



# Vector Pipeline<sup>TM</sup>

Binding Open Season  
Proposed 2010 Mainline Expansion Project

September 2, 2008 – September 30, 2008

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**Vector Pipeline  
Binding Open Season Procedures  
For Proposed 2010 Mainline Expansion Project**

Vector Pipeline L. P. and Vector Pipeline Limited Partnership (hereafter jointly referred to as “Vector”, “Vector Pipeline”, or “Vector System”), with offices at 38705 Seven Mile Road, Suite 490, Livonia, MI 48152, will conduct a binding open season (“Open Season”) for a proposed 2010 mainline expansion project (“2010 Expansion Project”) beginning at 8:00 a.m. EDT on Tuesday, September 2, 2008 and ending at 4:00 p.m. EDT on Tuesday, September 30, 2008. Any Precedent Agreements and transportation service agreements executed as a result of this Open Season will be binding between each shipper and Vector.

Please direct any questions or requests you may have regarding this Open Season to:

John Donaldson, Vice President, Marketing (734) 462-0238  
Matt Malinowski, Manager, Market Development (734) 462-0236

**Description of the Mainline Expansion Project**

Vector’s U.S. pipeline, Vector Pipeline L.P., currently interconnects with the Alliance, Northern Border, Guardian, ANR and NIPSCO pipeline systems near Joliet, Illinois. It also interconnects with Consumers Energy, MichCon, Washington 10 Storage, Bluewater Gas Storage along the eastern portion of the system in Michigan and with Vector’s Canadian pipeline, Vector Pipeline Limited Partnership at St. Clair, Michigan. In Canada, Vector Pipeline Limited Partnership interconnects with Union Gas and Enbridge Gas Distribution. Power plants at Crete, Illinois, Jackson, Michigan and Greenfield, Ontario are also interconnected with the Vector mainline system. The Vector System is regulated in the United States by the Federal Energy Regulatory Commission (“FERC”) and in Canada by the National Energy Board of Canada (“NEB”).

Vector proposes to increase both its longhaul capacity (Joliet to Dawn) and its shorthaul capacity (Belle River to Dawn) with a projected in-service date of November 1, 2010. Several alternative expansion designs have been evaluated, which include an increase to a portion of the system’s Maximum Allowable Operating Pressure (“MAOP”), the addition of either new compression, new compression and looping, or new compression and third party capacity. Following the close of this Open Season, Vector will evaluate the requests for service and determine the need for an expansion, if any, and the appropriate expansion facilities required. If Vector elects to proceed, shippers will be notified of the capacity they have been awarded.

## **Submission of Bid for Firm Transportation Service**

During this Open Season, any shipper interested in contracting for firm transportation service under the 2010 Expansion Project must **execute** and submit the following documents:

- Precedent Agreement with Attachment A (2 originals) - Attached
- Request for Service form - Attached
- Evidence of creditworthiness consistent with paragraph 6 of the Precedent Agreement.

Shippers may bid for longhaul transportation service using all receipt and delivery points on the Vector System. Bids for shorthaul capacity are limited to receipt/delivery points between the Belle River and Dawn interconnections. Vector will consider bids requesting new receipt and delivery points. Bids should be expressed as either (i) a 100% load factor rate stated per Dth (which Vector will allocate an amount per Dth for U.S. service and an amount per GJ for Canadian service in the case a bid for cross border service is accepted), or (ii) acceptance of the maximum rates applicable under Vector's respective FERC-approved and NEB-approved tariffs.

Vector anticipates shorthaul cross border transportation service requests will require the construction and installation of new facilities in Canada. In the event sufficient requests for service are obtained, Vector intends to file with the NEB all necessary applications for approvals of new facility, services and new rates that will allow for the recovery of all reasonable costs of such facilities. Bidders that offer to pay the maximum toll do so on condition that this rate will be designed in this manner and subject to NEB approval. .

Attachment A of the Precedent Agreement must include all of the following information:

- A bid for firm transportation service stated as either a stated amount or acceptance of the effective applicable maximum tariff rate(s). The Usage Charge, ACA, fuel, and any other surcharges authorized in accordance with Vector's tariff(s) will be charged in addition to shipper's bid rate.
- Requested Maximum Daily Quantity ("MDQ"), exclusive of fuel.
- Shipper's minimum acceptable MDQ, if any. This requested MDQ cannot be less than 1,000 Dth per day.
- Requested in-service date, which shall not be earlier than November 1, 2010.
- Primary Term Requested (Vector anticipates that longer term bids will be required to economically justify the Expansion Project).
- Primary Receipt and Primary Delivery Points. If more than one receipt or delivery point is desired, the MDQ, exclusive of fuel, for each point must be specified. Any proposed new Receipt or Delivery Point will be considered in accordance with Vector's New Facilities Policy section of the General Terms and Conditions of Vector's applicable FERC and NEB Gas Tariffs. If a shipper's bid is contingent on the availability of additional Receipt or Delivery Points (which

contingency must be stated in the bid) that Vector has determined not to provide, shipper's bid will not be considered in the Open Season.

