

Rover Pipeline LLC  
FERC Docket No. CP15-93-000  
Rover Pipeline Project  
Response to an FERC Data Request issued October 7, 2015  
Filed October 14, 2015

**Enclosure**

Provide *pro forma* service agreements in redline/strikeout format identifying any non-conforming provisions for which Rover requests the Commission make a preliminary ruling and file them as public. In the alternative, provide a list of the non-conforming provisions quoting verbatim the specific language to be included in the *pro forma* service agreements.

As the Commission has previously indicated,<sup>1</sup> in order for a pipeline to receive a preliminary upfront determination in a certificate proceeding regarding potentially non-conforming provisions, the pipeline must file redline/strikeout versions of its *pro forma* service agreements. The Commission believes this latter requirement to be necessary to ensure that it has the ability to fully explain its rulings on such provisions and not, for example, be constrained to using descriptions of the relevant provisions as opposed to quotations. The Commission further specified that the relevant portions of redline/strikeout documents must be filed as public (i.e., not under any claim of privilege).

**Response:**

The *pro forma* service agreements attached to the Precedent Agreements in the certificate filing were prepared prior to the finalization of the Rover tariff. The information on Exhibits A and B to the service agreement captures the agreement of the parties regarding the applicability of negotiated rates to specific points of receipt and delivery and was included on Exhibits A and B for clarity during the negotiation process. Exhibits A and B will be finalized prior to the in-service date, and at such time, the information on Exhibits A and B to the service agreement will be made to conform to the form of service agreement in the tariff and the applicability of the negotiated rates to specific points will be reflected in Exhibit C, Negotiated Rate Agreement.

Rover requests a preliminary ruling on the following non-conforming provisions in the service agreement:

1. Extension Rights
2. Fuel Caps \*
3. Most Favored Nations (“MFN”) Rights \*
4. Credit Provisions
5. Reduction Right \*

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<sup>1</sup> See *Tennessee Gas Pipeline Co., L.L.C.*, 150 FERC ¶ 61,160, at P 44 (2015).

\* In the abundance of caution, Rover has included provisions relating to Items 2, 3 and 5, above. However, it should be noted that items 2 and 3 state negotiated rate terms and item 5 relates to a contingency that should not be triggered given that Rover has since contracted for existing capacity on the Vector system to the Dawn delivery point.

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- 6. Maximum pressure
- 7. Capacity Release of Off-System Capacity

Specific, verbatim language is shown below for each Shipper.

## **Shipper A**

### **1. Extension Rights**

Shipper shall have a unilateral right to extend the term of the Firm Transportation Service Agreement up to four consecutive times for some portion or all of its MDQ beyond the Primary Term for a term of five (5) years per extension (each such extension an "Extended Term") or beyond any Extended Term for an additional Extended Term of five (5) years per extension upon notice to ROVER not less than six (6) months prior to the expiry of the Primary Term or any Extended Term.

### **2. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries from the Supply Zone to the Defiance Delivery Points or any other delivery point in the Mainline Zone, or 1.6% for deliveries to the Dawn Hub or any delivery point in the Market Zone North; provided, however, that the fixed fuel charges for deliveries to the Dawn Hub under this agreement will be reduced by the amount of any fuel assessed on Shipper by Transporter or Transporter's affiliates in Canada ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for the months in which Shipper is using at least 70% of its MDQ; provided, however, that Fuel Cap is also applicable if Shipper's use is less than 70% for reasons beyond Shipper's control, such as, but not limited to, Transporter maintenance, force majeure, or situations created by Transporter. In addition, for deliveries to the Market Zone South, Shipper shall also pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time; provided that such fuel is included as part of ROVER's agreement with the relevant pipeline to acquire capacity for service under ROVER's Tariff and Shipper transports natural gas through the ROVER system through that acquired capacity. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero or the end of the Negotiated Rate Term.

### **3. Most Favored Nations ("MFN") Rights**

**Most Favored Nations.** A most favored nations right as set forth in this Section 2.3. Subject to the provisions of this Agreement, if at any time prior to the fifth (5th) anniversary of the In-Service Date, Transporter enters into a precedent agreement, firm transportation service agreement, or similar agreement, with more favorable conditions precedent, termination provisions, minimum pressure

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requirements (other than a 1000 psig pressure obligation set forth in one precedent agreement dated May 12, 2014) or with a negotiated rate, discounted rate, or recourse rate that is lower than the Negotiated Rate in Shipper's Negotiated Rate Agreement for any current or future receipt or delivery point on the same transportation path and the same or shorter term (other than a transportation agreement for seasonal service or with a term of less than one year) ("Lower Rate"), Transporter shall offer such more favorable term(s) and condition(s) to Shipper and shall offer to reduce Shipper's Negotiated Rate for service under the FTS Agreement to a rate equal to the Lower Rate.

#### 4. Credit Provisions

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter, either:

(i) maintain an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the Firm Transportation Service Agreement and such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and Firm Transportation Service Agreement; or

(ii) maintain a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the Firm Transportation Service Agreement, and in either case equal to: upon the latter of (a) commencement of ordering material or (b) August 31, 2014, the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the Firm Transportation Service Agreement; or

(iii) permit a first lien by Transporter to exist on the Shipper's and/or Shipper's designated affiliate's equity in the Pipeline Project, pursuant to the letter agreement between Energy Transfer Partners, L.P. ("ETP") and [Shipper A], dated as of even date herewith, which equity is the equivalent to

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Section (B)(i) or Section (B)(ii) of this Exhibit C in satisfying the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the Firm Transportation Service Agreement.

