



March 2, 2012

Ms. Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**ANR Pipeline Company**  
717 Texas Street, Suite 2400  
Houston, TX 77002-2761

John A. Roscher  
Director, Rates & Tariffs

**tel** 832.320.5675  
**fax** 832.320.6675  
**email** John\_Roscher@TransCanada.com  
**web** www.anrpl.com/company\_info/

Re: ANR Pipeline Company  
Change in FERC Gas Tariff  
Docket No. RP12- -

Dear Ms. Bose:

Pursuant to Section 4 of the Natural Gas Act (“NGA”) and Part 154 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Regulations,<sup>1</sup> ANR Pipeline Company (“ANR”) respectfully submits for filing and acceptance the tariff sections listed in Appendix A to be part of its FERC Gas Tariff, Third Revised Volume No. 1 (“Tariff”).<sup>2</sup> As set forth in greater detail below, ANR is proposing to revise Tariff Sections 6.3 and 6.22 of its General Terms & Conditions (“GT&C”), as well as its form of service agreement (“FSA”) in Tariff Section 7.1, to accommodate contributions in aid of construction (“CIAC”) for shipper-owned facilities. ANR respectfully requests that the Commission accept the tariff sections included herein to become effective April 2, 2012.

### **Correspondence**

The names, titles and mailing addresses of the persons to whom correspondence and communications concerning this filing should be directed as follows:

---

<sup>1</sup> 18 C.F.R. Part 154 (2011).

<sup>2</sup> Included at Appendix A are: a) Part 6.3 – GT&C, Facilities Policy (“Section 6.3”); b) Part 6.22.2 – GT&C, Eligibility, (“Section 6.22.2”); and c) Part 7.1 – Service Agreements, Transporter’s Rate Schedules, (“Section 7.1”).

\* M. Catharine Davis  
Vice President, US Pipelines Law  
ANR Pipeline Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Tel. (832) 320-5509  
Fax (832) 320-6509  
catharine\_davis@transcanada.com

John A. Roscher  
Director, Rates & Tariffs  
\* Joan F. Collins  
Manager, Tariffs and Compliance  
ANR Pipeline Company  
717 Texas Street, Suite 2400  
Houston, Texas 77002-2761  
Tel. (832) 320-5651  
Fax (832) 320-6651  
joan\_collins@transcanada.com

\* Persons designated for official service pursuant to Rule 2010.

### **Statement of Nature, Reasons and Basis for Filing**

By this filing, ANR is proposing tariff changes to accommodate the provision of CIAC for shipper-owned facilities. The proposed language reflects that ANR may pay for all or part of the cost of construction of a shipper's facilities, if ANR determines that it will be economically neutral to or will economically benefit from the CIAC. The flexibility to offer CIAC for shipper-owned facilities provides pipelines such as ANR with greater opportunities to attract new supply sources, deliver gas to new markets, and the enhanced flexibility to maintain and establish long-term relationships with existing and potential customers.

Specifically, ANR is proposing to modify Sections 6.3 and 6.22 of its GT&C. Additionally, ANR is incorporating a reference to the tariff language proposed in the instant filing in the Further Agreements section of its FSA for firm services. By doing so, ANR is seeking to eliminate any potential non-conforming provisions in agreements between ANR and its customers. The ability to receive a capital contribution will be available to all ANR customers, subject to the terms specified in the proposed tariff language. Accordingly, ANR requests that the Commission find the proposed tariff sections to be just and reasonable and approve the revisions included herein. ANR notes that the Commission has approved similar tariff provisions for Northern Border Pipeline Company in Docket No. RP02-543-000,<sup>3</sup> and for Texas Gas Transmission, LLC. in Docket No. RP09-317-000.<sup>4</sup>

---

<sup>3</sup> *Northern Border Pipeline Company*, 101 FERC ¶ 61092 (2002).

<sup>4</sup> *Texas Gas Transmission, LLC.*, 128 FERC ¶ 61104 (2009).

**Effective Date**

ANR requests that the Commission accept the proposed tariff sections to become effective April 2, 2012.

**Other Filings Which May Affect This Proceeding**

There are no other filings before the Commission that may significantly affect the changes proposed herein.

**Contents of Filing**

In accordance with Section 154.7 of the Commission’s Regulations, ANR is submitting the following via its electronic tariff filing:

1. This transmittal letter;
2. The clean tariff sections (Appendix A); and
3. A marked version of the tariff sections (Appendix B).