To the extent bids by a shipper or shippers exceed available capacity at any particular point or segment, as an alternative to prorating capacity Vector may, in its sole discretion, propose additional facilities or purchase capacity from third parties to accommodate such request(s) provided that the cost of such additional point or segment capacity is acceptable to Vector in its sole discretion.

Shippers may submit multiple binding bids, but in each instance shippers must submit a separate Precedent Agreement with Attachment A and a Request for Service form. If the shipper elects to bid a rate other than the maximum tariff rate(s), Vector, in its sole discretion, will have the right to tender to all such bidder(s) either a discounted recourse agreement or a negotiated rate agreement.

Each bid will be independently evaluated by Vector. Bids containing variable rates, variable MDQs or such other variable factors, will be deemed "non-conforming bids." Non-conforming bids may be accepted by Vector, if Vector determines, in its sole discretion and acting reasonably without undue discrimination, that the resultant net present values are acceptable and all terms and conditions of the Precedent Agreement are satisfied.

Potential shippers are requested to submit a Precedent Agreement with Appendix A, a completed Request for Service form, and evidence of creditworthiness for each bid by registered or certified mail, courier, facsimile, hand delivery or electronic communication at any time during the Open Season to:

Vector Pipeline  
Attn: Marketing  
38705 Seven Mile Road  
Suite 490  
Livonia, MI 48152  
Phone: (734) 462-0230  
Fax: (734) 462-0231  
Email: john.donaldson@vector-pipeline.com; or  
matt.malinowski@vector-pipeline.com

Unless sent by facsimile or electronic communication, all materials received will be time and date noted by Vector. Any executed Precedent Agreement received (or post-marked, if sent by registered or certified mail) after the close of the Open Season will be considered only at Vector's discretion. Vector may, in its sole discretion, extend the duration of the Open Season at any time during the Open Season and, upon 5 business days notice given by means of a posting to Vector's web site ([www.vector-pipeline.com](http://www.vector-pipeline.com)), may modify the terms of the Open Season. Vector has no obligation to accept bids that contain terms that deviate from the terms of the Precedent Agreement

Vector Pipeline  
Binding Open Season  
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contained in these materials, but may, in its sole discretion and not in an unduly discriminatory manner, accept any such deviation in whole or in part.

### **Binding Capacity Turn Back Solicitation**

As part of the Open Season, Vector is soliciting from current firm shippers the turn back of all or a portion of their transportation capacity on Vector's system at all receipt and delivery points between the Alliance/Northern Border interconnection at Joliet, Illinois and the Union interconnection at Dawn, Ontario. This solicitation is for the sole purpose of evaluating the need for, and extent of, any additional facilities Vector may construct or capacity it may purchase to satisfy the requests for transportation services under this Open Season.

Existing shippers interested in turning back firm transportation capacity must execute and submit the following by the close of the Open Season in accordance with the instructions noted above under "Submission of Bid for Firm Transportation Service":

- Capacity Turn Back Request form

The binding Capacity Turn Back Request form must identify the contract(s) under which capacity turn back is requested, the capacity quantity offered for turn back, the rate per Dth or GJ, as applicable, (100% Load Factor basis, inclusive of 100% of demand charges applicable to the capacity) at which shipper would be willing to turn back the proposed capacity, and the receipt and delivery points. Any request for capacity turn back shall have a term equal to the remaining term of the firm transportation service agreement referenced in the shipper's turn back request.

To the extent Shipper's turn back rate is less than Shipper's contract rate, Shipper will reimburse Vector Pipeline L.P. and Vector Pipeline Limited Partnership in full, within 15 days of receipt of an invoice, the difference between the net present value of the remaining term of Shipper's contract and the net present value of the accepted turn back request, as determined by Vector in its sole discretion. Shipper's reimbursement obligation includes, but is not limited to, Shipper's obligations, if any, arising upon termination of Shipper's original contract. Shipper has no claim to any money that is collected by Vector for transportation services resulting from this Open Season that is in excess of Shipper's contract rate.

Vector reserves the right to reject, at its sole discretion, any requests for capacity turn back that are incomplete, contain modifications to the terms of this turn back capacity solicitation, contain any conditions on the turn back capacity or that would result in a decrease in net revenue to Vector as determined by Vector not on an unduly discriminatory basis.

Vector will determine in its sole discretion which request(s) for turn back capacity meet the request(s) for transportation services under this Open Season. The final design of the Expansion Project will be based in part on the results of the turn back capacity

solicitation. The aggregate turn back capacity accepted by Vector, if any, will in no event exceed the amount of expansion capacity to be built. Any capacity turn back established pursuant to a binding agreement with Vector will be permanent and non-recallable.

