

Date: June 16, 2009

To: All potential shippers, customers and interested parties

Re: Binding Open Season for 300 Line Project and Capacity Turnback Solicitation

I. General

Tennessee Gas Pipeline Company (“Tennessee”) hereby announces the commencement of a binding open season (“Open Season”) for firm transportation service to be made available through the use of currently existing capacity and upgrades to its existing system. The 300 Line Project (“Project”) will provide incremental firm transportation capacity to northeast markets along Tennessee’s 300 Line, with access into Dominion Transmission, National Fuel Gas Supply, Algonquin, and Transco, and the New York Joint Facilities owned by local distribution companies serving the New York City area market at Tennessee’s existing interconnect at White Plains, New York while accessing a diversified portfolio of traditional Gulf Coast, Appalachian, Rockies, and emerging Marcellus Shale supplies. The Project would provide incremental capacity for deliveries to Mahwah, New Jersey, River Vale, New Jersey, and the New York Joint Facilities at White Plains, New York.

Tennessee previously conducted a binding open season for the Project (formerly referred to as the “300 Line Expansion Project”) from July 14 through August 5, 2008. At that time, the amount of incremental firm transportation capacity was estimated to be 300,000 Dth/day. Tennessee has recently determined that an additional 50,000 Dth/day will be available following the construction of the Project facilities, and is now conducting this binding open season for the entire 350,000 Dth/day that Tennessee anticipates will be available under the Project.

As noted above, Tennessee anticipates the total amount of firm transportation capacity available under the Project to be up to 350,000 Dth/day, subject to the following limitations on receipt point and delivery point quantities:

- A. Receipt Point Quantities: The Project will provide up to 300,000 Dth/day of firm transportation service from the following receipt points: (i) up to 210,000 Dth/day located upstream of Station 527 on Tennessee’s Zone L, 500 Leg, (ii) up to 45,000 Dth/day located upstream of Station 823 on Tennessee’s Zone L, 800 Leg, and (iii) up to 45,000 Dth/day located downstream of Main Line Valve 15 on Tennessee’s Zone 0, 100 Leg, and/or alternate receipt points located downstream of the receipt points referenced in (i), (ii) or (iii) above, along Tennessee’s mainline and 300 Line, subject to available meter capacity. In addition, the Project will provide up to 50,000 Dth/day of firm transportation service from Marcellus production receipt points located downstream of Tennessee’s Station 319.
- B. Delivery Point Quantities: The Project will provide up to 350,000 Dth/day of firm transportation service to the following delivery points: (i) up to 200,000 Dth/day to Mahwah, New Jersey, (ii) up to 100,000 Dth/day to River Vale, New Jersey, and (iii) up to 50,000 Dth/day to White Plains, New York. Other delivery points in Zone 4 or Zone 5 in the Project path will be considered, subject to

available meter capacity and delivery capacity limitations as defined above. Capacity from the Marcellus production area described above will be available only to Mahwah, New Jersey or points upstream of Mahwah, provided that facilities for 300,000 Dth/d of incremental capacity are constructed to serve Project shippers from receipt points located upstream of Tennessee's Station 219.

The anticipated in-service date of the Project is November 1, 2011. Tennessee, in its sole discretion, may consider requests for service commencing prior or subsequent to that dates.

Tennessee has entered into a transaction with one shipper for 350,000 Dth per day of firm transportation capacity for a fifteen (15) year term, subject to any pro rata allocation of the firm transportation capacity awarded pursuant to this Open Season, as described in Section VII below. This shipper has executed a Precedent Agreement that conforms to the terms and conditions of the pro forma Precedent Agreement attached to this Open Season.

This Open Season will commence on June 16, 2009, and close at 4:00 p.m. CCT on July 7, 2009 ("Open Season Period"). To be considered, interested parties must submit a completed Service Request Form, an executed Precedent Agreement, and information regarding creditworthiness, to Tennessee by no later than 4:00 p.m. CCT via facsimile or email on July 7, 2009 to:

Tennessee Gas Pipeline Company
Attention: Bob Bookstaber
Fax: 713.420.4343
Email: bob.bookstaber@elpaso.com

II. Map

A map of the proposed facilities and Tennessee's existing system is attached as Exhibit A to this Open Season.

III. Service Type, Rates and Fuel

Service will be provided pursuant to Tennessee's Rate Schedule FT-A, as more fully described in and pursuant to Tennessee's FERC Gas Tariff.

Shippers may select either a cost-of-service based recourse rate or a negotiated rate for firm transportation service on the Project facilities. A postage stamp rate for the Project will be applicable for the transportation service using Project facilities involving all receipt/delivery point combinations selected by a shipper, as described above.

If a recourse rate is selected, shippers will pay the applicable demand and commodity rates, applicable surcharges, and fuel and loss charges under Transporter's Rate Schedule FT-A, as approved by the Federal Energy Regulatory Commission ("FERC") specifically for service on the Project facilities.

If a negotiated rate is selected, shippers' base negotiated rate will be as set forth in Exhibit A to the Negotiated Rate Agreement, which is attached as Exhibit B to the Precedent Agreement.

Tennessee anticipates that it will include, as part of the negotiated rate, a Project cost overrun and savings adjustment mechanism under which capital expenditure risks and benefits associated with the Project would be shared. The cost overrun and savings adjustment mechanism is further described in Exhibit B to the Negotiated Rate Agreement, which is attached as Exhibit B to the Precedent Agreement. If a negotiated rate is selected, shippers will pay the negotiated rate, applicable surcharges, and fuel and loss charges under Transporter's Rate Schedule FT-A.

Tennessee reserves the right to reject any request for transportation service at a daily reservation rate less than \$0.79 per Dth.

IV. Term

Tennessee reserves the right to reject any request for transportation service with a primary term less than fifteen (15) years.

V. Anchor Shipper Status and Benefits

A shipper may qualify to be an Anchor Shipper for the Project by committing to a Transportation Quantity ("TQ") equal to or greater than 250,000 Dth per day and a contract term of at least 15 years. Tennessee proposes that Anchor Shippers will receive certain benefits for helping the Project reach critical mass to proceed including rollover rights and a negotiated rate cap for construction overrun cost sharing. Refer to Paragraph 5 of the Precedent Agreement attached as Exhibit B to this document for additional information on these benefits. Anchor Shipper benefits are subject to FERC approval.

VI. Shipper Benefits

All shippers in the Project will have rights regarding secondary service and capacity segmentation as provided in Tennessee's FERC Gas Tariff. Tennessee's existing rate zones will be used for determining secondary access. Aggregate capacity segmentation rights at shipper's negotiated rate will be determined as a multiple of the shipper's Transportation Quantity and will be reflected in shipper's Negotiated Rate Agreement.

VII. Open Season Process

Participation in this Open Season shall be considered binding on both the participants and on Tennessee. Any shipper interested in participating in the Open Season must submit a valid request by delivering to Tennessee three items prior to the close of the Open Season: (1) a completed Service Request Form signed by a duly authorized representative; (2) the Precedent Agreement executed by a duly authorized representative; and (3) information demonstrating that the shipper can meet certain minimum financial criteria to satisfy Tennessee's creditworthiness requirements for this Project. Only Service Request Forms, accompanied by an executed Precedent Agreement and credit information, received during the Open Season Period will be considered for service under the Project. The Precedent Agreement will be binding upon execution by both the shipper and Tennessee.

Upon the close of this Open Season, Tennessee will review all bids, qualify shippers, and

evaluate the scope, economics, and feasibility and determine whether to proceed with the Project. Should Tennessee receive acceptable requests for service in excess of the design capacity of the Project and Tennessee, in its sole discretion, decides not to expand the scope of the Project, Tennessee will then proceed to award capacity on a net present value (“NPV”) basis to the shipper(s) that provide(s) the highest aggregate NPV to Tennessee until all capacity is awarded. Shippers with the same NPV will be subject to a pro rata allocation. To the extent a shipper has any minimum quantity below which it does not desire to participate in the Project or be awarded the capacity, it should so indicate on the Service Request Form. Tennessee will notify the shipper(s) that is/are awarded capacity in the Project by July 14, 2009.

Tennessee reserves the right, upon notice and in its sole discretion, at any time during this Open Season, to terminate the Open Season. In addition, Tennessee reserves the right to modify this Open Season to accommodate market interest. Tennessee reserves the right to accept requests that contain rates other than those offered as negotiated rates, or reject requests that contain rates that do not meet its financial objectives. Tennessee reserves the right, on a nondiscriminatory basis, to reject any Service Request Form or executed Precedent Agreement which, in Tennessee’s sole determination, is incomplete, is inconsistent with the terms of this Open Season, contains additions or modifications to the terms of the Service Request Form or Precedent Agreement, is otherwise deficient in any respect or requests service outside the scope of the Project.

