

PRECEDENT AGREEMENT
Between
Rockies Express Pipeline LLC
And

This Precedent Agreement dated effective this _____ day of _____, 2007 states an agreement between Rockies Express Pipeline LLC ("Transporter"), a Delaware limited liability company, and _____ ("Shipper"). Each of Transporter and Shipper are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS:

WHEREAS, Transporter is in the process of constructing certain facilities referred to as the Rockies Express Pipeline Project (the "Project") that will create long-haul, firm transportation takeaway capacity out of the natural gas supply areas located in the Rocky Mountain producing areas of Wyoming and Colorado. The interstate pipeline facilities are being developed in three Segments, and will traverse to the east, through eight states, providing capability to transport Rocky Mountain natural gas supplies to major pipeline interconnects along the Project up to the Clarington, Ohio area. The total Project will include the installation of 42-inch diameter or larger pipe, with transportation capacity of 1,800,000 Dth/day. The Project will consist of three Segments, as follows:

Segment 1 will generally consist of the former "Entrega" pipeline system that originates at points located at the Meeker Hub, in Rio Blanco County, Colorado ("Meeker"), proceeding northward to the vicinity of Wamsutter, in Sweetwater County, Wyoming ("Wamsutter") and then continuing southeastward to the Cheyenne Hub, in Weld County, Colorado ("Cheyenne Hub");

Segment 2 will consist of interstate natural gas pipeline facilities that originate at points located at the Cheyenne Hub, proceeding eastward to an interconnection with Panhandle Eastern Pipe Line Company in Audrain County, Missouri ("PEPL-Audrain"). Interim transportation service may be provided to points upstream of PEPL-Audrain, depending upon the timing and completion of construction of Segment 2 facilities;

Segment 3 will originate at PEPL-Audrain and terminate at the Clarington Hub, in Monroe County, Ohio ("Clarington Hub"). Segment 3 is an independent pipeline project that is intended to interconnect with parties serving the Eastern Coast of the United States and to provide increased supply availability and diversity to East Coast markets. Interim transportation service may be provided to points upstream of the Clarington Hub, depending upon the timing and completion of construction of Segment 3 facilities; and

WHEREAS, Transporter and Shipper desire to enter into a Firm Transportation Service Agreement providing for firm interstate natural gas transportation service to be provided by Transporter for Shipper on Segments 1 and 2 of the Project in the form set forth in Appendix B attached hereto and by this reference made a part hereof (“West FTSA”); and

WHEREAS, this Precedent Agreement has been executed as evidence of the agreement between Transporter and Shipper that, upon satisfaction of the conditions precedent set forth below, the parties will enter into a Firm Transportation Service Agreement that will supersede the West FTSA and provide for firm interstate natural gas transportation service to be provided by Transporter for Shipper on Segments 1, 2 and 3 of the Project (“East FTSA”).

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

1. Effective Date and Term

This Precedent Agreement shall become effective as of the date first stated above and, except as provided in Section 8 (c), shall remain in effect until the earlier of: Shipper’s or Transporter’s exercise of its termination rights pursuant to this Precedent Agreement, as provided in Section 9 below; the failure of Transporter to secure Federal Energy Regulatory Commission (“FERC”) Authorization for Segment 3 (“FERC Application”); or the effective date of the East FTSA. Failure to secure FERC Authorization shall occur when the proceeding for the FERC Application has concluded without Transporter’s having accepted the FERC Authorization.

2. Services

Transporter agrees to work in good faith using commercially reasonable efforts to diligently pursue FERC Authorization for the construction and operation of Segment 3 of the Project as described in this Precedent Agreement, to be received by June 30, 2009 and to provide Shipper, as conditioned herein, with firm transportation service via the West FTSA and, subsequently via the east FTSA as set forth on the attached Appendix A. The construction and operation of these interstate facilities are subject to the jurisdiction of the FERC, and other federal, state and local permits and approvals.

3. Rates

Shipper agrees to pay the Reservation Rates stated on Appendix A. The Commodity Rate, Fuel and Lost and Unaccounted for Gas (“L&U”), ACA and any other additional authorized charges will be charged in accordance with the Transporter’s then effective FERC Gas Tariff.

