening Nominations are due;
- (iv) Intraday 1 Recall Notifications:
- (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 7:00 a.m. on the Day that Intraday 1 Nominations are due;
 - (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 8:00 a.m. on the Day that Intraday 1 Nominations are due;
- (v) Intraday 2 Recall Notifications:
- (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 12:00 noon on the Day that Intraday 2 Nominations are due;
 - (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 1:00 p.m. on the Day that Intraday 2 Nominations are due; and
- (vi) Intraday 3 Recall Notifications:
- (a) A Releasing Customer recalling capacity should provide notice of such recall to the Seller and the first Replacement Customer no later than 4:00 p.m. on the Day that Intraday 3 Nominations are due;

- (b) The Seller should provide notification of such recall to all affected Replacement Customers no later than 5:00 p.m. on the Day that Intraday 3 Nominations are due.

For recall notification provided to the Seller prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., the Seller should provide notification to all affected Replacement Customers no later than one hour after receipt of such recall notification. For recall notification provided to the Seller after 5:00 p.m. and prior to 7:00 a.m., the Seller should provide notification to all affected Replacement Customers no later than 8:00 a.m. after receipt of such recall notification. Releasing Customer may only recall such released capacity that Replacement Customer has not filled. The Releasing Customer shall make such recall by notifying Seller in writing of such recall and by submitting a nomination change to Seller, pursuant to Section 6.4.1 of the General Terms and Conditions of this Tariff;

In the event of an intra-day capacity recall, Seller will determine the allocation of capacity between the Releasing Customer and the Replacement Customer(s) based upon the Elapsed Prorata Capacity. Variations to the use of Elapsed Prorata Capacity may be necessary to reflect the nature of Seller's Tariff, services, and/or operational characteristics.

Seller will not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55.

The amount of capacity allocated to the Replacement Customer(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity or other Seller Tariff specific variations of the Elapsed Prorata Capacity in accordance with NAESB WGQ Standard No. 5.3.56.

- (5) whether the release is on a permanent or temporary basis;
- (6) the length of time the offer to release should be posted for bidding on Seller's Internet Site;
- (7) whether there are any reput rights;
- (8) and any other conditions or contingencies of the offer to release, including nondiscriminatory provisions necessary to evaluate bids and the tie breaking criteria, provided, however, that bid evaluation methodologies that are required to be supported by the Seller and provided to Releasing

Customers as choices from which they may select and, once chosen, should be used in determining the awards from the bids(s) submitted will be limited to highest rate, net revenue and present value; other choices of bid evaluation methodology can be accorded similar timeline evaluation treatment at the discretion of the Seller; however, the Seller is not required to offer other choices or similar timeline treatment for other choices, nor, is the Seller held to the timeline should the Releasing Customer elect another method of evaluation;

- (9) the legal name of the Replacement Customer that is designated in any Pre-arranged Release ("Designated Replacement Customer");
- (10) the bid evaluation method; for index-based capacity release transactions, the Releasing Customer should provide the necessary information and instructions to support the chosen methodology;
- (11) Volumetric Release - any minimum volumetric commitment.
- (12) An indication of whether the Pre-arranged capacity release is to an asset manager as described in Section 5.1.7.1.F, and the asset manager's obligation as to volumetric level and effective time period(s) to deliver gas to, or purchase gas from the Releasing Customer.
- (13) An indication of whether the Pre-arranged capacity release is to a marketer participating in a state-regulated retail access program as described in Section 5.1.7.1.F.

5.1.7.1.B Creditworthiness. Replacement Customer shall comply with Seller's creditworthiness provisions as provided for in Section 6.11.5 of the General Terms and Conditions of this FERC Gas Tariff First Revised Volume No. 1. Seller may refuse to allow a Permanent Capacity Release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Releasing Customer's request to permanently release is denied by Seller, Seller shall notify Releasing Customer in writing and shall include in the notification the reasons for such denial.

5.1.7.1.C Releasing Customer Options. Releasing Customer may withdraw any existing offer to release, if a valid bid has not been received. Releasing Customer shall be subject to the provisions of Section 5.1.8, below, prior to the commencement of the Agreement with Replacement Customer. Offers should be binding until notice of withdrawal is received by Seller on its Internet Site. Releasing Customer may withdraw its offer to release any time prior to the close of the bidding period, where unanticipated circumstances justify such withdrawal or when no bid has been received which meets the Releasing Customer's minimum conditions. Releasing Customer shall have the option to accept contingent bids which extend beyond the close of the bidding period. Releasing Customer cannot extend the original bid period or the pre-arranged deal Matching Period without posting a new release. Rerelease of Released Capacity shall be allowed on the same terms and basis as the primary release (except for volumetric releases which may not be rereleased).

5.1.7.1.D Capacity Release Timeline. The Capacity Release Timeline is applicable to all parties of the Capacity Release process; however it is only applicable if:

- (1) all information provided by parties to the transaction is valid and Replacement Customer has been determined to be credit worthy before the capacity release bid is tendered;
- (2) for index-based capacity release transactions, the Releasing Customer has provided the Seller with sufficient instructions to evaluate the corresponding bid(s) according to the Capacity Release timeline, and
- (3) there are no special terms or conditions of the release.

Further, the Seller may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions.

- (i) For biddable releases (1 year or less):
 - (1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (2) Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
 - (3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
 - (5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
 - (6) The contract is issued within one hour of award posting (with a new contract number, when applicable).
 - (7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (ii) For biddable releases (more than 1 year):
 - (1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (2) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
 - (3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

- (5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
 - (6) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - (7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (iii) For non-biddable releases:
- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are:
- Timely Cycle 12:00 noon
 - Evening Cycle 5:00 p.m.
 - Intraday 1 Cycle 9:00 a.m.
 - Intraday 2 Cycle 1:30 p.m.
 - Intraday 3 Cycle 6:00 p.m.

The contract is issued within one hour of the award posting (with a new contract number, when applicable).

Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

5.1.7.1.E Competitive Bidding Procedure. Bids may be submitted by potential Replacement Customers via the Internet Site during the posting period. The bids for the given capacity release offer should adhere to the method specified by the Releasing Customer. Seller shall post the terms of each complete bid, but will not post the identity of the bidder. Posted bids will be accessible via EDM. Seller will also require all information set forth in Section 6.2 of the General Terms and Conditions of this Tariff. Upon expiration of the offer, Seller shall remove such offer of release from its Internet Site.

Potential Replacement Customers may withdraw their posted bids at any time during the bidding period via the Internet Site. Potential Replacement Customers cannot withdraw bids after the bidding period ends. Such potential Replacement Customers may not post another bid for the same capacity lower than their previous bid.

Seller will post offers and bids, including prearranged deals, upon receipt. A Releasing Customer may request a later posting time for posting of such offer, and Seller will support such request insofar as it comports with the standard Capacity Release timeline specified in Section 5.1.7.1.D, above.

5.1.7.1.F Pre-arranged Release:

- (i) Releasing Customer shall have the right to release capacity to a Pre-arranged Replacement Customer without posting an offer on the Internet Site if:
- (1) the Replacement Customer confirms via the Internet Site the terms and conditions of the Pre-arranged Release.
 - (2) the release is less than 31 Days, or
 - (3) the release is to an asset manager that contains a condition that the Releasing Customer may call upon the Replacement Customer to deliver to, or purchase from, the Releasing Customer a volume of gas up to 100 percent of the daily contract demand of the released storage capacity, provided that, the asset manager's delivery or purchase obligation need only be up to 100 percent of the daily contract demand under the release for storage withdrawals or injections, or
 - (4) the release is to a marketer participating in a state-regulated retail access program that will be utilized by the Replacement Customer to provide the gas supply requirement of retail consumers pursuant to a retail access program approved by the state agency with jurisdiction over the local distribution company that provides delivery service to such retail consumers.

If Releasing Customer exercises such right, it must notify Seller prior to the nomination of the released entitlements, and the Replacement Customer shall adhere to the contracting requirements. Seller will post the information on the Internet Site pursuant to the timeline set forth in Section 5.1.7.1.D (iii), above. The Replacement Customer shall meet any eligibility requirements under this Section 5.1.7. Pre-arranged Replacement Customer nominations possible at the earliest nomination opportunity at the time Seller receives notification of release. Seller shall issue contract within one hour of the notification of the release.

- (ii) Matching Rights. A Pre-arranged Replacement Customer shall have the right of first refusal for a time period as negotiated by the Releasing Customer and the Pre-arranged Replacement Customer ("Matching Period"). If no Matching Period has been negotiated, the Matching Period will be deemed to be one (1) hour following the time the Pre-arranged Replacement Customer has been notified of the winning bid. In the event a bid is received that more closely meets the criteria specified by the Releasing Customer, Seller shall provide the Pre-arranged Replacement Customer an opportunity during the Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Customer. Consistent with the guidelines set forth in Section 5.1.7.1.D,

above, the Pre-arranged Replacement Customer shall receive notification on the Internet Site of the terms and conditions of the prevailing bid, shall have the Matching Period to respond via the Internet Site, and shall post on the Internet Site its match response. Absent a response from the Replacement Customer, the capacity shall be awarded to the prevailing bidder.

5.1.7.1.G Awarding Capacity Release. Capacity will be awarded consistent with the timeline set forth in Section 5.1.7.1.D, above. The capacity will be awarded to the Replacement Customer which otherwise satisfies the requirements of this Tariff and also meets all of the conditions of the offer to release capacity. In the case of multiple bid winners, the highest ranking bid will receive the entire maximum amount of capacity bid. The next highest ranking bidder will receive the remainder of the offered capacity provided that the amount remaining is above the bidder's minimum acceptable quantity. Any remaining capacity will be given to the next highest bidder with the same provisions as above. This process will repeat until either all of the offered capacity is awarded or the remaining capacity falls below either the Releasing Customer's minimum quantity or all of the remaining bidder's acceptable quantities. Seller shall not be required to contract with parties submitting bids that do not meet the conditions of the offer to release capacity, however, subject to approval of Releasing Customer, Seller may accept bids offering a price or term less than that set forth in the release. Bids will be evaluated by the criteria provided by the Releasing Customer. If no criteria are provided by the Releasing Customer, bids will be accepted in the order of priority based upon the highest economic value offered by the competing bids as defined in Section 6.10 of the General Terms and Conditions of this Tariff. The ultimate awarding of the capacity will be posted subsequently on Seller's Internet Site consistent with the timeline set forth in Section 5.1.7.1.D above, unless bidder was a contingent bidder and the contingency did not occur. Seller will tender a numbered Agreement within one hour to the winning bidder, and the winning bidder shall enter into an Agreement with Seller pursuant to Section 5.1.7.2, below.

Seller is required to meet the Capacity Release Timeline for processing capacity releases only if the Releasing Customer's best bid methodology is either: (1) highest rate, (2) net revenue, or (3) present value. In all cases, Replacement Customers will be subject to all requirements of this Tariff. Storage Service to the Replacement Customer may commence, prior to the posting of the winning bid, if capacity has been awarded and a contract executed.

5.1.7.2 Execution of Service Agreement. Once the provisions of this Section 5.1.7 are satisfied and as a condition precedent to receiving service pursuant to a capacity release, Replacement Customer shall execute a Service Agreement with Seller.

5.1.7.3 Billing Adjustment. Releasing Customer shall remain fully obligated under the terms of its Service Agreement with Seller during any capacity release except for Usage Charges incurred by any Replacement Customer that has purchased capacity released by the Releasing Customer.

Seller shall credit the invoice of Releasing Customer each Month for the Deliverability and Capacity charges and volumetric rates invoiced, by Seller to Replacement Customer provided, however, that such credit:

- (a) shall not include any charges billed to the Replacement Customer under Section 5.1.5 of this Rate Schedule or Section 5.2.5 of Rate Schedule IS, and
- (b) shall be reduced by the amount of any marketing fee Seller is entitled to collect pursuant to Section 5.1.7.4, below.

If a Replacement Customer fails to pay, in accordance with Section 6.8.2 of the General Terms and Conditions of this Tariff, all or any part of its Deliverability and Capacity charges, then Seller may, in addition to any other remedies it may have hereunder, terminate its Agreement with the Replacement Customer, and the Replacement Customer shall be deemed to have consented to abandonment of service under the Agreement. If the Agreement with the Replacement Customer is so terminated and service abandoned, the capacity will revert to the Releasing Customer, and will be governed by the terms and conditions of its existing Agreement with Seller. If Releasing Customer pays delinquent amounts owed by Replacement Customer and Seller subsequently receives payment from Replacement Customer of some or all of such amounts, Seller will credit the amounts received from the Replacement Customer in Seller's next monthly bill to the Releasing Customer.

5.1.7.4 Marketing Fee. Seller may negotiate with Releasing Customer to market all or a portion of the released capacity to potential Replacement Customers who, as a result of such marketing activity, bid for such capacity during the competitive bidding procedure. If Seller contracts with a Replacement Customer found by Seller, Seller shall be entitled to a marketing fee which will be negotiated between Seller and Releasing Customer, such marketing fee to be deducted monthly from credits due Releasing Customer with respect to each Dth of capacity purchased by the Replacement Customer. Each Replacement Customer found by Seller shall submit with its bid a statement attesting to Seller's marketing efforts in connection with such Replacement Customer's decision to purchase released capacity. Such statement shall constitute conclusive evidence of Seller's proactive marketing effort entitling Seller to a marketing fee.

5.1.7.5 Term. Any release under this Section 5.1.7 for service under Rate Schedule FS shall be for a maximum term not longer than the remaining term of the underlying FS Service Agreement. If capacity is released and the Replacement Customer takes service under Rate Schedule IS, the minimum term shall be one Month.