This Open Season is subject to Tennessee’s FERC Gas Tariff and to all applicable laws, order, rules, and regulations of authorities having jurisdiction.

VIII. Creditworthiness

In order to be eligible to execute the binding Precedent Agreement, all potential shippers must meet certain minimum financial criteria. Potential shippers may contact Sharon Kimball, Tennessee’s Credit Manager, at (713) 420-2062 or Sharon.Kimball@elpaso.com to initiate the credit review process. Potential shippers will ultimately be required to demonstrate an ability to satisfy Tennessee’s creditworthiness provisions in order to be considered in the awarding of capacity and must agree to provide all required credit support documents (such as a parent guaranty or letter of credit in form and substance acceptable to Tennessee). Tennessee reserves the right to reject any potential shipper if Tennessee, in its sole discretion, deems such potential shipper to be an unacceptable credit risk.

Potential shippers shall provide financial information requested by Tennessee in accordance with Article XXVIII, Sections 4.1 and 4.2 of the General Terms & Conditions of Tennessee’s FERC Gas Tariff. Tennessee will conduct a credit evaluation in the manner outlined in Article XXVIII, Section 4.3 of the General Terms & Conditions of Tennessee’s FERC Gas Tariff. Depending on the shipper’s creditworthiness, a shipper may be required to provide a guaranty from another entity. Additionally, in the event a potential shipper is deemed non-creditworthy by Tennessee, the potential shipper will need to provide and maintain credit assurance to Tennessee, in form and substance acceptable to Tennessee in its sole discretion. Potential shippers shall provide and maintain such required credit assurance to Tennessee within 30 days of Tennessee’s notice to potential shipper indicating credit assurance is required. Such creditworthiness requirements

shall remain in effect during the term of the Precedent Agreement as well as the term of shipper's transportation agreement, until the earlier of the termination of shipper's transportation agreement.

IX. Turnback Capacity Solicitation

Existing shippers who currently hold firm transportation capacity downstream of Tennessee's compressor station 219 to delivery points along Tennessee's 300 Line in Zones 4 or 5 that shipper believes could be used in lieu of a portion(s) of the proposed Project, as defined and accepted by Tennessee, are invited to notify Tennessee of their desire to permanently relinquish their capacity for use in the Project. Existing shippers wishing to turn back such capacity must notify Tennessee, in writing, of their quantity, term, receipt point(s), delivery point(s) contract number(s), and any other relevant information necessary to effectuate the permanent relinquishment of such capacity. In order for Tennessee to consider anticipated turnbacks of capacity, such notification must be received by Tennessee on or before 4:00 PM CCT on July 7, 2009. This solicitation of turnback capacity is not binding on Tennessee. Turnback requests are subject to rejection or pro ration based upon the results of this Open Season and this turnback solicitation as determined by Tennessee in its sole discretion.

Tennessee reserves the right to reject, in its sole discretion, any turnback requests that are incomplete, contain modifications to the terms of the turnback capacity solicitation, or are submitted with any conditions on the turnback capacity. The final design of the Project will be based in part on the results of this capacity turnback solicitation.

If you have any questions regarding this Open Season, please contact Bob Bookstaber at (713) 420-2530 or bob.bookstaber@elpaso.com.

EXHIBIT A

(Map Provided Upon Request.)

EXHIBIT B

PRECEDENT AGREEMENT

This Precedent Agreement (“Agreement”) is made and entered into effective as of the [] day of _____, 2009 (“Effective Date”), by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware corporation, herein called “Transporter,” and [], a [], herein called “Shipper.” Transporter and Shipper are collectively referred to herein as the “Parties”.

WHEREAS, Transporter owns and operates an interstate natural gas transmission pipeline system, which extends in a northeasterly direction from the gas supply area in Texas, Louisiana, and the offshore Gulf of Mexico; through the States of Texas, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, Kentucky, West Virginia, Ohio, Pennsylvania, New York, New Jersey, Massachusetts, New Hampshire, Rhode Island, and Connecticut (“Transporter’s System”); and

WHEREAS, Transporter is developing its 300 Line Project (“Project”) to provide up to 350,000 Dth/d of additional firm transportation service from various supply points located in the Gulf Coast, Appalachia, and Marcellus Shale regions, as well as the proposed Rockies Express Pipeline interconnection with Transporter at or near Muskingum County, Ohio to three delivery points: Mahwah, New Jersey; River Vale, New Jersey; and White Plains, New York; the Project would require Transporter to expand its facilities to add approximately 55,000 horsepower and approximately 128 miles of 30-inch pipeline looping between Transporter’s Stations 219 and Mahwah, New Jersey and to reserve certain existing capacity on its system (the “Project Facilities”); and

WHEREAS, Transporter has additionally determined that to further optimize the Project it will add, expand, and/or replace compression facilities at certain existing compressor stations where horsepower will be added as part of the Project, and Shipper agrees that certain horsepower-related costs and expenses that will be incurred for such addition, expansion, and/or replacement will be allocated to the costs of the Project Facilities; and

WHEREAS, Shipper acknowledges that the rendition by Transporter of the firm natural gas transportation service requested by Shipper will require Transporter to construct the Project Facilities and to reserve certain existing firm transportation capacity in accordance with Transporter’s FERC Gas Tariff; and

WHEREAS, Shipper acknowledges that, on June 16, 2009, Transporter initiated an open season (“Open Season”) in connection with the Project to offer up to 350,000 Dth/day of firm transportation service from various supply points located in the Gulf Coast, Appalachia, and Marcellus Shale regions, as well as the proposed Rockies Express Pipeline interconnection with Transporter at or near Muskingum County, Ohio to three delivery points: Mahwah, New Jersey, River Vale, New Jersey, and White Plains, New York; and

WHEREAS, Shipper is participating in Transporter’s Open Season and requesting Transporter to provide long-term firm natural gas transportation service.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, Transporter and Shipper agree as follows:

1. Transporter agrees, subject to the satisfaction of the conditions set forth herein, to construct and reserve the necessary Project Facilities and to render firm transportation service for Shipper at the applicable rate selected by Shipper in Paragraph 6 below and pursuant to one firm transportation agreement (“Firm Agreement”) between Transporter and Shipper, which Firm Agreement shall be in a form substantially similar to Exhibit A hereto.

2. Subject to the terms and conditions of this Agreement, Transporter and Shipper agree to execute and deliver the Firm Agreement, in accordance with the provisions of Paragraph 11 below, pursuant to which Transporter shall transport and deliver for Shipper on a firm basis up to [] dekatherms (“Dth”) of natural gas per day (“Transportation Quantity” or “TQ”). Service for up to [] Dth/day hereunder shall commence on the later of November 1, 2011, or the date on which Transporter is prepared to render such service to Shipper under the Project (the “Commencement Date”) for a primary term ending [] years from the Commencement Date (the “Primary Term”), from the receipt point(s) to the delivery point(s), as specified in Paragraph 3 below; provided that Transporter and Shipper may mutually agree, in writing, to commence service prior to November 1, 2011.

3. The receipt points shall be comprised of [] Dth from [] subject to available meter capacity(ies). The delivery points shall be [] Dth to [] subject to available meter capacity(ies).

4. Transporter shall have the right to reduce the TQ specified in Paragraph 2 hereof if a reduction is necessary, in Transporter’s sole discretion, to (a) comply with the terms of the Open Season including, but not limited to, pro rata allocation of the capacity awarded as a result of the Open Season; or (b) comply with any Federal Energy Regulatory Commission (“FERC”) regulation, requirement, directive, or order, or with Transporter’s FERC Gas Tariff. Further, Transporter shall have the right to terminate this Agreement if, in Transporter’s sole discretion, such termination is necessary to comply with any FERC regulation, requirement, directive, or order, or with Transporter’s FERC Gas Tariff. If Shipper is eligible for Anchor Shipper status hereunder and its total TQ is reduced to below 117,000 Dth per day pursuant to subparagraph (a) of this Paragraph 4, then Shipper may terminate this Agreement by providing Transporter written notice thereof within 5 days of Shipper’s receipt of a written notice from Transporter of such a reduction.