If Shipper opts to pay negotiated rates, as described on Appendix A, such negotiated rates shall be applicable to service under the West FTSA during the entire term of the West FTSA, as the same may be extended, regardless of any otherwise applicable maximum rate and shall be applicable at all primary and secondary points on Segments 1 and 2 of the Project that are located in a zone covered by Shipper's primary transportation path(s); provided, however, that the applicability of the negotiated rate assumes that receipts and deliveries under the West FTSA will be made at the prevailing operating pressures of the Segment 1 and 2 facilities and that the negotiated rate does not cover any non-conforming quality or additional pressure requirement at any receipt or delivery point. Negotiated rates elected by Shipper applicable to the East FTSA, as described on Appendix A, shall be applicable to service under the East FTSA during the entire term of the East FTSA, as the same may be extended, regardless of any otherwise applicable maximum rate and shall be applicable at all primary and secondary points on the Project that are located in a zone covered by Shipper's primary transportation path(s); provided, however, that the applicability of the negotiated rate assumes that receipts and deliveries under the East FTSA will be made at the prevailing operating pressures of the Project facilities and that the negotiated rate does not cover any non-conforming quality or additional pressure requirement at any receipt or delivery point.

Regardless of which form of reservation rate Shipper opts to pay, the Commodity Rate, Fuel, L&U, ACA and any other additional authorized charges or surcharges will be applied pursuant to the FERC approved Gas Tariff applicable to the Project (the "Tariff"). Fuel and L&U shall be provided by Shipper in accordance with the zoned Fuel and L&U matrix set forth in the Tariff, with an illustrative matrix set forth on Appendix A attached to this Precedent Agreement. Shipper will be billed based on delivered volumes and therefore, no transportation rate (either reservation, commodity or surcharge) shall apply to the Fuel and L&U received from Shipper. The Commodity Rate, determined on the basis of a straight fixed variable rate design, is estimated to be \$0.004 per Dth for each zone (\$0.012 per Dth across the length of the system), subject to final determination by the FERC. Fuel and L&U shall be assessed in-kind and that Fuel and L&U will be adjusted through a tracking provision pursuant to the Tariff.

4. Volume, Receipt and Delivery Points

The contract Maximum Daily Quantity ("MDQ") and primary term are as elected by Shipper on the attached Appendix A (subject to the minimum term requirements set forth in Appendix A). Shipper's election of Primary Receipt and Delivery Points are set forth on Appendix A. Secondary Receipt and Delivery Points will be made available pursuant to the Tariff. Delivery Points shown as available for Segment 3 under the REX East FTSA are subject to change due to landowner, economic, downstream pipeline and regulatory issues. If Shipper chooses a Segment 3 Delivery point that does not subsequently become available Transporter and Shipper will work together to substitute therefor another Delivery Point that is as functionally and economically equivalent to the omitted point as reasonably practicable.

5. Conditions Precedent

Performance by Transporter of the duties and obligations assumed by it in this Precedent Agreement are expressly subject to the following conditions precedent:

- (a) All appropriate and final governmental approvals and other applicable authorization must be obtained on terms acceptable to Transporter, including approval of construction, rates and terms and conditions of service; and
- (b) All rights-of-way and other surface rights required to site and maintain the pipeline facilities along the route described herein must be obtained on terms and conditions acceptable to Transporter; provided, however, that conditions (a) and (b) shall be deemed satisfied upon Transporter's acceptance of the FERC Authorization for Segment 3; and
- (c) Shipper shall have complied with all its material obligations hereunder and under any FTSA then in effect.

6. Discrete Segments

Transporter has received certificate authorization from FERC to construct the Project through the terminus of Segment 2 and has filed for certificate authorization from FERC for Segment 3 of the Project. Shipper understands that the approval by FERC of Segment 1 and Segment 2 does not constitute approval of Segment 3. If Segment 3 is authorized by the FERC the East FTSA will govern service from upstream points on Segment 1 to the Clarington Hub with possible Interim Service, as described in Section 12, upon Transporter's placing of Segment 3 in to service. Commencing with the in-service of Segment 2, service on the Project will be provided under the REX West FTSA and will be subject to its own maximum recourse rates divided into two rate zones: (1) a supply zone encompassing the facilities that are located west of and including the Cheyenne Hub; and (2) a supply/market zone encompassing the facilities to be located downstream of the Cheyenne Hub traversing eastward to and including PEPL-Audrain. Commencing with the in-service of Segment 3, service on the Project will be provided under the REX East FTSA and will be subject to its own maximum recourse rates divided into three rate zones: (1) a supply zone encompassing the facilities that are located west of and including the Cheyenne Hub; (2) a supply/market zone encompassing the facilities to be located downstream of the Cheyenne Hub traversing eastward to and including PEPL-Audrain; and (3) a market zone encompassing the facilities to be located downstream of PEPL-Audrain, traversing further eastward to delivery points located near the Clarington Hub.

