

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

WASHINGTON 10 STORAGE CORPORATION

STATEMENT OF OPERATING CONDITIONS

AS OF DECEMBER 3, 2015

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SECTION 1
FIRM STORAGE SERVICE
SS-1

- 1.1 At any time during the year, Transporter may determine that it has the ability to offer defined amounts of Firm Storage Service. Upon such determination and subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Statement of Operating Conditions, Transporter shall offer Firm Storage Service to Shippers on a non-discriminatory basis in accordance with this Statement of Operating Conditions.
- 1.2 A contract for Firm Storage Service shall be for a term stated in the Service Agreement.
- 1.3 During the term of the Service Agreement, Transporter shall provide a Storage service for Shipper with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity, which may be set forth in firm even daily quantities or which may vary during the term of Shipper's Service Agreement.
- 1.4 The rates for Firm Storage Service shall consist of:
 - (1) Capacity Rates per Dth times the Maximum Storage Quantity stated in the Shipper's Firm Storage Service Agreement;
 - (2) Monthly Deliverability Rates per Dth times the applicable MDWQ (before ratchets) as specified in the Shipper's Service Agreement;
 - (3) Injection Rates per Dth times the quantity of Gas injected by Transporter into Shipper's Storage Account; and
 - (4) Withdrawal Rates per Dth times the quantity of Gas withdrawn by Transporter from Shipper's Storage Account.

Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal.
- 1.5 Subject to Section 1.7, Shipper may deliver Gas to Transporter for injection into Storage on a firm basis on any Day. Shipper may request that Transporter withdraw Gas from Storage on a firm basis on any Day.
- 1.6 Transporter, in its discretion, may allow Shipper to deliver Gas for Storage in excess of the MDIQ, and to request withdrawals from Storage in excess of the MDWQ on an interruptible basis as Authorized Overrun. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 1.7 The quantity of MDWQ and MDIQ available for Shipper's use on any given Day shall be deemed to be reduced in accordance with the ratchets, if any, set forth in Shipper's Service Agreement. Such ratchets may provide for Shipper's Daily injection and/or withdrawal rights to be reduced to zero and/or stated as interruptible quantities for certain time periods during the term of Shipper's Service Agreement.
- 1.8 Firm Storage Service shall be scheduled pursuant to Section 15 prior to interruptible services under this Statement of Operating Conditions and interruptible services offered by Transporter pursuant to its Tariff on file with the MPSC. All firm services offered by Transporter under this Statement of Operating Conditions and pursuant to its rates and tariffs on file with the MPSC shall have equal scheduling priority.

- 1.9 Subject to the Curtailment provisions contained in Section 16, Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 1.10 Subject to Curtailment provisions contained in Section 16, Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 1.11 With respect to Gas delivered by Shipper to Transporter at the Receipt Point, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas to the Receipt Point.
- 1.12 With respect to Gas delivered by Transporter to the Shipper at the Delivery Point subsequent to withdrawal from Storage, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas from the Delivery Point.
- 1.13 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for an Interruptible Parking and Loaning arrangement pursuant to Section 4. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 4 shall be in effect. If Shipper elects not to make a request, or Transporter is unable to accommodate Shipper's request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.
- 1.14 If at the end of the term of Shipper's Firm Service Agreement, Shipper has a positive Account balance, Transporter shall purchase from Shipper the Gas in Shipper's Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.

SECTION 2
INTERRUPTIBLE STORAGE SERVICE
ISS

- 2.1 Subject to Transporter having available capacity and Shipper meeting the eligibility requirements set forth in this Statement of Operating Conditions, Transporter shall offer Interruptible Storage Service to shippers on a non-discriminatory basis in accordance with this Statement of Operating Conditions.
- 2.2 During the term of the Service Agreement, Transporter shall provide a Storage service for Shipper on an interruptible basis with a Maximum Storage Quantity, Maximum Daily Injection Quantity, and Maximum Daily Withdrawal Quantity, which may vary during the term of Shipper's Service Agreement.
- 2.3 The rate for Interruptible Storage Service shall consist of:
 - (1) A Usage Rate that shall be calculated based on each Dekatherm of Gas stored in Shipper's Storage Account at the end of each Day;

- (2) A daily Injection Rate per Dth of Gas injected by Transporter into Shipper's Storage Account; and
- (3) A daily Withdrawal Rate per Dth of Gas withdrawn by Transporter from Shipper's Storage Account.

Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal.

- 2.4 Transporter, in its discretion, may allow Shipper to deliver Gas for Storage in excess of the MDIQ, and to request withdrawals from Storage in excess of the MDWQ on an interruptible basis as Authorized Overrun. The Shipper may not withdraw Gas in excess of its Storage Account balance.
- 2.5 The quantity of MDWQ and MDIQ available for Shipper's use on any given Day shall be deemed to be reduced in accordance with the ratchets, if any, set forth in Shipper's Service Agreement. Such ratchets may provide for Shipper's Daily injection and/or withdrawal rights to be reduced to zero for certain time periods during the term of Shipper's Service Agreement.
- 2.6 For scheduling purposes, subject to Section 15, Interruptible Storage Service shall be subordinate to firm services under this Statement of Operating Conditions and to firm services offered by Transporter pursuant to its Tariff on file with the MPSC. Once Interruptible Storage Service is nominated and scheduled for a Day, Transporter may curtail Interruptible Storage Service at any time in accordance with Section 16.2.
- 2.7 Subject to the Curtailment provisions contained in Section 16, Transporter shall, on any Day, accept the Scheduled Daily Quantity at the Receipt Point for injection into the Shipper's Storage Account.
- 2.8 Subject to the Curtailment provisions contained in Section 16, Transporter shall, on any Day, deliver the Scheduled Daily Quantity to the Delivery Point following withdrawal from Shipper's Storage Account.
- 2.9 Shipper shall be responsible for contracting and paying for any necessary transportation service at and upstream of the Receipt Point and at and downstream of the Delivery Point.
- 2.10 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for an Interruptible Parking and Loaning arrangement pursuant to Section 4. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 4 shall be in effect. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.
- 2.11 If, at the end of term of the Shipper's Interruptible Storage Service Agreement, Shipper has a positive Storage Account balance, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.

SECTION 3
FIRM PARKING AND LOANING SERVICE
FPALS

- 3.1 Subject to Transporter's determination that it has available capacity and/or the capability to loan Gas, as applicable, and Shipper meeting the eligibility requirements set forth in this Statement of Operating Conditions, Transporter shall offer Firm Parking and Loaning Service to Shippers on a non-discriminatory basis in accordance with this Statement of Operating Conditions. Availability of service pursuant to this rate schedule shall be subject to a determination by Transporter that Transporter's performance of Firm Parking and Loaning Service will not cause a reduction in Transporter's ability to provide firm services under currently effective Service Agreements.
- 3.2 A contract for Firm Parking and Loaning Service shall be for a term stated in the Service Agreement.
- 3.3 During the term of the Firm Parking and Loaning Service Agreement, Transporter shall provide:
- (1) Firm Loaning Service that shall consist of: (1) the withdrawal from Storage of Gas by Transporter for delivery to Shipper at daily quantities up to the MDWQ; (2) the Loan of Gas by Transporter to Shipper up to the Maximum Loan Quantity; (3) the return of Loaned Gas by Shipper to Transporter and the injection into Storage of such Gas at daily quantities up to the MDIQ; and/or
 - (2) Firm Parking Service that shall consist of: (1) the injection into Storage of Parked Gas by Transporter for Shipper at daily quantities up to the MDIQ; (2) the Parking of Gas in Storage by Transporter for Shipper up to the Maximum Park Quantity; and (3) the withdrawal of Parked Gas from Storage by Transporter for delivery to Shipper at daily quantities up to the MDWQ.

The Maximum Park Quantity and/or Maximum Loan Quantity and the MDWQ and MDIQ, which may be set forth in firm even daily quantities or which may vary during the term of Shipper's Service Agreement, shall be set forth in Shipper's Firm Parking and Loaning Service Agreement.

- 3.4 The rates for Firm Parking and Loaning Service shall consist of:
- (1) A Capacity Rate per Dth times
 - (a) the Maximum Park Quantity stated in the Shipper's Firm Park and Loan Service Agreement; and/or
 - (b) the Maximum Loan Quantity stated in the Shipper's Firm Park and Loan Service Agreement;
 - (2) A Monthly Deliverability Rate per Dth times the applicable MDWQ specified in the Shipper's Service Agreement;
 - (3) An Injection Rate per Dth times the quantity of Gas injected by Transporter into Shipper's Parking and Loaning Account;
 - (4) A Withdrawal Rate per Dth times the quantity of Gas withdrawn by Transporter from Shipper's Parking and Loaning Account.
- 3.5 Subject to the Curtailment provisions contained in Section 16, Shipper may deliver Gas to Transporter for injection into Storage for Shipper's Parking and Loaning Account on a firm basis at daily quantities up to the MDIQ during the Injection Period stated in Shipper's Firm Parking and Loaning Service Agreement. Subject to the Curtailment provisions contained in Section 16,

Shipper may request that Transporter withdraw Gas from Shipper's Parking and Loaning Account on a firm basis at daily quantities up to the MDWQ on any Day during the Withdrawal Period stated in Shipper's Firm Parking and Loaning Service Agreement.

- 3.6 Transporter, in its discretion, may allow Shipper to deliver Gas for injection into the Shipper's Parking and Loaning Account in excess of the MDIQ, and to request withdrawals from Shipper's Parking and Loaning Account in excess of the MDWQ on an interruptible basis as Authorized Overrun. Shipper may not inject gas in excess of its Maximum Park Quantity or withdraw Gas in excess of its Maximum Loan Quantity.
- 3.7 Firm Parking and Loaning Service shall be scheduled pursuant to Section 15 prior to interruptible services under this Statement of Operating Conditions and interruptible services offered by Transporter pursuant to its Tariff on file with the MPSC. All firm services offered by Transporter under this Statement of Operating Conditions and pursuant to its rates and tariffs on file with the MPSC shall have equal scheduling priority.
- 3.8 With respect to Gas delivered by Shipper to Transporter at the Receipt Point, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas to the Receipt Point.
- 3.9 With respect to Gas delivered by Transporter to the Shipper at the Delivery Point subsequent to withdrawal, Shipper shall be responsible for making all arrangements for, and paying for, the transportation of Gas from the Delivery Point.
- 3.10 If, on any Day, Shipper shall fail to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point or to the Receipt Point, Shipper shall be liable for Unauthorized Overrun Charges for such Day.
- 3.11 If at the end of the term of Shipper's Firm Parking and Loaning Service Agreement, Shipper has a positive Parking and Loaning Account balance, Transporter may elect to purchase from Shipper the Gas in Shipper's Parking and Loaning Account, and any such purchase is to be free and clear of any adverse claims and priced at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.
- 3.12 If at the end of the term of Shipper's Firm Parking and Loaning Service Agreement, Shipper has a negative Parking and Loaning Account balance, Transporter may, at its option: (1) seize quantities of Gas held by Shipper in any Storage Account or Parking and Loaning Account up to the equivalent of such balance, in which event those seized quantities shall become the property of Transporter, at no cost to Transporter, free and clear of any adverse claims; or (2) Transporter may sell to Shipper, and if Transporter so desires to sell Shipper agrees to purchase, a quantity of Gas up to the equivalent of such balance at 150% of the highest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination; or (3) elect any combination of (1) and (2) above. If Transporter elects to seize Gas as described in (1) or (3) above, then Transporter must inform Shipper as to: (a) the specific Shipper Storage Account or Parking and Loaning Account from which Gas will be seized, (b) the specific quantity of Gas to be seized from that Account; and (c) the effective Gas Day that such Gas will be seized by Transporter. The effective Gas Day on which Transporter proposes to seize Gas must be at least two (2) Business Days after Transporter first notifies Shipper that Transporter has elected to seize Gas.