5. **[Applicable to Standard Shippers Only:]** Upon the Effective Date of this Agreement, Shipper shall be deemed a Standard Shipper and not an Anchor Shipper in the Project.

or

[Applicable to Anchor Shippers Only:] Upon the Effective Date of this Agreement, Shipper shall be deemed an Anchor Shipper. Anchor Shippers are shippers that have made long-term (15 year minimum term) capacity commitments for the Project, evidenced by the Shipper’s execution of a binding precedent agreement, acceptable to Transporter in its sole discretion, which contains binding commitments for a maximum daily quantity equal to or exceeding 250,000 Dth/day. In the event Shipper’s total TQ is reduced to below 250,000 Dth per day pursuant to Paragraph 4, Shipper shall continue to be deemed an Anchor Shipper and shall be eligible for Anchor Shipper rate and contractual incentives, as discussed below. Transporter agrees to seek FERC approval to provide the Anchor Shipper with certain rate and contractual incentives, as further described below in this Paragraph 5. In the event FERC disallows or

modifies an Anchor Shipper rate or contractual incentive provided for in this Paragraph 5, the Parties shall attempt in good faith to negotiate an amendment to preserve the commercial intent of the Parties. Except as expressly provided herein, Transporter's failure to obtain the necessary FERC approvals of the qualifications to be an Anchor Shipper or of these rate and contractual incentives, in form and substance acceptable to Transporter in its sole discretion (or the Parties' failure to reach mutual agreement on an amendment), shall not provide Shipper with any right to terminate or modify this Agreement, nor shall Transporter's rights to terminate this Agreement pursuant to and in accordance with Paragraph 10 hereof or to request execution and delivery of the agreements identified in Paragraph 11 be affected.

a. Rollover Right. In the event that Shipper has selected the negotiated rate option in Paragraph 6 below, then Shipper shall have a one-time right to extend the Primary Term of the Firm Agreement, subject to at least 24 months written notice provided by Shipper to Transporter prior to the end of the Primary Term for five years at a fixed negotiated rate equal to the lower of (i) the negotiated rate that FERC has approved for the Firm Agreement or (ii) the applicable maximum recourse rate(s) for service on the Project Facilities, as further described in Section 12.1 of Exhibit A to this Agreement and in Section 1(b) of Exhibit B to this Agreement; provided that FERC has approved such rollover right, in form and substance acceptable to Transporter in its commercially reasonable discretion.

b. Negotiated Rate Adjustment for Cost Overruns and Under-runs. In the event that Shipper has selected the negotiated rate option in Paragraph 6 below, then any adjustment to Shipper's negotiated rate due to (a) Project cost escalations and/or construction cost overruns shall increase Shipper's negotiated rate, subject to a rate cap of \$0.84 per Dth, in accordance with Exhibit B of the Negotiated Rate Letter Agreement; and (b) Project cost decreases and/or construction cost savings shall reduce Shipper's negotiated rate in accordance with Exhibit B of the Negotiated Rate Agreement; provided that FERC has approved such rate adjustment mechanism, in form and substance acceptable to Transporter in its commercially reasonable discretion. Shipper shall have the right to review Transporter's books and records as reasonably necessary to verify Project costs for purposes of this provision.

c. Negotiated Rate Adjustment related to a Marcellus Expansion. If Transporter decides, in its sole discretion, to expand the Project Facilities located between Transporter's Station 313 and Station 325 to enable firm transportation service from the Marcellus Shale supply area, specifically located between Transporter's Station 313 and Station 325, to Mahwah, River Vale or White Plains (the "Marcellus Expansion"), and: (a) if Transporter files an application with the FERC for approval of, or otherwise initiates under its blanket authority, the Marcellus Expansion on or before four (4) years following the Commencement Date, and (b) if the negotiated rate for the filed Marcellus Expansion is less than Shipper's negotiated rate option selected in Paragraph 6 below, and (c) FERC's approval, in form and substance acceptable to Transporter in its sole discretion, of any negotiated rate adjustment described below in this Paragraph 5(c), Shipper shall be entitled to an adjustment to its negotiated rate, effective upon the commencement date of the Marcellus Expansion. Transporter and Shipper agree to work together in good faith to mutually agree upon an appropriate adjustment to Shipper's negotiated rate under this Agreement. Shipper acknowledges that Transporter will determine the scope and timing of any Marcellus Expansion project, whether to pursue and implement it, and the terms under which it will proceed with such expansion project, including but not limited to its determination on whether the FERC authorizations are satisfactory, all in its sole discretion.

6. Upon execution of this Agreement, Shipper must select one of the following rate options (indicated by an "x" in the space provided):

_____ Shipper selects for the Primary Term of the Firm Agreement the negotiated rate for its service as reflected in Exhibit B hereto.

_____ Shipper selects for the Primary Term of the Firm Agreement the recourse rate for its service, which shall be the applicable rate, surcharges, and fuel and loss percentage under Transporter's Rate Schedule FT-A, as approved by the FERC specifically for service on the Project Facilities.

7. Transporter shall use commercially reasonable efforts to obtain on or before July 7, 2009, the approval of its executive management and board of directors for the construction of the Project Facilities and the execution of all the agreements referenced in Paragraph 11 below pursuant to the terms of this Agreement. Transporter shall have the right, upon five days prior written notice provided to Shipper no later than July 13, 2009, to terminate this Agreement if Transporter's executive management or board of directors does not approve the construction of the Project Facilities and the execution of such agreements pursuant to the terms of this Agreement.

8. Shipper shall use commercially reasonable efforts to obtain on or before July 7, 2009, the approval of its executive management and board of directors to execute all the agreements referenced in Paragraph 11 below pursuant to the terms of this Agreement. Shipper shall have the right, upon five days prior written notice provided to Transporter no later than July 13, 2009, to terminate this Agreement if either Shipper's executive management or board of directors in its sole discretion does not approve the execution of such agreements pursuant to the terms of this Agreement.

9. Transporter shall use commercially reasonable efforts to obtain all necessary and final authorizations, consents and approvals, including all necessary and final authorizations from federal, state, and local authorities having jurisdiction, including but not limited to those of the FERC (collectively, "Transporter's Authorizations"), on terms and conditions acceptable to Transporter in its sole discretion, to construct and secure the Project Facilities and to render the proposed firm transportation service for Shipper pursuant to the terms and conditions specified herein, in the Firm Agreement, the Negotiated Rate Agreement, if applicable, the Credit Agreement, and in Transporter's FERC Gas Tariff. Shipper agrees to support Transporter's filing(s) to implement the Project Facilities, service, and rates, as proposed by Transporter. Transporter may file, amend, and prosecute applications for the Transporter's Authorizations that it requires hereunder and, if necessary, pursue any rehearing, appeal, or court review in such manner as it deems to be in its best interest. Shipper shall cooperate with Transporter in seeking such Transporter's Authorizations including any rehearing, appeal, or court review.

10. If the Transporter's Authorizations are satisfactory to Transporter, in Transporter's sole discretion, Transporter shall so notify Shipper in writing. If the Transporter's Authorizations referenced in Paragraph 9 are not satisfactory to Transporter, in Transporter's sole discretion, then Transporter shall have the right to terminate this Agreement upon ninety (90) days prior written notice to Shipper. The authorizations that must be satisfactory to Transporter include, but are not limited to, rates, facilities, terms and conditions of service, and environmental conditions. If notice is given by Transporter that the Transporter's Authorizations are not satisfactory, the parties shall attempt in good faith to negotiate within the ninety (90) day period an amendment to this Agreement to accomplish the business objectives of this Agreement in light of the lack of satisfactory Transporter's Authorizations. This Agreement shall terminate

upon the expiration of the foregoing ninety (90) day period unless within such period (a) a change to the Transporter's Authorizations renders them satisfactory to Transporter, (b) the parties otherwise mutually agree to an amendment of this Agreement, or (c) the parties agree in writing to extend the ninety (90) day period.

11. At any time, but subject to the terms hereof and in no event earlier than the issuance of a FERC order approving the Project to Transporter's satisfaction, Transporter has the right, in its sole discretion, to request execution and delivery of 1) the Firm Agreement, 2) the Negotiated Rate Agreement, if applicable, and 3) the Credit Agreement. Within fifteen (15) business days after such request by Transporter to Shipper, Transporter and Shipper shall execute and deliver: 1) the Firm Agreement, 2) the Negotiated Rate Agreement, if applicable, and 3) the Credit Agreement.