7. Shipper's Obligations

- (a) Shipper agrees that it will execute the West FTSA consistent with the form of Service Agreement as contained in Appendix B hereto and, if Shipper shall have elected the Negotiated Reservation Rate Option, a negotiated Rate Agreement that shall reflect the fixed nature of the reservation rate as described in Section 3, within five (5) business days after tender by Transporter. The West FTSA will reflect the receipt points, delivery points, term(s), rate(s) and MDQ(s) described herein;
- (b) Shipper agrees that it will execute the East FTSA consistent with the form of Service Agreement as contained in Appendix C hereto, as finally approved by FERC and, if Shipper shall have elected the Negotiated Reservation Rate Option, a negotiated Rate Agreement that shall reflect the fixed nature of the reservation rate as described in Section 3, within five (5) business days after tender by Transporter. Transporter does not intend to tender the East FTSA for execution by Shipper prior to Transporter's having received FERC Authorization for Segment 3. The East FTSA will reflect the receipt points, delivery points, term(s), rate(s) and MDQ(s) described herein;
- (c) Upon request by Transporter, Shipper agrees to support any notification, initial tariff filing, application or certificate filing made to the FERC or any other governmental body to obtain any necessary authorizations to construct, operate or acquire facilities or to provide services as set out herein; and
- (d) Shipper shall provide sufficient evidence of credit-worthiness, as reasonably determined by Transporter in accordance with the standards set forth in Appendix D, along with the return of this signed Precedent Agreement. Shipper shall have and maintain such credit or provide assurances ("credit support"), as are required by Transporter in its reasonable discretion, to satisfy Shipper's financial obligations under the West FTSA and under the East FTSA. Such credit support may consist of (i) prepayment of value or letter of credit in the amount of up to 36 months of Shipper's reservation charges, resulting from the MDQ and rates stated herein; (ii) a parental guarantee in form and substance acceptable to Transporter from an entity that meets the credit standards of Appendix D or the Tariff and is otherwise acceptable to Transporter; or (iii) such other credit assurances as Transporter may require. Such assurances shall be provided by Shipper as requested by Transporter in accordance with the timetable set forth below.

Credit Support Timetable and Amounts

| Date | Aggregate Credit Requirement |
|------|------------------------------|
| | |

| | |
|--|---|
| No later than thirty (30) days after execution of this Precedent Agreement by Transporter. | An amount equal to total East FTSA reservation charges payable in respect of the MDQ for thirty-six (36) months of Service. |
|--|---|

Shipper shall maintain its creditworthiness in connection herewith, either directly or through provision of credit support, throughout the term of this Precedent Agreement and the West FTSA and, if executed, the East FTSA.

The creditworthiness requirements of this Section 7(d) and in Appendix D shall apply to any assignment (in whole or in part) of this Precedent Agreement or the FTSA's or to any permanent release of an FTSA.

8. Termination Rights

- (a) Shipper shall have the right to terminate this Precedent Agreement as it applies to the REX East FTSA with no liability to Transporter by giving Transporter at least five (5) days advance written notice (which notice must be given, if at all, within five (5) days after the occurrence or non-occurrence of the relied upon event, in the event Transporter has not received FERC Authorization for Segment 3 by no later than July 31, 2009;
- (b) Transporter shall have the right to terminate this Precedent Agreement with no liability to Shipper by giving Shipper five (5) days advance written notice (which notice must be given, if at all, within ten (10) days after the occurrence or non-occurrence of the relied upon event); provided that notice under this Section 8 (b) may be given at any time while Shipper shall be in default of its obligations under Section 7(d), in the event:
 - i. FERC shall attach conditions to the FERC Authorization for Segment 3 or impose conditions requiring subsequent compliance filings which, in Transporter's reasonable judgment, are unacceptable;
 - ii. Shipper fails to comply with any of its material obligations hereunder or under any FTSA then in effect
- (c) In the event Transporter terminates this Precedent Agreement for any reason other than that stated at Section 8 (b) ii above, concurrent with such termination, Transporter shall return to Shipper any credit support

provided by Shipper under Section 7(d) above over and above an amount equal to total West FTSA reservation charges payable in respect of the MDQ for thirty-six (36) months of Service.

- (d) The continuation in effect of the West FTSA once executed by both Parties, shall not be affected by any termination of this Precedent Agreement but shall be subject being superseded by the East FTSA and to the Tariff.

9. Authorities

This Precedent Agreement and the performance 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 interstate commerce of the United States of America (“governmental authority”). Should either of the Parties, 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 the Parties to terminate this Precedent Agreement under the terms and conditions hereof.