SECTION 4 INTERRUPTIBLE PARKING AND LOANING SERVICE

IPALS

- 4.1 Subject to Transporter having available capacity and/or capability to provide the requested service and Shipper meeting the eligibility requirements set forth in this Statement of Operating Conditions, Transporter shall offer Interruptible Parking and Loaning Service to Shippers on a non-discriminatory basis in accordance with this Statement of Operating Conditions. Interruptible Parking and Loaning Service may be provided using Transporter's Operational Gas Quantities, subject to curtailment pursuant to Section 16 of this Statement of Operating Conditions in order to protect Transporter's ability to provide receipts and deliveries pursuant to Transporter's firm services.
- 4.2 Shipper shall submit a request for Interruptible Parking and Loaning Service to Transporter, and Transporter shall respond to such request in accordance with Section 10. If Shipper is not a party to an Interruptible Parking and Loaning Service Agreement, such request shall be treated as a request to enter into an Interruptible Parking and Loaning Service Agreement. The request shall be in the form specified by this Statement of Operating Conditions and shall specify the following information: (a) Day or Days on which Shipper wishes to Park Gas on Transporter's System or return Gas previously loaned to Shipper by Transporter; (b) Day or Days on which Shipper wishes to take delivery from Transporter of Gas being Loaned by Transporter; (c) Delivery Point(s) and Receipt Point(s) for each transaction described in subparts (a) and (b); and (d) the quantity of Gas on each Day to be Parked, Loaned, or returned to Transporter as described in subparts (a) and (b).
- 4.3 The rate for this Interruptible Parking and Loaning Service shall consist of:
- (1) A Usage Rate that shall be calculated based on each Dekatherm of Gas Parked or Loaned at the end of each Day as reflected in Shipper's Parking and Loaning Account;
 - (2) A daily Injection Rate per Dth of Gas injected by Transporter into Shipper's Parking and Loaning Account; and
 - (3) A daily Withdrawal Rate per Dth of Gas withdrawn by Transporter from Shipper's Parking and Loaning Account.
- 4.4 Pursuant to the Scheduling provisions contained in Section 15, Interruptible Parking and Loaning Service shall be subordinate to firm services under this Statement of Operating Conditions and to firm services offered by Transporter pursuant to its Tariff on file with the MPSC. Transporter may curtail Interruptible Parking and Loaning Service at any time in accordance with Section 16.2.
- 4.5 Subject to the Curtailment provisions of Section 16, Shipper shall provide, and Transporter shall accept the Scheduled Daily Quantity at the Receipt Point for Parking in Shipper's Parking and Loaning Account.
- 4.6 Subject to the Curtailment provisions of Section 16, Transporter shall deliver, and Shipper shall accept the Scheduled Daily Quantity at the Delivery Point for Loaning from Shipper's Parking and Loaning Account.
- 4.7 Shipper shall be responsible for contracting and paying for any necessary transportation service at and upstream of the Receipt Point and at and downstream of the Delivery Point.
- 4.8 Shipper may, on a Critical Day, be required to return Loaned quantities or remove Parked quantities upon notification by Transporter. Such notification will be posted on Transporter's EBB. Transporter will not recall from or require withdrawal by any Shipper on any Day of any quantity greater than one-tenth (1/10) of the Shipper's outstanding Park or Loan balance. The Shipper will not be permitted to extend the term of its Park or Loan by reason of this limitation. Transporter's notification shall specify the time frame within which Parked quantities shall be

removed and/or Loaned quantities shall be returned, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification. In the event that the specified time for removal or return of Gas quantities is the next Day, the time frame for required removal or return shall begin from the time that Shipper receives notice from Transporter. At the point in time where Shipper makes a timely and valid nomination in response to notification by Transporter to remove parked quantities and/or return loaned quantities, Shipper shall be deemed to have complied with Transporter's notification. Any Parked quantity not nominated for removal within a time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims. Further, any Loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the highest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month in which Transporter provides notice to Shipper and the Month immediately thereafter.

- 4.9 If, on any Day, Shipper shall fail to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point or to the Receipt Point, Shipper shall be liable for Unauthorized Overrun Charges for such Day.
- 4.10 If at the end of the term of Shipper's Interruptible Parking and Loaning Service Agreement, Shipper has a positive Parking and Loaning Account balance, Transporter shall purchase from Shipper the Gas in Shipper's Parking and Loaning Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.
- 4.11 If at the end of the term of Shipper's Interruptible Parking and Loaning Service Agreement, Shipper has a negative Parking and Loaning Account balance, Transporter may, at its option: (1) seize quantities of Gas held by Shipper in any Storage Account or Parking and Loaning Account up to the equivalent of such balance, in which event those seized quantities shall become the property of Transporter, at no cost to Transporter, free and clear of any adverse claims; or (2) Transporter may sell to Shipper, and if Transporter so desires to sell Shipper agrees to purchase, a quantity of Gas up to the equivalent of such balance at 150% of the highest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination; or (3) elect any combination of (1) and (2) above. If Transporter elects to seize Gas as described in (1) or (3) above, then Transporter must inform Shipper as to: (a) the specific Shipper Storage Account or Parking and Loaning Account from which Gas will be seized, (b) the specific quantity of Gas to be seized from that Account; and (c) the effective Gas Day that such Gas will be seized by Transporter. The effective Gas Day on which Transporter proposes to seize Gas must be at least two (2) Business Days after Transporter first notifies Shipper that Transporter has elected to seize Gas.

SECTION 5
FIRM HOURLY BALANCING SERVICE
FHBS

- 5.1 Transporter shall offer Firm Hourly Balancing Service to any Shipper, provided that:
- (1) Transporter has determined that it has sufficient operationally available and uncommitted firm storage capacity and injection and withdrawal capacity to perform the service Shipper has requested;
 - (2) Shipper and Transporter have executed a Firm Hourly Balancing Service Agreement

under this Statement of Operating Conditions;

- (3) Shipper accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Statement of Operating Conditions, including making any necessary arrangements with transporting pipeline(s) for Shipper to utilize hourly balancing service at one or more delivery point(s) on the transporting pipeline system (any such arrangements for utilization of hourly balancing service must be acceptable to Transporter, in its reasonable judgment);
- (4) Transporter has determined that it can offer firm hourly balancing service between the Shipper's delivery point(s) on the transporting pipeline(s) and Transporter's Delivery Point(s) and/or Receipt Point(s); and
- (5) Availability of service pursuant to this rate schedule shall be subject to a determination by Transporter that Transporter's performance of Firm Hourly Balancing Service will not cause a reduction in Transporter's ability to provide firm services under currently effective Service Agreements.

5.2

- (1) Firm Hourly Balancing Service shall consist of:
 - (a) The receipt on any Day of Shipper's Gas per Shipper's nomination up to the MDIQ as stated in Shipper's Firm Hourly Balancing Service Agreement at the Receipt Point(s) and the injection of Gas so received into storage, provided that Shipper's Storage Account has not exceeded Shipper's MSQ;
 - (b) The storage of Gas in amounts up to the MSQ, as stated in the Shipper's Firm Hourly Balancing Service Agreement;
 - (c) The withdrawal from storage on any Day of Shipper's Gas per Shipper's nomination up to the MDWQ as stated in Shipper's Firm Hourly Balancing Service Agreement and the delivery of such Gas to the Delivery Point(s) provided that Shipper has a quantity of Gas in Shipper's Storage Account not less than the quantity Shipper shall have nominated for withdrawal on such Day; and
 - (d) For each hour during a Day, subject to the Maximum Hourly FHBS Quantity as set forth in Shipper's Firm Hourly Balancing Service Agreement, the receipt or delivery by Transporter at the Receipt and/or Delivery Point designated by Shipper of hourly balancing quantities of Gas which shall be the difference, on an hourly basis, between (i) the injections to or withdrawals from Transporter's storage of Gas as nominated by Shipper to meet Shipper's desired hourly pattern of deliveries at its delivery point(s) on the transporting pipeline system(s); and (ii) Shipper's ratable flow quantities on Transporter's system (1/24 of the Daily nominated quantities); provided that hourly balancing quantities shall not cause Shipper's Storage Account to exceed the MSQ set forth in Shipper's Firm Hourly Balancing Service Agreement or to be less than zero (0).
- (2) Hourly balancing quantities must be nominated and scheduled pursuant to Section 11 and Section 15 of this Statement of Operating Conditions. Shipper shall be permitted to submit nominations for hourly balancing service quantities, and to adjust its hourly balancing quantity nominations within a Day by providing not less than one hour notice to Transporter before the start of the hour for which Shipper requests to change a nomination, provided that such hourly nominations, including changes in hourly nominations, are subject to confirmation with the transporting pipeline.
- (3) Firm Hourly Balancing Service is not intended to serve as an operational balancing

agreement to account for hourly deviations between scheduled volumes and volumes actually taken by Shipper at its delivery point(s) on the transporting pipeline(s). Such deviations shall be subject to reconciliation pursuant to the Shipper's transportation agreement(s) with its pipeline transporter(s) and their tariff(s).

- (4) In the event Shipper desires to use Firm Hourly Balancing Service for balancing more than one delivery point on transporting pipeline system(s) under its Firm Hourly Balancing Service Agreement, hourly balancing quantities for each such Delivery Point shall be separately determined, nominated and used for purposes of billing hourly balancing charges.

5.3 The rate for Firm Hourly Balancing Service shall consist of:

- (1) FHBS Storage Reservation Rate for each Dth of Shipper's MSQ;
- (2) Firm Hourly Balancing Reservation Rate for each Dth of Shipper's Maximum Hourly FHBS Quantity set forth in the executed Firm Hourly Balancing Service Agreement;
- (3) Injection Rate per Dth times the quantity of Gas injected by Transporter into Shipper's Storage Account; and
- (4) Withdrawal Rate per Dth times the quantity of Gas withdrawn by Transporter from Shipper's Storage Account;

Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal.

5.4 The term for Firm Hourly Balancing Service shall be as set forth in the Shipper's Firm Hourly Balancing Service Agreement.

5.5 If, due to any cause whatsoever, Transporter's capability to receive or deliver quantities of Gas is impaired so that Transporter is unable to receive or deliver the quantities provided for in its Service Agreements for firm storage services with Shippers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 16 of this Statement of Operating Conditions.

5.6 If at the end of the term of Shipper's Firm Hourly Balancing Agreement, Shipper has a positive Account balance, Transporter shall purchase from Shipper the Gas in Shipper's Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.

SECTION 6 INTERRUPTIBLE HOURLY BALANCING SERVICE IHBS

6.1 Transporter shall offer Interruptible Hourly Balancing Service Rate Schedule to any Shipper, provided that:

- (1) Transporter has determined that it has sufficient operationally available and uncommitted interruptible storage capacity and injection and withdrawal capacity to perform the service Shipper has requested;
- (2) Shipper and Transporter have executed an Interruptible Hourly Balancing Service

Agreement under this Statement of Operating Conditions;

- (3) Shipper accepts responsibility for arranging any transportation service required for utilization of the storage service provided under this Statement of Operating Conditions, including making any necessary arrangements with transporting pipeline(s) for Shipper to utilize hourly balancing service at one or more delivery point(s) on the transporting pipeline system (any such arrangements for utilization of hourly balancing service must be acceptable to Transporter, in its reasonable judgment);
- (4) Transporter has determined that it can offer interruptible hourly balancing service between the Shipper's delivery point(s) on the transporting pipeline(s) and Transporter's Delivery Point(s) and/or Receipt Point(s); and
- (5) Availability of service pursuant to this rate schedule shall be subject to a determination by Transporter that Transporter's performance of Interruptible Hourly Balancing Service will not cause a reduction in Transporter's ability to provide firm services under currently effective Service Agreements.

6.2

- (1) Interruptible hourly balancing service rendered to Shipper under this Interruptible Hourly Balancing Rate Schedule shall consist of:
 - (a) The receipt on any Day of Shipper's Gas per Shipper's nomination up to the MDIQ as stated in Shipper's executed Interruptible Hourly Balancing Service Agreement at the Receipt Point(s) and the injection of Gas so received into storage, provided that all firm storage service nominations for injections have been satisfied and Shipper's Storage Account has not exceeded MSQ;
 - (b) The storage of Gas in amounts up to the MSQ, as stated in Shipper's executed Interruptible Hourly Balancing Service Agreement, provided that all firm storage service requests have been satisfied;
 - (c) The withdrawal from storage on any Day of Shipper's Gas per Shipper's nomination up to the MDWQ as stated in Shipper's executed Interruptible Hourly Balancing Service Agreement and the delivery of such Gas to the Delivery Point(s), provided that all firm storage service nominations for withdrawal have been satisfied and Shipper has a quantity of Gas in Shipper's Interruptible Storage Account not less than the quantity Shipper shall have nominated for withdrawal on such Day; and
 - (d) For each hour during the Day, subject to the maximum hourly limit as set forth in Shipper's Interruptible Hourly Balancing Service Agreement, the receipt or delivery by Transporter at the Receipt and/or Delivery Point(s) designated by Shipper of hourly balancing quantities of Gas which shall be the difference, on an on an hourly basis, between (i) the injections to or withdrawals from Transporter's storage of Gas as nominated by Shipper to meet Shipper's desired hourly pattern of deliveries at its delivery point(s) on the transporting pipeline system(s) and (ii) Shipper's ratable flow quantities on Transporter's System (1/24 of Daily nominated quantities); provided that all firm storage service nominations have been satisfied and that hourly balancing quantities shall not cause Shipper's Storage Account to exceed the MSQ set forth in Customer's Interruptible Hourly Balancing Service Agreement or to be less than zero (o).
- (2) Hourly balancing quantities must be nominated and scheduled pursuant to Section 11 and Section 15 of this Statement of Operating Conditions. Shipper shall be permitted to submit nominations for hourly balancing quantities, and to adjust its hourly balancing quantity nominations within a Day by providing not less than one hour notice to Transporter before the start of an hour for which Shipper requests to change a nomination, provided that such

hourly nominations, including changes in hourly nominations, are subject to confirmation with the transporting pipeline.