### **Evaluation of Project**

A final determination regarding whether Vector will proceed with the 2010 Expansion Project will be made in Vector's sole discretion, including consideration of the "Vector's Obligations" and "Shipper's Obligations" provisions contained in the Precedent Agreement, any Capacity Turn Back Request forms received during the Open Season, and the need, if any, for additional facility construction in Canada.

Based upon the requests for firm transportation service received during the Open Season and the requests for capacity turn back, Vector may develop an expansion project that is different than any specifically proposed during the Open Season, including potentially a combination of system expansion, purchase of third party capacity, and utilization of existing and anticipated-to-be existing capacity on the System. Only shippers submitting a binding request during this Open Season shall have the right to participate in such a project and such shippers shall not be entitled to terminate or withdraw their requests solely on the basis that the proposed expansion project is different than that discussed in this document.

### **Bids, Allocation and Awarding of Capacity**

Bids pursuant to this Open Season will be evaluated and awarded pursuant to Sections 30.2(a) and (b) of the General Terms and Conditions ("GT&C") of Vector's applicable FERC Gas Tariff, which conforms with the bid evaluation criteria options Vector may choose from as referenced in Section 25.2 of the GT&C to Vector's applicable NEB Transportation Tariff. For the purpose of this Open Season, all requests, including for capacity turn back, received during the Open Season period will be considered to have been received on the last day of the Open Season. Conforming bids and non-conforming bids acceptable to Vector in its sole discretion will be evaluated in a nondiscriminatory manner to determine awards of capacity and configuration of the project.

In the event that Vector allocates any capacity on a pro rata basis on the requested MDQ and the pro rata share falls below a shipper's specified minimum acceptable MDQ, that shipper's bid will be discarded, provided that before discarding such a bid, Vector will contact the affected shipper to determine if the shipper agrees to a reduction in the minimum MDQ.

If Vector determines in its sole discretion to go forward with the Expansion Project, shippers will be notified of their awarded capacity. Vector will provide each such shipper with one fully executed original Precedent Agreement within 60 days of the date upon which capacity is awarded.

## **Other**

These Open Season materials are provided for informational purposes to enable shippers to obtain firm transportation service through the 2010 Expansion Project. However, the information contained herein or that is provided in response to questions or a request for information about these procedures or the enclosed materials establishes no contractual or other relationship between Vector and any party. The Precedent Agreement is the only agreement that will set forth the parties' contractual relationship. Vector reserves the right to conduct additional open seasons, to determine the size, scope and cost of the project, and to reject or accept materials it receives after the close of the open season.



**PRECEDENT AGREEMENT  
FOR PROPOSED 2010 EXPANSION PROJECT  
Between  
Vector Pipeline L.P./Vector Pipeline Limited Partnership**

**And**

\_\_\_\_\_

This Precedent Agreement (“Precedent Agreement”), dated this \_\_\_\_\_ day of \_\_\_\_\_, 2008, is made by and between Vector Pipeline L.P., a Delaware limited partnership, and Vector Pipeline Limited Partnership, an Alberta limited partnership, both with offices at 38705 Seven Mile Road, Suite 490, Livonia, Michigan 48152 (hereafter jointly referred to as “Vector”, “Vector Pipeline”, or “Vector System”), and \_\_\_\_\_, a \_\_\_\_\_ with offices at \_\_\_\_\_  
(Insert State and entity form)

\_\_\_\_\_ (“Shipper”).

Vector and Shipper hereby agree to enter into an agreement for the natural gas transportation service described herein, provided the conditions and obligations set forth in this Precedent Agreement are satisfied in accordance herewith. The commitment provided by Shipper under this Precedent Agreement, and potentially other similar agreements, will be used as support for the construction and operation of certain facilities by Vector, which facilities are referred to herein as the “2010 Expansion Project.” Accordingly, Vector and Shipper agree as follows:

**RECITALS:**

**WHEREAS**, Vector proposes to construct and operate the 2010 Expansion Project, which will create additional capacity to provide transportation of natural gas on a firm basis from the origination point of the Vector System near Joliet, Illinois to the terminus of the Vector System at Dawn, Ontario; said 2010 Expansion Project is proposed to be in service as of November 1, 2010 and may consist of a combination of additional compression, potential looping, third party services, and appurtenant facilities to be located on the Vector System; and

**WHEREAS**, the facilities and capacities described herein may change based on the final capacity requirements or project design as determined by Vector in its sole discretion; and

**WHEREAS**, this Precedent Agreement is executed as evidence of Shipper's request for firm transportation service and Vector and Shipper's agreement to enter into a Transportation Agreement (or Agreements, as applicable) for Firm Transportation of Natural Gas ("FT Agreement"), consistent with firm rate schedules available in Vector's Federal Energy Regulatory Commission ("FERC") or National Energy Board of Canada ("NEB") tariff, as applicable, providing for natural gas transportation service, which service will be provided by Vector on a firm basis for Shipper following construction of the 2010 Expansion Project, subject to the conditions and obligations set forth herein and all applicable regulatory requirements; and

**WHEREAS**, Vector may require that a shipper requesting service at multiple delivery and/or receipt points execute multiple FT Agreements to confirm the request for firm transportation service at each delivery/receipt point, and Shipper agrees to comply with any such request.