10. Assignment

This Precedent Agreement, in whole or in part, may be assigned by Transporter to a wholly- or partially-owned affiliate, special purpose joint venture, partnership, or other affiliated entity, including a parent company or partnership; provided that such assignee shall have credit or credit support equivalent to the higher of that of Transporter or its guarantor. This Precedent Agreement shall not be assignable by Shipper.

11. Representations and Warranties

Each Party represents and warrants to each other as follows:

- (a) Such Party is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is in good standing in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of such Party.
- (b) The execution, delivery and performance of this Precedent Agreement by such Party does not and will not require the consent of any trustee or holder of any indebtedness, or be subject to or inconsistent with other obligations of such Party under any other agreement.

- (c) This Precedent Agreement has been duly executed and delivered by such Party. This Precedent Agreement constitutes the legal, valid, binding and enforceable obligation of such Party, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws of general application relating to or affecting creditor's rights generally and by general equitable principles.
- (d) No governmental authorization, approval, order, license, permit, franchise or consent, and no registration, declaration or filing with any governmental authority is required on the part of such Party in connection with the execution and delivery of this Precedent Agreement, although it is subject to the necessary governmental approvals specified herein for its effectuation.
- (e) There is no pending or, to the best of such Party's knowledge, threatened action or proceeding affecting such Party before any court, government authority or arbitrator that could reasonably be expected to materially and adversely affect the financial condition or operations of such Party or the ability of such Party to perform its obligations hereunder, or that purports to affect the legality, validity or enforceability of this Precedent Agreement or would otherwise hinder or prevent performance hereunder.

12. Interim Service

Shipper agrees that, in the event Transporter places Segment 2 facilities in-service before the Project reaches PEPL-Audrain, but with interconnections to Natural Gas Pipeline Company of America (Natural) in Jefferson County, Nebraska, Northern Natural Gas Company (NNG) in Jefferson County, Nebraska and ANR Pipeline Company (ANR) in Brown County, Kansas, Shipper shall pay the REX West Interim Rates described in Appendix A until PEPL-Audrain is available, during the term of the REX West FTSA. Shipper further agrees that, in the event Transporter places Segment 3 facilities in-service before the Project reaches a Clarington Hub point, but with interconnections to Lebanon Hub points, Shipper shall pay the REX East Interim Rates described in Appendix A until a Clarington Hub point is available, during the term of the REX East FTSA. In the event that Transporter is unable, in aggregate, to provide firm service to Shipper equal to Shipper's MDQ for Interim Service, Transporter shall reduce Shipper's reservation charges for the quantity of Shipper's MDQ that Transporter is unable to provide to Shipper. Furthermore, in the event that the capacity of the delivery points made available under Interim Service is less than the total MDQ of the applicable Segment, then Shipper's MDQ shall be reduced, during the period for which Interim Service is offered, by the proportion that the available capacity of the delivery points made available bears to the total MDQ of the Project.

13. Choice of Law

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

14. Limitation of Liability

NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS PRECEDENT AGREEMENT OR UNDER ANY OF THE FTSAS TO BE EXECUTED PURSUANT TO THIS PRECEDENT AGREEMENT FOR ANY INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY NATURE, OR FOR ANY LOST PROFITS, HOWEVER ARISING, EVEN IF SUCH PARTY HAS BEEN MADE AWARE OF THE POSSIBILITY OF SUCH DAMAGES OR LOST PROFITS.

15. Dispute Resolution

Any disputes, controversies or claims that arise between the Parties (the “Disputing Parties”) relating to this Precedent Agreement (a “Dispute”) shall be resolved by means of the following procedure:

- (i) Notice of Dispute. Any Disputing Party shall give notice to the other Disputing Parties in writing that a Dispute has arisen (“Dispute Notice”).
- (ii) Informal Dispute Resolution. If the Disputing Parties have failed to resolve the Dispute within fifteen (15) business days after the Dispute Notice was given, the Disputing Parties shall seek to resolve the Dispute by negotiation between the executive officers of each Disputing Party. Such executive officers shall endeavor to meet and attempt to amicably resolve the Dispute. If the Disputing Parties are unable to resolve the Dispute through negotiation within thirty (30) business days after the Dispute Notice was given, then the Dispute shall be finally resolved through arbitration in accordance with provisions of clause (iii) below.
- (iii) Arbitration. Any Dispute that is not settled pursuant to clause (ii) above shall be finally settled by arbitration as follows:
 - (1) Any such Dispute shall be submitted to binding arbitration by the American Arbitration Association for arbitration in Houston, Texas in accordance with the Commercial Arbitration Rules then in effect, except as more particularly provided herein. The Parties agree that an officer or other representative with authority to resolve the Dispute for each party shall attend the arbitration. There shall be three (3) arbitrators, with each of Transporter and Shipper, or their successor in interest if applicable, selecting one.