- (3) Interruptible Hourly Balancing Service is not intended to serve as an operational balancing agreement to account for hourly deviations between scheduled volumes and volumes actually taken by Shipper at its delivery point(s) on the transporting pipeline(s). Such deviations shall be subject to reconciliation pursuant to the Shipper's transportation agreement(s) with its pipeline transporter(s) and their tariff(s).
- (4) In the event Shipper desires to use interruptible balancing service for balancing more than one delivery point on transporting pipeline system(s) under its Interruptible Hourly Balancing Service Agreement, hourly balancing quantities for each such delivery shall be separately determined, nominated and used for purposes of billing hourly balancing charges.
- (5) To the extent interruptible storage capacity which is being utilized by an interruptible customer hereunder is needed by Transporter in order to satisfy Transporter's firm storage service obligations, Transporter shall require Shipper to withdraw all, or any portion of, the Interruptible Hourly Balancing Service Gas quantities held in storage by Transporter for the account of Shipper as specified by Transporter. Unless Transporter otherwise agrees, Shipper shall be required to make ratable withdrawals. If Shipper fails to withdraw such Interruptible Hourly Balancing Service Gas from storage, Transporter may take, free and clear of any adverse claims, title to such Interruptible Hourly Balancing Service Storage Account as Shipper was instructed to withdraw. Transporter notice to Customer may be given orally, but shall be confirmed in writing via e-mail or facsimile to the Shipper.

In the event Transporter needs to require Shipper to withdraw its Gas from storage pursuant to this section 6.2(5), Transporter shall provide next day notice to Shipper that it must withdraw Gas at its MDWQ during the next Gas Day. Transporter shall repeat this notice on a daily basis until all of Shipper's Gas is withdrawn from storage or until the circumstances necessitating interruption are alleviated. In the event Shipper makes a timely nomination in response to a notification by Transporter pursuant to this paragraph, Shipper's obligation to comply with that notification shall be tolled until such time as Transporter's operational conditions allow Shipper to schedule the nomination.

6.3 The rate for Interruptible Hourly Balancing Service shall consist of:

- (1) Hourly Balancing Rate for hourly balancing quantities injected to or withdrawn from storage or Shipper's account;
- (2) Usage Rate that shall be calculated based on each Dekatherm of Gas stored in Shipper's Storage Account, at the end of each Day, for each Day during a given Month;
- (3) Injection Rate per Dth times the quantity of Gas injected by Transporter into Shipper's Storage Account; and
- (4) Withdrawal Rate per Dth times the quantity of Gas withdrawn by Transporter from Shipper's Storage Account;

Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on quantities nominated for injection and withdrawal.

6.4 The term for Interruptible Hourly Balancing Service shall be as set forth in the Shipper's Interruptible Hourly Balancing Service Agreement.

6.5 If, due to any cause whatsoever, Transporter's capability to receive or deliver quantities of Gas is impaired so that Transporter is unable to receive or deliver the quantities provided for in its

Service Agreements with Shippers, then capacity, withdrawals, and/or injections will be allocated according to the priority of service as set forth in Section 16 of this Statement of Operating Conditions.

- 6.6 If, at the end of the term of the Shipper's Interruptible Hourly Balancing Service Agreement, Shipper has a positive Storage Account balance, then Transporter shall purchase from Shipper the Gas in Shipper's Storage Account free and clear of any adverse claims at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of termination and the Month immediately following termination. Payment for the remaining quantities shall appear as a credit on the last statement rendered by Transporter to Shipper. To the extent the credit exceeds the total charges in that statement, the difference shall be paid by Transporter to Shipper.

SECTION 7
HUB SERVICE - WHEELING
HSW

- 7.1 Wheeling Service under this Hub Service Rate Schedule shall consist of: (a) the receipt of Gas by Transporter from Shipper at the Receipt Point, (b) the Wheeling of Gas on behalf of Shipper, and (c) the delivery of Gas by Transporter to Shipper at the Delivery Point.
- 7.2 Shipper shall be free to request HSW at any time. If Shipper is not a party to a Hub Service Agreement, such request shall be treated as a request to enter into a Hub Service Agreement.
- 7.3 A Usage Rate, as stated in Shipper's Service Agreement, shall be paid for each Dekatherm of Gas delivered pursuant to HSW during the Month. Transporter shall assess a Fuel and Gas Lost and Unaccounted For component on each Dekatherm of Gas delivered pursuant to HSW.
- 7.4 Pursuant to the Scheduling provisions contained in Section 15, Wheeling Service shall be subordinate to all firm services under this Statement of Operating Conditions and to firm services offered by Transporter pursuant to its Tariff on file with the MPSC. Once Wheeling Service is nominated and scheduled for a Day, Transporter may curtail such service at any time in accordance with Section 16.2.
- 7.5 Subject to the Curtailment provisions of Section 16, Shipper shall provide, and Transporter shall accept the Scheduled Daily Quantity at the Receipt Point for Wheeling.
- 7.6 Subject to the Curtailment provisions of Section 16, Transporter shall deliver, and Shipper shall accept the Scheduled Daily Quantity at the Delivery Point.
- 7.7 If necessary, Shipper shall be responsible for contracting and paying for any necessary transportation service at and upstream of the Receipt Point and at and downstream of the Delivery Point.
- 7.8 If, on any Day, Shipper fails to transport or cause to be transported the Scheduled Daily Quantity away from the Delivery Point, Transporter shall assess the Shipper the Unauthorized Overrun Charge for such quantities. On any such Day, Shipper shall have the right to make a request for a Firm or Interruptible Parking and Loaning arrangement pursuant to Sections 3 or 4. In such case, Shipper shall propose a specific schedule for remedying the failure to transport or cause Gas to be transported and, upon Transporter's agreement to a schedule, a Confirmed Service Request under Section 4. If Shipper elects not to make a request, then the quantity not taken away from the Delivery Point shall be sold to Transporter at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month Shipper elects not to subscribe to Parking and Loaning Service and the Month immediately thereafter.

**SECTION 8
HUB SERVICE - TITLE TRANSFER
HSTT**

- 8.1 Title Transfer Service shall be made available pursuant to this Statement of Operating Conditions to any Shipper. Transporter is not required to provide any requested HSTT service that would interfere with Transporter's performance of its firm service obligations.
- 8.2 Shipper shall be free to request HSTT at any time. If Shipper is not a party to a Hub Service Agreement, such request shall be treated as a request to enter into a Hub Service Agreement.
- 8.3 HSTT shall apply to quantities of Gas for which Transporter performs Title Transfer Service on behalf of Shipper under an executed HSTT Agreement that conforms to the form of Service Agreement contained in this Statement of Operating Conditions. Upon nomination by Shipper, Transporter shall account for the transfer of title to a quantity of Gas at the Receipt and/or Delivery Point as directed by Shipper.
- 8.4 The rates and charges payable by Shipper pursuant to HSTT shall include all applicable rates and charges set forth in Shipper's Service Agreement.
- 8.5 For any Day when Shipper desires Transporter to track a Title Transfer for Shipper's account under this Rate Schedule, Shipper shall nominate to Transporter in accordance with Section 9 of this Statement of Operating Conditions specifying:
- (a) the quantity of Gas subject to the Title Transfer,
 - (b) the selling and/or purchasing parties, along with the contract numbers, and
 - (c) such other information as may be required by Transporter to effect the Title Transfer service.

When Shipper's nomination is confirmed as required by Section 11 of the Statement of Operating Conditions subject to the limitations set forth in HSTT, such quantity shall constitute an HSTT Quantity at that Receipt and/or Delivery Point.

- 8.6 Transporter's obligation to accept nominations shall be limited to the contractual entitlements of the Shipper or the party specified by the Shipper as stated in the Service Agreement and shall not impede Transporter's obligation to provide firm services.
- 8.7 Shipper may deliver or receive its HSTT quantities from Transporter at a location other than the applicable Receipt and/or Delivery Point, by nominating HSW entitlements Shipper may have with Transporter.
- 8.8 Shipper is required to nominate an equal quantity of Gas for transfer of title under HSTT at each Receipt and/or Delivery Point, on each and every Day per transaction. The minimum volume eligible for nomination shall equal 100 Dth/day, unless Transporter otherwise agrees.

GENERAL TERMS AND CONDITIONS

**SECTION 9
DEFINITIONS**

- 9.1 "Authorized Overrun" shall mean a quantity of Gas that is in excess of a Shipper's applicable

Maximum Daily Injection Quantity or Maximum Daily Withdrawal Quantity, as applicable, that Transporter agrees to schedule on any Day. Authorized Overrun Quantities will be provided at the rate stated in Shipper's Service Agreement.

- 9.2 "Balancing" shall mean the service provided on a firm basis pursuant to Section 5 or provided on an interruptible basis pursuant to Section 6.
- 9.3 "Btu" or "British thermal unit," shall mean the quantity of heat necessary to raise the temperature of one pound of water one degree Fahrenheit at a specific temperature and pressure (from 59 deg F to 60 deg F at atmospheric pressure of 29.92 inches of mercury).
- 9.4 "Business Day" shall mean Monday through Friday from 8:00 A.M. to 5:00 P.M. Central Clock Time excluding Federal Banking Holidays.
- 9.5 "Central Clock Time" or "CCT" shall mean Central Standard Time ("CST") except when Daylight Savings Time is in effect, when it shall mean one hour in advance of CST. All times referenced in this Statement of Operating Conditions shall be in CCT.
- 9.6 "Commission" shall mean the Federal Energy Regulatory Commission or any successor agency.
- 9.7 "Contract Period" shall be as specified in the Service Agreement.
- 9.8 "Critical Day" shall mean a Day declared by Transporter, prior to the Day, whenever one or more of the following five conditions occurs or is anticipated to occur: (1) when Transporter experiences system failure of any type; (2) when system pressures or other unusual conditions jeopardize the operation of Transporter's system; (3) when Transporter's storage resources are being used at or near their maximum rated deliverability; (4) when any of Transporter's upstream transporters or suppliers call the equivalent of a Critical Day; (5) when Transporter is unable to maintain the overall operational integrity of all or a portion of Transporter's System. Transporter shall notify Shippers of the Transporter's declaration of a Critical Day by posting such declaration on the Transporter's EBB.
- 9.9 "Day" or "Gas Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 A.M. CCT. The reference date for any Day shall be the date of the beginning of such Day. "
- 9.10 "Dekatherm" (or "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 (1,000) Dth. The conversion factor between Dth and gigajoule, the standard measure of heat energy in Canada, is 1.055056 gigajoules per Dth. The conversion factor between Dth and gigacalorie, the standard measure of heat energy in Mexico, is 0.251996 gigacalories per Dth.
- 9.11 "Delivery Point" shall mean the physical or logical point or points on Transporter's System where Transporter shall deliver Gas to Shipper. Each Delivery Point may be a Primary Delivery Point or a Secondary Delivery Point, as specified in the Shipper's Service Agreement. Shipper's rights to utilize Delivery Points, including Primary and/or Secondary Delivery Point rights applicable to firm service, shall be specified in Shipper's Service Agreement.
- 9.12 "Electronic Bulletin Board" or "EBB" shall mean Transporter's electronic communications system, which is available to all nominating agents.
- 9.13 "Fuel and Gas Lost and Unaccounted For" shall mean compressor fuel, unaccounted for Gas and other operating usage, i.e., heating of compressor stations and compressor station blowdowns. Transporter shall post applicable Fuel and Gas Lost and Unaccounted For percentages on Transporter's EBB in accordance with Section 28.
- 9.14 "Gas" or "Natural Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-

combustible gases, in a gaseous state, consisting essentially of methane.