5.1.7.6 Volumetric Release. Customer may release capacity on a volumetric basis, provided that:

- (a) all requirements and conditions of the release be specified by the Releasing Customer in the release notice, including any minimum Storage volume requirement, and
- (b) the requirements and conditions specified by Releasing Customer must meet all of the requirements and conditions of Seller's Tariff, and
- (c) Seller will bill the Volumetric Rate for Release for volumes actually injected into Storage by Seller for the account of Replacement Customer or the minimum Storage volume requirement if actual injected volumes are less than the required minimum Storage volume requirement, and
- (d) Replacement Customer shall remain fully responsible for all Usage Charges incurred.

5.1.7.7 Notice. Notice of releases made under Section 5.1.7.1.F shall be posted on Seller's Internet Site not later than the first nomination after the release transaction commences.

Reserved for Future Use

5.1.7.9 Releases of 31 Days or Less. Releasing Customer shall not re-release firm entitlements that were previously released pursuant to Section 5.1.7.1.F to the same Replacement Customer until twenty-eight (28) days after the first release period has ended. The 28-Day hiatus does not apply to any re-release to the same Replacement Customer that is posted for bidding or that qualifies for any of the exemptions from posting under Section 5.1.7.1.F.

Section 5.1.7.1.F paragraphs (i)(2), (i)(4), and (i)(5) releases can be rolled-over for subsequent periods without bidding.

- 5.1.7.10 Posting Offers to Purchase Released Capacity – A Customer desiring released capacity may submit a request to Seller in writing. Such request for capacity shall specify the terms and conditions pursuant to which capacity will be accepted. Such a request shall be posted on Seller’s public Internet Site for no less than thirty (30) Days on an informational basis.

5.1.8 GAS IN STORAGE AFTER TERMINATION OF AGREEMENT

If a Customer which has not renewed its FS Agreement, prior to the end of the term of such Agreement, fails to withdraw all of its Working Storage Gas by the end of the date such FS Agreement terminates, then, at Seller's option, and upon forty-eight (48) hours notice, Customer will be deemed to have agreed to the Storage of such remaining Working Storage Gas under Rate Schedule IS or at Seller's option, Seller may retain any remaining quantities of Working Storage Gas free and clear of any adverse claims; provided however, that Seller will notify Customer in writing seven Months prior to termination of its FS Agreement of the quantity of Storage Volumes being held by Seller for Customer's account and the above options available to Seller in the event Customer fails to withdraw all of its Working Storage Gas by the end of said Storage Contract Year. In the event Seller is unable to withdraw Customer's properly nominated volumes, up to the Customer's Maximum Daily Withdrawal Quantity, on any Day during the last Storage Contract Year prior to the expiration of the Agreement, then the term of the Agreement shall be extended by the number of Days Seller is unable to Tender quantities of Gas for redelivery.

5.1.9 DEFINITIONS

1. The term "Storage Demand Injection Quantity" shall mean:
 - (a) Fifty Percent (50%) of Customer's Storage Demand Withdrawal Quantity when Customer's Storage Demand Withdrawal Quantity is greater than or equal to 1/30th of the Maximum Storage Quantity.
 - (b) Unless otherwise agreed by Customer and Seller, 1/130 of Customer's Maximum Storage Quantity when Customer's Storage Demand Withdrawal Quantity is less than 1/30th of the Maximum Storage Quantity.
2. The term "Maximum Daily Injection Quantity" shall mean:
 - (a) Storage Demand Injection Quantity as long as Customer's Working Storage Gas is equal to or less than fifty-five percent (55%) of the Maximum Storage Quantity.
 - (b) Seventy-five Percent (75%) of the Storage Demand Injection Quantity as long as Customer's Working Storage Gas is greater than fifty-five (55%) of the Maximum Storage Quantity, but equal to or less than eighty percent (80%) of the Maximum Storage Quantity.
 - (c) Sixty-five Percent (65%) of the Storage Demand Injection Quantity as long as Customer's Working Storage Gas is greater than eighty (80%) of the Maximum Storage Quantity.
3. The term "Storage Demand Withdrawal Quantity" shall mean a number of Dths that cannot be greater than 1/10 of the Maximum Storage Quantity nor less than 1/126 of the Maximum Storage Quantity reduced by the Dths required for Seller's Withdrawal Use, as set forth on Exhibit A of this Agreement, unless otherwise agreed by Customer and Seller.
4. The term "Maximum Daily Withdrawal Quantity" shall mean:
 - (a) Storage Demand Withdrawal Quantity as long as Customer's Storage Demand Withdrawal Quantity is greater than or equal to 1/30 of the Maximum Storage Quantity, otherwise.
 - (b) Storage Demand Withdrawal Quantity as long as Customer's Working Storage Gas is equal to or greater than twenty percent (20%) of the Maximum Storage Quantity.

- (c) Seventy Percent (70%) of the Storage Demand Withdrawal Quantity as long as Customer's Working Storage Gas is less than twenty percent (20%), but equal to or greater than ten percent (10%) of the Maximum Storage Quantity.
 - (d) Forty Percent (40%) of the Storage Demand Withdrawal Quantity as long as Customer's Working Storage Gas is less than ten percent (10%) of the Maximum Storage Quantity.
5. Unless otherwise agreed by Customer and Seller, the term "Storage Contract Year" shall mean the period from April 1 of the calendar year through March 31 of the following calendar year.
6. The term "Permanent Capacity Release" shall mean the release of some or all of its capacity by the Customer for the remaining term of its Agreement with Seller. Releasing Customer shall not be liable for any charges incurred by the Replacement Customer after the Permanent Capacity Release. Replacement Customer shall be subject to all terms of this Tariff.

RATE SCHEDULE IS
INTERRUPTIBLE STORAGE

5.2.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Customer") for the purchase of natural gas Storage Service from ANR Storage Company (hereinafter referred to as "Seller"), when Customer and Seller have executed a Service Agreement under this Rate Schedule.

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

This Rate Schedule shall apply to all Storage Service which is rendered by Seller for Customer pursuant to an executed Agreement under this Rate Schedule.

Storage Service rendered by Seller under this Rate Schedule shall consist of:

- (a) The receipt of Gas on behalf of Customer at the Point of Injection up to the Maximum Storage Quantity plus Seller's Injection Use at daily quantities up to the Maximum Daily Injection Quantity plus Seller's Injection Use;
- (b) The Storage of Gas in quantities not to exceed the Maximum Storage Quantity; and
- (c) The Tender of Gas to or for the account of Customer at the Point of Withdrawal a quantity not to exceed Customer's Working Storage Gas reduced by Seller's Withdrawal Use at daily quantities up to the Maximum Daily Withdrawal Quantity reduced by Seller's Withdrawal Use.

Storage Service rendered under this Rate Schedule shall be interruptible, and shall be available only when capacity is not being used for injection, Storage and withdrawal of higher priority services. Such interruptible service shall be offered in accordance with the provisions established in the General Terms and Conditions of this Tariff.

Seller may, if Storage capacity is required by Customers having a higher priority, require Customer to withdraw quantities held in Storage by Seller for or on behalf of Customer under Rate Schedule IS within forty-five (45) Days of the date notice is provided to Customer by Seller, provided however, if capacity contracted under Rate Schedule IS interferes with Seller's ability to provide firm service under any Rate Schedule FS Service Agreement, such forty-five (45) Day period shall be reduced to five (5) Days.

5.2.3 GENERAL TERMS AND CONDITIONS

The General Terms and Conditions of this Tariff are applicable to this Rate Schedule and are specifically incorporated herein by reference.

5.2.4 RATES AND CHARGES

The amounts which shall be paid by Customer to Seller for each Month during the period of service hereunder shall include the sum of the amounts due under the subsections of this Section 5.2.4 and charges under Section 5.2.5 that are applicable to Customer for such Month, computed by use of the applicable rates set forth in Customer's IS Service Agreement which are effective during such Month or portions thereof.

Each total rate computed for a specific transaction shall be rounded to the nearest one tenth of a cent.

5.2.4.1 Interruptible Service Commodity Charge. A Storage Commodity Rate shall be paid for each Dekatherm of the Average Monthly Storage Volume which is stored for or on behalf of Customer during the Month.

5.2.4.2 Seller's Use Charge. Customer shall furnish the Gas for Seller's Injection Use and Seller's Withdrawal Use in the Storage Service as set forth in Section 4.1 or Section 4.2 (as applicable) of this Tariff.

5.2.4.3 Annual Charges Clause Adjustment (ACA). Seller shall collect the ACA charge from Customer for all Gas stored hereunder, as authorized by the Commission's Orders, so that Seller may recoup the annual charges assessed by the Commission for the previous fiscal year in accordance with its final Order No. 472, issued May 29, 1987, and Order No. 472-B, issued September 16, 1987 at Docket No. RM87-3 or any superseding Commission Order. The currently effective rate for such charge shall be stated in Section 4.1 or Section 4.2 (as applicable) of this Tariff.

5.2.4.4 Rate Changes. Seller shall have the right to propose to FERC or any other governing regulatory body such changes in its rates and terms of service it deems necessary, and the Agreement executed by the parties shall be deemed to include any changes which are made effective pursuant to an order or regulation or provision of law, without prejudice to Customer's right to protest the same; provided however, that any market-based rates negotiated between Seller and its Customer(s) shall remain in effect during the term(s) of the Agreement specifying such rates. Seller shall have the right to charge a rate that yields an economic value acceptable to Seller at any time as a condition for new service or for continuation of service under an existing Agreement. Whenever Seller adjusts the rate to be charged to a Customer pursuant to this Section 5.2.4.4, notice thereof shall be given to Customer not less than seventy-two (72) hours prior to the effective date of such adjustment.

5.2.4.5 Overrun Service Charge. An overrun rate shall be paid for each Dekatherm of service provided on behalf of Customer pursuant to Section 5.2.6, below. As set forth in Customer's IS Service Agreement, the Overrun Service Charge shall consist of the Storage Commodity Rate for each Dekatherm of the Average Monthly Storage Volume which is stored for or on behalf of Customer during the Month greater than the Customer's Maximum Storage Quantity.

5.2.5 ADDITIONAL CHARGES

1. Commission and Other Regulatory Fees. Customer shall reimburse Seller for all fees required by the Commission or any other regulatory body which are related to service provided under this Rate Schedule including, but not limited to, filing, reporting and application fees.
2. Other Charges. Customer shall pay any other charges applicable to service hereunder authorized by the Commission or any successor agency having jurisdiction.

5.2.6 STORAGE OVERRUN SERVICE

Customer may request Seller to provide Storage Service under this Rate Schedule for quantities of Gas in excess of Customer's Maximum Storage Quantity. Service requested under this section must be nominated separately as "overrun" by Customer. Seller may provide such Overrun Service on an interruptible basis if, in Seller's judgment, it can provide the service without adverse effect on Seller's operations or on Seller's ability to meet higher priority obligations. Customer shall pay the Overrun Service Charge pursuant to Section 5.2.4.5, above, for such overrun Storage Service.

5.2.7 WITHDRAWAL PENALTY

If Customer fails to withdraw all Working Storage Gas quantities held in Storage by Seller for or on behalf of Customer by the end of the applicable withdrawal period set forth in Section 5.2.2 above, or by the date the IS Agreement terminates, then Seller may retain such remaining quantities of Working Storage Gas free and clear of any adverse claims, unless such failure to withdraw was due to Seller's inability to withdraw the quantities nominated by Customer, in which event such applicable withdrawal period shall be extended by the number of Days Seller is unable to Tender quantities of Gas for redelivery.

5.2.8 DEFINITIONS

1. The term "Maximum Daily Injection Quantity" shall mean one thirtieth (1/30) of the Maximum Storage Quantity.
2. The term "Maximum Daily Withdrawal Quantity" shall mean the greater of one thirtieth (1/30) of the Working Storage Gas as of the last Day of the prior Month or one thirtieth (1/30) of the Working Storage Gas as of the date that Seller notifies Customer that it must withdraw all of its Working Storage Gas within forty-five (45) Days or one fifth (1/5) of the Working Storage Gas as of the date that Seller notifies Customer that it must withdraw all of its Working Storage Gas within five (5) Days.

RATE SCHEDULE MS
MERCHANT SALES

5.3.1 APPLICABILITY

This Rate Schedule MS shall be applicable to all firm and interruptible sales services rendered by ANR Storage Company ("Seller") under the blanket certificate of public convenience and necessity granted to Seller pursuant to 18 C.F.R. Section 284.284(a) and Order 636.

5.3.2 AVAILABILITY

Service under this Rate Schedule shall be available, pursuant to the term of Seller's blanket sales certificate, to any Gas purchaser ("Buyer") which has executed a Sales Service Agreement with Seller.

5.3.3 SALES SERVICE AGREEMENT

Sales service under this Rate Schedule shall be available only on the condition and to the extent that Seller and Buyer have agreed to such service and have executed a written Sales Service Agreement that contains the terms, conditions, rates and fees applicable to such service. Seller shall have no obligation to provide sales service for any quantity of Gas in excess of that specifically agreed to in the Sales Service Agreement and such obligation shall be coextensive with the term of the agreement. In accord with 18 C.F.R. Section 284.285, Seller is authorized to abandon the sales service to which the Sales Service Agreement relates upon termination of such agreement without obtaining any additional approval of the Federal Energy Regulatory Commission for such abandonment.

5.3.4 TERMS, CONDITIONS, RATES AND FEES

The terms, conditions, rates and fees applicable to service under this Rate Schedule shall be those terms, conditions, rates and fees to which Seller and Buyer have agreed in their Sales Service Agreement.

5.3.5 POINT OF SALE

The point of sale for all Gas sold by Seller to Buyer under this Rate Schedule shall be (a) any point at which the Gas enters Seller's system, or (b) any point at which Seller's system interconnects with that of another pipeline.

5.3.6 TRANSPORTATION

Gas purchased by Buyer from Seller under this Rate Schedule shall be transported pursuant to the terms of separate transportation agreements.