The third arbitrator, who shall be the chairman of the panel, shall be selected by the two Party-appointed arbitrators. The claimant shall name its arbitrator in the demand for arbitration. The third arbitrator shall be named within thirty (30) days after the appointment of the second arbitrator. The American Arbitration Association shall be empowered to appoint any arbitrator not named in accordance with the procedure set forth herein. Each arbitrator will be qualified by at least ten (10) years experience in the natural gas industry.

- (2) Each of the Parties hereto consents to the procedure herein set forth. The Parties agree to make discovery and disclosure of all matters relevant to the dispute to the extent and in the manner provided by the Federal Rules of Civil Procedure. The arbitrators shall rule on all requests for discovery and disclosure and discovery shall be completed within sixty (60) days of the date on which the third arbitrator is appointed (“Arbitration Commencement Date”). The arbitrators shall issue a final ruling within ninety (90) days of the Arbitration Commencement Date. The ruling of the arbitrators shall be in writing, signed, and shall contain a statement of findings and conclusions of law in addition to the award decision. The decision of the arbitrators shall be final and binding upon the Parties, in so far as the law allows, without the right of appeal to the courts. The award rendered by the arbitrators shall be final in so far as the law allows, and judgment thereon may be entered by any court having jurisdiction thereof. The costs and expense of the arbitration (including reasonable attorney's fee) will be paid by the losing Party, unless the arbitrators determine that it would be manifestly unfair to honor this agreement of the Parties and determine a different allocation of costs.
- (3) The arbitrators shall not have the authority or power to alter, amend or modify any of the terms or conditions of this Precedent Agreement. The arbitrators’ powers shall be limited to enforcement of this Precedent Agreement as to the issues raised by the Parties and shall not include the power to award consequential, indirect, special, punitive, or exemplary damages.
- (4) Performance of this Precedent Agreement shall continue during arbitration proceedings or any other dispute resolution mechanism adopted by the Parties. No payment due or payable by Transporter or Shipper shall be withheld on account of a pending reference to arbitration or other dispute resolution mechanism; provided that in the event Shipper disputes the amount or content of any invoice, Shipper shall be not responsible for payment of such invoice or

portion of such invoice that is pending reference to arbitration or other dispute resolution mechanism until such dispute is resolved. Any disputed amount that is ultimately determined to have been payable shall not accrue interest for failure to pay, provided that it is a bona fide dispute.

- (5) The Parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any legal proceeding arising out of or relating to this Precedent Agreement or the transactions contemplated hereby, except those seeking to enforce the award or the decision of the arbitrators issued pursuant to this Section 15. Further, the Parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all rights to trial by jury in any legal proceeding permitted under this Section 15.

Transporter and Shipper agree that the Dispute Resolution procedure described in this Section 15 shall not apply to any controversy respecting Transporter's FERC Tariff, rates or terms and conditions of service and to any other controversy wherein the FERC has jurisdiction.

16. Further Assurance

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

17. Counterparts

This Precedent Agreement may be executed in one or more counterparts, each of which, when executed and delivered including by facsimile, shall be an original, but all of which together shall constitute but one and the same instrument.

APPENDIX A
To The
PRECEDENT AGREEMENT
Between
Rockies Express Pipeline LLC
And

(“Shipper”)

There are two rate options to choose from for each of REX West and REX East. They are:

Option 1 – The Maximum Recourse Reservation Rate - If bidding max rate, indicate so by entering the word “MAX” under the Reservation Rate column(s) below. Please note the estimated maximum reservation rates are:

| | <u>REX West</u> | <u>REX East</u> |
|--------------------|------------------------|------------------------|
| • Zone 1 to Zone 2 | \$23.5546 | N/A |
| • Zone 2 to Zone 2 | \$16.4826 | N/A |
| • Zone 1 to Zone 3 | N/A | \$41.3343 |
| • Meeker Hub | \$ 1.1921 | \$ 1.1921 |
| • Cheyenne Hub | \$ 1. 8631 | \$ 1. 8631 |

Option 2 – A Negotiated Reservation Rate - If bidding a negotiated rate, indicate so by entering the requested rate under the Reservation Rate column(s) below. Please note the minimum acceptable negotiated reservation rates are:

| | <u>REX West</u> | <u>REX East</u> |
|--------------------|------------------------|------------------------|
| • Zone 1 to Zone 2 | \$23.5546 | N/A |
| • Zone 2 to Zone 2 | \$16.4826 | N/A |
| • Zone 1 to Zone 3 | N/A | \$33.5000 |
| • Meeker Hub | \$ 0.9885 | \$ 0.9885 |
| • Cheyenne Hub | \$ 0.9885 | \$ 0.9885 |