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

**1. Effective Date and Term**

This Precedent Agreement shall become effective as of the date first stated above and shall remain in effect until the earlier of: (a) execution of the FT Agreement by Shipper and Vector and commencement of service of the 2010 Expansion Project, or (b) either Shipper's or Vector's exercise of its respective termination rights pursuant to this Precedent Agreement.

**2. Services**

Vector agrees to construct the 2010 Expansion Project and provide Shipper, as conditioned herein, with firm transportation service to meet Shipper's requirements as set forth on the attached Appendix A. The construction and operation of these facilities are or may be subject to the jurisdiction of FERC and/or the NEB, and the transportation service will be provided pursuant to the terms of Vector's approved tariff(s), as applicable.

**3. Rates**

Shipper agrees to pay the Reservation Charge(s) stated on Appendix A for the entire term of Shipper's FT Agreement as specified on Appendix A hereto. These charges will be for transportation service from the Receipt Point(s) to the Delivery Point(s) identified on the attached Appendix A.

The Usage Charge, Fuel Requirements, ACA Charge and any other additional authorized surcharges will be charged pursuant to Vector's tariff(s), as applicable, and as amended from time to time.

For Shippers designating Receipt and Delivery Points that involve transportation service across the United States-Canada border (hereafter "cross border transportation"), Vector reserves the right to allocate the rates set forth in Appendix A between Vector Pipeline L.P. (U.S. service) and Vector Pipeline Limited Partnership (Canadian service). Such allocation will not result in rates that are inconsistent with any applicable laws, rules or regulations.

**4. Volume, Term, Receipt and Delivery Points**

The contract maximum daily quantity and primary term are stated on the attached Appendix A. Unless otherwise agreed to in writing by Vector, the term specified on Appendix A and the payment of Reservation Charges will begin upon the later of the start date of the Primary Term specified on Appendix A or the actual date the 2010 Expansion Project is placed in-service. Shipper's election of Primary Receipt and Delivery Points are set forth on Appendix A. Secondary Receipt and Delivery Points may be made available pursuant to Vector's tariff(s), as applicable.

**5. Vector's Obligations**

Vector shall perform the duties and obligations assumed in this Precedent Agreement, subject to the following conditions:

- (a) All requisite and final federal, state, provincial, and local governmental approvals and other applicable authorizations must be obtained and maintained on terms acceptable to Vector in its sole discretion, including approval of construction, availability of materials and construction resources, rates, and terms and conditions of service; and
- (b) All rights-of-way and other surface rights required to situate and maintain the 2010 Expansion Project must be obtained on terms and conditions acceptable to Vector in its sole discretion; and
- (c) Sufficient firm capacity subscription must exist at acceptable rates, as determined in Vector's sole discretion, to proceed with the 2010 Expansion Project; and
- (d) The 2010 Expansion Project is deemed economically viable by Vector in its sole discretion; and
- (e) Approval by Vector's parent organizations by no later than December 31, 2008 that Vector may proceed with the 2010 Expansion Project.

## 6. Shipper's Obligations

By executing this Precedent Agreement, Shipper submits a binding request for firm transportation service and further agrees to undertake the following acts in addition to those otherwise contained in this Precedent Agreement:

- (a) Shipper agrees that it will execute a FT Agreement consistent with the form of firm service agreement contained in Vector's tariff(s), as applicable, within ten (10) business days after tender by Vector. The execution by the Parties of such firm service agreement shall mean that the Vector obligations stated in paragraphs 5 and 8(b)(3) herein have been deemed satisfied or have been waived by Vector. The FT Agreement will reflect the term, rate, Maximum Daily Quantity, and path indicated on Appendix A hereto; and
- (b) Shipper agrees to not oppose or object to, and upon request by Vector, Shipper agrees to support, any notification, tariff filing, application or certificate filing made to FERC, or to the NEB if applicable, or to any other governmental body to obtain any necessary authorizations to construct the 2010 Expansion Project or to provide service as set out herein; and
- (c) Shipper shall possess and maintain such credit as is required by Vector, in its reasonable discretion, to satisfy Shipper's financial and contractual obligations under this Precedent Agreement and under any FT Agreement entered into pursuant to this Precedent Agreement in a manner consistent with the credit assurances provisions in Section 31 of the General Terms and Conditions of Vector's FERC Gas Tariff and/or Section 26 of the General Terms and Conditions of Vector's NEB Gas Tariff, as applicable, in effect at the time of execution of this Precedent Agreement. Such assurances shall be provided by Shipper within fifteen (15) days of written notice by Vector, which request may be made by Vector at any time subsequent to the execution of this Precedent Agreement; and
- (d) Shipper acknowledges that Vector is relying on Shipper's commitments and obligations set forth in this Precedent Agreement in constructing the 2010 Expansion Project. In the event that Shipper defaults on any of these commitments or obligations, Vector shall provide Shipper with written notice specifying Vector's intent to terminate this Precedent Agreement. Shipper and Vector agree that the amount of damages incurred by Vector in the event of such a default, which damages Shipper agrees to pay Vector, shall be equivalent to Shipper's proportionate share of the non-mitigatable cost to construct the 2010 Expansion Project. However, Vector's damages shall be reduced by an amount equal to the net present economic value to Vector provided by a replacement shipper that assumes any portion of Shipper's obligations hereunder within six (6)