GENERAL TERMS AND CONDITIONS

6.1 DEFINITIONS

1. The term "Agreement" shall mean the Service Agreement executed by the Customer and Seller and any exhibits, attachments and/or amendments thereto.
2. Reserved for Future Use.
3. The term "Average Monthly Storage Volume" shall mean the sum of Customer's Working Storage Gas at the end of each Day of the Month divided by number of Days in the Month.
4. The term "BTU" shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one degree (1) Fahrenheit at sixty degrees (60°) Fahrenheit. (BTU is measured on a dry basis at 14.73 psia.)
5. The term "Business Day" shall mean every Monday, Tuesday, Wednesday, Thursday or Friday, excluding all federal banking holidays for transactions in the United States and similar holidays for transactions in Canada and Mexico.
6. The term "Central Clock Time" shall mean Central Standard Time except for that period when daylight savings is in effect. During this period, Central Clock Time shall mean Central Daylight Time.
7. The term "Commission" and "FERC" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority having jurisdiction.
8. The term "Customer" shall mean any person, corporation, partnership or any other party that executes a valid Service Agreement with ANR Storage Company for the Storage of Gas under the terms and conditions of Seller's FERC Gas Tariff.
9. The term "Daily Rate" shall mean the result of the calculation of multiplying the monthly rate by the number of Months in the rate period; dividing the result by the number of Days in the rate period; and taking the answer out to 5 decimal places and rounding up or down to the Seller's specific decimal place or by multiplying the Daily Rate times the number of Days in the rate period; dividing the result by the number of Months in the rate period; and taking the answer out to 5 decimal places and rounding up or down to the Seller's specific decimal place.
10. The term "Day" shall mean a period of consecutive hours, beginning at 9:00 a.m. Central Clock Time and ending on the following 9:00 a.m. Central Clock Time.

11. The term "Dekatherm" (Dth) shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU; thus the term MDth shall mean one (1) thousand Dth.
12. The determination of quantities deemed to be delivered for purposes of use of the term "Each Dekatherm Of Gas Which Is Delivered" shall be the pro rata allocation of the quantities of Gas nominated, after adjustments for Seller's Use and pursuant to Section 6.4.3 of these General Terms and Conditions, for injection into Storage or for withdrawal from Storage.
13. The term "Equivalent Quantities" shall mean a quantity of Gas containing an amount of Dths equal to the amount of Dths received by Seller for the account of Customer at the Point of Injection reduced by the Dths removed for Seller's Injection and/or Withdrawal Use as attributable to the Storage of Customer's Gas.
14. The term "Gas" shall mean natural gas, including casinghead gas produced with crude oil, gas from gas wells and gas from condensate wells and synthetic natural gas.
15. The term "Maximum Storage Quantity" shall mean the greatest number of Dths that Seller is obligated to store on behalf of Customer on any Day.
16. The term "Month" shall mean the period beginning on the first Day of a calendar month and ending at the same hour on the first Day of the next succeeding calendar month.
17. "NAESB Standards" shall mean the standardized business practices, procedures and criteria which have been adopted and published by the North American Energy Standards Board and which have been adopted by reference by the Commission.
18. The term "North American Energy Standards Board" or "NAESB" shall mean the private, consensus standards developer whose wholesale natural gas standards are developed by representatives from all segments of the natural gas industry.
19. The term "OBA" shall mean a contract between two parties which specifies the procedures to manage operating variances at an interconnect.
20. The term "Operator" shall mean a party that operates the facilities that interconnect with Seller's facilities.
21. The term "Point of Injection and Point of Withdrawal" shall be as set forth on Exhibit A to the FS or IS Service Agreement.

22. The term "Point of Injection/Withdrawal" shall mean the Point of Injection and/or the Point of Withdrawal.
23. The term "Releasing Customer" shall mean any Customer releasing capacity under Section 5.1.7 of Rate Schedule FS.
24. The term "Replacement Customer" shall mean any Customer to which capacity is released under Section 5.1.7 of Rate Schedule FS.
25. The term "Seller" shall mean ANR Storage Company.
26. The term "Seller's Injection Use" shall mean the applicable percentage stated in Section 4.1 or Section 4.2 (as applicable) of this Tariff multiplied by the quantity of Gas injected into Storage for the account of Customer.
27. The term "Seller's Use" shall mean the quantity of gas, expressed as a percentage of injection and withdrawal quantities, furnished by Customer for Seller's use and gas lost or otherwise unaccounted for in the operation of Seller's Storage system. Customer shall furnish Seller's Use by way of a Seller's Injection Use percentage and a Seller's Withdrawal Use percentage determined in accordance with Section 6.22 of this Tariff.
28. The term "Seller's Withdrawal Use" shall mean the applicable percentage stated in Section 4.1 or Section 4.2 (as applicable) of this Tariff multiplied by the quantity of Gas withdrawn from Storage for the account of Customer.
29. The term "Service Day" shall mean the Day during which Customer receives Storage Service pursuant to a nomination in accordance with Section 6.4 of these General Terms and Conditions.
30. The term "Storage" or "Storage Service" shall mean the Storage of Gas.
31. The terms "Tender", "Tender Gas" and "Tender of Gas" shall mean that the delivering party is able and willing, and offers, to deliver Gas to or for the account of the receiving party at the Point of Injection/Withdrawal.
32. The term "Usage Charges" shall mean all variable charges associated with the injection/withdrawal of Gas by Seller.
33. The term "Wire Transfer" shall mean payments made/effectuated by wire transfer (Fedwire, CHIPS, or Book Entry), or Automated Clearinghouse, or any other recognized electronic or automated payment mechanism that is agreed upon by Seller in the future.

34. The term "Working Storage Gas" shall mean the quantity of Gas held in storage at any given time, by Seller, for the account of Customer.
35. Capitalized terms not defined herein are defined pursuant to NAESB.

6.2 REQUESTS FOR STORAGE SERVICE

6.2.1 Requests and Sale of Service

- (a) Requests. To seek to qualify for Storage Service pursuant to Rate Schedules FS or IS, a potential Customer shall submit a Request for such Service in writing to the Seller. Seller shall evaluate and respond to such requests as soon as is reasonably possible, and shall begin service, if an Agreement is executed, as soon as is reasonably possible, after execution of the Agreement. Such a Request shall be considered acceptable only if 1) the information specified in Section 6.2.2, below, is provided in writing, but Seller may waive all or any portion of such information in individual instances, when the information is already in the possession of Seller and 2) the creditworthiness requirements as specified in Section 6.2.2 (j) below are met. Requests for service shall be sent to:

ANR Storage Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

- (b) Sale of Service. Seller will respond to requests for service submitted in accordance with this Section 6.2 within five (5) Business Days of Seller's receipt of such request.
1. To the extent that an acceptable and valid request for service is at a mutually agreeable rate and at a fixed Maximum Storage Quantity for the requested term and it is operationally feasible for Seller to provide the requested service, then Seller shall endeavor to provide service within the time specified in the request for service.
 2. Seller may grant, on a not unduly discriminatory basis, acceptable and valid requests for service made at a variable Maximum Storage Quantity, provided that Seller shall not be obligated under any circumstances to accept such requests.

6.2.2 Form of Request for Storage Service

- (a) Each request, to be considered as an acceptable and valid request, must furnish the portion of the information set forth below. The "ANR Storage Company's Storage Service Request Form" is set forth in Section 7.3 of this Tariff and may be changed from time to time and reissued by Seller.
- (b) Requestor's Identification: Name, address, representative, telephone number of party requesting service.
- (c) Customer's Identification: (Note: The "Customer" is the party which proposes to execute the Agreement).
 - (1) Name, address, Dun & Bradstreet No., representative and telephone number of Customer.
 - (2) A statement of whether Customer is a local distribution company, an intrastate pipeline, an interstate pipeline, marketer/broker, producer, end user or other type of entity (which shall be described).
 - (3) A statement of whether Customer is acting for itself or as agent for someone else (who must be named).
 - (4) A statement of whether Customer is a Replacement Customer and the contract number under which Replacement Customer is requesting service.
- (d) Type of Service(s) Requested: Specify for which Volume No. 1 Rate Schedule service is desired.
- (e) Quantity: (stated in Dekatherms)
 - (1) Maximum Storage Quantity, which shall not be less than 100,000 Dekatherms, except for volumes under Section 5.1.7 of Rate Schedule FS.
 - (2) Storage Demand Withdrawal Quantity, the number of Dths cannot be greater than 1/10 of the Maximum Storage Quantity nor less than 1/126 of the Maximum Storage Quantity.
 - (3) Storage Demand Injection Quantity, which unless otherwise agreed by Customer and Seller, shall be 1/130 of Customer's Maximum Storage Quantity when Customer's Storage Demand Withdrawal Quantity is less than 1/30th of the Maximum Storage Quantity.
- (f) Term of Service:

- (1) Date service is requested to commence.
 - (2) Date service is requested to terminate (Agreements for FS shall terminate on March 31, unless mutually agreed to otherwise).
- (g) Point of Injection
- (h) Point of Withdrawal
- (i) Certified Statement: A certified statement that the Customer has, or will have, by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage the Gas which is to be delivered to Seller and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller.
- (j) Credit Evaluation: Seller's acceptance of a request for service is subject to Customer satisfying Seller's creditworthiness requirements of Section 6.11.5. With respect to a request for service pursuant to Section 6.2.1, any financial assurance required by Seller as set forth in Section 6.11.5 shall be received by Seller within ten (10) Business Days of Seller's notification to Customer, unless otherwise mutually agreed by Seller and Customer.

6.2.3 Subsequent Information

- (a) After receipt of a Request for Storage Service hereunder, Seller may require that Customer furnish additional information as a prerequisite to Seller offering to execute an Agreement with Customer. Such information may include proof of Customer's title to the Gas involved and/or its legal right to cause the Gas to be delivered to Seller for Storage and of Customer's contractual and/or physical ability to cause such Gas to be delivered to and received from Seller.

6.2.4 Request Validity. Customer's Request for Storage Service shall be considered null and void if Seller has tendered an Agreement for execution to Customer and Customer fails to execute the Agreement within thirty (30) Days thereafter. Seller will not execute an Agreement under Rate Schedule FS for which it does not have sufficient available capacity. If sufficient capacity is available, but Customer does not desire to or cannot begin Storage Service within thirty (30) Days after the date the request is made pursuant to Section 6.2.1 of these General Terms and Conditions, or such other period as the parties may agree to in writing, then such Request shall be considered null and void.

6.2.5 Customer's Performance. If a Customer that has executed an Agreement for service under Rate Schedule IS fails, on the later of the date service is to commence or fifteen (15) Days after the Customer executes the Agreement or the completion of construction of any necessary facilities or the issuance of any necessary governmental authorization, to nominate, pursuant to Section 6.4.1 of these General Terms and Conditions, a quantity of Gas for Storage, or fails, having nominated a quantity of Gas and Seller having scheduled the quantity for Storage, pursuant to Section 6.4.3 of these General Terms and Conditions, to Tender such Gas for Storage on the date it is scheduled, the Seller may terminate Customer's Agreement and the Customer's request for service shall be deemed null and void; provided, however, that the Customer's Agreement shall not be terminated nor shall the Customer's request for service be deemed null and void if the Customer's failure to nominate or Tender is caused by an event of force majeure on Seller's system, as defined in Section 6.9 of these General Terms and Conditions.

- 6.2.6 Complaints. In the event that a Customer or potential Customer has a complaint relative to service under Seller's Tariff, the Customer shall:
- (a) Provide a description of the complaint to Seller, verbally or in writing, including the identification of the Storage Request (if applicable). Complaints should be directed to the Seller's Chief Compliance Officer (COO). The COO's appropriate contact information is available via Seller's Internet Site.
 - (b) Within forty-eight (48) hours, Seller will respond initially to the complaint and Seller shall respond in writing within thirty (30) Days advising Customer or potential Customer of the disposition of the complaint.

6.2.7 Information

Contact information is available via Seller's Internet Site for any person desiring information on the availability, pricing, or other terms of the Storage Services.

6.2.8 Relationship with Affiliates

Information on any facilities that Seller's storage function employees share with any of the marketing function employees of its affiliate(s) will be available on its Internet Site, in accordance with the Commission's regulations.

6.3 STORAGE SERVICE

Treatment of Gas. Seller may subject or permit the subjection of Gas stored hereunder to compression, cooling, cleaning, or other processes to such extent as may be required in Seller's sole opinion.

6.4 NOMINATIONS, SCHEDULING AND ALLOCATION

- 6.4.1 (a) Nominations. Seller will accept nominations for Storage Service as provided herein. A valid nomination is a data set which contains, at a minimum, the mandatory data elements included in the NAESB Standards related to nominations, and any additional Seller-required data elements. All Timely and Intraday Nominations for service shall be made via Electronic Delivery Mechanism ("EDM") as approved by the Commission. Seller will accept nominations via mail, fax, courier service or personal delivery. Seller will support the receipt of nominations, via the methods listed above, and EDM in a manner designed to enable Customers to submit nominations seven Days a week, twenty-four hours a Day.

Each nomination shall indicate whether it is being submitted as a Timely or Intraday Nomination. The standard quantity for nominations, for confirmations and scheduling, in the United States, shall be Dekatherms per gas day. For Canada it shall be Gigajoules per gas day. For Mexico it shall be Gigacalories per gas day. For commercial purposes the standard conversion factor between Dekatherms and Gigajoules shall be 1.055056 Gigajoules per Dekatherm and between Dekatherms and Gigacalories shall be 0.251996 Gigacalories per Dekatherm. (For reference 1 Dekatherm = 1,000,000 BTUs; 1 Gigajoule = 1,000,000,000 Joules; and 1 Gigacalorie = 1,000,000,000 Calories.) The standard BTU is the International BTU, which is also called the BTU(IT); the standard Joule is the Joule specified in the SI system of units.

Customer may use an agent to provide all or a portion of its nomination data, provided that Seller is so advised in advance in writing. A Customer that uses an agent for such nomination purposes shall hold Seller harmless for all actions or inactions of its agent.