**Certificate of Service**

As required by Sections 154.7(b) and 154.208 of the Commission’s regulations, copies of this filing are being served upon all of ANR’s existing customers and interested state regulatory agencies. A copy of this letter, together with the other attachments, is available during regular business hours for public inspection at ANR’s principal place of business.

Pursuant to Section 385.2005 and Section 385.2011, the undersigned has read this filing and knows its contents, and the contents are true as stated, to the best of his knowledge and belief. Additionally, the undersigned possesses full power and authority to sign such filing.

Any questions regarding this filing may be directed to Joan Collins at (832) 320-5651.

Respectfully submitted,

ANR Pipeline Company



---

John A. Roscher  
Director, Rates & Tariffs

Enclosures

# Appendix A

## *ANR Pipeline Company – FERC Gas Tariff, Third Revised Volume No. 1*

### Clean Tariff

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
6.3 - GT&C, Facilities Policy	v.1.0.0
6.22.2 - GT&C, Eligibility	v.1.0.0
7.1 – Service Agreements, Transporter’s Rate Schedules	v.2.0.0

## 6.3 FACILITIES POLICY

1. Unless otherwise agreed to by the parties, Transporter shall not be required to own, construct and install any facilities to perform any service requested by a Shipper under this Tariff. In the event that Transporter determines that it will construct facilities that will result in the expansion of its pipeline system, Transporter shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis. Further, in the event Transporter agrees to own, construct and install facilities to perform services requested including, but not limited to, hot tap, side valve, measurement, gas supply lateral lines, looping and/or compression facilities, Transporter shall do so on a not unduly discriminatory basis, and may require that Shipper reimburse Transporter for all Transporter's costs associated therewith either on a lump sum or incremental fee basis as agreed to by the parties. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act. Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown.

### 2. Contribution in Aid of Construction.

Transporter may agree to pay or contribute to the cost of building facilities for current or potential Shippers when Transporter determines that doing so will result in an economic benefit or when Transporter determines that the project is economically neutral to Transporter. Transporter may conclude that a portion of the facilities are economically beneficial. Transporter will evaluate each prospective project under this policy based upon the incremental cost of service and incremental revenues which Transporter estimates will be generated as a result of the project. When estimating incremental revenues to be generated, Transporter will base those revenues upon transportation rates it expects to be able to charge, net of pass-through surcharges, and the incremental volumes or firm service contracts to be incremental if the volumes or firm service contracts that will be transported or provided respectively would not otherwise flow through, or be contracted for firm service on Transporter's system.

### 3. Capacity Reserved for Expansion Projects.

Transporter reserves the right, but shall not be obligated, to reserve for expansion projects capacity that is or will become available. Such available capacity shall consist of the following types of existing or potential unsubscribed capacity:

- (1) Capacity currently posted on Transporter's Internet site under Informational Postings as unsubscribed, available capacity ("Unsubscribed Capacity");

- (2) Capacity that will be returned to Transporter by an existing capacity holder at the expiration of that Shipper's contract term(s) either (i) pursuant to the provisions of Section 6.22, Right of First Refusal ("ROFR"), of these General Terms and Conditions ("ROFR Capacity"), or (ii) by the termination of a contract that does not have a ROFR ("Non-ROFR Capacity");
- (3) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that Shipper's capacity pursuant to the provisions of Section 6.22 of these General Terms and Conditions ("Expiring Capacity"); and
- (4) Capacity that is returned to Transporter in response to a direct solicitation from Transporter to existing capacity holders for permanent releases of capacity to serve an expansion project ("Turnback Capacity").

Hereinafter, any references to the term "capacity" in this Section 6.3 paragraph 3 shall mean the four types of available capacity collectively, unless noted otherwise.

Before any capacity can be reserved by Transporter, it must first be posted on Transporter's Internet site under Informational Postings as Unsubscribed Capacity for at least five (5) Business Days. Such capacity will be awarded pursuant to this Tariff (see Section 6.9 of these General Terms and Conditions).