12. As of the Effective Date of this Agreement, Shipper shall satisfy the following with respect to creditworthiness in accordance with Transporter's Tariff:

a. Shipper has furnished financial information as requested by Transporter in accordance with Article XXVIII, Sections 4.1 and 4.2, of the General Terms and Conditions of Transporter's Tariff, and Transporter has conducted a credit evaluation of Shipper's creditworthiness in accordance with Transporter's Tariff.

b. On or before July 7, 2009, Shipper is required to provide [to be determined based on credit evaluation].

c. The Parties acknowledge that Shipper's **[and Guarantor's]** credit quality may change over time, and Transporter shall have the right to obtain updated or additional financial information from Shipper **[and Guarantor]** at any time to assess its **[their]** current creditworthiness. If at any time during the term of this Agreement, Shipper **[and Guarantor]** fail[s] to demonstrate its creditworthiness to Transporter in accordance with Transporter's Tariff or if Shipper **[or Guarantor]** loses its creditworthy status, then Transporter may require Shipper **[and Guarantor]** to provide and maintain credit assurance, in form and substance acceptable to Transporter in accordance with Transporter's Tariff, and, in a dollar amount up to **[twenty-four (24)]** months of Shipper's reservation charges for Shipper's Transportation Quantity as specified in Paragraph 2 of this Agreement. Transporter agrees any of the following is an acceptable credit assurance, which Shipper may elect to provide in its sole discretion:

- (i) an irrevocable letter of credit to Transporter, satisfactory to Transporter, verifying the Shipper's creditworthiness;
- (ii) an estimate of its transportation requirements in advance and a prepayment in advance for this service on Transporter's system;
- (iii) a grant to Transporter of a security interest in collateral, the value of which is mutually agreed upon by Transporter and Shipper;
- (iv) a guarantee by another person or entity which satisfies Transporter's credit appraisal; or
- (v) other mutually agreeable forms and value of credit assurances.

"Credit Rating" is defined to be a party's senior unsecured debt rating as assigned by Standard & Poor's Rating Service ("S&P") and Moody's Investor Services ("Moody's"). In the event, either S&P or Moody's discontinues its rating services, such that only one or the other rating agency exists, Transporter and Shipper agree to discuss possible alternative agencies that rate senior unsecured debt.

If Shipper's Credit Rating is rated by S&P or Moody's, then the amount of credit assurance shall be determined from the following table.

Shipper's or Guarantor's S&P Credit Rating*	Shipper's or Guarantor's Moody's Credit Rating*	Amount of Credit Assurance
BBB- or better	Baa3 or better	None
BB+	Ba1	[12] months of reservation charges under the Firm Agreement
BB or below	Ba2 or below	[24] months of reservation charges under the Firm Agreement (or number of months remaining if less)

* In the event Shipper's Credit Rating from S&P and Moody's is not equivalent, on a relative scale, then the highest Credit Rating shall apply.

Shipper shall provide and maintain such required credit assurance to Transporter, in the amount specified in the table above, for the duration of this Agreement and the Firm Agreement, or such earlier time when Shipper's Credit Rating is equal to a BBB- or better with a stable or positive outlook by S&P and Baa3 or better with a stable or positive outlook by Moody's.

d. If neither S&P nor Moody's rates Shipper, then the amount of credit assurance required from Shipper shall be no more than [twenty-four (24)] months of Shipper's reservation charges for Shipper's Transportation Quantity as specified in Paragraph 2 of this Agreement as determined by Transporter in its commercially reasonable discretion pursuant to its credit appraisal of Shipper's current financial condition. If after five (5) days prior written notice from Transporter, Shipper fails to establish and maintain credit assurance as required by this Paragraph 12, Transporter shall have the right to terminate this Agreement upon thirty (30) days written notice to Shipper. Contemporaneously with the execution of the Firm Agreement, Shipper and Transporter shall execute and deliver a credit agreement substantially in the form attached hereto as Exhibit C (the "Credit Agreement"), and Shipper's creditworthiness obligations shall thereafter be governed by such Credit Agreement.

13. If Transporter determines on or before September 30, 2009 that all or any applicable portion of the Project would not be economic, in Transporter's sole discretion, Transporter shall have the right to terminate this Agreement upon sixty (60) days prior written notice to Shipper. This Agreement shall terminate upon the expiration of the sixty (60) day period unless within such period (a) Transporter, in writing, withdraws such notice of termination or (b) the parties, in writing, enter into a mutually acceptable amendment to this Agreement.

14. Transporter agrees to seek FERC approval to modify its FERC Gas Tariff to accept natural gas from Appalachia supplies which may not otherwise meet the gas quality specifications in Transporter's FERC Gas Tariff, due to the high Btu content of such gas. Transporter's failure to obtain the necessary FERC approval of such tariff modification, shall not provide Shipper with any right to terminate or modify this Agreement, nor shall Transporter's

rights to terminate this Agreement pursuant to and in accordance with Paragraph 10 hereof or to request execution and delivery of the agreements identified in Paragraph 11 be affected

15. Any notice and/or request provided for in this Agreement or any notice either party may desire to give to the other shall be in writing and may be transmitted by facsimile, overnight courier, or mailed by registered or certified mail to the post office address of the party intended to receive the same, as the case may be, as follows:

Transporter: Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, TX 77002
Attn: Director, Business Development
FAX: (713) 420-4343

Shipper: []

Notice by facsimile shall be sent prior to 5 p.m. Central Time, which notice must be followed by the above-described overnight courier or mailing. Notice is effective as of the date of facsimile confirmed receipt or, in the absence of facsimile, as of the date received.

16. Any entity that shall succeed by purchase, merger, consolidation, or other transfer to the properties of either Transporter or Shipper, either substantially or as an entirety, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement. Either party may, without relieving itself of its obligations under this Agreement, freely assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or of any of the rights or obligations hereunder shall be made, unless there first shall have been obtained the written consent thereto of the other party to this Agreement, which consent shall not be unreasonably withheld. It is agreed, however, that the restrictions on assignment contained in this paragraph shall not in any way prevent either party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness. Once the Firm Agreement is executed, it is agreed that any assignment of such Firm Agreement is subject to the terms and conditions of Transporter's FERC Gas Tariff and the terms of this Agreement shall no longer control.

17. No modification of the terms and provisions of this Agreement shall be made except by the execution by both parties of a written agreement.

18. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ANY CONFLICT OF LAWS RULE OF THE STATE OF TEXAS THAT WOULD REQUIRE REFERENCE TO THE LAWS OF SOME OTHER STATE OR JURISDICTION SHALL BE DISREGARDED.

19. Unless terminated sooner pursuant to the terms herein, this Agreement shall terminate upon the execution of the Firm Agreement. Upon termination of this Agreement for any reason provided for herein, neither party shall have any further rights or obligations under this Agreement.

20. No waiver by a party of any default(s) by the other party in the performance of any provision, condition, or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner

release the defaulting party from performance of any other provision, condition, or requirement herein.

21. This Agreement, and all of the terms and provisions contained herein, and the respective obligations of the parties hereunder, are subject to Transporter's FERC Gas Tariff and to all valid laws, orders, rules, and regulations of duly constituted governmental authorities having jurisdiction.

22. If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, such declaration shall in no way affect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

23. No presumption shall operate in favor of or against any party as a result of any responsibility or role that any party may have had in the drafting of this Agreement.

24. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OR DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT, OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

25. This Agreement shall not be effective unless executed by both Parties. The Parties will cooperate on the issuance of any press release.

26. This Agreement sets forth all understandings and agreements between the parties respecting the subject matter hereof, and all prior agreements, understandings, and representations, whether written or oral, respecting the subject matter hereof are merged into and superseded by this Agreement.

27. This Agreement may be executed in two or more counterparts, each of which shall be an original, and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

By: _____

Name: _____

Title: _____

[SHIPPER]

By: _____

Name: _____

Title: _____

EXHIBIT A TO PRECEDENT AGREEMENT

Service Package No: _____

Amendment No: _____

GAS TRANSPORTATION AGREEMENT

(For Use under FT-A Rate Schedule)

THIS AGREEMENT is made and entered into as of the _____ day of _____, _____, by and between TENNESSEE GAS PIPELINE COMPANY, a Delaware Corporation, hereinafter referred to as “Transporter” and [], a [] corporation, hereinafter referred to as “Shipper.” Transporter and Shipper shall collectively be referred to herein as the “Parties.”

WHEREAS, Shipper and Transporter have entered into a Precedent Agreement dated [DATE] (the “Precedent Agreement”), pursuant to which Transporter agreed to file an application with the Federal Energy Regulatory Commission (“FERC”) for the necessary authorizations to (i) provide a certain natural gas service and (ii) construct and operate the facilities necessary to provide such firm transportation service; and

WHEREAS, Transporter has now been authorized by the FERC order issued on [DATE] in [DOCKET] to render the firm transportation service described herein and to construct and operate the necessary facilities therefor.

ARTICLE I – DEFINITIONS

- 1.1 **TRANSPORTATION QUANTITY** - shall mean the maximum daily quantity of gas which Transporter agrees to receive and transport on a firm basis, subject to Article II herein, for the account of Shipper hereunder on each day during each year during the term hereof, which shall be _____ dekatherms. Any limitations on the quantities to be received from each Point of Receipt and/or delivered to each Point of Delivery shall be as specified on Exhibit “A” attached hereto.
- 1.2 **EQUIVALENT QUANTITY** - shall be as defined in Article I of the General Terms and Conditions of Transporter’s FERC Gas Tariff.