months from the date of Shipper's default. The replacement shipper must satisfy all criteria for creditworthiness or the requirements of financial assurances established by Vector. Shipper agrees that such damages shall be immediately due and owing to Vector six (6) months from the date of Shipper's default under this Precedent Agreement and shall not serve as a penalty but rather constitute liquidated damages as agreed between Shipper and Vector. Shipper and Vector acknowledge their expressed mutual intention that until the actual in-service date of the 2010 Expansion Project this liquidated damages provision controls the parties' relationship and shall take precedence over any damages provision to the contrary contained in any other agreement between the parties relating to the 2010 Expansion Project. Any reduction in damages to which Shipper may be entitled as the result of a replacement shipper assuming Shipper's obligations under this Precedent Agreement or any associated FT Agreement shall first be credited against any outstanding obligations of Shipper to Vector, with the remainder, if any, being refunded to Shipper by Vector.

## **7. Timing**

Vector anticipates that the 2010 Expansion Project will be ready for service on or about November 1, 2010, conditioned upon materials and contractor availability and receipt of all necessary regulatory and other approvals. However, if Vector is unable to commence service as contemplated hereunder by November 1, 2010, Vector will proceed with due diligence to commence the service for Shipper at the earliest practicable date thereafter. Shipper agrees that it shall have no cause of action against Vector for any delays in the in-service date for the 2010 Expansion Project.

## **8. Termination Rights**

- (a) Shipper's right to terminate this Precedent Agreement shall arise only if: (1) Shipper is unable to obtain within 30 days after the close of the Open Season any required management approvals for this Precedent Agreement; or (2) Vector shall not have filed an application for regulatory approval of the 2010 Expansion Project with FERC, and/or, if necessary, with the NEB, prior to April 30, 2009; or (3) Vector defaults on any of its obligations under this Precedent Agreement; or (4) Vector shall not have placed into service the 2010 Expansion Project by November 1, 2011.
- (b) Vector's right to terminate this Precedent Agreement shall arise if: (1) FERC, or the NEB if applicable, shall deny the application referred to in Paragraph 8(a) above; or (2) FERC, or the NEB if applicable, shall attach conditions or modifications to any order or certificate that results from the application that are unacceptable, as determined in Vector's sole discretion; or (3) Vector has not received approval from the Department of

Transportation (“DOT”) for any required MAOP upgrade or from any other federal, state, or provincial agency whose approval is necessary for the 2010 Expansion Project to proceed; or (4) Vector determines in its sole discretion that it is not economically viable to proceed with the 2010 Expansion Project, with such determination to be made at any time after the close of the Open Season but no later than thirty (30) days following the later of Vector’s receipt of a final order from FERC, and/or from the NEB if applicable, acting upon the Vector application; or (5) Shipper fails to maintain creditworthiness as determined by Vector in accordance with Paragraph 6(c) above; or (6) Shipper defaults on any of its obligations under this Precedent Agreement.

- (c) Any such termination shall be effected by delivery by the terminating party of written notice to the other party within twenty (20) business days after the occurrence of the event relied upon to terminate. Notice of termination delivered later than twenty (20) business days after the relied upon occurrence shall not be effective; provided that notice under Paragraph 8(b) may be given by Vector at any time while Shipper is in default of its obligations under Paragraph 6(c).

## **9. Authorities**

This Precedent Agreement and performance of the obligations hereof are subject to all present and future applicable valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction over the provision of natural gas transportation service in the United States of America and/or Canada, as applicable. Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, order, decision, rule or regulation in any forum having jurisdiction. Should Vector or Shipper, by force of any such law, order, decision, rule or regulation, at any time during the term of this Precedent Agreement 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, this Precedent Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing herein shall alter, modify or otherwise affect the respective rights of Vector or Shipper to terminate this Precedent Agreement under the terms and conditions hereof.