Any available capacity that remains unsubscribed following the five (5) Business Days posting can be reserved for an expansion project. Transporter shall notify shippers of its reservation of capacity for an expansion project by making a "reservation posting" on its Internet site. The reservation posting shall include, but not be limited to, the following information: (1) a description of the expansion project for which the capacity is being reserved; (2) the quantity of capacity being reserved; (3) the location of the reserved capacity on the pipeline system, specifying the affected pipeline locations and segments and associated quantities within those locations and segments; (4) the estimated in-service date of the expansion project; (5) the anticipated timing of the expansion open season; and (6) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion project to reflect any material changes in the scope of the expansion project.

Transporter may only reserve capacity for an expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity on its Internet site under Informational Postings as being reserved. Transporter shall make a non-binding solicitation for Turnback Capacity no later than 90 days after the close of the expansion project open season specifying the minimum terms for a response to the solicitation. Capacity that has been reserved for a future expansion project that does not go forward will be reposted as generally available

within 30 days of the date that the capacity becomes available subject to the provisions of Section 6.22.2 of these General Terms and Conditions.

Capacity may be reserved for an expansion project only during a 12-month period prior to Transporter filing for certificate approval for construction of proposed expansion project and thereafter until all expansion facilities are placed into service.

Any capacity reserved under this Section 6.3 paragraph 3 shall be made available for Transportation Service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the Service Agreement and pursuant to Section 6.22 of these General Terms and Conditions, commensurate with the proposed in-service date of the expansion project, or the actual in-service date if the project has not been completed by the proposed in-service date. Transporter will indicate any limitations on extension rights that will apply to such limited-term Transportation Service on Transporter's Internet site under Informational Postings listing Unsubscribed Capacity.

Reservation of capacity under this Section 6.3 paragraph 3 shall not in any way modify or limit existing capacity holders' rights under Section 6.22 of these General Terms and Conditions.

#### 6.22.2 Eligibility.

Any Shipper with an Agreement under Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, PTS-2, FSS, or NNS, which is: (a) executed prior to March 26, 2000 with an initial term of one (1) year or more; or (b) after March 26, 2000, for a term of twelve (12) consecutive months or more and is at the maximum applicable tariff rate (including maximum rate Agreements of one year or more where service is not available for twelve consecutive months), may exercise a right to continue to receive service thereunder from Transporter at the expiration of its Agreement provided that Shipper gives notice to Transporter that it desires to continue its Agreement and will match (a) the longest term, and (b) the highest rate for such service, up to the maximum rate, that is offered by any other person desiring such capacity; provided, however, that Transporter shall not be obligated to provide service at less than the maximum applicable rate(s). If a Shipper's Agreement does not qualify for the right of first refusal under this Section 6.22, then Transporter in a not unduly discriminatory manner may agree otherwise with any such Shipper. However, capacity (i) sold on an interim basis in accordance with Section 6.3 paragraph 3, Capacity Reserved for Expansion Projects, of these General Terms and Conditions or (ii) sold under Rate Schedule FTS-4L, shall not be eligible for a right of first refusal unless Transporter and Shipper agree to a conditional contractual ROFR that would take effect, with respect to (i) above, upon a determination that the proposed project will not go forward and with respect to (ii) above, upon the extension for a commensurate term of the applicable FTS-4 Agreement(s) needed to provide Transportation Service under the FTS-4L Agreement.

Also, the right of first refusal will not be applicable to interim Service Agreements for entitlement associated with capacity that is already under contract for a future period subject to the following conditions and in accordance with Section 6.2.10(i) of these General Terms and Conditions:

- (a) The future capacity must have been sold through an open season bidding process permitting bids for capacity for service to start immediately or anytime in the future;
- (b) The bids must have been evaluated on a net present value basis; and
- (c) The future capacity must have been awarded to the Shipper providing the highest net present value bid.

The Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its Agreement.



FORM OF AGREEMENT  
(For use under Transporter's Rate Schedules  
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, FSS,  
PTS-2 and NNS)

Date: \_\_\_\_\_

Contract No. \_\_\_\_\_

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and \_\_\_\_\_ (Shipper name).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: \_\_\_\_\_

3. CONTRACT QUANTITIES:

Receipt Points - see Exhibit attached hereto (if applicable).  
Delivery Points - see Exhibit attached hereto (if applicable).  
Primary Routes - see Exhibit attached hereto (if applicable).  
Contract Quantities - see Exhibit attached hereto (if applicable).

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

(Optional for FSS and Transportation Agreements Used for Injection Into Storage)

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's Tariff changes, Transporter shall (a) make corresponding

changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

\_\_\_\_\_ Shipper elects changes per subpart (a) only.