- 9.15 “MPSC” shall mean Michigan Public Service Commission or any successor to that agency.
- 9.16 “Loaning”, “Loan”, or “Loaned” shall mean the component of a Parking and Loaning transaction under which Transporter delivers Gas to Shipper, as nominated by Shipper pursuant to a Firm Parking and Loaning Service Agreement, as defined in Section 3, or an Interruptible Parking and Loaning Service Agreement, as defined in Section 4, in such a manner as to result in a negative Parking and Loaning Account balance, subject to subsequent repayment of such Loaned quantities of Gas by Shipper in accordance with the Shipper’s Service Agreement.
- 9.17 “Maximum Storage Quantity” or “MSQ” shall mean the maximum quantity of Gas that Transporter is obligated to store and that Shipper is entitled to have stored, which may vary during the term of Shipper’s Service Agreement, subject to the terms and conditions of this Statement of Operating Conditions.
- 9.18 “Maximum Daily Injection Quantity” or “MDIQ” shall mean the maximum quantity of Gas that Transporter is obligated to receive from Shipper for injection into Storage in a Day, which may vary during the term of Shipper’s Service Agreement, and subject to the terms and conditions of this Statement of Operating Conditions, exclusive of Fuel Use and Gas Lost and Unaccounted For Quantities.
- 9.19 “Maximum Daily Withdrawal Quantity” or “MDWQ” shall mean the maximum quantity of Gas that Transporter is obligated to withdraw from Storage and deliver to the Shipper in a Day, which may vary during the term of Shipper’s Service Agreement, and subject to the terms and conditions of this Statement of Operating Conditions, exclusive of Fuel Use and Gas Lost and Unaccounted For Quantities.
- 9.20 “Maximum Hourly FHBS Quantity” shall mean the maximum hourly quantity of Gas, expressed in Dth, that Transporter is obligated to receive or deliver, as specified in Shipper’s Firm Hourly Balancing Service Agreement.
- 9.21 “Maximum Loan Quantity” or “MLQ” shall mean the maximum quantity of Gas that the Transporter is obligated to Loan to Shipper pursuant to a Firm Parking and Loaning Service Agreement or an Interruptible Parking and Loaning Service Agreement, which may vary during the term of Shipper’s Service Agreement, and subject to the terms and conditions of this Statement of Operating Conditions.
- 9.22 “Maximum Park Quantity” or “MPQ” shall mean the maximum quantity of Gas that the Transporter is obligated to Park for Shipper pursuant to a Firm Parking and Loaning Service Agreement or an Interruptible Parking and Loaning Service Agree, which may vary during the term of Shipper’s Service Agreement, and subject to the terms and conditions of this Statement of Operating Conditions.
- 9.23 “MMBtu” shall mean one million Btu.
- 9.24 “Month” shall mean the period beginning at 9:00 A.M. Central Clock Time on the first Day of the calendar Month and ending at 9:00 A.M. Central Clock Time on the first Day of the next succeeding calendar Month.
- 9.25 “Operational Gas Quantities” shall mean all Gas balances held by Transporter in the Washington 10 Storage Field for the account of shippers and for operational purposes.
- 9.26 “Parking”, “Park”, or “Parked” shall mean the component of a Parking and Loaning transaction under which Shipper delivers Gas to Transporter for injection into Storage pursuant to Firm Parking and Loaning Service Agreement, as defined in Section 3, or an Interruptible Parking and Loaning Service Agreement, as defined in Section 4, in such a manner as to result in a positive

Parking and Loaning Account balance, subject to subsequent redelivery of such Parked quantities of Gas by Transporter to Shipper in accordance with the Shipper's Service Agreement.

- 9.27 "Parking and Loaning" shall mean the Service provided on a firm basis pursuant to Section 3 or provided on an interruptible basis pursuant to Section 4.
- 9.28 "Parking and Loaning Account" shall mean, for accounting purposes, the account maintained by Transporter into which Shipper nominates Gas for Parking or from which Shipper nominates Gas for Loaning under Shipper's Firm or Interruptible Parking and Loaning Service Agreement. The Parking and Loaning Account may have a negative balance for Loan service.
- 9.29 "Person" shall mean an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
- 9.30 "Receipt Point" shall mean the physical or logical designated point or points on Transporter's System where Transporter shall receive Gas from Shipper. Each Receipt Point may be a Primary Receipt Point or a Secondary Receipt Point. Shipper's rights to utilize Receipt Points, including Primary and/or Secondary Receipt Point rights applicable to firm service shall be specified in Shipper's Service Agreement.
- 9.31 "Scheduled Daily Quantity" shall mean the quantity of Gas nominated by Shipper and confirmed by Transporter for flow in accordance with Section 15.
- 9.32 "Service Agreement" shall mean the agreement by and between Transporter and Shipper to enter into Storage, Balancing, Parking and Loaning, or Hub Service transactions pursuant to this Statement of Operating Conditions, and such Service Agreement shall be substantially in the form prescribed by this Statement of Operating Conditions. Each Service Agreement shall incorporate this Statement of Operating Conditions and applicable Commission rules and regulations by reference.
- 9.33 "Shipper" shall mean any eligible party who contracts for any of the services offered by Transporter pursuant to this Statement of Operating Conditions.
- 9.34 "Storage" shall mean Transporter's scheduled retention of Shipper's Gas on its System. Storage may be firm or interruptible. Storage under this Statement of Operating Conditions shall not include services offered by Transporter pursuant to its Tariff, as may be revised from time to time, on file with the MPSC.
- 9.35 "Storage Account" shall mean, for accounting purposes, the account maintained by Transporter into which Shipper nominates Gas for injection or withdrawal under a Service Agreement for Storage Service. The Storage Account may not have a negative balance.
- 9.36 "Tariff" shall mean the Rules, Regulations, and Rate Schedules (collectively referred to as the "Rate Book for Natural Gas Service") on file with and approved by the MPSC, as amended from time to time.
- 9.37 "Taxes" shall mean any tax (other than ad valorem, unless levied on a transaction under this Statement of Operating Conditions, income or excess profits), license, fee or charge that is levied, assessed, or made by any governmental authority on the Gas itself or on the act, right, or privilege of producing, severing, gathering, storing, transporting, handling, selling, or delivering Gas under this Statement of Operating Conditions.
- 9.38 "Title Transfer Service" shall mean a Hub Service pursuant to which Transporter facilitates a Title Transfer of Shipper's Gas to a party designated by the Shipper pursuant to Hub Service Agreement.
- 9.39 "Transporter" shall mean The Washington 10 Storage Corporation or any successor or permitted

assign.

- 9.40 “Transporter’s System” or “System” shall mean Transporter’s storage field and any other facilities owned and operated by Transporter and subject to regulation by the MPSC and Acquired Capacity pursuant to Section 27.
- 9.41 “Unauthorized Overrun” shall mean a quantity of Gas in excess of Shipper’s applicable MDIQ or MDWQ that Transporter does not agree, pursuant to Section 13, to schedule on any Day. Unauthorized Overrun Quantities will be subject to the charge stated in the Statement of Currently Effective Rates contained in this Statement of Operating Conditions.
- 9.42 “Wheeling Service” shall mean a Hub Service that provides for the Wheeling of Shipper’s Gas on Transporter’s System. Wheeling involves the receipt of a nominated quantity of Gas by Transporter from Shipper at a Receipt Point and the delivery of an equivalent quantity of Gas by Transporter to Shipper at a Delivery Point. Wheeling Service is interruptible. Wheel refers to the act of Wheeling.

SECTION 10 REQUESTS FOR SERVICE

- 10.1 A Person wishing to subscribe to service pursuant to this Statement of Operating Conditions shall submit to Transporter a Request for Service. A Request for Service shall be submitted orally or in the form prescribed by this Statement of Operating Conditions and shall be valid if it specifies: (i) the exact legal name of the Person requesting service; (ii) the type of service requested; (iii) the proposed Maximum Storage Quantity, Maximum Daily Withdrawal Quantity, the Maximum Daily Injection Quantity, the Maximum Hourly FHBS Quantity applicable to Firm Hourly Balancing Service, the maximum hourly limit applicable to Interruptible Hourly Balancing Service, the Maximum Loan Quantity, and the Maximum Park Quantity, as applicable; (iv) the proposed rate; (v) the proposed term of the Service Agreement; (vi) and other proposed terms and conditions, if any. The proposed terms and conditions shall not materially deviate from those contained in this Statement of Operating Conditions.
- 10.2 A Request for Service shall not be valid and Transporter shall not be required to grant such Request for Service if: (i) Transporter determines, based on its evaluation of the Requesting Shipper’s creditworthiness in accordance with Section 20, that the Person does not possess sufficient financial stability to make it reasonably likely that the service provided under this Statement of Operating Conditions shall be paid for on a timely basis; (ii) the service requested would require the construction, modification, expansion, or acquisition of any facilities; (iii) the service requested would not comply with this Statement of Operating Conditions; or (iv) for Firm Storage Service, Firm Hourly Balancing Service, or Firm Parking and Loaning Service requests, Transporter lacks the capacity or capability to perform the requested service. For Firm Storage Service, Firm Hourly Balancing Service, or Firm Parking and Loaning Service for which Transporter is unable to accept, in full, the Request for Service, Transporter shall tender a Service Agreement reflecting the maximum contract quantities that Transporter is able to accommodate. If more than one such Request for Service is received on the same Business Day, then Transporter shall tender Service Agreements in order of highest rates proposed to be paid by Persons submitting Requests for Service. If Transporter is unable to accept, in full, Requests for Service in which Persons requesting service have proposed to pay the same rate, then Transporter shall tender Service Agreements reflecting each Person’s pro rata share of the capacity requested on such Business Day.
- 10.3 Transporter shall tender a Service Agreement upon its acceptance of the Person’s Request for

Service. If Transporter does not accept any Person's Request for Service, it shall advise the Person orally, confirmed in writing, of the non-acceptance and the reason therefor as soon as practicable after Transporter's receipt of the Request for Service. The Request for Service shall be invalid if the Person fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

SECTION 11 NOMINATIONS

- 11.1 Shipper may designate a third party as agent for purposes of nominating, and for giving and receiving notices related to nominations. Shipper shall provide Transporter with written notice of such designation. Any such designation shall be effective starting the Month following the receipt of the notice and will remain in effect until revoked in writing by Shipper.
- 11.2 All nominations shall be submitted through Transporter's EBB. Specific information to be included in the nomination is posted on Transporter's EBB. Transporter, in its sole discretion, may amend or modify the nominating procedures or system at any time.
- 11.3 Shipper, or its designated agent, shall notify Transporter's Gas Nominations Department of the daily quantity of Gas that Shipper is nominating for delivery to Transporter or for delivery from Transporter on behalf of Shipper. Such nominations shall be submitted by 1:00 p.m. CCT prior to the effective Gas Day. Transporter will normally schedule late nominations as requested except when operational conditions prevent Transporter from doing so. All nominations will be scheduled on a non-discriminatory basis. Shipper, or its designated agent, shall provide Transporter with a nomination for each Gas Day.
- 11.4 If Shipper fails to provide a nomination for any Day, the daily nomination is assumed to be zero.
- 11.5 Notwithstanding anything to the contrary in this Statement of Operating Conditions, Shipper may not nominate injections into and withdrawals from Storage for the same nomination cycle on the same Gas Day under the same Service Agreement or otherwise engage in any nomination pattern that would result in Shipper receiving the equivalent of unbundled transportation service, unless through Wheeling Service provided by Transporter pursuant to an executed Hub Service Agreement.

SECTION 12 RATES

- 12.1 The rates for service under this Statement of Operating Conditions are provided in the Statement of Currently Effective Rates contained in this Statement of Operating Conditions. This Statement of Operating Conditions incorporates rates approved by the Commission pursuant to Transporter's rate election under 18 C.F.R. 284.123 (b)(2)(i).
- 12.2 Fuel and Gas Lost and Unaccounted For shall be governed by Section 28.
- 12.3 Transporter reserves the right to seek authorization from the Commission to restructure the rates charged under this Statement of Operating Conditions, including the Fuel and Gas Lost and Unaccounted For rate, to assure Transporter's right to charge and collect fair and equitable rates under the Commission's applicable rules and regulations. Nothing herein shall be construed to deny any Shipper any rights that it may have under the Commission's rules and regulations to participate fully in rate or certificate proceedings to contest any proposed change in rates charged in this Statement of Operating Conditions.

- 12.4 In the event of any unauthorized receipt or delivery of Gas quantities on any Day under this Statement of Operating Conditions, Shipper causing such unauthorized use of service shall be charged the applicable charges or penalties incurred by Transporter as a result of Shipper's Unauthorized Overrun. In addition, when Gas is delivered to Transporter as a result of an unauthorized receipt, Transporter shall purchase the Unauthorized Overrun quantities from the Shipper at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month in which the unauthorized receipt occurred and the Month immediately thereafter. When Gas is taken from Transporter as a result of an unauthorized delivery, Transporter shall sell the Gas taken from Transporter to the Shipper at 150% of the highest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month in which Gas is taken on an unauthorized basis and the Month immediately thereafter. Shipper shall pay the Unauthorized Overrun Charge for all unauthorized Gas quantities.
- 12.5 Transporter and Shipper shall work to keep the flow of Gas in balance at all times. If at any time the quantities of Gas received by Transporter at the Receipt Points are greater or lesser than Gas delivered at the Delivery Points, Transporter may refuse, increase, or decrease deliveries to correct the imbalances. If upon termination of a Service Agreement between a Shipper and Transporter, Shipper has not received from or delivered to Transporter quantities of Gas that are equal to those the Shipper has taken at the Delivery Point(s), the Shipper must receive or deliver the excess or deficient quantities from or to Transporter within 60 Days of the termination of the Service Agreement at a mutually agreeable rate. If Shipper fails to correct the imbalance within the 60-Day period, Shipper shall pay Transporter the Unauthorized Overrun Charge for all such quantities. In addition, Transporter shall purchase excess quantities from shipper at 50% of the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter. Transporter shall sell excess quantities to Shipper at 150% of the highest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month the Service Agreement expired and the Month immediately thereafter.