ARTICLE II – TRANSPORTATION

- 2.1 **TRANSPORTATION SERVICE** – After receipt and acceptance by Transporter, in its sole determination, of all FERC and other authorizations necessary to provide service hereunder and the satisfactory completion by Transporter, in Transporter’s sole determination, of the facilities required to provide such service, beginning on the Commencement Date (as defined in Section 2.2 below), Transporter agrees to accept and receive daily on a firm basis, at the Point(s) of Receipt, from Shipper or for Shipper’s account, such quantity of gas as Shipper makes available up to the Transportation Quantity, and to deliver to or for the account of Shipper to the Point(s) of Delivery an Equivalent Quantity of gas.

2.2 COMMENCEMENT OF SERVICE – Upon completion of construction of the pipeline facilities required to enable Transporter to render the transportation service described herein and after receipt and acceptance by Transporter of all FERC and other necessary authorizations, as further described in Section 2.1 above, Transporter will notify Shipper, in writing, of the date on which Transporter will be ready to commence transportation service under this Agreement (the “Commencement Date”). The Commencement Date shall be 30 days after the date of Transporter’s notice (“Notice”). In no event shall the Commencement Date be prior to November 1, 2011, unless otherwise mutually agreed to, in writing, by Transporter and Shipper.

ARTICLE III – POINT(S) OF RECEIPT AND DELIVERY

The Primary Point(s) of Receipt and Delivery shall be those points specified on Exhibit “A” attached hereto.

ARTICLE IV

Transporter shall construct, install, own, and operate the facilities necessary for Transporter to receive and deliver the gas as contemplated herein for Shipper’s account at the Point(s) of Receipt and the Point(s) of Delivery.

ARTICLE V - QUALITY SPECIFICATIONS AND STANDARDS FOR MEASUREMENT

For all gas received, transported and delivered hereunder the Parties agree to the Quality Specifications and Standards for Measurement as specified in the General Terms and Conditions of Transporter’s FERC Gas Tariff Volume No. 1. To the extent that no new measurement facilities are installed to provide service hereunder, measurement operations will continue in the manner in which they have previously been handled. In the event that such facilities are not operated by Transporter or a downstream pipeline, then responsibility for operations shall be deemed to be Shipper’s.

ARTICLE VI - RATES AND CHARGES FOR GAS TRANSPORTATION

6.1 TRANSPORTATION RATES –Commencing upon the Commencement Date, the rates, charges, and surcharges to be paid by Shipper to Transporter for the transportation service provided herein shall be in accordance with Transporter’s Rate Schedule FT-A and the General Terms and Conditions of Transporter’s FERC Gas Tariff. Except as provided to the contrary in any written or electronic agreement(s) between Transporter and Shipper in effect during the term of this Agreement, Shipper shall pay Transporter the applicable maximum rate(s) and all other applicable charges and surcharges specified in the Summary of Rates in Transporter’s FERC Gas Tariff and in this Rate Schedule. Transporter and Shipper may agree that a specific discounted rate will apply only to certain volumes under the agreement. Transporter and Shipper may agree that a specified discounted rate will apply only to specified volumes (MDQ, TQ, commodity volumes, Extended Receipt and Delivery Service Volumes or Authorized Overrun volumes) under the Agreement; that a specified discounted rate will apply only if

specified volumes are achieved (with the maximum rates applicable to volumes above the specified volumes or to all volumes if the specified volumes are never achieved); that a specified discounted rate will apply only during specified periods of the year or over a specifically defined period of time; that a specified discounted rate will apply only to specified points, zones, markets or other defined geographical area; and/or that a specified discounted rate will apply only to production or reserves committed or dedicated to Transporter. Transporter and Shipper may agree to a specified discounted rate pursuant to the provisions of this Section 6.1 provided that the discounted rate is between the applicable maximum and minimum rates for this service.

- 6.2 INCIDENTAL CHARGES — Shipper agrees to reimburse Transporter for any filing or similar fees, which have not been previously paid for by Shipper, which Transporter incurs in rendering service hereunder.
- 6.3 CHANGES IN RATES AND CHARGES — Unless otherwise specified in Section 6.1, Shipper agrees that Transporter shall have the unilateral right to file with the appropriate regulatory authority and make effective changes in (a) the rates and charges applicable to Shipper's service pursuant to Transporter's Rate Schedule FT-A, (b) the rate schedule(s) pursuant to which service hereunder is rendered, or (c) any provision of the General Terms and Conditions applicable to those rate schedules. Transporter agrees that Shipper may protest or contest the aforementioned filings, or may seek authorization from duly constituted regulatory authorities for such adjustment of Transporter's existing FERC Gas Tariff as may be found necessary to assure Transporter just and reasonable rates.

ARTICLE VII - BILLINGS AND PAYMENTS

Transporter shall bill and Shipper shall pay all rates and charges in accordance with Articles V and VI, respectively, of the General Terms and Conditions of the FERC Gas Tariff.

ARTICLE VIII - GENERAL TERMS AND CONDITIONS

This Agreement shall be subject to the effective provisions of Transporter's Rate Schedule FT-A and to the General Terms and Conditions incorporated therein, as the same may be changed or superseded from time to time in accordance with the rules and regulations of the FERC.

ARTICLE IX - REGULATION

- 9.1 This Agreement shall be subject to all applicable and lawful governmental statutes, orders, rules and regulations and is contingent upon the receipt and continuation of all necessary regulatory approvals or authorizations upon terms acceptable to Transporter, in its sole determination. This Agreement shall be void and of no force and effect if any necessary regulatory approval is not so obtained or continued. All Parties hereto shall cooperate to obtain or continue all necessary

- 9.2 The transportation service described herein shall be provided subject to Subpart G, Part 284 of the FERC Regulations.

ARTICLE X - RESPONSIBILITY DURING TRANSPORTATION

Except as herein specified, the responsibility for gas during transportation shall be as stated in the General Terms and Conditions of Transporter's FERC Gas Tariff Volume No. 1.

ARTICLE XI - WARRANTIES

- 11.1 In addition to the warranties set forth in Article IX of the General Terms and Conditions of Transporter's FERC Gas Tariff, Shipper warrants the following:
- (a) Shipper warrants that all upstream and downstream transportation arrangements are in place, or will be in place on the Commencement Date, and that it has advised the upstream and downstream transporters of the receipt and delivery points under this Agreement and any quantity limitations for each point as specified on Exhibit "A" attached hereto. Shipper agrees to indemnify and hold Transporter harmless for refusal to transport gas hereunder in the event any upstream or downstream transporter fails to receive or deliver gas as contemplated by this Agreement.
 - (b) Shipper agrees to indemnify and hold Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses (including reasonable attorneys fees) arising from or out of breach of any warranty by Shipper herein.
- 11.2 Transporter shall not be obligated to provide or continue service hereunder in the event of any breach of warranty.

ARTICLE XII - TERM

- 12.1 This Agreement shall be effective as of the date hereof; provided, however, that Transporter shall be under no obligation to receive or to deliver any quantities of natural gas hereunder prior to the Commencement Date, as defined in Article II, Section 2.2 hereof. This Agreement shall remain in force and effect, unless modified as per Exhibit B, until the expiration of ____ years following the Commencement Date ("Primary Term") and on a month to month basis thereafter unless terminated by either Party upon at least thirty (30) days prior written notice to the other Party; provided, however, that if the Primary Term is one year or more, then any rights to Shipper's extension of this Agreement after the Primary Term shall be governed by Article III, Section 10.4 of the General Terms and Conditions of Transporter's FERC Gas Tariff; **[Applicable to Anchor Shippers:**

and provided further, that if this Agreement involves a negotiated rate arrangement, then the Parties expressly agree that Shipper shall have a one-time right to extend the term of this Agreement for an additional 5-year period, subject to at least 24 months written notice provided by Shipper to Transporter prior to the end of the Primary Term; otherwise, pursuant to Section 10.4.1, unless mutually and expressly agreed by the Parties, Shipper shall not have a one-time right to extend the term of this Agreement]; provided further, if the FERC or other governmental body having jurisdiction over the service rendered pursuant to this Agreement authorizes abandonment of such service, this Agreement shall terminate on the abandonment date permitted by the FERC or such other governmental body.

- 12.2 Any portions of this Agreement necessary to resolve or cash out imbalances under this Agreement as required by the General Terms and Conditions of Transporter’s Tariff shall survive the other parts of this Agreement until such time as such balancing has been accomplished; provided, however, that Transporter notifies Shipper of such imbalance not later than twelve months after the termination of this Agreement.
- 12.3 This Agreement will terminate automatically upon written notice from Transporter in the event Shipper fails to pay all of the amount of any bill for service rendered by Transporter hereunder in accord with the terms and conditions of Article VI of the General Terms and Conditions of Transporter’s FERC Gas Tariff.