\_\_\_\_\_ Shipper elects changes per subpart (a) and (b).

4. TERM OF AGREEMENT:

\_\_\_\_\_ to  
\_\_\_\_\_

(if applicable)

If Transportation Service is to be provided on a seasonal basis or for non-consecutive months during the term of the Agreement, those periods are set forth in the Primary Route Exhibit attached hereto.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

6. INCORPORATION BY REFERENCE:

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

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS™. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company  
717 Texas Street, Suite 25000  
Houston, Texas 77002-2761  
Attention: Commercial Services

SHIPPER:

\_\_\_\_\_ (Shipper Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip)  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
FAX: \_\_\_\_\_

INVOICES AND STATEMENTS:

\_\_\_\_\_ (Shipper Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip)  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
FAX: \_\_\_\_\_

8. FURTHER AGREEMENT

(This part to be utilized when necessary to specify other provisions permitted to be negotiated by Transporter's Tariff. Write None or specify the agreement)

(if applicable)

Pursuant to Section 5.5.4 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the short notice start-up and shut-down optional service.

(if applicable)

Pursuant to Section 5.5.5 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the variation of deliveries optional service.

(if applicable)

Pursuant to Section 6.3.2 of Transporter's Tariff, Transporter will make a Contribution in Aid of Construction subject to the terms and condition(s) as stipulated herein:

(if applicable)

Pursuant to Section 6.11 of Transporter's Tariff, Transporter and Shipper have mutually agreed to receipt and/or delivery pressure commitment(s) as stipulated herein:

(if applicable)

Shipper shall be entitled to the Right of First Refusal provided for in Section 6.22 of the General Terms and Conditions of Transporter's Tariff, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.22.2.

(if applicable)

Pursuant to Section 6.32 of Transporter's Tariff, Shipper elects the Reduction Option[s] under: \_\_\_\_\_ [Section 6.32.1-Loss of Load, or Section 6.32.2-Plant Outage, or Section 6.32.3-Regulatory Unbundling Order, or Section 6.32.4-Sole Supply Customer, or Section 6.32.5-Other Reduction Options (as further described below)]. To qualify for a reduction, Shipper must meet the notice, certification and/or other requirements stated in the tariff.

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

SHIPPER: \_\_\_\_\_

TRANSPORTER: ANR Pipeline Company

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Appendix B

## *ANR Pipeline Company – FERC Gas Tariff, Third Revised Volume No. 1*

### Marked Tariff

<b><u>Tariff Section</u></b>	<b><u>Version</u></b>
6.3 - GT&C, Facilities Policy	v.1.0.0
6.22.2 - GT&C, Eligibility	v.1.0.0
7.1 – Service Agreements, Transporter’s Rate Schedules	v.2.0.0

## 6.3 FACILITIES POLICY

1. Unless otherwise agreed to by the parties, Transporter shall not be required to own, construct and install any facilities to perform any service requested by a Shipper under this Tariff. In the event that Transporter determines that it will construct facilities that will result in the expansion of its pipeline system, Transporter shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis. Further, in the event Transporter agrees to own, construct and install facilities to perform services requested including, but not limited to, hot tap, side valve, measurement, gas supply lateral lines, looping and/or compression facilities, Transporter shall do so on a not unduly discriminatory basis, and may require that Shipper reimburse Transporter for all Transporter's costs associated therewith either on a lump sum or incremental fee basis as agreed to by the parties. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act. Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown.

### 2. Contribution in Aid of Construction.

Transporter may agree to pay or contribute to the cost of building facilities for current or potential Shippers when Transporter determines that doing so will result in an economic benefit or when Transporter determines that the project is economically neutral to Transporter. Transporter may conclude that a portion of the facilities are economically beneficial. Transporter will evaluate each prospective project under this policy based upon the incremental cost of service and incremental revenues which Transporter estimates will be generated as a result of the project. When estimating incremental revenues to be generated, Transporter will base those revenues upon transportation rates it expects to be able to charge, net of pass-through surcharges, and the incremental volumes or firm service contracts to be incremental if the volumes or firm service contracts that will be transported or provided respectively would not otherwise flow through, or be contracted for firm service on Transporter's system.