SECTION 13 REGULATORY REQUIREMENTS

- 13.1 Any and all service transactions under this Statement of Operating Conditions must be interstate service eligible under, and shall be fully subject to, the applicable requirements of Subpart C of 18 CFR § 284 of the Commission's rules and regulations, as they may be revised from time to time. Shipper's Request for Service shall constitute its warranty that Shipper satisfies such requirements, and Transporter shall have the right to request information from Shipper to verify its eligibility.

SECTION 14 RECEIPT POINTS AND DELIVERY POINTS

- 14.1 Receipt Point. Shipper shall tender Gas to Transporter at the Receipt Point(s) as specified in Shipper's Service Agreement. Receipt Point(s) in Shipper's Service Agreement may be modified, or additional Receipt Point(s) may be added to or deleted from the Service Agreement, by mutual agreement of Shipper and Transporter.
- 14.2 Delivery Point. Transporter shall deliver Gas to Shipper at the Delivery Point(s) specified in Shipper's Service Agreement. Delivery Point(s) in Shipper's Service Agreement may be modified, or additional Delivery Point(s) may be added to or deleted from the Service Agreement, by mutual

agreement of Shipper and Transporter.

SECTION 15 SCHEDULING

- 15.1 Transporter shall schedule all Storage quantities as nominated by Shippers in accordance with the available capacity and consistent with the following priorities:
- (1) Firm injection and withdrawal quantities pursuant to firm services offered by Transporter at Primary Receipt and Delivery Points, pro rata based on each Shipper's nominated quantities;
 - (2) Firm injection and withdrawal quantities pursuant to firm services offered by Transporter at Secondary Receipt Points and Secondary Delivery Points by price from highest to lowest, except scheduling shall be pro rata based on nominated quantities among Shippers paying the same rate ;
 - (3) Interruptible injections and withdrawals pursuant to interruptible services offered by Transporter, including Interruptible Storage Service, Interruptible Hourly Balancing Service, Parking and Loaning Service, Wheeling, and Authorized Overrun, by price from highest to lowest, except scheduling shall be pro rata based on nominated quantities among Shippers paying the same rate.

SECTION 16 CURTAILMENT

- 16.1 Transporter shall have the right to curtail or to discontinue services, in whole or in part, on all or a portion of its System at any time for reasons of force majeure or when, in Transporter's sole discretion, capacity or operating conditions so require. Transporter shall provide Shipper such notice of such curtailment as is reasonable under the circumstances. Routine repair and maintenance is not deemed an emergency situation or an unexpected loss of capacity and will be scheduled by Transporter in a manner to avoid, wherever possible, the disruption of confirmed service.
- 16.2 If due to any cause whatsoever Transporter is unable to deliver the quantities of Gas which Transporter has scheduled based on Shipper's nominations and which Shipper would have received if such disability did not exist, then Transporter shall order Curtailment by all Shippers affected in the following manner to the extent necessary to remove the effect of the disability. In effecting a Curtailment, Transporter may, at its discretion, allow lower priority Gas to remain flowing in any instance where that would result in a lesser impact on the Curtailment of higher priority Gas than would otherwise occur. In all other instances, Curtailment shall be:
- (1) Interruptible services, including Balancing, Storage, Parking and Loaning, Wheeling, and Authorized Overrun, to be curtailed by price from lowest to highest, except Curtailment will be pro rata on nominated quantities among Shippers paying the same rate;
 - (2) Under all remaining firm services, Transporter shall curtail on a pro rata basis based on nominated quantities among all Shippers receiving this service.
- 16.3 If the need for Curtailment is caused by an event affecting only a specific Receipt/Delivery Point, curtailment will be (i) limited to Shippers nominating at such Receipt/Delivery Point; and (ii) applied to those Shippers in accordance with the priorities set forth in Section 16.2 above.

**SECTION 17
PRESSURES**

- 17.1 All Gas delivered to Transporter shall be delivered at a pressure that is not less than 600 psig and not more than 1,000 psig. Gas withdrawn by Transporter shall be delivered at a pressure that is not less than 850 psig, unless operating conditions warrant a lower pressure.

**SECTION 18
QUALITY OF GAS**

- 18.1 Gas received for injection into Storage and delivered following withdrawal from Storage shall be merchantable Gas at all times complying with the quality requirements set forth in subsections 18.2 and 18.3.
- 18.2 The Gas shall have a gross heating value per cubic foot of not less than 950 Btu nor more than 1,100 Btu.
- 18.3 The Gas shall:
- a. Be commercially free from sand, dust, gum, crude oil, impurities, and other objectionable substances that may be injurious to Transporter's facilities or which may interfere with its transmission and storage and its commercial utilization.
 - b. Not have a hydrocarbon dew point exceeding fifteen (15) degrees Fahrenheit at pressures of up to eight hundred (800) psig.
 - c. Not contain more than one-quarter (1/4) grain of hydrogen sulfide per one hundred (100) standard cubic feet.
 - d. Not contain more than twenty (20) grains of total sulphur per one hundred (100) standard cubic feet.
 - e. Not contain more than two percent (2%) by volume of carbon dioxide.
 - f. Not contain more than four (4) pounds of water vapor per one million (1,000,000) standard cubic feet.
 - g. Not exceed one hundred ten (110) degrees Fahrenheit in temperature at the point of measurement.
 - h. Be as free of oxygen as it can be kept through the exercise of all reasonable precautions, and shall not in any event contain more than four-tenths (0.4%) by volume of oxygen.

**SECTION 19
BILLING AND PAYMENT**

- 19.1 On or before the tenth (10th) Day of each Month, Transporter shall render (for purposes of this Section 19.1, "render" shall mean either (a) postmarked or (b) time-stamped and transmitted electronically to the designated site, whichever is applicable) to Shipper a statement of the amount due for the preceding Month under the applicable Rate Schedule(s). When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the second (2nd) Day of the Month. Both Transporter and Shipper have the right to examine at reasonable times upon prior notice and at its own expense, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.
- 19.2 Shipper shall pay Transporter the amount due for the preceding Month within ten (10) Days of

receiving the statement from the Transporter.

- 19.3 Payments by Shipper to Transporter shall be made in the form of wire transfer in immediately available funds directed to a bank account designated by Transporter's Controller, unless otherwise agreed. If payment differs from the invoiced amount, remittance detail should be provided with the payment within two (2) Business Days of the payment due date. Interest on the unpaid portion of the bill shall accrue at the current rate as set forth in Section 154.501(d) of the Commission's Rules and Regulations, from the due date until the date of payment.
- 19.4 If Shipper's failure to pay continues for thirty (30) Days after payment is due, Transporter, in addition to any other remedy it may have, may terminate the Shipper's Service Agreement and seize any Gas stored, parked, or being transported on Transporter's system. All gas so seized shall become the property of Transporter, free and clear of any adverse claims. Transporter shall value any Gas so seized at the lowest midpoint MichCon City Gate (or its successor index point) price as published in Gas Daily or an acceptable successor publication during the Month of seizure and the Month immediately following seizure and return to Shipper the amount, if any, by which the value of the seized Gas exceeds Shipper's unpaid charges.
- 19.5 If Shipper in good faith disputes the amount of any such bill or part thereof and pays to Transporter such amounts, if any, as it concedes to be correct and, at any time thereafter within thirty (30) Days of a demand made by Transporter, furnishes to Transporter assurances acceptable to Transporter guaranteeing payment to Transporter of the unpaid amount, then Transporter shall not be entitled to suspend further delivery of such Gas unless and until default be made in the conditions of such assurances.
- 19.6 In the event an error is discovered in the amount billed in any statement rendered by Transporter, 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 statement, provided, however, that the party harmed by the adjustment shall have up to three (3) Months to dispute such adjustment. The timing of billing claims and adjustments referenced in the previous sentence shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. If 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.
- 19.7 All invoices and payments, other than those related to Taxes, shall be final unless questioned within twelve (12) Months from the date of such invoice or payment. Any error discovered as a result of a timely claim shall be adjusted within thirty (30) Days of the determination of such error as stated in Section 19.6 of this Statement of Operating Conditions.
- 19.8 Shipper shall reimburse Transporter for all Taxes that may be levied upon and/or paid by Transporter with respect to the service performed under this Statement of Operating Conditions. Shipper shall be responsible for establishing any exemption from Taxes and shall provide satisfactory evidence of such exemption to Transporter.
- 19.9 Shipper shall reimburse Transporter for any and all filing fees or related charges incurred by Transporter for the filing of any report or reports with any governmental agency or other body, including the Commission, with respect to the nature and timing of any service specifically provided to the Shipper.

SECTION 20 CREDITWORTHINESS

- 20.1 Prior to execution of a Service Agreement, providing for service under any Rate Schedule, a Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to: (i) execute a Service Agreement providing for service under the applicable Rate Schedule on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness; or (ii) initiate service to a Shipper who fails to meet Transporter's standards for creditworthiness; or (iii) continue transportation service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness.
- 20.2 For purposes herein, the determination of Shipper's creditworthiness shall be based upon the level of service requested by Shipper and Shipper's estimated financial strength as defined by a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Rating Group (Standard & Poor's), a rating of at least "Baa3" by Moody's Investors Service, Inc. (Moody's), a rating of at least "BBB-" by Fitch Ratings (Fitch), or for Canadian Shippers not rated by Standard & Poor's, Fitch, or Moody's, a rating of at least "BBB (low)" by Dominion Bond Rating Service (Dominion) or a rating of at least "B++ (low)" by Canadian Bond Rating Service (CBRS) (or their successors). Transporter will consider an investment grade credit rating provided by an alternative, nationally recognized credit rating agency acceptable to Transporter. To the extent Shipper is rated by multiple agencies, the lower rating applies. If Shipper is not rated by Standard & Poor's, Moody's, Fitch, Dominion or CBRS, or an alternative, nationally recognized credit rating agency acceptable to Transporter, a determination of a Shipper's creditworthiness shall be based upon (at the Shipper's election) (i) the credit rating assigned to the Shipper's parent company (if the parent company is creditworthy it must provide a written guarantee in a form satisfactory to Transporter), or (ii) a credit rating, as evaluated by Transporter, based upon the level of service requested by Shipper and financial analysis criteria and ratios which are generally acceptable in the natural Gas industry.
- 20.3 If Transporter determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Standard & Poor's, Moody's, Fitch, Dominion or CBRS, or an alternative, nationally recognized credit rating agency acceptable to Transporter, or, as an alternative, request that an independent certified public accountant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial analysis criteria and ratios which are generally acceptable in the natural Gas industry. If Transporter deems a Shipper non-creditworthy pursuant to its own evaluation, Transporter will provide the Shipper written notice of the reasons it has been deemed non-creditworthy. In addition, to establish creditworthiness, Shipper must confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement.
- 20.4 An exception can be made for a Shipper that is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act, but only with adequate assurance satisfactory to Transporter that the billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction. Transporter's creditworthiness provisions shall not supersede applicable bankruptcy laws.
- 20.5 If a Shipper otherwise fails to establish or maintain creditworthiness as provided herein, Shipper may still receive service under the applicable Rate Schedule provided it furnishes and maintains for the term of:
- (a) Any firm Service Agreement:
- i. A written guarantee in a form satisfactory to Transporter from a third party which is creditworthy as determined above;
 - ii. An irrevocable standby letter of credit in an amount not to exceed 3 Months of reservation charges under the contract, plus the market value of Gas Loaned under the FPALS rate schedule;
 - iii. A pre-payment in the amount not to exceed a rolling 3 Months of reservation charges under the contract, plus the market value of Gas Loaned under the

- iv. FPALS rate schedule; or
- iv. Other security acceptable to Transporter.

In the event Transporter constructs new facilities to accommodate a Shipper, Transporter may require Security in an amount up to the cost of the facilities; or

(b) Any interruptible Service Agreement:

- (i) A written guarantee in a form satisfactory to Transporter from a third party which is creditworthy as determined above;
- (ii) An irrevocable standby letter of credit in an amount not to exceed 3 Months of estimated service charges, plus the market value of Gas Loaned under the IPALS schedule;
- (iii) A pre-payment in an amount not to exceed 3 Months of estimated service charges, plus the market value of Gas Loaned under the IPALS rate schedule; or
- (iv) Other security acceptable to Transporter.