- (b) Timely Nominations. A "Timely Nomination" is a nomination for Storage Service for any Day. The Timely Nomination shall include a begin date and end date, which must be within the term of the Customer's Service Agreement. Each Day within a date range nomination is considered an original nomination. Subsequent nominations for one or more Days within the range supersede only the Days specified. The Days outside the range of the subsequent nomination are unaffected. Nominations have a prospective effect only. Seller shall process all new or revised nominations that are submitted by 1:00 p.m. Central Clock Time and received by 1:15 p.m. Central Clock Time on the Day before the applicable Service Day. Customer may nominate zero (0) for a daily quantity, but in the event Customer nominates a daily quantity in excess of zero (0), such daily quantity shall not be less than five hundred (500) Dth. Customer shall also inform Seller in advance of each Month of the desired order of priority of injections and withdrawals under each Agreement and Seller may rely thereon (or in the absence of such information, upon Seller's judgment) if allocation under such Agreement is required.

- (c) The Timely Nomination Cycle. The timetable for a Timely Nomination shall be as follows on the Day before a Service Day, Central Clock Time:

1:00 p.m. Nominations leave control of the service requester;

1:15 p.m. Nominations are received by Seller (including from Title Transfer Tracking Service Providers (TTTSPs));

1:30 p.m. Seller sends the quick response to the service requester;

4:30 p.m. Seller receives completed confirmations from confirming parties;

5:00 p.m. Service requester and point operator receive scheduled quantities from Seller.

Scheduled quantities resulting from Timely Nominations shall be effective at the start of the next Service Day.

In addition, at the end of each Service Day, the Seller should provide the final scheduled quantities for the just completed Service Day. With respect to the implementation of this process via the EDI/EDM, the Seller should send an end of Service Day Scheduled Quantity (NAESB WGQ Standard 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard 1.4.6). A receiver of either of these documents can waive the Seller's requirement to send such documents.

Seller, as receiver of nominations, initiates the confirmation process. The party receiving a request for confirmation or an unsolicited confirmation response may waive the obligation of the Seller to send. The sending party will adhere to nomination, confirmation and scheduling deadlines. The party receiving the communication shall have the right to waive any deadline, on a non-discriminatory basis.

- (d) Other Nominations. Seller may, at its option, accept nominations which are not timely as described above. In that event, Seller shall not be required to comply with the Timely Nomination timeline set out above.

6.4.2 Intraday Nominations

- (a) Any nomination submitted after the Timely Nomination deadline, by eligible Customers, shall be an Intraday Nomination. An Intraday Nomination shall be effective for one (1) Day only. Intraday Nominations may be used to nominate new supply or market. The nomination process set forth in Section 6.4.1(a), above, shall apply to the Intraday Nominations. An Intraday quantity shall be a revised daily quantity.

- (1) Timetables for Intraday Nominations shall be as follows:

- (a) Evening Nomination Cycle - shall be as follows on the Day before a Service Day, Central Clock Time:

6:00 p.m. Nominations leave control of the service requester;

6:15 p.m. Nominations are received by Seller (including from TTTSPs);

6:30 p.m. Seller sends the quick response to the service requester;

8:30 p.m. Seller receives completed confirmations from confirming parties;

9:00 p.m. Seller provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties);

Scheduled quantities resulting from Evening Nominations shall be effective at the start of the next Service Day.

- (b) Intraday 1 Nomination Cycle - shall be as follows on the Service Day, Central Clock Time:

10:00 a.m. Nominations leave control of service requester;

10:15 a.m. Nominations are received by the Seller (including from TTTSPs);

10:30 a.m. Seller sends the quick response to the service requester;

12:30 p.m. Seller receives completed confirmations from confirming parties;

1:00 p.m. Seller provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties);

Scheduled quantities resulting from Intraday 1 Nominations shall be effective at 2:00 p.m. on the current Service Day.

- (c) Intraday 2 Nomination Cycle - shall be as follows on the Service Day, Central Clock Time:

2:30 p.m. Nominations leave control of service requester;

2:45 p.m. Nominations are received by Seller (including from TTTSPs);

3:00 p.m. Seller sends the quick response to the service requester;

5:00 p.m. Seller receives completed confirmations from confirming parties;

5:30 p.m. Seller provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties);

Scheduled quantities resulting from Intraday 2 Nominations shall be effective at 6:00 p.m. on the current Service Day.

- (d) Intraday 3 Nomination Cycle – shall be as follows on the current Service Day, Central Clock Time:

7:00 p.m. Nominations leave control of the service requester;

7:15 p.m. Nominations are received by Seller (including from TTTSPs);

7:30 p.m. Seller sends the quick response to the service requester;

9:30 p.m. Seller receives completed confirmations from confirming parties;

10:00 p.m. Seller provides scheduled quantities to the affected service requester and point operator;

Scheduled quantities resulting from Intraday 3 Nominations shall be effective at 10:00 p.m. on the current Service Day. Bumping is not allowed during the Intraday 3 Nomination Cycle.

- (e) For purposes of Section 6.4.2(a)(1) above, the word "provides" shall mean, for transmittals pursuant to NAESB WGQ's Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

An Intraday Nomination is subject to Operator's confirmations and Seller's operating conditions. If Operator confirmation is not received, the Intraday Nomination will not be accepted. Seller will not accept a reduced Intraday Nomination for any quantity deemed already delivered based on an average hourly flow.

- (b) For purposes of providing notice of any nomination changes to a Customer and or Customer's agent, Seller shall contact either party by telephone or other instant communication device. With respect to changes initiated by Seller, if a Customer so elects, such Customer may provide a telephone number and Seller will contact Customer at such phone number to alert Customer that a change has been made; provided that where an interruptible Customer's nomination is bumped by a firm Customer's intraday nomination, Seller shall provide notice of such bump to the interruptible Customer in the same manner that Seller uses to notify Customers of OFOs.

6.4.3 Scheduling of Storage and Allocation of Service. For each Day, Seller will schedule injections and withdrawals of Gas, on the basis of: Storage nominations made by Customers (which Seller is hereby authorized to rely upon in its scheduling); Storage capacity available on Seller's system in light of nominations and requests; and overall operating conditions from time to time. If, on any Day, Seller determines that the capacity of its system is insufficient to serve all Storage nominations scheduled for such Day, or to accept the quantities of Gas tendered, capacity shall be allocated to provide service in the following order:

- (a) In scheduling deliveries of firm Storage nominations on any Day when capacity is constrained, Seller shall allocate service on a pro rata basis to those Customers nominating volumes on such Day based upon such Customer's contracted daily injection or withdrawal volumes compared to the contracted daily injection or withdrawal volumes of all other Customers nominating volumes on such Day.
- (b) In scheduling nominated quantities for interruptible Storage Services hereunder, after providing for firm Storage Service, Seller shall utilize the priorities established in Section 6.10 of these General Terms and Conditions, provided however that no interruptible Customer shall have a claim of priority on any Day to quantities in excess of the lesser of (1) such interruptible Customer's Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity as applicable or (2) such interruptible Customer's nomination.

6.4.4 Delivery of Gas. Seller, subject to the other provisions hereof, shall make daily delivery, to the extent practicable, of Equivalent Quantities of Gas at the Point of Withdrawal.

6.4.5 Hourly Variation. Injections and Withdrawals shall be made at uniform hourly rates to the extent practicable.

- 6.4.6 Limitation on Obligation. Should the quantities of Gas received from Customer(s) by Seller at the Point of Injection exceed the Maximum Daily Injection Quantity plus the Seller's Injection Use, Seller shall notify Customer(s) of such fact, a reasonable time after such becomes known, and Customer(s) shall seek to reduce deliveries to Seller forthwith. In the event any such excess delivery would jeopardize the safety of Seller's operations and/or its ability to meet its contract commitments to others, such decisions being solely within the judgment and discretion of Seller, Seller shall have the right to refuse to accept, without any liability to Customer, or any other person, all or such part of said excess delivery as Seller deems necessary, and shall notify Customer accordingly.

6.4.7 Reduction in Maximum Storage Quantity. In the event that Customer nominates or utilizes less than 50% of its Maximum Storage Quantity under Rate Schedule IS for a period of one (1) year, Seller may reduce Customer's Maximum Storage Quantity to 125% of the average utilization during such year, which new Maximum Storage Quantity, as applicable, shall be effective on the first Day of the Month following the Month in which Seller gives Customer notice of such reduction.

6.5 PRESSURE AT POINT OF INJECTION AND POINT OF WITHDRAWAL

Pressure at Point of Injection and Point of Withdrawal. Unless otherwise agreed to by the parties as set forth in the Service Agreement, Customer shall cause the Gas to be delivered at the Point of Injection at a pressure sufficient to allow the Gas to enter Seller's system at the varying pressures that may exist in such system from time to time; provided, however, that such pressure of the Gas delivered or caused to be delivered by Customer shall not exceed the Maximum Allowable Operating Pressure ("MAOP") which Seller specifies for the Point of Withdrawal. In the event the MAOP of Seller's system, at the Point of Injection/Withdrawal hereunder, is from time to time increased or decreased, then the MAOP of the Gas delivered or caused to be delivered by Customer to Seller at the Point of Injection/Withdrawal shall be correspondingly increased or decreased upon notification by Seller to Customer.

Unless otherwise agreed to by the parties as set forth in the Service Agreement, Seller shall Tender the Gas to or for the account of Customer at the Point of Withdrawal hereunder at Seller's prevailing line pressure as such may vary from time to time.

6.6 MEASUREMENT AND MEASUREMENT EQUIPMENT

6.6.1 Equipment

- (a) The volume of Gas delivered to Seller hereunder or redelivered to or for the account of Customer hereunder shall be measured by:
 - (1) An orifice meter, designed, installed maintained and operated as recommended in the latest issue of American National Standard ANSI/API 2530 (American Gas Association Gas Measurement Report No. 3), entitled "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 3"); or
 - (2) A turbine meter, designed, installed, maintained and operated as recommended in the latest issue of American Gas Association Transmission Measurement Committee Report No. 7, entitled "Measurement of Fuel Gas by Turbine Meters", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 7"); or
 - (3) A positive displacement meter, installed and operated in accordance with generally accepted industry practices.
- (b) Auxiliary measuring equipment shall be installed, maintained and operated in accordance with generally accepted industry practices.

6.6.2 Measurement

- (a) The volume of Gas delivered to Seller or redelivered to or for the account of Customer shall be calculated by means of either an electronic flow computer, or by the processing of meter charts, in either case in the following manner:
- (1) When the measuring equipment is an orifice meter, the flow of Gas through the meter shall be computed in the manner recommended in AGA Report No. 3, properly using all factors set forth therein.
 - (2) When the measuring equipment is a turbine meter, the volume of Gas delivered through the meter shall be computed in the manner recommended in AGA Report No. 7, properly using all factors set forth therein.
 - (3) When the measuring equipment is a positive displacement meter, the volume of Gas delivered through the meter shall be computed by properly applying, to the volume delivered at flowing Gas pressures and temperatures, correction factors for (i) absolute static pressure, (ii) flowing Gas temperature, and (iii) compressibility ratio.
- (b) The volume of Gas injected or withdrawn hereunder shall be computed using the standards and factors determined as follows:
- (1) The unit of volume for the purpose of measurement shall be one thousand cubic feet of Gas at a temperature of sixty degrees (60°) Fahrenheit and a pressure of 14.73 pounds per square inch absolute, dry. Volumes reported in cubic meters, the standard conditions are 101.325 kPa, 15 degrees C, and dry. Volumes reported in Gigacalories, the standard conditions are 1.035646 Kg/cm², 15.6 degrees C, and dry. The Dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating value per cubic foot of the Gas delivered hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1,000).
 - (2) The average absolute atmospheric (barometric) pressure at the Point of Injection/Withdrawal shall be assumed to be equal to 14.4 pounds per square inch.
 - (3) The flowing temperature of the Gas shall be determined by means of an instrument of standard manufacture accepted in the industry for this purpose.
 - (4) The supercompressibility factor used in computing the volume of Gas delivered through an orifice meter shall be determined in a manner which yields results consistent with the results produced by the procedures presented

in the American Gas Association Transmission Measurement Committee Report No. 8 entitled "Compressibility and Supercompressibility for Natural Gas and Other Hydrocarbon Gases."

- (5) The specific gravity of the Gas used in computing the volume of Gas delivered through a meter shall be determined by one of the following methods:
 - (i) At intervals of not more than six (6) Months, by means of an instrument of standard manufacture accepted in the industry for this purpose using a sample of Gas from the Gas stream at the Point of Injection/Withdrawal.
 - (ii) By means of an instrument of standard manufacture accepted in the industry for this purpose installed at a point to measure the specific gravity of the Gas stream from which Gas is being delivered at the Point of Injection/Withdrawal.
- (6) The compressibility ratio factor "s" used in computing the volume of Gas delivered through a turbine meter or a positive displacement meter shall be determined by the equation $s = (Fpv)^2$, in which "Fpv" is the supercompressibility factor determined as described in subparagraph (4) of this subsection (b), above.
- (7) In determining the flowing temperature factor, supercompressibility factor, and compressibility ratio factor "s" for use in computing the volume of Gas delivered through a meter, the flowing Gas temperature for only the period(s) of time that Gas was flowing through the meter shall be used.

6.6.3 Testing and Accuracy

All flow, measuring, testing and related equipment shall be of standard manufacture and type approved by Seller. If applicable, Seller or Customer may install check measuring equipment, provided that such equipment shall be so installed as not to interfere with the operations of the Operator. Seller, or Customer, in the presence of the other party, shall have access to measuring equipment at all reasonable times, but the reading, calibrating, and adjusting thereof and the changing of charts, if any, shall be done by the Operator. Seller or Customer shall have the right to be present at the time of the installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done by the Operator of the measuring equipment. The records from such measuring equipment shall remain the property of the Operator, but upon request, the other party may request records, including charts, if any, together with calculations therefrom for inspection, subject to return within thirty (30) Days after receipt thereof. Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas injected and withdrawn. The accuracy of all measuring equipment shall be verified by Operator at reasonable intervals, and if requested, in the presence of representatives of the other party, but neither Seller nor Customer shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period.