### 3. Capacity Reserved for Expansion Projects.

Transporter reserves the right, but shall not be obligated, to reserve for expansion projects capacity that is or will become available. Such available capacity shall consist of the following types of existing or potential unsubscribed capacity:

- (1) Capacity currently posted on Transporter's Internet site under Informational Postings as unsubscribed, available capacity ("Unsubscribed Capacity");

- (2) Capacity that will be returned to Transporter by an existing capacity holder at the expiration of that Shipper's contract term(s) either (i) pursuant to the provisions of Section 6.22, Right of First Refusal ("ROFR"), of these General Terms and Conditions ("ROFR Capacity"), or (ii) by the termination of a contract that does not have a ROFR ("Non-ROFR Capacity");
- (3) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that Shipper's capacity pursuant to the provisions of Section 6.22 of these General Terms and Conditions ("Expiring Capacity"); and
- (4) Capacity that is returned to Transporter in response to a direct solicitation from Transporter to existing capacity holders for permanent releases of capacity to serve an expansion project ("Turnback Capacity").

Hereinafter, any references to the term "capacity" in this Section 6.3 paragraph ~~32~~ shall mean the four types of available capacity collectively, unless noted otherwise.

Before any capacity can be reserved by Transporter, it must first be posted on Transporter's Internet site under Informational Postings as Unsubscribed Capacity for at least five (5) Business Days. Such capacity will be awarded pursuant to this Tariff (see Section 6.9 of these General Terms and Conditions).

Any available capacity that remains unsubscribed following the five (5) Business Days posting can be reserved for an expansion project. Transporter shall notify shippers of its reservation of capacity for an expansion project by making a "reservation posting" on its Internet site. The reservation posting shall include, but not be limited to, the following information: (1) a description of the expansion project for which the capacity is being reserved; (2) the quantity of capacity being reserved; (3) the location of the reserved capacity on the pipeline system, specifying the affected pipeline locations and segments and associated quantities within those locations and segments; (4) the estimated in-service date of the expansion project; (5) the anticipated timing of the expansion open season; and (6) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion project to reflect any material changes in the scope of the expansion project.

Transporter may only reserve capacity for an expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity on its Internet site under Informational Postings as being reserved. Transporter shall make a non-binding solicitation for Turnback Capacity no later than 90 days after the close of the expansion project open season specifying the minimum terms for a response to the solicitation. Capacity that has been reserved for a future expansion project that does not go forward will be reposted as generally available

within 30 days of the date that the capacity becomes available subject to the provisions of Section 6.22.2 of these General Terms and Conditions.

Capacity may be reserved for an expansion project only during a 12-month period prior to Transporter filing for certificate approval for construction of proposed expansion project and thereafter until all expansion facilities are placed into service.

Any capacity reserved under this Section 6.3 paragraph ~~32~~ shall be made available for Transportation Service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the Service Agreement and pursuant to Section 6.22 of these General Terms and Conditions, commensurate with the proposed in-service date of the expansion project, or the actual in-service date if the project has not been completed by the proposed in-service date. Transporter will indicate any limitations on extension rights that will apply to such limited-term Transportation Service on Transporter's Internet site under Informational Postings listing Unsubscribed Capacity.

Reservation of capacity under this Section 6.3 paragraph ~~32~~ shall not in any way modify or limit existing capacity holders' rights under Section 6.22 of these General Terms and Conditions.



#### 6.22.2 Eligibility.

Any Shipper with an Agreement under Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, PTS-2, FSS, or NNS, which is: (a) executed prior to March 26, 2000 with an initial term of one (1) year or more; or (b) after March 26, 2000, for a term of twelve (12) consecutive months or more and is at the maximum applicable tariff rate (including maximum rate Agreements of one year or more where service is not available for twelve consecutive months), may exercise a right to continue to receive service thereunder from Transporter at the expiration of its Agreement provided that Shipper gives notice to Transporter that it desires to continue its Agreement and will match (a) the longest term, and (b) the highest rate for such service, up to the maximum rate, that is offered by any other person desiring such capacity; provided, however, that Transporter shall not be obligated to provide service at less than the maximum applicable rate(s). If a Shipper's Agreement does not qualify for the right of first refusal under this Section 6.22, then Transporter in a not unduly discriminatory manner may agree otherwise with any such Shipper. However, capacity (i) sold on an interim basis in accordance with Section 6.3 paragraph ~~32~~, Capacity Reserved for Expansion Projects, of these General Terms and Conditions or (ii) sold under Rate Schedule FTS-4L, shall not be eligible for a right of first refusal unless Transporter and Shipper agree to a conditional contractual ROFR that would take effect, with respect to (i) above, upon a determination that the proposed project will not go forward and with respect to (ii) above, upon the extension for a commensurate term of the applicable FTS-4 Agreement(s) needed to provide Transportation Service under the FTS-4L Agreement.