## **10. Assignment**

This Precedent Agreement may be assigned by Vector, in whole or in part, to a wholly or partially-owned affiliate or special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership. Shipper may assign this Precedent Agreement and any of the rights or obligations hereunder, including any associated FT Agreement, only to a wholly-owned affiliate or other entity that shall succeed by purchase, merger, consolidation or other transfer to the assets of Shipper, either substantially or in their entirety; provided, however,

that any such affiliate or successor entity shall not assume the rights of Shipper unless and until such affiliate or successor entity that assumes in writing Shipper's obligations under this Precedent Agreement, including any associated FT Agreement, and Vector determines that such affiliate or successor satisfies the creditworthiness standards contained in this Precedent Agreement and the provisions of Paragraph 6 herein. At such time as the 2010 Expansion Project has been placed in-service, (i) Shipper may release its capacity held under a FT Agreement for U.S. transportation service only pursuant to the General Terms and Conditions of Vector's then effective FERC Gas Tariff, and (ii) Shipper may execute a Permanent Assignment or Temporary Assignment for its capacity held under a FT Agreement for Canadian transportation service only pursuant to Vector's then effective NEB Gas Tariff. In the case of any proposed assignment of the Precedent Agreement by Shipper, prior written approval of Vector is required, which approval shall not be unreasonably withheld.

**11. Choice of Law**

**AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, INCLUDING THIS PROVISION, THIS PRECEDENT AGREEMENT SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY THE LAWS OF THE STATE OF MICHIGAN WITHOUT REGARD TO THE CHOICE OF LAW RULES OF THAT STATE.**

**12. Further Assurances**

Vector and Shipper shall enter into such additional agreements as may be necessary in furtherance of this Precedent Agreement.

**13. Notices**

Notices under this Precedent Agreement shall be addressed:

To Vector:

Vector Pipeline  
38705 Seven Mile Road, Suite 490  
Livonia, MI 48152  
Attn: President  
Fax: (734) 462-0231

To Shipper:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**14. Other Provisions**

(Any provisions added or modified hereto will be deemed a nonconforming bid in accordance with the Open Season Procedures)

**15. Entire Agreement**

This Precedent Agreement represents the entire and integrated agreement between the parties with respect to the matters specified herein and supersedes and cancels any prior or contemporaneous arrangements, understandings, or agreements, whether written or oral, by and between the parties relative to the subject matter hereof. No amendments may be made to this Agreement except in a writing signed by both parties.

**Accepted and agreed to as of the date first set forth above:**

**Vector Pipeline L.P.  
By Vector Pipeline, LLC  
As General Partner**

**Vector Pipeline Limited Partnership  
By Vector Pipeline Limited  
As General Partner**

**Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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

\_\_\_\_\_ **(SHIPPER)**

**The representative identified below is a duly authorized agent of and has the authority to bind** \_\_\_\_\_  
(Insert Shipper name)

**Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

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



**VECTOR PIPELINE  
2010 EXPANSION PROJECT**

**BINDING OPEN SEASON  
(September 2, 2008 – September 30, 2008)**

**REQUEST FOR SERVICE**

Check one or both of the following:

Vector Pipeline L.P. \_\_\_\_\_

Vector Pipeline Limited Partnership \_\_\_\_\_

**SHIPPER INFORMATION**

1. Shipper's Name: \_\_\_\_\_  
(Legal name of signatory party)

Province/State of Incorporation/Formation: \_\_\_\_\_  
(If applicable)

(Or) Other Legal Description: \_\_\_\_\_  
(e.g., partnership)

D-U-N-S No.: \_\_\_\_\_

Shipper is: (check one)

\_\_\_\_\_ LDC/Distributor

\_\_\_\_\_ Interstate Pipeline

\_\_\_\_\_ Producer

\_\_\_\_\_ Intrastate Pipeline

\_\_\_\_\_ End User

\_\_\_\_\_ Marketer

\_\_\_\_\_ Other: \_\_\_\_\_

Is Shipper affiliated with Vector Pipeline?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

If yes, list type and extent of affiliation.

\_\_\_\_\_

2. Requesting Party's Name (if different from Shipper):

\_\_\_\_\_

Is Requesting Party affiliated with Vector Pipeline?

\_\_\_\_\_ Yes

\_\_\_\_\_ No

If yes, list type and extent of affiliation.

\_\_\_\_\_

Is the supplier of Gas to be transported in any transaction associated with this request affiliated with Vector Pipeline?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Unknown

If yes, list the name of Gas supplier and the extent of affiliation.

---

Is the Gas for which Transportation service is requested, being marketed by a Vector Pipeline affiliate?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No

If yes, list the name of Marketer and the extent of affiliation.

---

If Gas is being marketed by a Vector Pipeline affiliate, does the cost of Gas to the affiliate exceed the sales price received by the marketing affiliate?