Option 2 is a fixed negotiated reservation rate that will not be changed during the term of the the applicable FTSA, as the same may be extended, regardless of any otherwise applicable maximum rate. This “fixed” feature applies only to the negotiated reservation rate. As stated in Section 3 of the body of this Precedent Agreement, the Commodity Rate, Fuel and Lost and Unaccounted for Gas (“FL&U”), ACA and any other additional authorized charges or surcharges will be applied pursuant to the Tariff and may be changed from time to time.

REX West Rate Election Page

Please check one box to correspond with the desired rate choice. Receipt and delivery points should be elected from the list included on Appendix A. Negotiated Rates, once finally determined, shall remain fixed during the entire term of the Firm Transportation Service Agreement. Requested Maximum Daily Quantity (“MDQ”), cannot be less than 1,000 Dth/d, net of FL&U, from each Receipt Point to each Delivery Point. All rates shown above reflect a “zone matrix” and are accumulated to reflect the total price to reach the indicated downstream zone. Zone 1 is that area that is inclusive of the Cheyenne Hub going in a generally westward direction. Zone 2 is that area downstream of the Cheyenne Hub going in a generally eastward direction to and including the PEPL point in Audrain County, Missouri. **Additional upstream transportation costs including secondary out of path service on facilities leased from Questar Overthrust, and hub services will require incremental rates.** REX West rates are applicable from the in-service date of REX West for the term of the REX West FTSA as described in Section 7. In the event Interim Service is provided on REX West, the aggregate negotiated rates in the tables below will be reduced by \$0.0500 per dth for the period from the commencement of Interim Service until the in-service of REX West to the PEPL point in Audrain County, Missouri. Should Shipper select Option 1, Shipper shall pay the maximum recourse rates for Zones 1 and 2 for REX West Interim Service. A minimum term of 10 years from the in-service of REX West will be deemed a conforming bid during the Open Season. Conforming bids will be for long haul capacities only.

| Shipper Primary Receipt Point Election (See Listing) | Shipper Primary Delivery Point Election (See Listing) | MDQ (Dth/d) | Term In Years (minimum of 10) | Reservation Rate (\$/Dth/Month) | Hub Service Reservation Rate – If Applicable (\$/Dth/Month) |
|--|---|----------------|--|---------------------------------------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total MDQ | | | | | |

Shipper agrees to be pro-rated based on Open Season Results?

Please check one:
Yes No

If yes, Shippers minimum acceptable quantity:

REX East Rate Election Page

Please check one box to correspond with the desired rate choice. Receipt and delivery points should be elected from the list included on Appendix A. Negotiated Rates, once finally determined, shall remain fixed during the entire term of the Firm Transportation Service Agreement. Requested Maximum Daily Quantity (“MDQ”), cannot be less than 1,000 Dth/d, net of FL&U, from each Receipt Point to each Delivery Point. All rates shown above reflect a “zone matrix” and are accumulated to reflect the total price to reach the indicated downstream zone. Zone 1 is that area that is inclusive of the Cheyenne Hub going in a generally westward direction. Zone 2 is that area downstream of the Cheyenne Hub going in a generally eastward direction to and including the PEPL point in Audrain County, Missouri. Zone 3 is that area traversing eastward from the PEPL point to delivery points near Clarington, Ohio. **Additional upstream transportation costs including secondary out of path service on facilities leased from Questar Overthrust, and hub services will require incremental rates.** In the event Interim Service is provided on REX East, the aggregate negotiated rates in the tables below will be reduced by \$0.0500 per dth for the period from the commencement of Interim Service until the in-service of REX East to the Lebanon Hub Points in Warren County, Ohio. Should Shipper select Option 1 Shipper shall pay the maximum recourse rates for Zones 1, 2 and 3 for REX East Interim Service. A minimum term of 10 years from the in-service of REX East will be deemed a conforming bid during the Open Season. Conforming bids will be for long haul capacities only. REX East rates (Zones 1, 2 and 3) are applicable from the in-service date of REX East for the term of the REX East FTSA as described in Section 7. (Note 1 below). Conforming bids will be for long haul capacities only.