ARTICLE XIII - NOTICE

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and mailed to the post office address of the Party intended to receive the same, as follows:

TRANSPORTER: Tennessee Gas Pipeline Company
P. O. Box 2511
Houston, Texas 77252-2511
Attention: Director, Transportation Control

SHIPPER:
NOTICES: [Shipper]
[]
[]
[]

BILLING: [Shipper]
[]
[]
[]

or to such other address as either Party shall designate by formal written notice to the other.

ARTICLE XIV - ASSIGNMENTS

- 14.1 Either Party may assign or pledge this Agreement and all rights and obligations hereunder under the provisions of any mortgage, deed of trust, indenture, or other instrument which it has executed or may execute hereafter as security for indebtedness. Either Party may, without relieving itself of its obligation under this Agreement, assign any of its rights hereunder to a company with which it is affiliated. Otherwise, Shipper shall not assign this Agreement or any of its rights hereunder, except in accord with Article III, Section 11 of the General Terms and Conditions of Transporter's FERC Gas Tariff.
- 14.2 Any person which shall succeed by purchase, merger, or consolidation to the properties, substantially as an entirety, of either Party hereto shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under this Agreement.

ARTICLE XV - MISCELLANEOUS

- 15.1 THE INTERPRETATION AND PERFORMANCE OF THIS CONTRACT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO THE DOCTRINES GOVERNING CHOICE OF LAW.
- 15.2 If any provision of this Agreement is declared null and void, or voidable, by a court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.
- 15.3 Unless otherwise expressly provided in this Agreement or Transporter's Gas Tariff, no modification of or supplement to the terms and provisions stated in this Agreement shall be or become effective until Shipper has submitted a request for change through PASSKEY and Shipper has been notified through PASSKEY of Transporter's agreement to such change.
- 15.4 Exhibit "A" attached hereto is incorporated herein by reference and made a part hereof for all purposes.
- 15.5 This Agreement, as of the date hereof, shall supersede and cancel the Precedent Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

By: _____
Name: _____
Title: _____

[SHIPPER]

By: _____
Name: _____
Title: _____

EXHIBIT "A"
TO GAS TRANSPORTATION AGREEMENT
DATED _____
BETWEEN
TENNESSEE GAS PIPELINE COMPANY
AND
[SHIPPER]

EFFECTIVE DATE OF AMENDMENT: _____

RATE SCHEDULE: _____

SERVICE PACKAGE: _____

SERVICE PACKAGE TQ: _____ Dth

METER	METER NAME	INTERCONNECT PARTY NAME	COUNTY	ST	ZONE	R/D	LEG	TOTAL- TQ	BILLAB LE-TQ
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Total TQ

NUMBER OF RECEIPT POINTS: _____

NUMBER OF DELIVERY POINTS: _____

Note: Exhibit "A" is a reflection of the contract and all amendments as of the amendment effective date.

EXHIBIT B TO PRECEDENT AGREEMENT

Date

[Shipper]

[Street address]

[Floor address]

[City, State and Zip Code]

Attention: []

RE: Firm Transportation Negotiated Rate Letter Agreement (“Negotiated Rate Agreement”)
Tennessee FT-A Service Package No. _____

Dear []:

Tennessee Gas Pipeline Company (“Transporter”) held an open season in accordance with applicable provisions of its FERC Gas Tariff in connection with the 300 Line Project (“Open Season”). [Shipper’s name] (“Shipper”) was a successful bidder in the Open Season and elected the negotiated rate option as offered by Transporter in the Open Season. In response to the request of Shipper, and pursuant to Section 5.6 of Transporter’s FT-A Rate Schedule, Transporter hereby agrees to adjust its then applicable FT-A Transportation rate for FT-A service provided under the above-referenced contract as follows:

1. (a) For the period commencing [DATE] (the “Commencement Date”), and extending through [DATE] (the “Primary Term”) for gas received by Transporter from [] and gas delivered by Transporter on behalf of Shipper to [] under the above referenced Service Package, the applicable FT-A rates will be the negotiated rates set forth in Exhibit A to this Negotiated Rate Agreement, unless adjusted pursuant to Exhibit B to this Negotiated Rate Agreement.
- (b) **[Applicable to Anchor Shippers:]** If Shipper elects to extend the term of the Service Package pursuant to Section 12.1 of the Service Package, the applicable FT-A rates for service during such extension period, for gas received by Transporter from [] and delivered by Transporter on behalf of Shipper to [], shall be fixed and equal to the sum of: (a) the lower of: (i) the base negotiated rates as adjusted pursuant to Section 1(a) above and/or Section 1(c) below or (ii) the applicable maximum rate(s) under Rate Schedule FT-A for service on the Project Facilities, in effect as of the date Shipper provides notice to Transporter of its election to extend the Service Package, and (b) any applicable ACA and GRI surcharges and any other surcharges imposed by FERC. In addition, Shipper shall pay the fuel and loss charges and surcharges specified in Section 1(a) above.
- (c) **[Applicable to Anchor Shipper:]** If Transporter decides, in its sole discretion, to expand the Project Facilities located between Transporter’s Station 313 and

Station 325 to enable firm transportation service from the Marcellus Shale supply area, specifically located between Transporter's Station 313 and Station 325, to Mahwah, River Vale, or White Plains (the "Marcellus Expansion"), and if (1) Transporter files an application with the FERC for approval of, or otherwise initiates under its blanket authority, the Marcellus Expansion on or before four (4) years following the Commencement Date, and if (2) the negotiated rate for the filed Marcellus Expansion is less than Shipper's negotiated rate, then Shipper shall be entitled to an adjustment to its negotiated rate such that the applicable FT-A rates for service effective upon the commencement date of the Marcellus Expansion, for gas received by Transporter from [] and delivered by Transporter on behalf of Shipper to [], shall be reduced to an appropriate revised negotiated rate to be mutually agreed upon in good faith between Transporter and Shipper plus, any applicable ACA and GRI surcharges and any other surcharges imposed by FERC. In addition, Shipper shall pay the fuel and loss charges and surcharges specified in Section 1(a) above. Shipper acknowledges that Transporter will determine the scope and timing of any Marcellus Expansion project, whether to pursue and implement it, and the terms under which it will proceed with such expansion project, including but not limited to its determination on whether the FERC authorizations are satisfactory, all in its sole discretion.

- (d) Unless otherwise specified, capacity temporarily released or assigned by Shipper to third parties, pursuant to Transporter's FERC Gas Tariff, will result in third parties being billed at the general system maximum commodity rates under Rate Schedule FT-A plus the general system applicable fuel charges, based on actual receipt and delivery points utilized and pursuant to Transporter's FERC Gas Tariff, as amended from time to time; provided, however, to the extent Shipper temporarily releases or assigns capacity to third parties, from the [] receipt point, meter # [] reflected on Shipper's service package, the third parties will be billed the negotiated commodity rate, plus the general system applicable fuel charges, based on actual receipt and delivery points utilized and pursuant to Transporter's FERC Gas Tariff, as amended from time to time. Provided further that if, during the Primary Term of the Negotiated Rate Agreement, Transporter implements general system rates under a straight fixed variable rate design methodology, then from the effective date of such rates, any temporary releases or assignments of capacity from Shipper to third parties, from the [] receipt point, meter # [] as reflected on Shipper's service package, shall be billed to third parties at the general system minimum applicable commodity rates under Rate Schedule FT-A, plus applicable general system fuel charges, based on actual receipt zone to delivery zone points utilized and pursuant to Transporter's FERC Gas Tariff, as amended from time to time. Engaging an agent to manage Shipper's utilization of the above-referenced service package shall not cause a third party to incur the maximum commodity rates referenced hereunder; however, such agent's management of the service package shall be subject to all of the terms and

conditions of the service package, this Negotiated Rate Agreement, and Transporter's Tariff.