\_\_\_\_\_ Yes                      \_\_\_\_\_ No                      \_\_\_\_\_ Unknown

If yes, by how much? \_\_\_\_\_

3. Shipper Contacts:

	Notices	Invoicing	Scheduling & Nominations
Name:	_____	_____	_____
Title:	_____	_____	_____
Address:	_____	_____	_____
Address:	_____	_____	_____
City, State Zip Code:	_____	_____	_____
Telephone:	_____	_____	_____
Fax:	_____	_____	_____
E-mail:	_____	_____	_____
24-Hour Contact:	_____ Telephone:		_____

## SERVICE INFORMATION

4. Request is for:

New Service

Amended Service under Agreement No. \_\_\_\_\_

5. Service Authority:

NGPA Section 311 Service

NGA Section 7(c) Blanket Authority (Part 284)

6. Service Type:

FT-1 Rate Schedule

FT-L Rate Schedule

FT-H Rate Schedule

7a. Rate Offered (check appropriate items):

Reservation Rate

Usage Rate

7b. Bid Rate

\$\_\_\_\_\_ 100% Load Factor rate per DTH - or -

\_\_\_\_ (check) Maximum Recourse Rate/Firm Transportation Service Tolls

8. Term:

Commencement Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_

9. Requested Quantities:

Requested Daily Quantity \_\_\_\_\_ Dth per day

Minimum Acceptable Quantity \_\_\_\_\_ Dth per day

**RECEIPT/DELIVERY POINTS**

10. Receipt Point(s): Maximum Daily Quantity (Dth per day)

_____	_____
_____	_____
_____	_____

11. Delivery Point(s): Maximum Daily Quantity (Dth per day)

_____	_____
_____	_____
_____	_____

**"ON BEHALF OF" ENTITY INFORMATION**

12. Service pursuant to Section 311 (a) of the NGPA will be "On Behalf Of"

(Legal name) \_\_\_\_\_ N.A. \_\_\_\_\_, which is an:

\_\_\_\_\_ LDC      \_\_\_\_\_ Intrastate Pipeline

13. The named "on behalf of" entity will:

\_\_\_\_\_ have physical custody of and transport the Gas

\_\_\_\_\_ hold title to the Gas

Vector Pipeline must receive a written acknowledgment from each "on behalf of" entity confirming that it is a local distribution company or an intrastate pipeline, as defined in the NGPA, and that it will have either physical custody of and transport the Gas or will hold title to the Gas.

If Transportation service is being provided "on behalf of" more than one entity, list additional "on behalf of" entities, indicating the type of entity and whether it will either have physical custody of and transport (Transport) the Gas or hold title (Title) to the Gas.

Additional On Behalf Of Entities	Entity Type		Type of Transport
	LDC	Intrastate	
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

14. Send completed requests to:

Vector Pipeline  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152

Telephone No: (734) 462-0230

Fax No: (734) 462-0231

## SHIPPER AUTHORIZATIONS

Shipper hereby agrees to abide by the terms of Vector's FERC Gas Tariff and/or NEB Transportation Tariff, as applicable. Shipper further agrees that Vector may make an inquiry into Shipper's creditworthiness and obtain adequate assurance of Shipper's solvency and ability to fulfill its payment obligations. Shipper agrees to supply Vector with credit information as described in Section 31 of Transporter's FERC General Terms and Conditions.

Shipper's Authorized Signature

Name: \_\_\_\_\_

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

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

**VECTOR PIPELINE**  
**2010 EXPANSION PROJECT**  
**BINDING OPEN SEASON**  
**(September 2, 2008 – September 30, 2008)**

**VECTOR PIPELINE**  
**CREDIT APPROVAL REQUEST**

In order to submit a valid bid for capacity in Vector's Open Season, potential shippers must show evidence of creditworthiness as defined in the Terms and Conditions of Vector's FERC Gas Tariff / NEB Gas Tariff. Please complete and submit this form with your Precedent Agreement in accordance with Vector's Open Season Procedures.

- 
- 
1. Shipper's legal name, contact and principal place of business:

\_\_\_\_\_

**Legal Name**

\_\_\_\_\_

**Contact Name**

\_\_\_\_\_

**Principal place of business**

2. Shipper's business address for notices and billing:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Shipper contact's telephone and facsimile number:

\_\_\_\_\_

4. Does the Shipper have a public unsecured debt rating? If so, please indicate the rating, rating agency and date of last update.

Public Debt Rating

Rating Agency

Date of Update

\_\_\_\_\_

If no public debt rating is available, please indicate whether a parental guarantee (please indicate parent organization name, public debt rating and rating agency), a letter of credit or cash (please indicate amount of margin) will be provided in association with any and all transactions.