If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses.

The Operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

If, upon any test, Operator's measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed receipts or deliveries is not more than 0.5% for chromatograph or calorimeter and two percent (2%) for other measuring equipment, then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds 0.5% for chromatograph or calorimeter and two percent (2%) for other measuring equipment, at a recording corresponding to the average hourly rate, of Gas flow rate for the period since the last preceding test, the previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test.

6.6.4 Correction Methods

In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings of injections or withdrawals through such equipment shall be determined as follows; provided, however, that the correction period shall not exceed one (1) year:

- (a) by using the registration of any check meter or meters if installed and accurately registering, or in the absence of (a);
- (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
- (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.

6.6.5 New Methods of Measurement

If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.

6.6.6 Preservation of Records

The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.

6.6.7 Monthly Close and Adjustments

In accordance with the provisions of Sections 6.6.3 and 6.6.4, above, Seller will use the best information available to close its allocation of quantities for a service Month. For the purposes of Sections 6.6.3 and 6.6.4, above, "close" shall mean five (5) Business Days after the applicable service Month. To the extent that adjustments are made after the date of such close, such adjustments ("Prior Period Adjustments" or "PPA") shall be treated under this Section 6.6.7. If the PPA are due to the correction of measurement data or reallocation of volumes, such adjustments should be processed within six (6) Months of the applicable service Month. If the affected party disputes the as-adjusted quantity it is entitled to rebut the basis for the PPA, but only if it does so within three (3) Months of the processing of the as-adjusted quantity. Notwithstanding the above specified deadlines for processing/rebutting PPA, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake or fact. Parties' other statutory or contractual rights shall not be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.

6.7 QUALITY

1. Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas received or delivered hereunder. Such Gas shall have a heat content not less than 950 BTU per cubic foot when determined on a dry basis. Seller shall have the right to waive such BTU content limits if, in Seller's sole opinion, Seller is able to accept Gas with a BTU content outside such limits without affecting Seller's operations. The total heating value per cubic foot of Gas shall be determined by one of the following methods:
 - (a) by means of an instrument of standard manufacture installed to measure the heating value of the Gas.
 - (b) at intervals of not more than six (6) Months by means of an instrument of standard manufacture and a sample of Gas from the Gas stream.
 - (c) other method mutually agreed upon by both parties.

For the purpose of calculating injections and withdrawals, the heat content of the Gas so determined at each such point shall be deemed to remain constant at such point until the next determination. The unit of quantity for the purpose of determining total heating value shall be one (1) cubic foot of anhydrous Gas at a temperature of sixty degrees (60°) Fahrenheit and an absolute pressure of 14.73 psia, dry.

2. Freedom from Objectionable Matter. The Gas injected and withdrawn hereunder:
 - (a) shall be commercially free from dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters and other equipment of Seller;
 - (b) shall not contain more than one quarter (.25) grain of hydrogen sulfide per one hundred (100) cubic feet of Gas, as determined by methods prescribed in Standards of Gas Service, Circular of the National Bureau of Standards, No. 405, page 134 (1934 edition), and shall be considered free from hydrogen sulfide (H₂S) if a strip of white filter paper, moistened with a solution containing five percent (5%) by weight of lead acetate, is not distinctly darker than a second paper freshly moistened with the same solution, after the first paper has been exposed to the Gas for one and one-half (1-1/2) minutes in an apparatus of approved form, through which the Gas is flowing at the rate of approximately five (5) cubic feet per hour, the Gas from the jet not impinging directly upon the test paper; or the H₂S content may be determined by an instrument of approved type and by approved methods agreeable to the parties;

- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of Gas;
 - (d) shall not at any time have an oxygen content in excess of one percent (1%) by volume and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen;
 - (e) shall not contain as nearly as practicable any free water nor contain more than four (4) pounds of water vapor per million cubic feet of Gas;
 - (f) shall not contain more than two percent (2%) by volume of carbon dioxide;
 - (g) shall be delivered at a temperature not in excess of one hundred twenty degrees (120°) Fahrenheit;
 - (h) shall not contain more than three percent (3%) by volume of nitrogen; and
 - (i) shall not contain any polychlorinated biphenyls.
3. Failure to Meet Specifications. Should any Gas tendered for injection or withdrawal hereunder fail at any time to conform to any of the specifications of this Article, the affected Party shall notify the other party of any such failure and the affected party may at its option suspend all or a portion of the receipt of any such Gas, and shall be relieved of obligations hereunder for the duration of such time as the Gas does not meet such specifications.
4. Commingling. It is recognized that Gas delivered to Seller by Customer will be commingled with other Gas stored hereunder by Seller. Accordingly, the Gas of Customer shall be subject to such changes in heat content as may result from such commingling and Seller shall, notwithstanding any other provision herein, be under no obligation to withdraw for Customer's account, Gas of a heat content identical to that caused to be delivered by Customer to Seller.

6.8 BILLING AND PAYMENT

6.8.1 Billing. On or before the ninth (9th) Business Day of each Month, Seller shall render (for purposes of this Section 6.8.1, "render" shall mean (a) postmarked or (b) time-stamped and electronically transmitted via EDM to the designated site, whichever is applicable) an invoice to Customer setting forth the amount due for the preceding Month under the applicable Rate Schedule(s). Seller's invoice shall be based on actuals (if available) or best available data. Quantities at points where OBAs exist shall be invoiced based on scheduled quantities.

Seller may utilize estimates of the quantity of Gas received for injection from or tendered to or for account of Customer during a Month, in place of actual quantities when actual quantities are not reasonably available; provided that adjustments shall be made in later invoices for differences between such estimated and actual quantities. Such invoices shall include credits for capacity assignment required by Section 5.1.7 of Rate Schedule FS, if any.

When information necessary for invoicing purposes is in the control of Customer, Customer shall furnish such information to Seller on or before the third (3rd) Day of the Month.

Both Seller and Customer have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any invoice, charge or computation made under or pursuant to any of the provisions hereof.

6.8.2 Payment. Customer shall pay any invoice, on or before the tenth (10th) Day after the date of the invoice. Payments by Customer to Seller shall be made in the form of Wire Transfer directed to a bank account designated by Seller, unless otherwise agreed to by the parties. Customer shall identify the invoice number specified by Seller to which the payment relates. Party making payment should submit supporting documentation; party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from invoiced amount, remittance detail should be provided with the payment, except when payment is made by electronic funds transfer (EFT), in which case, the remittance detail is due within two Business Days of the payment due date.

If rendering of an invoice by Seller is delayed after the ninth (9th) Business Day of the Month, then the time of payment shall be extended accordingly unless Customer is responsible for such delay. Should Customer fail to pay all of the amount of any invoice as herein provided when such amount is due, interest on the unpaid portion of the invoice shall accrue from the due date until the date of payment at an interest rate determined in accordance with Section 154.501 of the Commission's regulations. If Customer fails to pay all of its invoice on or before the payment due date, Seller may provide Customer with a notice of delinquency. If Customer's invoice remains unpaid in full following ten (10) days after Seller has provided such notice of delinquency to Customer, Seller shall have the right to provide a written notice of termination to Customer, the Commission, and any Replacement Customer(s) that has obtained temporary release capacity from Customer. If Customer fails to make payment within thirty (30) Days of such notice of termination, and in addition to any other remedy available to Seller hereunder, whether at equity or law, Seller will terminate Customer's Agreement(s). However, if Customer in good faith disputes the amount of any invoice or part thereof by providing written notice of its dispute including documentation identifying the basis of the dispute and 1) promptly pays to Seller the undisputed amount when due, and 2) on or before the due date of such bill, furnishes to Seller a financial assurance acceptable to Seller for the disputed amount, then Seller shall not be entitled to terminate service under the Agreement(s) unless and until a default is made in the conditions of financial assurance; provided further that should Customer prevail on the dispute, Seller shall reimburse Customer up to the reasonable and customary costs of the financial assurance.

The foregoing shall be in addition to any other remedies Seller may have, at law or in equity, with respect to Customer's failure to pay the amount of any invoice, including, without limitation, Seller's right and remedies with respect to any lien or other interests against any Gas Customer may have remaining on Seller's system.

6.8.3 Adjustment of Invoicing Errors. Subject to the provisions of Section 6.6 of these General Terms and Conditions, if it shall be found that at any time or times Customer has been overcharged or undercharged and Customer shall have actually paid the invoice containing such charges, then within thirty (30) Days after the final determination thereof, either Seller shall refund the amount of any such overcharge or Customer shall pay the amount of any such undercharge. In the event an error is discovered in the amount invoiced in any invoice rendered by Seller, such error shall be adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such invoice. The party receiving such request for adjustment shall have three (3) Months to rebut such claim otherwise the invoice shall be adjusted as requested. The preceding time limits do not apply to deliberate omission or misrepresentation or mutual mistake of fact or government required rate changes. The parties' statutory or contractual rights shall not otherwise be diminished by this Section. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

6.9 FORCE MAJEURE

6.9.1 Definition. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to tornadoes or tornado warnings), crevasses, floods, washouts; arrests and restraints of the government, either Federal or State, civil or military, civil disturbances. Relative to Seller's service and solely to the operation of its system, force majeure shall also mean shutdowns for purposes of necessary repairs, relocation, or construction of facilities; breakage or accident to machinery, wells or lines of pipe or casings; testing (as required by governmental authority or as deemed necessary by Seller for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder), the necessity of making repairs or alterations to machinery or lines of pipe; failure of wells, surface equipment or pipe lines, well or line freeze ups; accidents, breakdowns, inability to obtain necessary materials, or supplies or permits, or labor or land rights to perform or comply with any obligation or condition of this Agreement; an occurrence of nominations made by Customers on any Day pursuant to Section 6.4 of these General Terms and Conditions that are greater than zero (0) and less than 25,000 Dekatherms, in the aggregate; and any other causes, whether of the kind herein enumerated or otherwise which are not reasonably in Seller's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Seller's discretion and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Seller.

6.9.2 Force Majeure. If by reason of force majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Agreement, it is agreed that on such party giving notice in full particulars of such force majeure in writing to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such force majeure, shall not be liable in damages during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch. Seller shall not be liable in damages to Customer other than for acts of gross negligence or willful misconduct and then only where force majeure does not apply.

- 6.9.3 Limitations. Such force majeure affecting the performance hereunder by either Seller or Customer, however, shall not relieve such party of liability in the event of concurring negligence or in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer, in whole or in part, from its obligations to pay the monthly charges provided for in Section 6.8 of these General Terms and Conditions.

6.10 PRIORITY OF SERVICE REQUESTS AND SERVICE AGREEMENTS

6.10.1 Firm Storage

- (a) **Priority Of Request For Initial Firm Storage Agreements:** After notification, pursuant to Section 6.13 of these General Terms and Conditions hereof, that Seller has available firm Storage capacity which is not subject to contract or is released pursuant to Section 5.1.7 of Rate Schedule FS, Seller will accept requests that Seller enter into an Agreement for firm Storage Service. The order of priority among such requests shall be based upon the economic value of the transaction to Seller, with the transaction producing the greatest economic value having the highest priority of request, provided, however, that nothing herein shall require Seller to enter into Service Agreements with terms of more than one year unless Customer has a long-term debt rating of at least Baa3 according to Moody's Investors Service or BBB- according to Standard & Poor's Corporation or if its obligations to the Seller are guaranteed by a person with a long-term debt rating equal to or greater than stated above. Economic value shall be determined on the basis of the product of the term of service in years in the request, (using a term not to exceed twenty (20) years) and the Reservation Charges for each year in the life of the Agreement agreed to in the request by the requesting party, discounted to present value by the then-current interest rate determined in accordance with Section 154.501(d) of the Commission's Rules and Regulations. The sum of the present value for each year in the life of the Agreement shall be the economic value of the Agreement. In the event two or more bids with equal economic values are received for combined capacity in excess of the quantity of available firm capacity, the capacity will be allocated on a first come first served basis. Irrespective of whether a bid has the highest economic value of the bids received, Seller may reject any bid for service that, in Seller's judgment, (i) may detrimentally impact the operational integrity of Seller's system; (ii) yields an economic value that is unacceptable to Seller; (iii) does not satisfy all the terms of the specified posting; (iv) contains terms and conditions other than those set forth in Seller's FERC Gas Tariff; or (v) contains discretionary terms and conditions set forth in Seller's FERC Gas Tariff to which Seller has determined is not agreeable.
- (b) **Priority of Firm Storage Under Agreements:** All firm Storage Agreements shall have equal priority as to service, and shall have priority over interruptible Storage Services under Rate Schedule IS and Overrun Service.
- (c) **Extension of Service Agreements:** Prior to the expiration of the term of an Agreement, Seller and Customer may mutually agree to an extension of the term of the Agreement (which is to be negotiated on a case-by-case basis, in a not unduly discriminatory manner).

6.10.2 Interruptible and Overrun Storage

- (a) Priority Of Nominations For Interruptible and Overrun Service. Seller, in determining the allocation of interruptible and overrun service capacity on any Day among Customers under Rate Schedule IS and Rate Schedule FS, which have nominated quantities of service desired on such Day, shall be assigned the order of priority of such service on the basis that the highest rate offered for such service shall be accorded the highest priority. If more than one nomination or request for interruptible and overrun Storage on a Day includes an offer of the same rate, then the order of priority as among such nominations or requests shall be the same. If capacity is constrained, service among Customers within the same priority will be allocated pro rata based upon the quantities nominated or requested.
- (b) A Customer desiring Interruptible or Overrun service under Rate Schedule IS or Rate Schedule FS in a Month shall submit to Seller, at least five (5) Business Days prior to the start of such Month, the rate that such Customer is willing to pay for such service in such Month. The rate submitted by Customer pursuant to the above provision shall be used to determine priority among nominations on each Day of such Month. Once Customer's nomination is accepted, and priority is assigned thereto pursuant to this section for such Month, such priority shall not be changed by the execution of new IS Agreements during the Month for service under Rate Schedule IS, or the nomination of additional Overrun Service under Rate Schedule FS or IS.
- (c) Notwithstanding the provisions of this Section 6.10.2, if a Customer under Rate Schedule IS or Rate Schedule FS fails to submit a timely nomination for service for a Month, pursuant to these General Terms and Conditions, for such service, then such Customer's priority for such service for that Month, shall be changed, on the first Day of that Month, to a ranking below that of all other Customers who have made timely nominations for service.