Security, as set forth in (a) and (b) above, is hereinafter referred to as "Security." For purposes of pre-payments under either (a) (iii) or (b) (iii) above, Shipper may deposit its prepayment funds into an interest-bearing escrow account established by the Shipper granting Transporter access to the account for payment of the services provided.

- 20.6 For purposes of "Security" under this Section 20, the value of Gas shall be based on the average MichCon City Gate (or its successor index point) Midpoint price as published in Gas Daily or an acceptable successor publication for the term of the loan. If a Shipper becomes non-creditworthy after the withdrawal but prior to the injection, Transporter will use the MichCon City Gate (or its successor index point) price for the injection period for the purpose of establishing the value of the loaned Gas. In addition, the value of Gas that may be included in Security shall be limited to: (i) the outstanding value of any Gas loaned to a Shipper, and/or (ii) the value of the Gas to be loaned for the upcoming Month. Shipper shall provide security for the market value of Gas to be Loaned during the upcoming Month prior to the beginning such Month. Transporter shall have the right to redetermine the market value of Shipper's Loaned Gas each Business Day and, in the event of an increase in the market value of Shipper's Loaned Gas, Shipper shall provide additional security within five (5) Business Days.
- 20.7 To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) a completed credit application, and (ii) complete financial statements prepared in accordance with generally accepted accounting principles or, for non - U.S.- based Shippers, prepared in accordance with equivalent principles. Upon requesting transportation service, a Shipper must submit to Transporter a completed credit application unless it has previously submitted such to Transporter within the last twelve (12) Months. If a Shipper elects to provide an irrevocable standby letter of credit or pre-payment, the completed credit application and financial statement requirement is waived by Transporter.
- 20.8 Transporter shall have the right to review a Shipper's creditworthiness on an ongoing basis and Shipper shall provide, upon Transporter's request, updated financial statements periodically in order to determine the continuing creditworthiness of a Shipper. Shipper shall have at least 3 Business Days to respond to Transporter's request for financial statements. Upon review of the Shipper's financial statements, Transporter shall determine if the Shipper is creditworthy. If the Shipper is determined to be non-creditworthy, Transporter may require Security as set forth herein. Shipper shall have at least 5 Business Days from Transporter's written request to pay Transporter for one Month of service in advance. Shipper shall have at least 30 Days to provide the next three (3) Months of Security to continue service. If the Shipper fails to provide the required Security within these time periods, Transporter may suspend service immediately. In

addition, Transporter will provide at least 30 Days written notice to Shipper and the Commission that it will terminate service if the Shipper fails to provide the required Security.

- 20.9 Shipper shall have the right to request that its credit status be reevaluated by Transporter at any time. If, as a result of such reevaluation, Transporter determines that Shipper is creditworthy, then Transporter shall terminate any existing Security requirements. If the Security requirements are terminated, and the Shipper previously had provided Transporter a pre-payment, the Shipper may elect either a refund or an invoice credit of its prepayment.
- 20.10 Transporter may determine that a Shipper is no longer creditworthy if, in the reasonable opinion of Transporter, a Shipper (or its guarantor) suffers a material adverse change (i.e., default on indebtedness, restatement of financials, non-payment) in its financial condition such that Shipper's ability to perform its obligations to Transporter is materially impaired. If Shipper is no longer creditworthy, Transporter may require financial statements and, when applicable, Security as set forth herein. Shipper shall have the right to demonstrate that the material adverse change has been remedied and request that Transporter reevaluate the Shipper's creditworthiness to determine whether the Security requirements can be terminated.
- 20.11 If Shipper is unable to maintain creditworthiness and has not provided Security, any executed Service Agreement(s) may be terminated or suspended.

SECTION 21 FORCE MAJEURE

- 21.1 Neither Shipper nor Transporter shall be liable in damages to the other for any act, omission or circumstances occasioned by or in consequence of an event of force majeure.
- 21.2 As used herein, the term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, explosions, acts of a public enemy, wars, blockages, insurrections, riots, epidemics, temporary failure of Gas supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, unscheduled shutdowns (for purposes of necessary maintenance, repairs, alterations, relocation or construction or wells, machinery, lines of pipe or other facilities), breakage or accident to wells, machinery or lines of pipe, testing (as required by governmental authority or as deemed necessary by Transporter for the safe operation of the storage field and related facilities), inability to obtain necessary material or supplies or permits or land rights, failure of wells, surface equipment or pipelines, well or line freeze ups or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably in the control of the party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome. A failure to settle or prevent any strike or other industrial disturbance shall not be considered to be a matter within the control of the party claiming force majeure.
- 21.3 Such causes or contingencies affecting performance by either Transporter or Shipper, however, shall not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate and commercially practical manner and with all reasonable dispatch; nor shall such causes or contingencies affecting the performance relieve either Transporter or Shipper from its obligation to make payment of amounts then due, nor shall such causes or contingencies relieve either Transporter or Shipper of liability unless such party shall give notice and full particulars of the same in writing or by facsimile transmission to the other party as soon as possible after the occurrence relied on.

**SECTION 22
WARRANTY**

- 22.1 Transporter and Shipper warrant that at the time of delivery it will have the right to deliver the Gas received and delivered hereunder, free and clear of all liens, encumbrances and claims whatsoever, and that it will indemnify the other party and hold it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of valid adverse claims of any and all persons to said Gas or royalties, taxes, license fees or charges thereon.

**SECTION 23
POSSESSION AND LIABILITY**

- 23.1 As between Transporter and Shipper, Shipper shall be deemed in exclusive control and possession of the Gas stored on its behalf, and responsible for any damages or injuries caused thereby, until such Gas is received by Transporter at the Receipt Point and after it is delivered by Transporter at the Delivery Point. Transporter shall be deemed in exclusive control and possession of said Gas, and responsible for any damages or injuries caused thereby, after it is delivered by Shipper at the Receipt Point and before it is delivered by Transporter at the Delivery Point.
- 23.2 The risk of loss for all Gas injected into, parked and/or stored in, wheeled to/from, and withdrawn from Transporter's facilities shall remain with Shipper, and Transporter shall not be liable to Shipper for any loss of Shipper's Gas, except as may be caused by the intentional or negligent acts or omissions of Transporter. Any loss of Gas, unless caused by the intentional or negligent act or omissions of Transporter, shall be shared proportionally by all Shippers, based on each Shipper's Storage inventory balance, wheeled quantities, and/or Park and Loan balance, as applicable.
- 23.3 Except as provided in Sections 1.13, 1.14, 2.10, 2.11, 3.11, 3.12, 4.8, 4.10, 4.11., 5.6, 6.2(5), 6.6, 7.8, 12.4, and 12.5 of the Statement of Operating Conditions hereto, title to the Gas stored shall not transfer to Transporter when it takes possession of the Gas, or at any other time, unless the parties specifically agree otherwise. However, this shall not restrict Transporter from entering into operating arrangements that allow for the movement of Gas via exchange or displacement. Notwithstanding the above, title to Gas Loaned under Firm Parking and Loaning Service or Interruptible Parking and Loaning Service shall pass from Transporter to Shipper when Gas is delivered for Shipper's account to a Delivery Point and title shall pass from Shipper to Transporter when Loaned Gas is returned by Shipper to a Receipt Point.

**SECTION 24
COMMUNICATIONS**

- 24.1 Unless otherwise provided herein, all communications between Transporter and Shipper shall be sent by registered mail, courier, facsimile transmission or electronic mail communication, and shall be effective upon receipt thereof. However, routine communications, including Monthly statements, shall be considered as duly delivered when mailed by either registered or ordinary mail or sent by courier, facsimile transmission or electronic mail communication. Communications sent by ordinary mail shall be considered received seven Days after deposit in the mail. All communications should be addressed to:

Washington 10 Storage Corporation
One Energy Plaza, 2084 WCB
Detroit, MI 48226
Attention: President, DTE Gas Storage Company

SECTION 25
TRANSFER AND ASSIGNMENT

- 25.1 The Service Agreement(s) shall be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. However, Service Agreements shall not be transferred or assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that Transporter shall have the right to assign such Service Agreement, in whole or in part, to an affiliated or subsidiary corporation, partnership, or limited liability company of its parent or related corporation, partnership, or limited liability company without the consent of the Shipper. Shipper shall have the right to assign its Service Agreement in its entirety to an affiliated subsidiary corporation, partnership, or limited liability company of its parent or related corporation, partnership, or limited liability company without the consent of the Transporter, but, unless otherwise agreed to in writing, all liability and responsibility for performance hereunder shall remain with the Shipper. Provided further, Transporter may reasonably withhold consent if the proposed assignee does not satisfy the applicable creditworthiness requirements, which, with respect to Shipper's assignee, including an affiliated assignee, are set forth in Section 20 of this Statement of Operating Conditions.

SECTION 26
LAWS AND REGULATIONS

- 26.1 The performance of the Service Agreement(s) between Transporter and Shipper shall be subject to all valid laws, orders, decisions, rules, and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either Transporter or Shipper, by force of any such law, order, decision, rule, or regulation, at any time during the term of the Service Agreement(s) be ordered or required to do any act inconsistent with the provisions hereof, then for the period during which the requirements of such law, order, decision, rule, or regulation are applicable, the Service Agreement(s) shall be deemed modified to conform with the requirement of such law, order, decision, rule, or regulation; provided, however, nothing in this Section 26.1 shall alter, modify, or otherwise affect the respective rights of the Transporter or Shipper to cancel or terminate the Service Agreement(s) under the terms and conditions hereof.
- 26.2 Transporter shall file all necessary reports and/or notices required by Subpart C of Part 284 of the Commission's regulations, and Shipper shall provide Transporter with any necessary compliance information requested by Transporter in connection with preparing such reports.

SECTION 27
ACQUIRED CAPACITY

- 27.1 Transporter may from time to time enter into agreements with off-system entities (Acquired Capacity). Transporter may use Acquired Capacity for its system operational needs and to render service to its customers. Transporter states that, if it stores Gas for others using Acquired Capacity, such services will be provided pursuant to the same rates and operating conditions that are applicable to on-system customers as such rates and operating conditions may change from time to time. For purposes of the use of Acquired Capacity covered by this section the "shipper must hold title" requirement is waived.

SECTION 28
FUEL AND GAS LOST AND UNACCOUNTED FOR

- 28.1 Shipper shall provide Fuel and Gas Lost and Unaccounted For that shall be retained by Transporter. Parking and Loaning services shall not be subject to Fuel and Gas Lost and Unaccounted For charges. The quantity of Gas retained by Transporter shall be a percentage of the total quantity of Gas injected into and withdrawn from the Shipper's Storage Account or wheeled under Hub Service-Wheeling. Unless Transporter and Shipper agree upon Fuel and Gas Lost and Unaccounted For charges as market-based rates authorized under the market-based rate authorization granted to Transporter by the Commission, such charge shall be calculated as follows:
- (a) Transporter shall determine the total forecast quantity of the Fuel and Gas Lost and Unaccounted For needed for the upcoming Season by adding the difference between actual Gas used for fuel, system operation, and losses and the actual Gas retained for system Gas use and losses for prior Season to the forecast requirement of Gas for fuel, system use and losses for the upcoming Season;
 - (b) Transporter shall divide the total forecast quantity of Fuel and Gas Lost and Unaccounted For required for Storage Service by the total forecast quantity of Gas to be injected and withdrawn on the system during the upcoming Season under Firm Storage Service, Interruptible Storage Service or wheeled under Hub-Service-Wheeling.
 - (c) "Season," as used in this Section, means either the Injection Season or the Withdrawal Season. The Injection Season is typically April through October, but will be determined by Transporter each year. The Withdrawal Season is typically November through March, but will be determined by Transporter each year.
- 28.2 The Fuel Use and Gas Lost and Unaccounted For percentages, as calculated in Section 28.1, shall apply to all Service Agreements unless otherwise agreed-upon between Transporter and Shipper.
- 28.3 The Fuel Use and Gas Lost and Unaccounted For percentages for Firm Storage Service and Interruptible Storage Service will be posted by Transporter on its EBB at least seven (7) days prior to the applicable Withdrawal or Injection Season. The Fuel Use and Gas Lost and Unaccounted For percentages for Hub Service - Wheeling will be posted by Transporter on its EBB at least one (1) day prior to when it is applicable.
- 28.4 Transporter will file an annual report with the MPSC, within ninety (90) days of the Withdrawal Season, that supports the fuel ratios used during the time period from April 1 to the following March 31.

SECTION 29
MISCELLANEOUS

- 29.1 Transporter, in its sole discretion, shall have the right at any time to amend or modify any and all of the provisions to this Statement of Operating Conditions and the General Terms and Conditions thereto without liability to or consent from any Shipper.
- 29.2 No Shipper shall be considered or deemed by interpretation of this Statement of Operating Conditions or any Service Agreement to have any rights in, to, or through Transporter's system or facilities.
- 29.3 Transporter shall have the right to waive any one or more specific defaults by any Shipper of any

provision of the Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or different character. Any waiver shall be granted or denied in a non-discriminatory manner.