Parental Guarantee		
Parent Organization	Public Debt Rating	Rating Agency

Letter of Credit		
Financial Institution	Public Debt Rating	Rating Agency

Cash Amount	Currency

5. Contracted Capacity requested pre-approval: \_\_\_\_\_ Dth/day

6. Desired Service \_\_\_ FT-1, \_\_\_ FT-L, \_\_\_ FT-H

7. The following information **must** be attached to this request:

- The most recent audited annual report (if no annual report is produced then audited financial statements that include the Balance Sheet, Income Statement, Statement of Cash Flow and Notes to the Financial Statements)
- The current year's Quarterly Reports
- An organizational chart of the Shipper (must reflect any affiliate relationships with Parent Organization and affiliates)
- Certificates of Incorporation and Good Standing (or similar documents for other entities)

Should additional information be required, the requesting Shipper will be contacted directly by a Vector representative.

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**Information will be forwarded to and reviewed by:**

Vector Pipeline  
 38705 Seven Mile Road  
 Suite 490  
 Livonia, MI 48152

Attention: Roland Vandenbroeck  
 Phone: (734) 462-0239  
 Fax: (734) 462-0231  
 Email: roland.vandenbroeck@vector-pipeline.com

**For Vector Use Only**

Received: \_\_\_\_\_  
 Approved: \_\_\_\_\_

**VECTOR PIPELINE**  
**2010 EXPANSION PROJECT**  
**BINDING OPEN SEASON**  
**(September 2, 2008 – September 30, 2008)**

**CAPACITY TURN BACK REQUEST**

**SHIPPER INFORMATION:**

1. Shipper's Name: \_\_\_\_\_  
(Legal name of signatory party)

2. Shipper Contract Number: \_\_\_\_\_

**(Shipper must submit a separate Capacity Turn Back Request form for each Contract)**

3. Shipper Contact:

Name: \_\_\_\_\_

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

Address: \_\_\_\_\_

Address: \_\_\_\_\_

City, State \_\_\_\_\_

Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**CAPACITY TURN BACK REQUEST – TERMS**  
**(All items must be completed)**

4. Rate Requested by Shipper:

\$ \_\_\_\_\_ per Dth or GJ (100% Load Factor rate)

\_\_\_\_\_ By placing the initials hereto of a duly authorized representative, Shipper agrees to reimburse Vector Pipeline L.P. or Vector Pipeline Limited Partnership, as applicable, in full, within 15 days of receipt of an invoice, the difference between the net present value of the remaining term of Shipper's contract and the net present value of the accepted turn back request, as determined by Vector in its sole discretion. Shipper's reimbursement obligation includes, but is not limited to, Shipper's obligations, if any, arising upon termination of Shipper's original contract. Shipper also acknowledges that Shipper has no claim to any money that is collected by Vector Pipeline L.P. or Vector Pipeline Limited Partnership for transportation services resulting from this Open Season that is in excess of Shipper's contract rate.

5. Term: The term of the Capacity Turn Back Request is deemed to be the remaining term of Shipper's contract.

6. Requested Quantities:

Requested Daily Quantity: \_\_\_\_\_ Dth or GJ per day

Minimum Acceptable Quantity: \_\_\_\_\_ Dth or GJ per day  
 (To be not less than 1,000 Dth or 1055 GJ)

7. Primary Receipt Point(s): Maximum Daily Quantity (Dth or GJ per day)

_____	_____
_____	_____
_____	_____

8. Primary Delivery Point(s): Maximum Daily Quantity (Dth or GJ per day)

_____	_____
_____	_____
_____	_____

9. Send completed forms to:

Vector Pipeline  
Attn: Marketing  
38705 Seven Mile Road, Suite 490  
Livonia, Michigan 48152

Telephone No: (734) 462-0230  
Fax No: (734) 462-0231  
Email: john.donaldson@vector-pipeline.com  
matt.malinowski@vector-pipeline.com

**VECTOR RESERVATIONS**

Vector reserves the right to reject, at its sole discretion, this and any other Capacity Turn Back Request(s), that are incomplete, contain modifications to the terms of this request form, contain any conditions on the turn back capacity, or that would result in a decrease in net revenue to Vector.

Vector will determine, in its sole discretion and on a nondiscriminatory basis, which Capacity Turn Back Request(s) meet the requests for transportation service under this Open Season. The final design of the 2010 Expansion Project will be based in part on the results of Vector's consideration of the Capacity Turn Back Request(s).

**SHIPPER AUTHORIZATIONS**

Shipper hereby agrees to abide by the terms of this Capacity Turn Back Request and the terms of Vector's FERC Gas Tariff. Shipper further agrees that Vector may make an inquiry into Shipper's creditworthiness and obtain adequate assurance of Shipper's solvency and ability to fulfill its payment obligations. Shipper agrees to supply Vector with credit information as described in Section 31 of the General Terms and Conditions of Vector's FERC Gas Tariff.

Shipper's Authorized Signature:

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

Name: \_\_\_\_\_

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

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