| Shipper Primary Receipt Point Election (See Listing) | Shipper Primary Delivery Point Election (See Listing) | MDQ (Dth/d) | Term In Years (minimum of 10) | Reservation Rate (\$/Dth/Month) | Hub Service Reservation Rate – If Applicable (\$/Dth/Month) |
|---|--|----------------|--|---------------------------------------|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total MDQ | | | | | |

Please check one:

Shipper agrees to be pro-rated based on Open Season Results? Yes No

If yes, Shippers minimum acceptable quantity:

Other Receipt or Delivery Points

If Shipper desires a receipt point or delivery point other than those identified in the Open Season Procedures, Shipper shall specify such desired points in the space provided below and the related MDQ quantity. If the Shipper's bid is contingent upon Transporter accommodating Shipper with respect to such receipt point(s) or delivery point(s), Shipper must so indicate by checking the space provided below. Additional Receipt or Delivery Point(s) will be pursued provided that the incremental costs of such additional points are acceptable to Transporter in its sole discretion. Transporter will inform Shipper whether it can accommodate, in whole or in part, such requested Receipt or Delivery Point(s).

___ Check here to indicate if this bid is contingent upon the points identified under "Other Receipt or Delivery Points" above being accommodated by Transporter.

Agreed to by:

Shipper Signature: _____

Name (Please print): _____

Company: _____

Title: _____

Telephone Number: _____

APPENDIX B

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FTS**

In consideration of the representations, covenants and conditions contained below, Rockies Express Pipeline LLC ("Transporter") and Shipper agree, as of _____, that Transporter will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes all Other terms and conditions of Transporter's FERC Gas Tariff, Volume No. 1, and the terms, conditions and signatures of Shipper's electronic agreement with Transporter.

1. This Agreement is:
 Original
 Amendment No. _____ effective _____

2. SHIPPER'S NAME AND ADDRESS:

3. TERM OF SERVICE: The date the project is placed into service or Interim Service to the date _____ years from the in-service date of Certificate 1 Segment (REX-West Segment) to the PEPL point in Audrain County, Missouri or until superseded by a Firm Transportation Service Agreement applicable to Certificate 2 Segment and Certificate 3 Segment (REX-East Segment).

4. SHIPPER'S STATUS:

 Local Distribution Company
 Intrastate Pipeline Company
 Interstate Pipeline Company
 Other: Firm Shipper

5. TRANSPORTATION ON BEHALF OF:

 LDC
 Intrastate Pipeline Company
 Interstate Pipeline Company
 Other: _____

6. RATE SCHEDULE FTS MAXIMUM DAILY QUANTITY ("MDQ"):

| | |
|---------------|------------|
| <u>Period</u> | <u>MDQ</u> |
| Entire Term | |

12. NOTICE OF ROLLOVER PROVISION (pursuant to Section 17.2 of the General Terms and Conditions of this Tariff):

Per Tariff Day(s) in advance of (i) the end of the primary term or the extended term or (ii) any termination date after the primary term has ended.

13. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC
370 Van Gordon Street
P.O. Box 281304
Lakewood, CO 80228-8304

14. ADDITIONAL TERMS: Rates have been negotiated pursuant to Section 33 of the General Terms and Conditions of the Tariff and are contained in that certain letter agreement between the parties dated _____.

SIGNATURE: _____

TITLE: _____

DATE: _____

ROCKIES EXPRESS PIPELINE LLC:

SIGNATURE: _____

TITLE: _____

DATE: _____

APPENDIX C

**FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION SERVICE UNDER
RATE SCHEDULE FTS**

In consideration of the representations, covenants and conditions contained below, Rockies Express Pipeline LLC ("Transporter") and Shipper agree, as of _____, that Transporter will provide transportation service for Shipper on a firm basis in accordance with the provisions contained in this Transportation Service Agreement. This Agreement includes all Other terms and conditions of Transporter's FERC Gas Tariff, Volume No. 1, and the terms, conditions and signatures of Shipper's electronic agreement with Transporter.

1. This Agreement is:
 Original
 Amendment No. _____ effective _____

2. SHIPPER'S NAME AND ADDRESS:

3. TERM OF SERVICE: The date the project is placed into service or Interim Service to the date _____ years from the in-service date of the Rockies Express Pipeline (REX-East Segment) to a Primary Delivery Point set forth in Section 8 below.