6.10.3 Communications

Customer under an Agreement, Seller may deem any offer made by telephone or other instant communication method to have been refused if acceptance thereof is not communicated to Seller within six normal working hours after such offer, or as otherwise agreed to by the parties.

6.11 MISCELLANEOUS

6.11.1 Responsibility for Gas.

1. Upon receipt of Working Storage Gas to be stored, Seller shall be in exclusive control and possession of such Working Storage Gas until the Equivalent Quantities of Working Storage Gas have been delivered for the account of Customer after which Customer shall be in exclusive control and possession of such Working Storage Gas and Customer shall be responsible for any and all injury or damage caused thereby. The risk of loss for all Working Storage Gas injected into, stored in, and withdrawn from storage, or transported, shall remain with Customer, and Seller shall not be liable to Customer for any loss of Working Storage Gas, except as may be occasioned due to the intentional or negligent acts or omissions by Seller. Any losses of Working Storage Gas, unless due to the intentional or negligent acts or omissions of Seller, shall be shared proportionally by all Customers, based on each Customer's Working Storage Gas, as applicable, on such Day.
2. Customer shall be responsible for providing its own insurance coverage with respect to its Working Storage Gas in the storage facility.

6.11.2 Warranty. Customer or Replacement Customer warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas for injection hereunder good title to such Gas and/or good right to cause the Gas to be delivered to Seller for Storage. Customer or Replacement Customer warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Seller harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are directly applicable to such delivery of Gas and that it will indemnify and save Seller harmless from all taxes or assessments which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery.

6.11.3 Waivers. No waiver by either Seller or Customer of any one or more defaults by the other in the performance of any provisions hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character. Seller shall retain the right to waive, with respect to Customer, any Section of these General Terms and Conditions and Rate Schedules FS and IS, if Seller does so in a non-discriminatory manner.

6.11.4 Assignments. Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Customer or of Seller, as the case may be, shall if eligible be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Service Agreement(s) between Seller and Customer. Either Seller or Customer may assign any of its rights or obligations under its Service Agreement(s) to a financially responsible entity with which it is affiliated at the time of such assignment. Furthermore, Seller may, as security for its indebtedness, assign, mortgage or pledge any of its rights or obligations under its Service Agreement(s), including its rights to receive payments, to any other entity, and Customer will execute any consent agreement with such entity and provide such certificates and other documents as Seller may reasonably request in connection with any such assignment. Customer also may assign or pledge its Service Agreement(s) under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed or may hereafter execute covering substantially all of its properties. Otherwise, except as provided in Section 5.1.7 of Rate Schedule FS neither party shall assign its Service Agreement(s) or any of its rights thereunder unless it first shall have obtained the consent thereto in writing of the other party.

6.11.5 Creditworthiness.

6.11.5.1 Creditworthiness Evaluation

(1) Seller shall not be required to commence or continue service under this FERC Gas Tariff, First Revised Volume No. 1, on behalf of any Customer who fails to establish or maintain creditworthiness.

(2) Determining Creditworthiness

Seller shall apply consistent evaluation practices to all similarly situated Customers to determine Customer's financial ability to perform payment obligations due to Seller over the term of the requested or existing Agreement(s). A creditworthiness evaluation shall be performed in accordance with the following:

- (a) Creditworthiness Standard – Customer will establish creditworthiness if its unenhanced senior unsecured debt securities are rated investment grade of at least BBB- by Standard & Poor's Financial Services LLC ("S&P") or at least Baa3 by Moody's Investor Service, Inc. ("Moody's"); provided however, that in the event a split rating occurs between rating agencies, Seller will rely upon the lower of the ratings. Nothing herein shall limit Seller's ability to evaluate any of the factors set forth in Section 6.11.5, paragraph (2)(b)(i)–(vii) below where Customer's creditworthiness is established by a rating agency if such factor(s) would alter Seller's evaluation of Customer. If Customer has multiple Agreements with Seller, then the total of potential fees and charges of all such Agreements shall be considered in determining creditworthiness.
- (b) If Customer does not meet the creditworthiness standard described in part (a) above, Seller shall evaluate creditworthiness based upon the level of Customer's current and requested service(s) with Seller relative to Customer's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon Seller's evaluation of any or all of the following requested information in (i) through (vii) below.
 - (i) S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.
 - (ii) Financial reports whereby consistent financial statement analysis will be applied by Seller to determine the acceptability of Customer's current and future financial strength. Customer's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

- (iii) Whether Customer is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. Seller may give consideration for a Customer who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if Seller is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Customer is continuing and continues in the future to make payment.
- (iv) Whether Customer is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
- (v) The nature of Customer's business and the effect on that business of economic conditions, including Customer's ability to recover the costs of Seller's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- (vi) Whether Customer has or has had any delinquent balances outstanding for services provided previously by Seller and whether Customer is paying and has paid its account balances according to the terms established in its Agreement(s) (excluding amounts as to which there is a good faith dispute).
- (vii) Any other information, including any information provided by Customer, that is relevant to Customer's current and future financial strength and Customer's ability to make full payment over the term of the Agreement(s).

6.11.5.2 Failure to Establish or Maintain Creditworthiness

- (1) If Customer fails to establish or maintain creditworthiness as described in Section 6.11.5.1(2), Customer has the option of receiving or continuing service under this FERC Gas Tariff by providing and maintaining one of the following financial assurances in accordance with the requirements as set forth in Section 6.11.5.2(4) below:
 - (i) Guarantee: Customer may provide a guarantee of financial performance in a form satisfactory and acceptable to Seller and for the term of the Agreement from a person or entity which meets the creditworthiness standards outlined in Section 6.11.5.1(2) (guarantor).

- (ii) Cash Security Deposit: Customer may provide a cash security deposit for service. Seller will accrue simple interest on cash security deposits at the applicable monthly "Federal Funds (effective)" rate published in the Federal Reserve Statistical Report H.15. Interest will be paid by Seller on an annual basis each September 1 or at the time Customer's deposit is returned.
 - (iii) Letter of Credit: Customer may post an irrevocable standby letter of credit in a form acceptable to Seller and issued by a bank or financial institution deemed acceptable by Seller.
 - (iv) Any other financial assurance mutually agreed upon by Seller and Customer.
- (2) In addition to and not in limitation of the foregoing, Seller shall have, at all times and pursuant solely to Michigan state law, the right to a first priority security interest, as well as a statutory lien under Article 7 of the Uniform Commercial Code (as adopted in Michigan), in any Gas which Customer may have remaining on Seller's system to secure all amounts owed by Customer under any and all Service Agreements entered into between Customer and Seller.
- (3) Seller may deny subsequent requests to substitute financial assurances on a not unduly discriminatory basis and will provide Customer with a written explanation of any denial of a request to substitute financial assurances.

Within five (5) Business Days of Seller's notification to Customer that Customer has returned to creditworthiness in accordance with Section 6.11.5.1(2) herein, Seller will return Customer's financial assurance held by Seller along with any applicable interest and interest calculation reconciliations.

Upon performance in full of all Customer's obligations under its Agreement(s), Seller will return Customer's financial assurance associated with undisputed invoice amounts within five (5) Business Days of Customer paying its final invoice. Seller will pay applicable interest and provide Customer final billing reconciliations detailing interest calculations.

(4) Financial Assurance Requirement Table

Service	Column A: Guarantee Requirement	Column B: Cash Security Deposit or Letter of Credit
Firm Service	Customer's contractual obligation under its firm service Agreements with Seller.	Up to the value of 3 months reservation charges
Interruptible Service	Customer's highest monthly bill for Interruptible service over the previous rolling twelve (12) months multiplied by three (3). Initial requirement based upon Customer's anticipated usage for a three (3) month period as determined by Customer and Seller.	Same as under Column A

6.11.5.3 Notification of Failure to Meet Creditworthiness.

Seller shall have the right, on an ongoing basis, to review Customer's creditworthiness and acceptability of any financial assurance, and upon Seller's request, Customer shall provide within three (3) Business Days, or such later date acceptable to Seller, information in order to facilitate such review. If Customer is found by Seller to be non-creditworthy, Seller will, upon request, inform Customer in writing as to the reasons. Upon notification by Seller of Customer's non-creditworthiness status, Customer must, within five (5) Business Days, pay for one month of service in advance to continue service. Customer must, within thirty (30) days, provide an acceptable financial assurance as set forth in Section 6.11.5. If Customer fails to provide one of the financial assurances within these time periods, Seller may suspend service immediately (Customers are not responsible for reservation charges after service is suspended) and may provide simultaneous written notice to Customer, the Commission, and any Replacement Customer(s) that service will be terminated in thirty (30) days. Seller also may exercise any other remedy available to it hereunder, at law or in equity.

6.11.6 Interpretation of Laws. Any Agreement shall be interpreted, performed and enforced in accordance with the laws of the State of Michigan.

6.11.7 Regulations. Any Agreement, and all terms and provisions herein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.

6.11.8 No Third-Party Beneficiary. It is expressly agreed that there is no Third-Party Beneficiary or any Agreement, and that the provisions of any Agreement and these General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to an Agreement herein.

6.11.9 Counterparts. Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

6.11.10 Heading. The headings contained in any Agreement are for reference purposes only and shall not affect the meaning or interpretation of any Agreement.

6.11.11 Compliance with North American Energy Standards Board.

Compliance with 18 CFR, Section 284.12

Seller has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.1, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

<u>NAESB Standard</u>	<u>Tariff record</u>
1.2.6	GT&C – OFO Operations Conditions, 6.16.3
1.3.1	GT&C – Definitions, 6.1
1.3.2(i)	GT&C – Nominations, 6.4.1(c)
1.3.2(ii-vi)	GT&C – Intraday Nominations, 6.4.2(a)
1.3.3	GT&C – Nominations, 6.4.1(c)
1.3.4	GT&C – Nominations, 6.4.1(a)
1.3.5	GT&C – Nominations, 6.4.1(b)
1.3.6	GT&C – Intra-Day Nominations, 6.4.2
1.3.7	GT&C – Nominations, 6.4.1(b)
1.3.8	GT&C – Intra-Day Nominations, 6.4.2
1.3.9	GT&C – Intra-Day Nominations, 6.4.2
1.3.11	GT&C – Intra-Day Nominations, 6.4.2
1.3.13	GT&C – Intra-Day Nominations, 6.4.2
1.3.14	GT&C – Nominations, 6.4.1(a)
1.3.19	Rate Schedule FS - Storage Overrun Service, 5.1.6
1.3.20	GT&C – Nominations, 6.4.1(c)
1.3.21	GT&C – Nominations, 6.4.1(c)
1.3.33	GT&C – Intra-Day Nominations, 6.4.2(a)
1.3.34	GT&C – OFO Notice Contents and Procedures, 6.16.5
2.3.7	GT&C – Monthly Close and Adjustments, 6.6.7
2.3.14	GT&C – Monthly Close and Adjustments, 6.6.7
2.3.26	GT&C – Monthly Close and Adjustments, 6.6.7
3.2.1	GT&C – Definitions, 6.1(5)
3.3.9	GT&C – Billing, 6.8.1
3.3.14	GT&C – Billing, 6.8.1
3.3.15	GT&C – Adjustment of Invoicing Errors, 6.8.3
3.3.17	GT&C – Payment, 6.8.2

- 3.3.18 GT&C – Payment, 6.8.2
- 3.3.19 GT&C – Payment, 6.8.2
- 5.3.1 Rate Schedule FS - Capacity Release Timeline, 5.1.7.1.D
- 5.3.2 Rate Schedule FS – Capacity Release Timeline, 5.1.7.1.D(i-iii)
- 5.3.3 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A(8) and 5.1.7.1.A(10)
- 5.3.4 Rate Schedule FS – Awarding Capacity Release, 5.1.7.1.G
- 5.3.5 Rate Schedule FS – Capacity Release, 5.1.7;
Rate Schedule FS – Volumetric Release, 5.1.7.6
- 5.3.7 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A
- 5.3.8 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A(7)
- 5.3.10 Rate Schedule FS – Pre-arranged Release, 5.1.7.1.F
- 5.3.11 Rate Schedule FS – Pre-arranged Release, 5.1.7.1.F
- 5.3.12 Rate Schedule FS – Competitive Bidding Procedure, 5.1.7.1.E
- 5.3.13 Rate Schedule FS – Competitive Bidding Procedure, 5.1.7.1.E
- 5.3.14 Rate Schedule FS – Releasing Customer Options, 5.1.7.1.C
- 5.3.15 Rate Schedule FS – Competitive Bidding Procedure, 5.1.7.1.E
- 5.3.16 Rate Schedule FS – Releasing Customer Options, 5.1.7.1.C
- 5.3.19 Rate Schedule FS – Releasing Customer Options, 5.1.7.1.C
- 5.3.22 GT&C – Definitions, 6.1(8)
- 5.3.23 Statement of Rates – FS, IS Rates, 4.1
- 5.3.24 Rate Schedule FS – Competitive Bidding Procedure, 5.1.7.1.E
- 5.3.25 Rate Schedule FS – Releasing Customer Options, 5.1.7.1.C
- 5.3.26 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A(1) and
Rate Schedule FS – Competitive Bidding Procedures, 5.1.7.1.E
- 5.3.28 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A
- 5.3.29 Rate Schedule FS – Making an Offer to Release, 5.1.7.1.A
- 5.3.44 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.45 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.49 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.51 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.53 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.54 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.55 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.56 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.57 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)
- 5.3.58 Rate Schedule FS – Procedure for Making Offer to Release, 5.1.7.1.A(4)

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

Storage Information:

Data Sets:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13, 1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.15, 1.3.16, 1.3.22, 1.3.23, 1.3.24, 1.3.25, 1.3.26, 1.3.27, 1.3.28, 1.3.29, 1.3.30, 1.3.31, 1.3.32, 1.3.35, 1.3.36, 1.3.37, 1.3.38, 1.3.39, 1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.51, 1.3.53, 1.3.55, 1.3.56, 1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72, 1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

Data Sets:

1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.9, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.15, 2.3.16, 2.3.17, 2.3.18, 2.3.19, 2.3.20, 2.3.21, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.28, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41, 2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53, 2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64, 2.3.65, 2.3.66

Data Sets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17, 2.4.18

Invoicing Related Standards:

Principles (Optional):

3.1.1, 3.1.2

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.7, 3.3.8, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12,
4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,
4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38,
4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 4.3.62, 4.3.66, 4.3.67,
4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.83, 4.3.84,
4.3.85, 4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96,
4.3.97, 4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.9, 5.3.18, 5.3.20, 5.3.21, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37,
5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.50, 5.3.52, 5.3.59,
5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69,
5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26,
5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10,
10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19,
10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28,
10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37,
10.2.38

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11,
10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21,
10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27

Standards for which Waiver or Extension of Time to Comply have been granted:

NAESB Standard	Waiver or Extension of Time
1.3.17	Extension of Time
1.3.18	Extension of Time
3.3.6	Extension of Time

6.12 FACILITIES

Unless otherwise agreed to by the parties, Seller shall not be required to own, construct and install any facilities to perform the service requested by Customer. In the event Seller agrees to own, construct and install facilities to perform the service requested by Customer including, but not limited to, hot tap, processing, measurement, injection/withdrawal wells, gathering system pipe line looping and/or compression facilities, Customer shall reimburse Seller for all Seller's costs associated therewith either on a lump sum or incremental fee basis as agreed to by the parties.