Also, the right of first refusal will not be applicable to interim Service Agreements for entitlement associated with capacity that is already under contract for a future period subject to the following conditions and in accordance with Section 6.2.10(i) of these General Terms and Conditions:

- (a) The future capacity must have been sold through an open season bidding process permitting bids for capacity for service to start immediately or anytime in the future;
- (b) The bids must have been evaluated on a net present value basis; and
- (c) The future capacity must have been awarded to the Shipper providing the highest net present value bid.

The Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal, however, the Shipper may not exercise the right of first refusal for a geographic portion of its Agreement.

FORM OF AGREEMENT  
(For use under Transporter's Rate Schedules  
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, FSS,  
PTS-2 and NNS)

Date: \_\_\_\_\_

Contract No. \_\_\_\_\_

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and \_\_\_\_\_ (Shipper name).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: \_\_\_\_\_

3. CONTRACT QUANTITIES:

Receipt Points - see Exhibit attached hereto (if applicable).  
Delivery Points - see Exhibit attached hereto (if applicable).  
Primary Routes - see Exhibit attached hereto (if applicable).  
Contract Quantities - see Exhibit attached hereto (if applicable).

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

(Optional for FSS and Transportation Agreements Used for Injection Into Storage)

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's Tariff changes, Transporter shall (a) make corresponding

changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

\_\_\_\_\_ Shipper elects changes per subpart (a) only.

\_\_\_\_\_ Shipper elects changes per subpart (a) and (b).

4. TERM OF AGREEMENT:

\_\_\_\_\_ to  
\_\_\_\_\_

(if applicable)

If Transportation Service is to be provided on a seasonal basis or for non-consecutive months during the term of the Agreement, those periods are set forth in the Primary Route Exhibit attached hereto.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest increased rates in whole or in part.

6. INCORPORATION BY REFERENCE:

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

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through GEMS<sup>™</sup>. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company  
717 Texas Street, Suite 25000  
Houston, Texas 77002-2761  
Attention: Commercial Services

SHIPPER:

\_\_\_\_\_ (Shipper Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip)  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
FAX: \_\_\_\_\_

INVOICES AND STATEMENTS:

\_\_\_\_\_ (Shipper Name)  
\_\_\_\_\_ (Address)  
\_\_\_\_\_ (City, State, Zip)  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
FAX: \_\_\_\_\_

8. FURTHER AGREEMENT

(This part to be utilized when necessary to specify other provisions permitted to be negotiated by Transporter's Tariff. Write None or specify the agreement)

(if applicable)

Pursuant to Section 5.5.4 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the short notice start-up and shut-down optional service.

(if applicable)

Pursuant to Section 5.5.5 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the variation of deliveries optional service.

(if applicable)

Pursuant to Section 6.3.2 of Transporter's Tariff, Transporter will make a Contribution in Aid of Construction subject to the terms and condition(s) as stipulated herein:

(if applicable)

Pursuant to Section 6.11 of Transporter's Tariff, Transporter and Shipper have mutually agreed to receipt and/or delivery pressure commitment(s) as stipulated herein:

(if applicable)

Shipper shall be entitled to the Right of First Refusal provided for in Section 6.22 of the General Terms and Conditions of Transporter's Tariff, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.22.2.

(if applicable)

Pursuant to Section 6.32 of Transporter's Tariff, Shipper elects the Reduction Option[s] under: \_\_\_\_\_ [Section 6.32.1-Loss of Load, or Section 6.32.2-Plant Outage, or Section 6.32.3-Regulatory Unbundling Order, or Section 6.32.4-Sole Supply Customer, or Section 6.32.5-Other Reduction Options (as further described below)]. To qualify for a reduction, Shipper must meet the notice, certification and/or other requirements stated in the tariff.

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

SHIPPER: \_\_\_\_\_

TRANSPORTER: ANR Pipeline Company

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_