4. SHIPPER'S STATUS:
 Local Distribution Company
 Intrastate Pipeline Company
 Interstate Pipeline Company
 Other: _____

5. TRANSPORTATION ON BEHALF OF:
 LDC
 Intrastate Pipeline Company
 Interstate Pipeline Company
 Other: _____

6. RATE SCHEDULE FTS MAXIMUM DAILY QUANTITY ("MDQ"):
Period MDQ

7. PRIMARY RECEIPT POINTS & MAXIMUM DAILY RECEIPT QUANTITY ("MDRQ"):
Period PIN MDRQ Receipt

Pressure

Per Tariff

8. PRIMARY DELIVERY POINTS & MAXIMUM DAILY DELIVERY QUANTITY ("MDDQ"):

Period PIN MDDQ

Del. Pressure

Per Tariff

9. RATES ^{1/}:

FTS Reservation Rate:

The Reservation Rate charged will be the maximum applicable rate stated on the applicable rate sheet unless otherwise agreed to in writing.

Commodity Rate:

The Commodity Rate charged will be the maximum applicable rate stated on the applicable rate sheet.

Fuel Reimbursement Percentage:

The Fuel Reimbursement Percentage will be that stated on the applicable rate sheet, subject to adjustment pursuant to Section 38 of the General Terms and Conditions of this Tariff.

10. ADDITIONAL FACILITIES CHARGES:

_____ None

_____ Lump sum payment of: \$ _____

_____ Monthly fee of: \$ _____

_____ See additional terms

11. NOTICE OF ROFR EXERCISE (pursuant to Section 17.3 of the General Terms and Conditions of this Tariff):

Per Tariff Month(s) in advance of (i) the end of the primary term or (ii) any termination date after the primary term has ended.

^{1/} Rates may be negotiated pursuant to Section 33 of the General Terms and Conditions of this Tariff.

12. NOTICE OF ROLLOVER PROVISION (pursuant to Section 17.2 of the General Terms and Conditions of this Tariff):

Per Tariff Day(s) in advance of (i) the end of the primary term or the extended term or (ii) any termination date after the primary term has ended.

13. NOTICES TO TRANSPORTER UNDER THIS AGREEMENT SHALL BE ADDRESSED TO:

Rockies Express Pipeline LLC
370 Van Gordon Street
P.O. Box 281304
Lakewood, CO 80228-8304

14. ADDITIONAL TERMS: Rates have been negotiated pursuant to Section 33 of the General Terms and Conditions of the Tariff and are contained in that certain letter agreement between the parties dated _____.

SIGNATURE: _____

TITLE: _____

DATE: _____

ROCKIES EXPRESS PIPELINE LLC:

SIGNATURE: _____

TITLE: _____

DATE: _____

APPENDIX D CREDIT REQUIREMENTS

Shipper will be deemed creditworthy if (i) its long-term unsecured debt securities are rated at least BBB- by Standard and Poor's Corporation ("S&P") and at least Baa3 by Moody's Investor Service ("Moody's"), in each case with stable outlook; and (ii) the sum of reservation fees, commodity fees and any other associated fees and charges for the next succeeding thirty-six (36) months is less than 15% of Shipper's tangible net worth. For the purposes of this Appendix D, the term "tangible net worth" shall mean for a corporation the sum of the capital stock, paid-in capital in excess of par or stated value, and other free and clear equity reserve accounts less goodwill, patents, unamortized loan costs or restructuring costs, and other intangible assets. Only actual tangible assets are included in Transporter's assessment of creditworthiness. In comparing the overall value of a Shipper's contract to tangible net worth for credit evaluation purposes, Transporter will compare the net present value of demand or reservation charge obligations under such contracts to Shipper's then-current tangible net worth. If a Shipper has multiple service agreements with Transporter, then the total potential fees and charges of all such service agreements shall be considered in determining creditworthiness.

If Shipper does not meet the criteria described above, then Shipper may request that Transporter evaluate its creditworthiness based upon the level of service requested relative to the Shipper's current and future ability to meet its obligations. Such credit appraisal shall be based upon Transporter's evaluation of the following information and credit criteria:

- a. S&P and Moody's opinions, watch alerts, and rating actions and reports, rating, opinions and other actions by Dun and Bradstreet and other credit reporting agencies will be considered in determining creditworthiness.
- b. Consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements cash flow statements and auditor's notes will be analyzed along with key ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.
- c. Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws and there must not be pending any petition for involuntary bankruptcy. An exception may be made for a Shipper who is a debtor-in-possession operating under Chapter XI of the Federal Bankruptcy Act if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.

- d. Whether Shipper is subject to any lawsuits or judgments outstanding which could materially impact its ability to remain solvent.
- e. The nature of the Shipper's business and the effect on that business of general economic conditions and economic conditions specific to it, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- f. Any other information, including any information provided by Shipper, that is relevant to Shipper's current and future financial strength and Shipper's ability to make full payment over the term of the contract.