6.13 INTERNET WEBSITE

Seller has established an Internet Website ("Internet Site") through the use of a third party provider Latitude Technologies, Inc. that will be available to any existing or potential Customer on Seller's system. The Internet Site shall be interactive and contain relevant informational posting requirements. Such site is located at "www.latec.com/anr". Seller shall notify Customer of any change to its Internet Site procedures or Web address.

Seller may also charge a fee to users of the Internet Site to recover variable costs associated with the Internet Site.

Latitude Technologies, Inc. shall maintain daily backups of all pipeline files and archive them for a period of three (3) years pursuant to Commission regulations, and shall allow any Customer access to such historical information, for a reasonable fee, within a reasonable period of any such request.

6.14 RESPONSIBILITY FOR ASSOCIATED TRANSPORTATION

The transportation of quantities to be stored hereunder to and from the Point of Injection/Withdrawal is solely the Customer's responsibility.

6.15 TITLE TRANSFERS OF GAS IN STORAGE

1. Seller, or any Customer receiving Storage Service from Seller, shall be entitled to transfer, in-field, any of its Working Storage Gas to another Customer or to Seller, provided, however, that Seller may restrict such transfers when the transfer results in an increase in Seller's service obligations and such increase would in Seller's reasonable judgment impair Seller's ability to meet all of its other service obligations of equal or higher priority and if:
 - (a) Both purchaser and seller of the Working Storage Gas provides ANR Storage with verification of the transfer in writing; and
 - (b) The purchase does not cause either Customer to exceed its Maximum Storage Quantity, as specified in the Customer's Service Agreement.
2. ANR Storage will recognize the transfer for purposes of computing available Working Storage Gas and applicable Injection and Withdrawal Quantities on a prospective basis within 24 hours after receiving the written verification required by Section 6.15 paragraph 1(a), above.

6.16 OPERATIONAL FLOW ORDER ("OFO")

6.16.1 General. Seller, in its discretion, shall have the right to issue OFOs when in its judgement it is necessary to maintain or restore the operational integrity of Seller's Storage system. Seller will not be required to issue an OFO:

- (a) to redeliver Gas to any Customer that has not tendered Equivalent Quantities of Gas to Seller's Storage system; or
- (b) to any other pipeline in order to obtain access to quantities of Gas, except to the extent that such quantities of Gas are being transported by such pipeline for the account of a Customer.

Seller shall not be required to respond to any OFO that it receives from an interstate pipeline that is not currently providing Equivalent Quantities and pressures of Gas to Seller, unless Seller is a customer on that pipeline.

6.16.2 Forms of OFOs. An OFO may:

- (a) direct any Customer to increase/decrease quantities injected or withdrawn or increase/decrease pressures at a Point of Injection/Withdrawal, in accordance with Section 6.16.4, below; or
- (b) implement verbal arrangements with other pipelines; or
- (c) enable Seller to take or require any other actions as may be deemed necessary by Seller in its judgement in order to maintain the operational integrity of Seller's Storage system.

6.16.3 OFO Operations Conditions. OFOs may be issued in any of the following circumstances:

- (a) to alleviate conditions that threaten the operational integrity of Seller's Storage system; or
- (b) to maintain minimum necessary pressures for Storage operations; or

The OFO will remain in effect until the operational condition requiring its issuance has been remedied.

6.16.4 Condition to Firm Service Agreements

- (a) Seller may issue an effective OFO to any Customer under Rate Schedule FS to (1) increase/decrease quantities tendered to Seller for Storage at Customer's Point of Injection, up to Customer's Maximum Daily Injection Quantity; (2) increase/decrease quantities requested to be withdrawn from Storage at the Point of Withdrawal, up to Customer's Maximum Daily Withdrawal Quantity. Customer will be required to comply with such OFO within twenty-four (24) hours prior notice.
- (b) Seller will require, as a condition in each firm Service Agreement, that Customer guarantee that Seller will have the right to issue an effective OFO to any other pipeline or owner of Gas being supplied to any Customer, whether such OFO is required to be effectuated at the Point of Injection/Withdrawal. Seller shall issue an OFO pursuant to this Section 6.16.4(b) only if (1) Customer has elected to grant such authority to Seller for the issuance of all OFOs; or (2) Seller is required to issue the OFO without providing the twenty-four (24) hours notice referenced in Section 6.16.4(a), above.
- (c) Seller shall develop a rotating schedule of Customers at the Point of Injection/Withdrawal to establish the priority of the Customer that will receive an OFO in the event Seller requires additional supplies.

6.16.5 OFO Notice, Contents and Procedures. Seller shall issue an OFO as expeditiously as is reasonably practicable in the circumstances, utilizing electronic communication, (information transmitted via Seller's Internet Site, electronic delivery mechanism prescribed by NAESB or other mutually agreed communication methodologies used to transmit and receive information, including communication by telephone). Seller shall post and provide Customers with updated information concerning the status of operational variables related to the OFO as soon as it is available. Each OFO will contain the following provisions:

- (a) time and date of issuance;
- (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
- (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
- (d) the party or parties receiving the OFO;
- (e) the quantity of Gas required to remedy the operational condition requiring the issuance of the OFO; and
- (f) any other terms Seller may reasonably require to ensure the effectiveness of the OFO.

6.16.6 Failure to Comply with OFO. If Customer or agent fails to comply with the terms of an OFO, for any reason other than force majeure on an upstream or downstream pipeline, such Customer shall be: (a) liable for any damages including, but not limited to direct, consequential, exemplary or punitive damages incurred by Seller or any other affected party as a result of such failure. Notwithstanding anything to the contrary in this Section 6.16.6, if Customer is required to make a nomination pursuant to an OFO, unless critical circumstances dictate otherwise, no damages and/or penalties will be assessed unless Customer is given the opportunity to correct the circumstances giving rise to the OFO.

6.16.7 Seller's Liability for OFOs. Seller shall not be liable to any person for any costs, damages or other liability associated with the issuance of, or the failure to issue, any OFOs, provided, however, Seller shall be liable for acts of negligence or undue discrimination, such standards to be judged in light of the emergency conditions under which OFOs are issued.

6.16.8 Seller's Scheduling Authority. Seller shall have the right to act as a scheduling agent for a Customer's account if (a) the Customer refuses to schedule Gas injections or withdrawals as specified by an OFO issued pursuant to Section 6.16.4(a); or (b), above, if Seller requires additional quantities in less than the twenty-four (24) hour notice period normally required for an OFO, and the Customer has refused a verbal request to schedule the required quantity of Gas.

6.17 RESERVED FOR FUTURE USE

6.18 RESERVED FOR FUTURE USE

6.18.1 Reserved for Future Use

6.18.2 Reserved for Future Use

6.18.3 Reserved for Future Use

6.18.4 Reserved for Future Use

6.18.5 Reserved for Future Use

6.18.6 Reserved for Future Use

6.18.7 Reserved for Future Use

6.18.8 Reserved for Future Use

6.19 BILLING ADJUSTMENT FOR RATE SCHEDULE IS WITHDRAWAL PENALTY

6.19.1 Billing Adjustment. A billing adjustment shall be made to non-offending Customers' bills crediting all revenues from Rate Schedule IS Withdrawal Penalties collected by Seller, net of costs. All such revenue shall be generated from the sale of Working Storage Gas retained by Seller ("Penalty Gas"). A pro rata allocation of such revenue will be credited to each non-offending Customer, and will appear on the invoice for the next Month's business following actual receipt by Seller of such revenues. Seller shall have 90 Days from the end of the Month, in which such Penalty Gas was retained, to sell the Penalty Gas. The Penalty Gas shall be sold as near as practical to the market rate existing at the time the Penalty Gas is sold. If sale of Penalty Gas is made to an affiliate of Seller, Seller shall sell such Penalty Gas at no less than the spot market price on the Day of such sale.

6.19.2 Allocation Base. Customers will receive a pro rata allocation of net penalty revenue, based upon the following allocation base:

- (a) Non-offending Rate Schedule FS Customers: The Maximum Storage Quantity such Customer had a right to store in the Month withdrawal penalty invoked; and
- (b) Non-offending Rate Schedule IS Customers: The Average Monthly Storage Volume the Customer stored in the Month withdrawal penalty invoked.

6.19.3 Monthly Credit.

Each Customer will receive a Monthly Credit based upon the formula

$X (Y / Z)$, where:

- X = Total net Penalties collected by Seller in a Month
- Y = The Customer's allocation base derived in accordance with Section 6.19.2;
above, and
- Z = The Sum of all of Customers' allocation bases derived in accordance with
Section 6.19.2, above.

6.20 OFF-SYSTEM CAPACITY

Seller may, from time to time, enter into agreements with other interstate or intrastate pipeline or storage companies for capacity ("off-system capacity"). In the event that Seller acquires off-system capacity, Seller will use such capacity for operational reasons or to provide service to its Customers pursuant to Seller's Tariff and subject to Seller's approved rates, as such rates may change from time to time. In the event that off-system capacity used to render service to Seller's Customers is subject to renewal limitations, as specified in a provider's tariff and/or as provided by FERC regulation, Seller will indicate in any posting of capacity available for service any limitation to extension rights that will apply as a result of limitations on the off-system capacity. For purposes of transactions entered into subject to this section, the "shipper must have title" requirement is waived.

6.21 Operational Purchases & Sales of Gas

Seller may from time to time purchase or sell gas as necessary to manage system pressure and maintain system integrity. Prior to purchasing or selling gas pursuant to this section, Seller shall post notice of its intent to purchase or sell gas through its Internet Site. Purchase or sale of gas shall be made on a nondiscriminatory basis. Parties that purchase gas from the pipeline shall be responsible for separately arranging any necessary transportation. Operational purchases or sales shall have a lower transportation priority than firm service.

1. Solicitation of Bids.

Seller shall post for bid its operational purchases and/or sales on its public Internet web site or, alternatively, on third party electronic bulletin board(s) in accordance with the applicable bidding provisions which will be posted at the time of the purchase and/or sale. Seller reserves its right, in its sole discretion, to: (1) withdraw its postings; (2) reject all bids due to operational changes; and (3) reject any bid which is not complete, which contains modifications to the terms of the posting or which contains terms that are operationally unacceptable.

2. Reporting Requirements.

Seller will file an annual report on or before May 1 of each year reflecting the operational purchases and sales for the 12-month period ending the preceding December 31. The report will state: (1) the source of the gas purchased/sold; (2) the dates of the purchases/sales; (3) volumes; (4) the purchase/sales price; (5) the cost and revenues for such purchase/sales; (6) the disposition of the associated costs and revenues for all operational purchases and sales; and (7) an explanation of the purpose of any operational purchases and sales transaction.

6.22 Reserved for Future Use.

6.23 Lien

Seller shall be entitled to, and Seller hereby claims, pursuant solely to Michigan state law, a lien on all Gas received by Seller from Customer, and all proceeds thereof, upon such receipt of such Gas by Seller, as provided for under Chapter 440, Article 7 of Michigan's Compiled Laws (or any Statute of Michigan adopting Article 7 of the Uniform Commercial Code) ("UCC Article 7"), with the rights of enforcement as provided therein and herein. In no way limiting the foregoing, Seller shall be entitled to, and Seller hereby claims, a lien on all charges for storage and/or transportation, insurance, labor, administrative, legal, or other charges present or future in relation to the received Gas, and for expenses necessary for preservation of the received Gas or reasonably incurred in the sale thereof, pursuant solely to Michigan state law, and that such lien shall extend to like charges and expenses in relation to all such received Gas. This agreement shall be considered a "Storage Agreement" as contemplated by UCC Article 7, but if for any reason it is deemed by a Court of Law or Tribunal of Competent Jurisdiction to not be such a Storage Agreement, and if such Court or Tribunal deems a valid Warehouse Receipt necessary to create, perfect, support, and/or enforce such lien, it shall be deemed that:

- A. This Tariff, the Service Agreement(s) entered into by Customer and Seller, and all confirmations under such Service Agreement(s), taken together with all notices and related documentation (including, without limitation, monthly invoices) delivered by Seller to Customer pursuant to this Tariff and such Service Agreement(s), shall collectively be deemed a valid "Warehouse Receipt" for all purposes with respect to UCC Article 7, regardless of when any Gas stored pursuant to this Tariff and such Service Agreement(s) is delivered;
- B. The location of the warehouse, the entity to whom the Gas will be delivered, rate of storage and handling charges, and description of the goods are as set forth, respectively, in this Tariff, the Service Agreement(s) between Seller and Customer, the nomination under which such Gas was delivered to Seller, and the monthly invoice provided by Seller to Customer;
- C. The issue date of a Warehouse Receipt with respect to each receipt of Gas shall be deemed to be the date such Gas was delivered to Seller;
- D. The consecutive number of the receipt shall be deemed based on the dates of receipt when listed in chronological order, beginning with the first receipt of Gas under the terms of the Customer's Service Agreement(s) (or the unique identification code of the receipt);
- E. The signature of Seller on the relevant Service Agreement(s) shall be deemed to be the signature of the warehouseman; and

- F. An acceptance of Customer's nomination pursuant to this Tariff and the relevant Service Agreement(s) and/or the issuance of a confirmation by Seller to Customer shall be deemed to be a statement of the fact that advances have been made and/or liability incurred.

