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**PGPIPELINE, LLC**  
**FORM OF CAPACITY RELEASE TRANSPORTATION SERVICE AGREEMENT**

This Capacity Release Transportation Service Agreement ("Agreement") is applicable to firm transportation rights released pursuant to Section 7.22 of the General Terms and Conditions ("GT&C") of Transporter's FERC Gas Tariff.

This Agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between PGPipeline, LLC, hereinafter called "Transporter" and \_\_\_\_\_, hereinafter variously called "Bidder" or "Replacement Shipper". Transporter and Bidder shall be referred to herein individually as "Party" and collectively as "Parties".

WHEREAS, Transporter owns and operates an interstate natural Gas transmission system and provides transportation services for third party shippers on such system;

WHEREAS, Transporter's Tariff permits shippers under Transporter's Rate Schedule FT to release some or all of their transportation rights under the terms and conditions prescribed in Transporter's Tariff;

WHEREAS, Bidder desires to enter into prearranged release agreements and/or submit bidding to acquire transportation rights released by one or more firm shippers and Transporter's Tariff requires Bidder to enter into this Agreement as a pre-condition to prearranged releases or to the submission of any such Bids; and

WHEREAS, Transporter is willing to enter into this Agreement with Bidder and provide transportation service to Bidder as a Replacement Shipper to the extent it obtains released transportation rights;

NOW THEREFORE, in condition of the mutual covenants and agreements as herein set forth, the Parties agree as follows:

**ARTICLE I – PROVISIONS**

The definitions found in Section 7.1 of Transporter's GT&C are incorporated herein by reference.

**ARTICLE II – RELEASED TRANSPORTATION RIGHTS**

In the event transportation rights are released to Bidder after bidding or the exercise of matching rights, Transporter shall prepare and submit to Bidder an Exhibit "R-\_\_\_\_\_" (initially, "R-1") setting forth the maximum daily quantity of the released transportation service ("Release Quantity"), applicable receipt and delivery points, the rates to be paid for service using released rights, the name of the Rate Schedule governing such released transportation rights and any special terms and conditions applicable to the release, including conditions of curtailment or recall. If Replacement Shipper subsequently obtains additional released transportation rights pursuant to the terms and conditions of Transporter's Tariff, an additional exhibit (designated sequentially as Exhibit

R-2, Exhibit R-3, etc.) shall be added to this Agreement for each such award of transportation rights. Each such Exhibit shall be added to this Agreement without any requirement of execution by Replacement Shipper (except in the case of prearranged transactions to be executed prior to submission to Transporter) and, upon such addition, shall be incorporated in and be considered a part of this Agreement. In the case of prearranged release transactions, Releasing Shipper shall prepare the Exhibit R-\_\_\_ with all terms set forth therein; and, after execution by Replacement Shipper, such Exhibit shall be submitted to Transporter with the Release Request. If consistent with the tariff and not superseded by a higher third-party or matching bid, such Exhibit R-\_\_\_ will be accepted and incorporated into this Agreement.

### **ARTICLE III – TERMS AND CONDITIONS**

This Agreement shall be subject to, governed by, and shall incorporate the applicable provisions of Transporter's Tariff, including, without limitation, Section 7.22 of the General Terms and Conditions thereof, the governing Rate Schedule, and the special terms and conditions stated in each Exhibit hereto with respect to the released transportation rights described in such Exhibit. Subject to the terms, conditions, and limitations of this Agreement and Transporter's Tariff, Replacement Shipper shall be deemed a Shipper for purposes of the governing Rate Schedule and the applicable provisions of Transporter's Tariff and shall be subject to all obligations thereof.

Performance of this Agreement shall be subject to all valid laws, orders, decisions, rules and regulations of duly constituted governmental authorities having jurisdiction or control of any matter related hereto. Should either of the parties, by force of any such law, order, decision, rule or regulation, at any time the term of this 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 Agreement shall be deemed modified to conform with the requirement of such law, order, decision, rule or regulation; provided, however, nothing in this Article III shall alter, modify or otherwise affect the respective rights of the parties to cancel or terminate this Agreement under the terms and conditions hereof.

### **ARTICLE IV – TERM**

This Agreement shall become effective on the date first written above and shall remain in force and effect until terminated by either Party upon thirty days prior written notice to the other party; provided however, no such termination may take effect during the term of any release of transportation rights to Replacement Shipper hereunder.

### **ARTICLE V – SUCCESSORS AND ASSIGNS**

- 5.1. 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 that it has executed or may execute hereafter as security for indebtedness; otherwise, Shipper shall not assign this Agreement or any of its rights and obligations hereunder.
- 5.2. Any person or entity that shall succeed by purchase, transfer, merger, or consolidation to the properties, substantially or 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 VI – REPLACEMENT SHIPPER’S INDEMNIFICATION**

Replacement Shipper recognizes that its rights to transportation service hereunder are solely those rights released by Releasing Shipper(s). The Replacement Shipper agrees that it will indemnify Transporter against any claim or suite of any kind by any Releasing Shipper, its successor or assigns arising from any action taken by Transporter in reliance upon the nominations, scheduling instructions or other communications from Replacement Shipper or its agents. Replacement Shipper further agrees that it will hold Transporter harmless for any action taken by Transporter in reliance upon the nominations, scheduling instructions or other communications of the Releasing Shipper or its agents. Replacement Shipper further recognizes and agrees that Transporter shall have no obligation to honor any nomination or scheduling request from Replacement Shipper or its agents that in Transporter’s sole opinion conflicts with communications or instructions received by Transporter from the Releasing Shipper (or its agents) which is the source of the released transportation right sought to be utilized by Replacement Shipper hereunder.

## **ARTICLE VII – MISCELLANEOUS PROVISIONS**

- 7.1. No waiver by any party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.2. The headings of the articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 7.3. The interpretation and performance of this Agreement shall be in accordance with and controlled by the laws of the State of Pennsylvania, without regard to choice of law doctrine that refers to the laws of another jurisdiction.
- 7.4. This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, representations, and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the parties only if agreed upon in a written instrument executed by both Parties which expressly refers to this Agreement.
- 7.5. Except for changes specifically authorized pursuant to this Agreement, no modifications of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change to Transporter and Shipper has been notified by Transporter of Transporter’s agreement to such change.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first set forth above.

PGPIPELINE, LLC

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

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

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

REPLACEMENT SHIPPER

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

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

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

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

**Exhibit R-\_\_ to the Capacity Release Transportation Service Agreement  
Between PGPipeline, LLC ("Transporter") and \_\_\_\_\_ ("Replacement  
Shipper") dated \_\_\_\_\_.**

Release Quantity:\_\_\_\_\_

Bid Rate:\_\_\_\_\_

Term:\_\_\_\_\_

Releasing Shipper:\_\_\_\_\_

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

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

Primary Points

Meter Nos.

Max. Quantity

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Additional Conditions of Release:

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

Notices shall be made to:

Transporter:

PGPipeline, LLC  
2525 84<sup>th</sup> Avenue  
Zeeland, Michigan 49464  
(616) 879-1796  
(616) 879-1797 (facsimile)

Replacement Shipper (contact person with address, including email, phone and fax):

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

Exhibit R-\_\_

Replacement Shipper (contact person with address, including email, phone and fax):

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Signature:

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For:\_\_\_\_\_  
(Replacement Shipper)

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

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

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