- (e) Capacity segmented ___ times (___x) Shipper's TQ will be billed at \$0.00 per Dth commodity rates under rate FT-A plus fuel and loss charges and surcharges specified in Section 1(a) above, based on actual receipt and delivery points utilized and pursuant to Transporter's FERC Gas Tariff, as amended from time to time. This will allow Shipper a total flow of up to []/d at the Negotiated Rates. All volumes in excess of []/d will be billed at the general system maximum commodity rates under rate schedule FT-A and fuel and loss charges and surcharges as specified in Section 1(a) above.
 - (f) Shipper will have secondary receipt and delivery point access in Zones []. Shipper will be billed Negotiated Rates for use of these secondary points.
 - (g) Pursuant to Transporter's Tariff, Shipper may nominate up to [] Dth per day from Zones [] to Zones [] as Extended Receipt Service ("ERS"). In addition, Shipper may nominate up to [] Dth per day from Zones [] to Zones [], as Extended Delivery Service ("EDS"). Shipper's rate for both ERS and EDS shall be equal to \$0.00 demand plus the general system applicable minimum commodity rate plus the general system applicable fuel rate. Shipper acknowledges that the scheduling priority for ERS and EDS is based on price in accordance with Transporter's Tariff. Notwithstanding the above, Transporter and Shipper may mutually agree to demand and/or commodity rates for ERS and EDS that differ than those set forth in this Section 1(g).
2. This Negotiated Rate Agreement shall be filed with the Federal Energy Regulatory Commission ("FERC") and is subject to approval by the FERC.
 3. If any terms of this Negotiated Rate Agreement are disallowed by any order, rulemaking, regulation, or policy of the FERC, Tennessee may immediately terminate this Negotiated Rate Agreement. If any terms of this Negotiated Rate Agreement are in any way modified by order, rulemaking, regulation or policy of the FERC, Transporter and Shipper may mutually agree to amend this Negotiated Rate Agreement in order to ensure that the original commercial intent of the parties is preserved. In the event that the parties cannot achieve mutual agreement, Transporter reserves the right to immediately terminate this Negotiated Rate Agreement.
 4. In addition to the requisite FERC approval referenced above, the effectiveness of this Negotiated Rate Agreement is contingent upon a) the receipt and acceptance by Tennessee, in its sole determination, of all FERC and other authorizations necessary to provide service under the above referenced Service Package and the satisfactory completion, in Tennessee's sole determination, of the facilities required to provide such service, and b) Shipper executing the above-referenced Service Package.

TENNESSEE GAS PIPELINE COMPANY

[SHIPPER]

DATE

Page 4

Please acknowledge your acceptance of this proposal by signing both originals and returning to the undersigned. One fully executed original will be returned for your records.

Sincerely,

Name

Title

TENNESSEE GAS PIPELINE COMPANY

By: _____

Name: _____

Title: _____

[SHIPPER]

By: _____

Name: _____

Title: _____

EXHIBIT A to
Firm Transportation Negotiated Rate Letter Agreement

Base Negotiated Rates

Receipt Points	Delivery Point: Mahwah, NJ	Delivery Point: River Vale, NJ	Delivery Point: White Plains, NY
Zones []	\$[]	\$[]	\$[]

All rates shown are daily demand rates (at 100% L.F.) with \$0.00 per Dth daily commodity.

Base Rates: Rates shown are exclusive of fuel and applicable FERC surcharges and such rates are fixed for the Primary Term of Shipper’s service package. The rates shown are applicable to all primary and secondary receipt points in the zones set forth in the table above, and to the primary delivery points set forth in the table above.

Fuel charges: Effective upon the Commencement Date and up to the effective date of Transporter’s first general Section 4 rate case following the Commencement Date of the Project Facilities, fuel shall be fixed and shall be equal to Transporter’s applicable general system fuel rates in effect as of the Effective Date of the Precedent Agreement, dated _____, 2009, and as set forth in Transporter’s then effective FERC Gas Tariff. Thereafter, fuel shall be equal to the applicable fuel rates approved by FERC for service on the Project Facilities, as set forth in Transporter’s effective FERC Gas Tariff, as it may be amended from time to time. Transporter agrees to request in such Section 4 rate case to include the fuel costs applicable to the Project into its general system fuel rates such that Shipper’s fuel rates for service on the Project Facilities for comparable hauls would be the same as those applicable to Transporter’s general system shippers; provided however, that Shipper expressly acknowledges that Transporter’s agreement to request inclusion of such fuel costs in its general system fuel rates does not guarantee Shipper a fuel rate cap.

Other charges: In addition, Shipper shall be responsible for applicable FERC surcharges.

**EXHIBIT B TO NEGOTIATED RATE LETTER AGREEMENT
NEGOTIATED RATE ADJUSTMENT**

[Applicable to Standard Shippers]:

A. Project Cost Overrun Adjustment.

Shipper's base negotiated rate, as set forth in Exhibit A to the Negotiated Rate Agreement ("Exhibit A"), shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to $1 + [(CCO/EPC) \times 50\%]$.

[Applicable to Anchor Shippers]:

A. Project Cost Overrun and Cost Savings Adjustment.

Shipper's base negotiated rate, as set forth in Exhibit A to the Negotiated Rate Agreement ("Exhibit A"), shall be adjusted for any cost overruns or cost savings as follows:

To the extent Actual Project Costs, as defined below, exceed Estimated Project Costs, as defined below, Shipper's base negotiated rate shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to $1 + [(CCO/EPC) \times 50\%]$. Shipper's base negotiated rate, as adjusted, shall be subject to a rate cap of \$0.84 per Dth.

To the extent Actual Project Costs are less than Estimated Project Costs, Shipper's base negotiated rate shall be multiplied by the Capital Cost Under-run Factor ("CCU Factor"). The CCU Factor shall be equal to $1 - [(CCU/EPC) \times 80\%]$.

Any such adjustment shall be effective as of the Commencement Date and shall be made as soon as practicable, but no later than 30 days after the first anniversary of the Commencement Date.

B. Definitions.

All capitalized terms used in this Exhibit B shall have the meaning ascribed to them in the Precedent Agreement dated _____, 2009, between Transporter and Shipper (“Precedent Agreement”) or as defined herein.

“Actual Horsepower Replacement Costs” or “Actual HPRC” shall mean all horsepower and compression-related costs and expenses incurred by Transporter, including trailing costs up to twelve (12) months subsequent to the Project’s Commencement Date, to add, expand, and/or replace compression facilities at Transporter’s new and existing Compressor Stations 303, 310, 313, 315, 317, 319, 321, 323, and 325 and which are allocated to the Project for purposes of computing Actual Project Costs pursuant to the formulae below:

- (1) Compressor Stations 303, 310, 317, 319, 321 (3 compressor restages and filter separator replacement only), and 323 -- 100% of costs incurred by Transporter.
- (2) Compressor Station 313 -- 79.7% of costs incurred by Transporter.
- (3) Compressor Stations 315 and 325 -- 91.2% of costs incurred by Transporter.

“Actual Project Costs” or “APC” shall mean, subject to any limits on costs as set forth below, all costs and expenses incurred by Transporter, including trailing costs up to twelve (12) months subsequent to the Project’s Commencement Date, to complete the Project and achieve the Commencement Date in the manner contemplated by the Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project Facilities, including Actual HPRC, (b) all costs and expenses incurred for environmental, right-of-way, legal, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs (subject to a cap equal to three (3) percent of actual costs excluding AFUDC), and (d) an allowance for funds used during construction (“AFUDC”) computed in accordance with the regulations of the FERC. Transporter shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that Transporter’s formal books and records that conform with the FERC and accounting policies and guidelines will not match the APC used to determine Shipper’s adjusted base negotiated rate due to the cost cap on internal overheads and administrative costs described in (c) above and due to the allocation of Actual HPRC to the Project using the percentages set forth in the definition of Actual HPRC.

“Capital Cost Overrun” or “CCO” shall be an amount in U.S. dollars equal to the difference between Actual Project Costs and Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs. **[Applicable to Standard Shippers]:** If the difference between Actual Project Costs and Estimated Project Costs is a negative number, the CCO will be deemed to be zero.

“Capital Cost Underrun” or “CCU” shall be an amount in U.S. dollars equal to the difference between Actual Project Costs and Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

“Estimated Horsepower Replacement Costs” or “Estimated HPRC” shall mean all horsepower and compression-related costs and expenses that are projected to be incurred by Transporter to add, expand, and/or replace compression facilities at Transporter’s new and existing Compressor Stations 303, 310, 313, 315, 317, 319, 321, 323, and 325.

“Estimated Project Costs” or “EPC” shall mean all costs and expenses that are projected to be incurred by Transporter to complete the Project and achieve the Commencement Date in the manner contemplated by the Precedent Agreement, including but not limited to (a) all costs

and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project Facilities, including Estimated HPRC (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs (subject to a cap equal to three percent of estimated costs excluding AFUDC), and (d) an allowance for funds used during construction (“AFUDC”) computed in accordance with the regulations of the FERC. For purposes of determining the adjustment to Shipper’s base negotiated rate pursuant to this Exhibit B, the Parties agree that the Estimated Projects Costs shall be equal to \$605.4 million.