In the event of a future revision to UCC Article 7 incorporating additional or different "Storage Agreement" and/or "Warehouse Receipt" requirements, the Customer and Seller will amend their relevant Service Agreement(s) so that Seller shall always maintain such UCC Article 7 lien throughout the term of such Service Agreement(s).

FORM OF SERVICE AGREEMENT

FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule FS)

THIS AGREEMENT entered into as of the ____ day of _____, 20____, by and between ANR Storage Company, a Michigan Corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer."

W I T N E S S E T H

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller has sufficient capacity available to provide the Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may on any Day deliver or cause to be delivered to Seller, Gas up to the Maximum Daily Injection Quantity plus Seller's Injection Use for Storage of up to the Maximum Storage Quantity, and at Customer's request on any Day Seller agrees to Tender Equivalent Quantities of Gas to or for the account of Customer, on a firm basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use.
3. Seller may, if requested by Customer, inject or withdraw from Storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Paragraph 2, above, if it can do so without adverse effect on Seller's operations or its ability to meet its higher priority obligations.

ARTICLE II
POINT OF INJECTION AND POINT OF WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection.

2. Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Withdrawal.

ARTICLE III TERM OF AGREEMENT

1. This Agreement shall be effective as of the date first above written and shall remain in effect for a primary term commencing April 1, _____ and ending March 31, _____, unless mutually agreed to otherwise.

(if applicable) Seller has agreed to provide a contractual right of first refusal to Customer. Accordingly, Customer may extend the primary term of this Agreement pursuant to the procedures set forth in Section 6.10.1 of the General Terms and Conditions of Seller's FERC Gas Tariff.

ARTICLE IV RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule FS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"), as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Sections VI & VII of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - (a) Rates and Charges
 - (b) Additional charges which are applicable.

Exhibit A to this Agreement shall specify the Rates and Charges and Additional charges which are applicable. When the level of any Rates and Charges or Additional charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such change(s) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rate(s) and terms and conditions set forth herein, in Rate Schedule FS or in the General Terms and Conditions of Seller's Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.

3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: ANR Storage Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

Customer: _____

ARTICLE VI
INCORPORATION BY REFERENCE

The provisions of Rate Schedule FS and the General Terms and Conditions of Seller's Tariff are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____:
2. Replacement Customer.
[If Customer is a Replacement Customer, state identity of Releasing Customer and Contract Number under which capacity is released. The offer of release issued by the Releasing Customer is incorporated herein by reference.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized.

ANR Storage Company

By _____

Its _____

(Customer)

By _____

Its _____

EXHIBIT "A"
to Agreement between
ANR Storage Company (Seller)
and

_____ (Customer)

Dated _____

- I. STORAGE DEMAND INJECTION QUANTITY (Dth)
- II. STORAGE DEMAND WITHDRAWAL QUANTITY (Dth)
- III. MAXIMUM STORAGE QUANTITY (Dth)
- IV. POINT OF INJECTION
- V. POINT OF WITHDRAWAL
- VI. RATES AND CHARGES - Customer agrees to pay Seller the following charges for all gas storage service furnished to Customer hereunder:

Deliverability – Monthly	_____
Capacity – Monthly	_____
Injection	_____
Withdrawal	_____

Injection Use Charge	_____	(in-kind or \$/Dth)
Withdrawal Use Charge	_____	(in-kind or \$/Dth)

- VII. ADDITIONAL CHARGES - pursuant to Section 5.1.5 of Rate Schedule FS.

FORM OF SERVICE AGREEMENT
(For Use Under Seller's Rate Schedule IS)

THIS AGREEMENT entered into as of the ____ day of _____, 20__, by and between ANR Storage Company, a Michigan Corporation, hereinafter referred to as "Seller," and _____, hereinafter referred to as "Customer."

W I T N E S S E T H

WHEREAS, Customer has requested Seller to store Gas on its behalf; and

WHEREAS, Seller has sufficient Storage capacity available to provide the Storage Service for Customer on the terms specified herein;

NOW, THEREFORE, Seller and Customer agree as follows:

ARTICLE I
STORAGE SERVICE

1. Seller's service hereunder shall be subject to receipt of all requisite regulatory authorizations from the Federal Energy Regulatory Commission ("Commission"), or any successor regulatory authority, and any other necessary governmental authorizations, in a manner and form acceptable to Seller.
2. Subject to the terms and provisions of this Agreement, Customer may deliver or cause to be delivered to Seller on an interruptible basis, Gas up to the Maximum Daily Injection Quantity, plus Seller's Injection Use, for Storage up to the Maximum Storage Quantity, and Seller agrees to receive, store and redeliver at Customer's request Equivalent Quantities of Gas to or for the account of Customer, on an interruptible basis, up to the Maximum Daily Withdrawal Quantity, reduced by Seller's Withdrawal Use, as set forth on Exhibit A.
3. Seller, if requested by Customer, may inject or withdraw from Storage daily quantities in excess of the Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity specified in Paragraph 2, above, if it can do so without adverse effect on Seller's operations or its ability to meet all higher priority obligations.

ARTICLE II
POINT OF INJECTION AND POINT OF WITHDRAWAL

1. Customer shall deliver or cause to be delivered Gas hereunder at the Point of Injection.

Seller shall Tender to or for the account of Customer, Equivalent Quantities of Gas stored hereunder, at the Point of Withdrawal.

ARTICLE III
TERM OF AGREEMENT

1. This Agreement shall be effective for an initial period as of the date first written above until _____, and _____ to _____ thereafter, until terminated by Seller or Customer upon _____ prior written notice to the other specifying a termination date at the end of such period or any successive period thereafter. The period of service hereunder shall be from _____ until the termination of this Agreement.

ARTICLE IV
RATE SCHEDULE AND CHARGES

1. Each Month, Customer shall pay Seller for the service hereunder, an amount determined in accordance with Seller's Rate Schedule IS and the applicable provisions of the General Terms and Conditions of Seller's FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"), as filed with the Commission. Such Rate Schedule and General Terms and Conditions are incorporated by reference and made a part hereof. Section VI and VII of Exhibit A hereto sets forth the applicable information as follows, which shall be utilized for transactions hereunder:
 - a. Rates and Charges
 - b. Additional charges which are applicable.

Exhibit A to the Service Agreement shall specify the Rates and Charges and Additional charges which are applicable. When the level of any Rates and Charges or Additional Charges is changed pursuant to Commission authorization or direction, Seller may unilaterally effect an amendment to Exhibit A to reflect such change(s) by so specifying in a written communication to Customer.

2. It is further agreed that Seller may seek authorization from the Commission and/or other appropriate body for such changes to any rate(s) and terms and conditions set forth herein in Rate Schedule IS or in the General Terms and Conditions of Seller's Tariff, as may be found necessary to assure Seller just and reasonable rates. Nothing herein contained shall be construed to deny Customer any rights it may have under the Natural Gas Act, as amended, including the right to participate fully in rate proceedings by intervention or otherwise to contest Seller's filing in whole or in part.
3. Further Agreement:

(Write None or specify the agreement).

ARTICLE V
NOTICE

1. Except as may be otherwise provided, any notice, request, demand, statement or bill provided for in this Agreement or any notice which a party may desire to give the other shall be in writing and mailed by regular mail, effective as of the postmark date, to the post office address of the party intended to receive the same, as the case may be, as follows:

Seller: ANR Storage Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

Customer: _____

ARTICLE VI
INCORPORATION BY REFERENCE

The provisions of Rate Schedule IS and the General Terms and Conditions of Seller's Tariff are specifically incorporated herein by reference and made a part hereof.

ARTICLE VII
MISCELLANEOUS

1. This Agreement supersedes and cancels the following contract between the parties hereto effective _____:
2. Replacement Customer.
[If Customer is a Replacement Customer, state identity of Releasing Customer and Contract Number under which capacity is released. The offer of release issued by the Releasing Customer is incorporated herein by reference.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized.

ANR Storage Company

By _____

Its _____

(Customer)

By _____

Its _____

EXHIBIT "A"
to
Agreement between
ANR Storage Company (Seller)
and

_____ (Customer)

Dated _____

- I. MAXIMUM DAILY INJECTION QUANTITY (Dth)
- II. MAXIMUM DAILY WITHDRAWAL QUANTITY (Dth), which shall be: the greater of one thirtieth (1/30) of the Working Storage Gas as of the last Day of the prior Month or one thirtieth (1/30) of the Working Storage Gas as of the date that Seller notifies Customer that it must withdraw all of its Working Storage Gas within forty-five (45) Days or one fifth (1/5) of the Working Storage Gas as of the date that Seller notifies Customer that it must withdraw all of its Working Storage Gas within five (5) Days.
- III. MAXIMUM STORAGE QUANTITY (Dth)
- IV. POINT OF INJECTION
- V. POINT OF WITHDRAWAL
- VI. RATES AND CHARGES - Customer agrees to pay Seller the following charges for all gas storage service furnished to Customer hereunder:

Commodity Rate _____

Injection Use Charge _____ (in-kind or \$/Dth)

Withdrawal Use Charge _____ (in-kind or \$/Dth)

- VII. ADDITIONAL CHARGES - pursuant to Section 5.2.5 of Rate Schedule IS.

ANR Storage Company
STORAGE SERVICE REQUEST FORM

Send to: ANR Storage Company (Seller)
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700

Date Received

Attention: Commercial Operations
Fax Telecopy No.: (832) 320-5677
Verification No.: (832) 320-5474

NOTE: A check, if required by Section 6.2.1 of the General Terms and Conditions of Seller's FERC Gas Tariff, First Revised Volume No. 1 ("Tariff"), must accompany each Storage Service Request to be valid.

INFORMATION REQUIRED FOR VALID STORAGE REQUEST

NOTE: ANY CHANGE IN THE FACTS SET FORTH BELOW, WHETHER BEFORE OR AFTER SERVICE BEGINS, MUST BE PROMPTLY COMMUNICATED TO SELLER IN WRITING.

1. Requestor: (Do not complete if same as Customer, see No. 3 below)
Requestor's Name: _____
2. Is Requestor affiliated with Seller? YES _____ NO _____
If yes, type of affiliation and the percentage of ownership between Seller and Requestor

3. Customer's Name, Address and D&B Number: (Note: The "Customer" is the party which proposes to execute the Storage Agreement with Seller).

Attention: _____ Telephone () _____

Address for _____
Statements _____
& Invoices _____

Attention: _____ Telephone () _____

For All _____
Other Matters _____

Attention: _____ Telephone () _____

Dispatch & Control Representative _____

Attention: _____ Telecopier () _____

4. Is Customer affiliated with Seller? YES _____ NO _____
If yes, type of affiliation and the percentage of ownership between Seller and Customer

5. Customer is a(n): (Check One)

_____ Local Distribution Company _____ Producer
_____ Intrastate Pipeline Company _____ End-User
_____ Interstate Pipeline Company _____ Marketer/Broker
_____ Other (Describe) _____

6. Customer is Acting: (Check One)

_____ for Itself
_____ as Agent for _____

7. This request is for: (Check One)

_____ Firm Storage Service under Rate Schedule FS
_____ Interruptible Storage Service under Rate Schedule IS

8. Requested Storage Demand Injection Quantity (SDIQ) (FS Only)

_____ Dekatherms per Day (provide if the SDIQ is other than MSQ/130)

9. Requested Storage Demand Withdrawal Quantity (SDWQ) (FS Only)

_____ Dekatherms per Day

10. Requested Maximum Storage Quantity

_____ Dekatherms (Shall not be less than 100,000 Dth, except for volumes under Section 7 of Rate Schedule FS.)

11. Point of Injection _____

12. Point of Withdrawal _____

13. Term of Service:

Date service is requested to commence: _____

Date service is requested to terminate: _____

(Agreements for FS shall commence on April 1 and terminate on March 31 of any following year, unless mutually agreed to otherwise.)

14. Rate Information:

Rate Customer proposes to pay for service requested.

FIRM

Deliverability – Monthly _____

Capacity – Monthly _____

Injection _____

Withdrawal _____

INTERRUPTIBLE

Commodity Rate _____

15. Certified Statement:

By submitting this request, Customer certifies that Customer has or will have by the time of execution of an Agreement with Seller, title to, or the legal right to cause to be delivered to Seller, for Storage, the Gas which is to be stored and facilities or contractual rights which will cause such Gas to be delivered to and received from Seller.

16. Credit Evaluation: as required by Section 6.2.2(j) of the General Terms and Conditions of Seller's Tariff.

THIS STORAGE SERVICE REQUEST IS HEREBY SUBMITTED

this ____ day of _____, _____

By _____

Telephone Number () _____

NEGOTIATED RATE AGREEMENTS

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