- 29.4 This Statement of Operating Conditions and Service Agreement shall be governed by the laws of the state of Michigan without regard to principles of conflicts of laws. The forum of any litigation shall be in a state or Federal court located in Detroit, Michigan.
- 29.5 The Service Agreement contains the entire agreement between the parties, and except as stated in the Service Agreement, there are no promises, agreements, warranties, obligations, assurances, or conditions precedent or otherwise affecting it.
- 29.6 Any change, modification, or alteration of a Service Agreement shall be in writing, signed by the parties to the Service Agreement, and no course of dealing or course of performance between the parties shall be construed to alter the terms of the Service Agreement, except as stated in the Service Agreement.
- 29.7 The captions and headings in this Statement of Operating Conditions and in the Service Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of the Statement of Operating Conditions or the Service Agreement.
- 29.8 Transporter and Shipper agree that there is no third party beneficiary of any Service Agreement and that the provisions of a Service Agreement do not impart enforceable rights to anyone who is not a party.
- 29.9 The terms of any Service Agreement shall be kept confidential by the parties, except for any required disclosure to a regulatory body, governmental entity or agency having jurisdiction. In case of such disclosure, the disclosing party shall attempt to obtain an appropriate protective order or enter into an appropriate protective agreement. In addition, Shipper may disclose the terms of the Service Agreement to any Person that is providing credit support to the Shipper.
- 29.10 **In no event shall Transporter or Shipper be held liable to the other for consequential, indirect, special, punitive, or exemplary damages arising out of service provided under this statement of operating conditions.**
- 29.11 Transporter reserves the right at any time to assign or otherwise delegate to any independent third party or a duly authorized agent any or all of the administrative duties associated with the services provided pursuant to this Statement of Operating Conditions. No such delegation shall relieve Transporter of its obligations to Shipper.
- 29.12 Transporter or any Shipper receiving Storage service from Transporter shall be entitled to transfer, in-field, any of its Storage Gas to another Shipper or to Transporter pursuant to a valid request for an in-field transfer. Transporter may restrict such transfers when the transfer would result in an increase in Transporter's service obligations, and such increase would in Transporter's reasonable judgment impair Transporter's ability to meet all of its other service obligations of equal or higher priority, or would allow Shipper to avoid otherwise applicable obligations to provide Gas for Fuel and Gas Lost and Unaccounted For. There shall be no charge or Fuel Use and Gas Lost and Unaccounted For assessed for in-field transfers.
- 29.13 Transporter and Shipper may agree to contract extensions for any Service under this Statement of Operating Conditions, including evergreens, rollovers, and other extensions, which shall be specified in the applicable Service Agreement.

STATEMENT OF CURRENTLY EFFECTIVE RATES

	Rate (per Dth)
Firm Storage Service SS-1	
Deliverability Rate per Month	Market-Based/Agreed-Upon
Capacity Rate per Month	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Authorized Overrun	Market-Based/Agreed-Upon
Unauthorized Overrun Charge	\$25.0000
Interruptible Storage Service ISS	
Usage Rate	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Authorized Overrun	Market-Based/Agreed-Upon
Unauthorized Overrun Charge	\$25.0000
Firm Parking and Loaning Service FPALS	
Capacity Rate	Market-Based/Agreed-Upon
Deliverability Rate	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Authorized Overrun	Market-Based/Agreed-Upon
Unauthorized Overrun Charge	\$25.0000
Interruptible Parking and Loaning Service IPALS	
Usage Rate	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Firm Hourly Balancing Service FHBS	
FHBS Storage Reservation Rate	Market-Based/Agreed-Upon
FHBS Balancing Reservation Rate	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Interruptible Hourly Balancing Service IHBS	
Hourly Balancing Rate	Market-Based/Agreed-Upon
Usage Rate	Market-Based/Agreed-Upon
Injection Rate	Market-Based/Agreed-Upon
Withdrawal Rate	Market-Based/Agreed-Upon
Hub Service	
Hub Service- Wheeling (HSW)	Market-Based/Agreed-Upon
Hub Service-Title Transfer (HSTT)	Market-Based/Agreed-Upon

**SECTION 31
STORAGE SERVICE REQUEST FORM**

This Request for Service is made pursuant to Washington 10 Storage Corporation's ("Transporter's") General Terms and Conditions of its Statement of Operating Conditions under Subpart C of Section 284 of the Federal Energy Regulatory Commission's Regulations.

1. Shipper (exact legal name and state of incorporation):

2. Service Type (check one):

_____ Firm Storage Service SS-1

_____ Interruptible Storage Service ISS

_____ Firm Hourly Balancing Service FHBS

_____ Interruptible Hourly Balancing Service IHBS

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MSQ, MDIQ and/or MDWQ vary during the term of the Agreement (other than due to MDWQ/MDIQ ratchets));

3. Requested Maximum Storage Quantity (MSQ): _____ Dth

4. Requested Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MSQ	Maximum Daily Injection Quantity

5. Requested Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ Maximum Daily Withdrawal Quantity	Maximum Daily Withdrawal Quantity

6. Maximum Hourly FHBS Quantity (applicable only for FHBS): _____ Dth

7. Requested maximum hourly limit for hourly balancing quantities (applicable only for IHBS): _____ Dth

8. Requested Rate:

Firm Storage Service SS-1:

- \$ /Dth Deliverability Rate.
- \$ /Dth Capacity Rate.
- \$ /Dth Injection Rate.
- \$ /Dth Withdrawal Rate.
- \$ /Dth Authorized Overrun Usage Rate.

Fuel and Gas Lost and Unaccounted For

_____% Injection
_____% Withdrawal

Interruptible Storage Service ISS:

- \$ /Dth Usage Rate.
- \$ /Dth Injection Rate.
- \$ /Dth Withdrawal Rate.

Fuel and Gas Lost and Unaccounted For

_____% Injection
_____% Withdrawal

Firm Hourly Balancing Service FHBS:

- \$ /Dth Storage Reservation Rate.
- \$ /Dth Firm Hourly Balancing Rate.
- \$ /Dth Injection Rate.
- \$ /Dth Withdrawal Rate.

Fuel and Gas Lost and Unaccounted For

_____% Injection
_____% Withdrawal

Interruptible Hourly Balancing Service IHBS:

- \$ /Dth Hourly Balancing Rate.
- \$ /Dth Usage Rate.
- \$ /Dth Injection Rate.

\$ /Dth Withdrawal Rate.

Fuel and Gas Lost and Unaccounted For

_____% Injection

_____% Withdrawal

7. Requested Term of Service:

8. Receipt and Delivery Points

Point Name

MDIQ/MDWQ

Primary Delivery Point(s):

Secondary Delivery Point(s):

Primary Receipt Point(s):

Secondary Receipt Point(s):

9. Other Terms and Conditions (Please Specify):

10. On Behalf Of Entity (Check One): LDC, Interstate Pipeline

If Transporter accepts this request in whole or in part, it shall tender a Service Agreement to Shipper. The Request for Service shall be invalid if the Shipper fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

WASHINGTON 10 STORAGE CORPORATION

By:

Name:

Title:

Date:

Date received by Transporter: .

**SECTION 32
PARKING AND LOANING SERVICE REQUEST FORM**

This Request for Service is made pursuant to Washington 10 Storage Corporation's ("Transporter's") General Terms and Conditions of its Statement of Operating Conditions under Subpart C of Section 284 of the Federal Energy Regulatory Commission's Regulations.

1. Shipper (exact legal name and state of incorporation):

2. Service Type (circle one):

_____ Firm Parking and Loaning Service (FPALS)

_____ Interruptible Parking and Loaning Service (IPALS)

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MPQ, MLQ, MDIQ and/or MDWQ vary during the term of the Agreement):

3. Requested Maximum Park Quantity: _____ Dth.

4. Requested Maximum Loan Quantity: _____ Dth.

5. Requested Maximum Daily Injection Quantity (MDIQ):

6. Requested Maximum Daily Withdrawal Quantity (MDWQ):

7. Days on which Shipper requests to Park Gas on Transporter's system or return Gas previously Loaned to Shipper by Transporter, quantity of Gas applicable to each Day, and Receipt Point(s) or Delivery Point(s), as applicable:

Day	Quantity	Receipt (R) or Delivery (D) Point(s)
-----	----------	--------------------------------------

8. Days on which Shipper requests to take delivery from Transporter Gas previously Parked by Shipper or take delivery of Gas being Loaned by Transporter, quantity of Gas applicable to each Day and Receipt Point(s) or Delivery Point(s), as applicable

Day	Quantity	Receipt (R) or Delivery (D) Point(s)
-----	----------	--------------------------------------

9. Requested Rate:

FPALS:

\$ /Dth Deliverability Rate.

\$ /Dth Capacity Rate.

\$ /Dth Injection Rate.

\$ /Dth Withdrawal Rate.

\$ /Dth Authorized Overrun Usage Rate.

IPALS:

\$ /Dth Usage Rate.

\$ /Dth Injection Rate.

\$ /Dth Withdrawal Rate.

10. Requested Term of Service:

11. Receipt and Delivery Points

Point Name	MDIQ/MDWQ
------------	-----------

Primary Receipt Point(s):

Secondary Receipt Point(s):

Primary Delivery Point(s):

Secondary Delivery Point(s):

12. Other Terms and Conditions (Please Specify):

13. On Behalf Of Entity (Check One): LDC Interstate Pipeline

If Transporter accepts this request in whole or in part, it shall tender a Service Agreement to Shipper. The Request for Service shall be invalid if the Shipper fails to execute the Service Agreement within ten (10) Days after Transporter tenders the Service Agreement for execution.

WASHINGTON 10 STORAGE CORPORATION

By:

Name:

Title:

Date:

Date received by Transporter: .

**SECTION 33
STORAGE IN-FIELD TRANSFER REQUEST FORM**

RELINQUISHING PARTY

Company Name:

Address:

Phone:

Fax:

Storage Contract No:

Transfer Quantity: _____Dth

Requested Transfer Date:

Requested By:

Signature:

Date:

Title:

ACQUIRING PARTY

Company Name:

Address:

Phone:

Fax:

Storage Contract No:

Transfer Quantity: _____Dth

Requested Transfer Date:

Requested By:

Signature:

Date:

Title:

WASHINGTON 10 STORAGE CORPORATION

	ACCEPTED
--	-----------------

	REJECTED
--	-----------------

Reason(s) For Rejection:

By:

Signature:

Date:

Title:

**SECTION 34
FORM OF FIRM STORAGE SERVICE (SS-1) AGREEMENT**

This Firm Storage Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”).

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with MPSC’s rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. Transporter agrees to provide firm Storage service in accordance with this Agreement and Transporter’s GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission’s Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an “interstate pipeline” within the meaning of NGPA Section 2(15); or
 - is a “local distribution company served by an interstate pipeline” within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Firm Storage Service provided hereunder shall consist of a Monthly Deliverability Rate, a Monthly Capacity Rate, an Injection Rate, a Withdrawal Rate, and an Authorized Overrun Usage Rate as specified in Exhibit I below. Shipper shall provide Gas in kind under the Fuel and Gas Lost and Unaccounted For mechanism described in Section 28 of Transporter's Statement of Operating Conditions and posted on Transporter's EBB unless Fuel and Gas Lost and Unaccounted For rates are set forth on Exhibit I.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ and this Agreement shall terminate on _____.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Rates:

(Add additional lines if Monthly Deliverability Rate, Monthly Capacity Rate, Injection Rate and/or Withdrawal Rate vary during the term of the Agreement)

Monthly Deliverability Rate: \$ _____ per Dth

Monthly Capacity Rate: \$ _____ per Dth

Injection Rate: \$ _____ per Dth

Withdrawal Rate: \$ _____ per Dth

Authorized Overrun Usage Rate: \$ _____ per Dth

Fuel and Gas Lost and Unaccounted For

Injection _____%

Withdrawal _____%

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MSQ, MDIQ and/or MDWQ vary during the term of the Agreement (other than due to MDWQ/MDIQ ratchets)):

Maximum Storage Quantity (MSQ): _____ Dth

Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MSQ	Maximum Daily Injection Quantity

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ	Maximum Daily Withdrawal Quantity

Primary Receipt Point(s):

Secondary Receipt Point(s):

Primary Delivery Point(s):

Secondary Delivery Point(s):

**SECTION 35
FORM OF INTERRUPTIBLE STORAGE SERVICE (ISS) AGREEMENT**

This Interruptible Storage Service Agreement ("Agreement") is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation ("Transporter"), and _____, a _____ ("Shipper").