EXHIBIT C TO PRECEDENT AGREEMENT

CREDIT AGREEMENT

This Credit Agreement (“Agreement”) is made and entered into effective this ___ day of _____, 20___, which date is the date of execution of the Firm Agreement, by and between TENNESSEE GAS PIPELINE COMPANY (“Transporter”) and [] a [] (“Shipper”). Each of Transporter and Shipper are sometimes referred to herein individually as “Party” or collectively as “Parties.”

WHEREAS, Transporter owns and operates an interstate natural gas transmission pipeline system that extends in a northeasterly direction from the gas supply area in Texas, Louisiana, and the offshore Gulf of Mexico, through the States of Texas, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, Kentucky, West Virginia, Ohio, Pennsylvania, New York, New Jersey, Massachusetts, New Hampshire, Rhode Island, and Connecticut (“Transporter’s System”); and

WHEREAS, Transporter is developing its 300 Line Project (“Project”) to provide up to 350,000 Dth/d of additional firm transportation service from various supply points located in the Gulf Coast, Appalachia, and Marcellus Shale regions, as well as the proposed Rockies Express Pipeline interconnection with Transporter at or near Muskingum County, Ohio to three delivery points: Mahwah, New Jersey, River Vale, New Jersey, and White Plains, New York; the Project would require Transporter to expand its facilities to add approximately 55,000 horsepower and approximately 128 miles of 30-inch pipeline looping between Transporter’s Stations 219 and Mahwah, New Jersey and to reserve existing capacity on its system for the Project (the “Project Facilities”); and

WHEREAS, Transporter has additionally determined that to further optimize the Project it will add, expand, and/or replace compression facilities at certain existing compressor stations where horsepower will be added as part of the Project, and Shipper agrees that certain horsepower-related costs and expenses that will be incurred for such addition, expansion, and/or replacement will be allocated to the costs of the Project Facilities; and

WHEREAS, Shipper acknowledges that the rendition by Transporter of the firm natural gas transportation service requested by Shipper will require Transporter to construct the Project Facilities and to reserve certain existing firm transportation capacity in accordance with Transporter’s FERC Gas Tariff; and

WHEREAS, Shipper acknowledges that, on June 16, 2009, Transporter initiated an open season (“Open Season”) in connection with the Project to offer up to 350,000 Dth/day of firm transportation service from various supply points located in the Gulf Coast, Appalachia, and Marcellus Shale regions, as well as the proposed Rockies Express Pipeline interconnection with Transporter at or near Muskingum County, Ohio to three delivery points: Mahwah, New Jersey, River Vale, New Jersey, and White Plains, New York; and

WHEREAS, Shipper acknowledges that the provision by Transporter of the firm natural gas transportation service requested by Shipper will require Transporter to construct and otherwise secure the facilities and/or capacity necessary to provide such firm transportation service, all of which shall be referred to hereinafter as the “Project Facilities”; and

WHEREAS, Transporter and Shipper have executed the firm transportation agreement contemplated in the Precedent Agreement, Service Package No. ___ and ___ (“Firm Agreement”); and

WHEREAS, Transporter desires for Shipper to commit to provide Transporter with assurance of Shipper's performance of its financial obligations relating to or arising under the Firm Agreement [and the related firm transportation negotiated rate letter agreement (the "Negotiated Rate Agreement")].

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, Transporter and Shipper, hereby agree as follows:

1. Shipper has furnished financial information requested by Transporter in accordance with Article XXVIII, Sections 4.1 and 4.2 of the General Terms and Conditions of Transporter's FERC Gas Tariff (the "Tariff") and Transporter has conducted a credit evaluation of Shipper's current creditworthiness in accordance with Transporter's Tariff.

2. On or before July 7, 2009, Shipper is required to provide [to be determined based on credit evaluation].

3. The Parties acknowledge that Shipper's **[and Guarantor's]** credit quality may change over time, and Transporter shall have the right to obtain updated or additional financial information from Shipper **[and Guarantor]** at any time to assess its **[their]** current creditworthiness. If at any time during the term of this Agreement, Shipper **[and Guarantor]** fail[s] to demonstrate its creditworthiness to Transporter in accordance with Transporter's Tariff or if Shipper **[or Guarantor]** loses its creditworthy status, then Transporter may require Shipper **[and Guarantor]** to provide and maintain credit assurance, in form and substance acceptable to Transporter in accordance with Transporter's Tariff and, in a dollar amount up to [twenty-four (24)] months of Shipper's reservation charges for Shipper's Transportation Quantity as specified in Paragraph 2 of the Firm Agreement. Transporter agrees any of the following is an acceptable credit assurance, which Shipper may elect to provide in its sole discretion:

- (i) an irrevocable letter of credit to Transporter, satisfactory to Transporter, verifying the Shipper's creditworthiness;
- (ii) an estimate of its transportation requirements in advance and a prepayment in advance for this service on Transporter's system;
- (iii) a grant to Transporter of a security interest in collateral, the value of which is mutually agreed upon by Transporter and Shipper;
- (iv) a guarantee by another person or entity which satisfies Transporter's credit appraisal; or
- (v) other mutually agreeable forms and value of credit assurances.

"Credit Rating" is defined to be a party's senior unsecured debt rating as assigned by Standard and Poor's Rating Service ("S&P") and Moody's Investor Services ("Moody's"). In the event, either S&P or Moody's discontinues its rating services, such that only one or the other rating agency exists, Transporter and Shipper agree to discuss possible alternative agencies that rate senior unsecured debt.

If Shipper's Credit Rating is rated by S&P or Moody's, then the amount of credit assurance shall be determined from the following table.

Shipper's or Guarantor's S&P Credit Rating*	Shipper's or Guarantor's Moody's Credit Rating*	Amount of Credit Assurance
BBB- or better	Baa3 or better	None
BB+	Bal	[12] months of reservation charges under the Firm Agreement
BB or below	Ba2 or below	[24] months of reservation charges under the Firm Agreement (or number of months remaining if less)

* In the event Shipper's Credit Rating from S&P and Moody's is not equivalent, on a relative scale, then the highest Credit Rating shall apply.

Shipper shall provide and maintain such required credit assurance to Transporter, in the amount specified in the table above, for the duration of this Agreement and the Firm Agreement, or such earlier time when Shipper's Debt Rating is equal to a BBB- or better with a stable or positive outlook by S&P and Baa3 or better with a stable or positive outlook by Moody's.

4. If neither S&P nor Moody's rates Shipper, then the amount of credit assurance required from Shipper shall be no more than [twenty-four (24)] months of Shipper's reservation charges for Shipper's Transportation Quantity as specified in Paragraph 2 of the Firm Agreement, as determined by Transporter in its commercially reasonable discretion pursuant to its credit appraisal of Shipper's current financial condition.

5. Notwithstanding any other provision herein, each Party reserves all of its rights pursuant to Transporter's Tariff, pursuant to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction (including the Federal Energy Regulatory Commission), and pursuant to other contractual arrangements with the other, and pursuant to any other applicable legal or equitable rights.

6. This Agreement does not, and is not intended to, create a third party beneficiary relationship between or among Transporter, Shipper, and any third party.

7. THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT THAT ANY CONFLICT OF LAWS RULE OF THE STATE OF TEXAS THAT WOULD REQUIRE REFERENCE TO THE LAWS OF SOME OTHER STATE OR JURISDICTION SHALL BE DISREGARDED.

8. This Agreement may be terminated by either Party upon the later of 1) the date the Firm Agreement is lawfully terminated and full payment of all outstanding balances and charges has been made by Shipper, or 2) in the event that the Firm Agreement is permanently assigned to a third party, the date that any and all such permanently assigned firm transportation agreement(s) are lawfully terminated and full payment of all outstanding balances and charges for transportation service rendered prior to the effective date of such assignment has been made by any party.

9. Any entity that shall succeed by purchase, merger, consolidation, or other transfer to the properties of either Transporter or Shipper, substantially as an entirety, shall be entitled to

the rights and shall be subject to the obligations of its predecessor in interest under this Agreement. Transporter may, without relieving itself of its obligations under this Agreement, assign any of its rights hereunder to a company with which it is affiliated, but otherwise no assignment of this Agreement or of any of the rights or obligations hereunder shall be made, unless there first shall have been obtained the written consent thereto of the other Party to this Agreement. It is agreed, however, that the restrictions on assignment contained in this section shall not in any way prevent either Party to this Agreement from pledging or mortgaging its rights hereunder as security for its indebtedness.

10. This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings, and representations, whether written or oral, respecting the subject matter hereof are merged into and superseded by this Agreement.

11. No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the date first hereinabove written.

TENNESSEE GAS PIPELINE COMPANY

By: _____
Name: _____
Title: _____

[SHIPPER]

By: _____
Name: _____
Title: _____