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions ("GT&C") contained therein on file with the Federal Energy Regulatory Commission ("Commission"), as they may be amended or superseded from time to time in accordance with the Commission's rules and regulations, and the Rate Book on file with the Michigan Public Service Commission ("MPSC"), as it may be amended or superseded from time to time in accordance with the MPSC's rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. The service requested pursuant to the Statement of Operating Conditions is interstate service. Transporter agrees to provide Interruptible Storage Service in accordance with this Agreement and Transporter's GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission's Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an "interstate pipeline" within the meaning of NGPA Section 2(15); or
 - is a "local distribution company served by an interstate pipeline" within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Interruptible Storage Service provided hereunder shall consist of a Usage Rate, an Injection Rate, a Withdrawal Rate, and an Authorized Overrun Usage Rate as specified in Exhibit I below, and a fuel component as posted on Transporter's EBB. Shipper shall provide Gas in kind under the Fuel and Gas Lost and Unaccounted For mechanism described in Section 28 of Transporter's Statement of Operating Conditions and posted on Transporter's EBB unless Fuel and Loss and Unaccounted For rates are set forth on Exhibit I.

ARTICLE III: TERM OF AGREEMENT

The initial term of this Agreement shall become effective beginning _____ and the initial term of this Agreement shall end on _____.

_____ This Agreement shall continue in effect from Month to Month thereafter unless terminated by either Transporter or Shipper upon thirty (30) Days prior written notice to the other at the end of the initial term or any Month to Month extension of such initial term.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I:

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I:

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this

Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Rates:

Usage Rate: \$_____ per Dth

Injection Rate: \$_____ per Dth

Withdrawal Rate: \$_____ per Dth

Authorized Overrun Usage Rate: \$_____ per Dth

Fuel and Gas Lost and Unaccounted For

Injection _____%

Withdrawal _____%

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MSQ, MDIQ and/or MDWQ vary during the term of the Agreement (other than due to MDWQ/MDIQ ratchets)):

Maximum Storage Quantity (MSQ): _____ Dth

Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MSQ Maximum Daily Injection Quantity	

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ Maximum Daily Withdrawal Quantity	

Receipt Point(s)

Delivery Point(s)

SECTION 36
FORM OF FIRM PARKING AND LOANING SERVICE (FPALS) AGREEMENT

This Firm Parking and Loaning Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”).

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with the MPSC’s rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. The service requested pursuant to the Statement of Operating Conditions is interstate service. Transporter agrees to provide parking and loaning service in accordance with this Agreement and Transporter’s GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission’s Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an “interstate pipeline” within the meaning of NGPA Section 2(15); or
 - is a “local distribution company served by an interstate pipeline” within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Firm Parking and Loaning service provided hereunder shall consist of a Monthly Deliverability Rate, a Monthly Capacity Rate, an Injection Rate, a Withdrawal Rate, and an Authorized Overrun Usage Rate as specified in Exhibit I below.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ and this Agreement shall terminate on _____.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter’s Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Service Election:

Firm Parking: _____

Firm Loaning: _____

Rates:

Monthly Deliverability Rate: \$_____per Dth

Monthly Capacity Rate: \$_____per Dth

Injection Rate: \$_____per Dth

Withdrawal Rate: \$_____per Dth

Authorized Overrun Usage Rate: \$_____per Dth

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines if MPQ, MLQ, MDIQ and/or MDWQ vary during the term of the Agreement):

Maximum Park Quantity (MPQ): _____Dth

Maximum Loan Quantity (MLQ): _____Dth

Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MPQ(MLQ) Maximum Daily Injection Quantity	

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ(MLQ) Maximum Daily Withdrawal Quantity	

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Primary Receipt Point(s)

Secondary Receipt Point(s)

Primary Delivery Point(s)

Secondary Delivery Point(s)

SECTION 37
FORM OF INTERRUPTIBLE
PARKING AND LOANING SERVICE (IPALS) AGREEMENT

This Interruptible Parking and Loaning Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”).

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with the MPSC’s rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. The service requested pursuant to the Statement of Operating Conditions is interstate service. Transporter agrees to provide parking and loaning service in accordance with this Agreement and Transporter’s GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission’s Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an “interstate pipeline” within the meaning of NGPA Section 2(15); or
 - is a “local distribution company served by an interstate pipeline” within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Gas Parking and Loaning service provided hereunder shall consist of a Usage Rate, an Injection Rate, and a Withdrawal Rate as specified in Exhibit I below.

ARTICLE III: TERM OF AGREEMENT

The initial term of this Agreement shall become effective beginning _____ and the initial term of this Agreement shall end on _____.

_____ This Agreement shall continue in effect from Month to Month thereafter unless terminated by either Transporter or Shipper upon thirty (30) Days prior written notice to the other at the end of the initial term or any Month to Month extension of such initial term.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Rates:

Usage Rate: \$_____per Dth

Injection Rate: \$_____per Dth

Withdrawal Rate: \$_____per Dth

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines MPQ, MLQ, MDIQ and/or MDWQ vary during the term of the Agreement):

Maximum Park/Loan Quantity: _____Dth

Maximum Daily Injection Quantity: _____Dth per Day

Maximum Daily Withdrawal Quantity: _____Dth per Day

Receipt Point(s):

Delivery Point(s):

SECTION 38
FORM OF HUB SERVICE AGREEMENT

This Hub Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”).

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with the MPSC’s rules and regulations.

ARTICLE I: TYPE OF HUB SERVICE

- Wheeling
- Title Transfer

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Wheeling Service provided hereunder shall consist of the \$_____/Dth Usage Rate assessed to Shippers moving gas between Transporter and interconnecting pipelines and a Fuel and Gas Lost and Unaccounted For component as posted on Transporter’s EBB. The rate to be paid by Shipper to Transporter for the Title Transfer Service provided hereunder shall consist of the \$_____/Dth Transaction Fee.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ for an initial term of one Month and shall continue in effect from Month to Month thereafter unless terminated by either Transporter or Shipper upon thirty (30) Days prior written notice to the other at the end of the initial term or any Month to Month extension of such initial term.

ARTICLE IV: INCORPORATION BY REFERENCE

The provisions of Transporter’s Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE V: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VI: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

**SECTION 39
FORM OF FIRM HOURLY BALANCING SERVICE AGREEMENT**

This Firm Hourly Balancing Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”).

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with the MPSC’s rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. Transporter agrees to provide firm hourly balancing service in accordance with this Agreement and Transporter’s GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission’s Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an “interstate pipeline” within the meaning of NGPA Section 2(15); or
 - is a “local distribution company served by an interstate pipeline” within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Firm Hourly Balancing Service provided hereunder shall consist of a FHBS Storage Reservation Rate, a Firm Hourly Balancing Reservation Rate, an Injection Rate, and a Withdrawal Rate, as specified in Exhibit I below. Shipper shall provide Gas in kind under the Fuel and Gas Lost and Unaccounted For mechanism described in Section 28 of Transporter’s Statement of Operating Conditions and posted on Transporter’s EBB unless Fuel and Gas Lost and Unaccounted For rates are set forth on Exhibit I.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ and this Agreement shall terminate on _____.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Rates:

(Add additional lines if FHBS Storage Reservation Rate, Firm Hourly Balancing Reservation Rate, Injection Rate and/or Withdrawal Rate vary during the term of the Agreement)

FHBS Storage Reservation Rate: \$_____per Dth

Firm Hourly Balancing Reservation Rates: \$_____per Dth

Injection Rate: \$_____per Dth

Withdrawal Rate: \$_____per Dth

Fuel and Gas Lost and Unaccounted For

Injection _____%

Withdrawal _____%

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MSQ, MDIQ and/or MDWQ vary during the term of the Agreement (other than due to MDWQ/MDIQ ratchets)):

Maximum Storage Quantity (MSQ): _____ Dth

Maximum Hourly FHBS Quantity: _____ Dth

Maximum Daily Injection Quantity (MDIQ):

Month and/ or % of MSQ	Maximum Daily Injection Quantity

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/ or % of MSQ	Maximum Daily Withdrawal Quantity

Primary Receipt Point(s):

Secondary Receipt Point(s):

Primary Delivery Point(s):

Secondary Delivery Point(s):

SECTION 40
FORM OF INTERRUPTIBLE HOURLY BALANCING AGREEMENT

This Interruptible Hourly Balancing Service Agreement (“Agreement”) is made and entered into as of the _____ day of _____, _____, by and between Washington 10 Storage Corporation, a Michigan corporation (“Transporter”), and _____, a _____ (“Shipper”)

INTRODUCTION

The parties agree that Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective Statement of Operating Conditions and the General Terms and Conditions (“GT&C”) contained therein on file with the Federal Energy Regulatory Commission (“Commission”), as they may be amended or superseded from time to time in accordance with the Commission’s rules and regulations, and the Rate Book on file with the Michigan Public Service Commission (“MPSC”), as it may be amended or superseded from time to time in accordance with the MPSC’s rules and regulations.

ARTICLE I: TYPE OF SERVICE

- The service requested is intrastate service.
- The service requested is interstate service. Transporter agrees to provide interruptible hourly balancing service in accordance with this Agreement and Transporter’s GT&C contained in its Statement of Operating Conditions pursuant to Subpart C of Section 284 of the Federal Energy Regulatory Commission’s Regulations, as they may be revised from time to time, and Shipper states that Shipper:
 - is an “interstate pipeline” within the meaning of NGPA Section 2(15); or
 - is a “local distribution company served by an interstate pipeline” within the meaning of NGPA Section 2(17) and Section 311; or
 - is authorized to arrange transportation service under Section 311 on behalf of such interstate pipeline or local distribution company.

ARTICLE II: RATES

The rate to be paid by Shipper to Transporter for the Interruptible Hourly Balancing Service provided hereunder shall consist of an Hourly Balancing Rate, a Usage Rate, an Injection Rate, and a Withdrawal Rate, as specified in Exhibit I below. Shipper shall provide Gas in kind under the Fuel and Gas Lost and Unaccounted For mechanism described in Section 28 of Transporter’s Statement of Operating Conditions and posted on Transporter’s EBB unless Fuel and Gas Lost and Unaccounted For rates are set forth on Exhibit I.

ARTICLE III: TERM OF AGREEMENT

This Agreement shall become effective beginning _____ and this Agreement shall terminate on _____.

ARTICLE IV: CONTRACT QUANTITIES

Stated in Exhibit I.

ARTICLE V: RECEIPT AND DELIVERY POINTS

Stated in Exhibit I.

ARTICLE VI: INCORPORATION BY REFERENCE

The provisions of Transporter's Statement of Operating Conditions are specifically incorporated herein by reference and made a part hereof. Transporter may seek authorization at any time and from time to time to change any provisions in the Statement of Operating Conditions, and Transporter will have the right to place such authorized changes in effect. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and any applicable order; provided that any market-based rates agreed-upon between Transporter and Shipper shall remain in effect during the term of this Agreement.

ARTICLE VII: NOTICES

All notices can be given by telephone or other electronic means. However, such notices shall be confirmed in writing at the addresses below. Shipper and Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement.

TRANSPORTER:

WASHINGTON 10 STORAGE CORPORATION
One Energy Plaza
2084 WCB
Detroit, Michigan 48226-3405
Attention: President, Washington 10 Storage Corporation
Telephone:
Fax: 313-235-6450

SHIPPER:

INVOICES AND STATEMENTS

NOMINATIONS

ALL OTHER MATTERS

ARTICLE VIII: FURTHER AGREEMENT

Specify, or write None.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers and Representatives there unto duly authorized to be effective as of the date stated above.

SHIPPER:

By: _____

Title: _____

Date: _____

TRANSPORTER: WASHINGTON 10 STORAGE CORPORATION

By: _____

Title: _____

Date: _____

EXHIBIT I

Rates:

Hourly Balancing Rate: \$_____per Dth

Usage Rate: \$_____per Dth

Injection Rate: \$_____per Dth

Withdrawal Rate: \$_____per Dth

Fuel and Gas Lost and Unaccounted For

Injection _____%

Withdrawal _____%

Service Parameters (Effective as of the beginning of the term of the Agreement, unless otherwise specified. Add additional lines and/or tables if MSQ, MDIQ and/or MDWQ vary during the term of the Agreement (other than due to MDWQ/MDIQ ratchets)):

Maximum Storage Quantity (MSQ): _____Dth

Maximum hourly limit for hourly balancing quantities: _____Dth

Maximum Daily Injection Quantity (MDIQ):

Month and/or % of MSQ	Maximum Daily Injection Quantity

Maximum Daily Withdrawal Quantity (MDWQ):

Month and/or % of MSQ	Maximum Daily Withdrawal Quantity

Primary Receipt Point(s):

Secondary Receipt Point(s):

Primary Delivery Point(s):

Secondary Delivery Point(s):