(iv) At any time during the term of this Precedent Agreement and the Firm Transportation Service Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook, then the amount of Credit Support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the Firm Transportation Service Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the Firm Transportation Service Agreement, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term under the Firm Transportation Service Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and Firm Transportation Service Agreement.

(C) At any time while either this Precedent Agreement or the Firm Transportation Service Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Exhibit C(B)(i) or Exhibit C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Exhibit C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and Firm Transportation Service Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the Firm Transportation Service Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the Firm Transportation Service Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall

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immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the Firm Transportation Service Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the Firm Transportation Service Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

## **Shipper B**

### **1. Extension Rights**

Shipper has a right, exercisable no later than six (6) months prior to the end of the Primary Term or any extended term, to extend the term for the full MDQ for up to four consecutive five-year period(s).

### **2. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped in the following manner;

(a) at 1.6% for deliveries from the Sherwood Processing Plant in Doddridge County, West Virginia or the ETP Friendly Processing plant in Tyler County, West Virginia, for delivery to the ANR Delivery Point and other delivery points within the primary path not specifically addressed in this Section 1.3, and

(b) at 1.2% for deliveries from the Seneca Processing Plant in Noble County, Ohio, the Berne Processing Plant in Monroe County, Ohio, the Blue Racer Clarington or Eureka Hunter Pipeline, LLC interconnect at Clarington in Monroe County, Ohio, and Monroe Pipeline, LLC or an alternative receipt point designated by Shipper in Monroe County, Ohio and all other points between such points and to the ANR Delivery Point and other delivery points within the primary path not specifically addressed in this Section 1.3, and

(c) at 1.2% for deliveries from the Seneca Processing Plant in Noble County, Ohio, the Berne Processing Plant in Monroe County, Ohio, the Blue Racer Clarington or Eureka Hunter Pipeline, LLC interconnect at Clarington in Monroe County, Ohio, and Monroe Pipeline, LLC or an alternative receipt point designated by Shipper in Monroe County, Ohio and all other points between such points delivering gas into the Columbia Gas Transmission interconnect near the Sherwood Processing Plant in Doddridge Co., WV and Rockies Express Pipeline Interconnect near Seneca Processing Plant in Noble County, Ohio, and

(d) at 1.2% for deliveries from the Sherwood Processing Plant in Doddridge County, West Virginia into the Rockies Express Pipeline interconnect near the Seneca Processing Plant in Noble County, Ohio and the Columbia Gas Transmission interconnect near the Sherwood Processing Plant in Doddridge County, WV and other delivery points between such delivery points.

The Fuel Cap is only applicable within Shipper's primary path and shall be in effect for any month in which Shipper is utilizing at least 70% of its MDQ. Nothing in this Section shall be construed to preclude ROVER

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from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). To the extent there is a balance in the deferral account and the applicable Fuel Charge is less than the Fuel Cap, ROVER may charge Shipper a fuel percentage above the applicable Fuel Charge but no higher than the Fuel Cap, and such incremental amount will reduce the balance of the deferral account until the deferral account is reduced to zero.

### **3. Most Favored Nations ("MFN") Rights**

**MFN.** If at any time prior to the fifth (5<sup>th</sup>) anniversary of the commencement of service under [Transportation Agreement No. \_\_\_\_\_], Rover enters into a precedent agreement, firm transportation service agreement, or similar agreement, with a negotiated, discounted, or recourse reservation rate which is lower than the Fixed Negotiated Reservation Rate for the same transportation path and the same or shorter term (other than a transportation agreement for seasonal service or with a term of less than one year) ("Lower Rate"), Rover shall offer to amend this agreement to reduce Shipper's Fixed Negotiated Reservation Rate to a rate equal to the Lower Rate.

### **4. Credit Provisions**

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Attachment C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without either Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement;

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement, and in either case equal to: (a) on or after August 31, 2015, the total aggregate dollar

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value of 5 months of reservation charges due from Shipper for the MDQ under the FTS Agreement; (b) on or after January 1, 2016 the total aggregate dollar value of 9 months of reservation charges due from Shipper for the MDQ under the FTS Agreement

(b) During the term of this Precedent Agreement and the FTS Agreement, in the event any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook, then the amount of credit support shall increase to 18 months of reservation charges due from Shipper for the MDQ under the FTS Agreement; or, in the event that any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of credit support shall increase to 24 months of reservation charges due from Shipper for the MDQ under the FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Attachment C(B)(ii) hereof is no longer acceptable to Transporter, or (iii) the credit support provided to Transporter in accordance with Attachment C(B)(iii) hereof is no longer sufficient to provide Transporter with reasonable grounds for security (as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition), then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative credit support in accordance with either Attachment C(B)(i), Attachment C(B)(ii), or Attachment C(B)(iii).

(D) For any irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement

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or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

(E) The "Creditworthy" criteria and credit support requirements set forth in this Attachment C shall apply to the replacement shipper or assignee, as applicable, in any permitted permanent release of capacity under, or in any assignment (in whole or in part) of, any service agreement entered into by Shipper pursuant to this Precedent Agreement, and to any permitted assignment of this Precedent Agreement by Shipper, and shall survive the termination of this Precedent Agreement for the entire term of Shipper's FTS Agreement (including the Primary Term and, without limitation, any continuation, rollover, extension, or increase of the term of the FTS Agreement). Transporter shall apply consistent evaluation practices to all similarly situated shippers to determine Shipper's financial ability to perform the payment obligations due to Transporter over the term of the requested or existing service agreement.

## **5. Other – Maximum Pressure**

### **PRESSURE:**

... and Transporter shall design its system to operate at such a pressure that Shipper shall not be required to deliver its gas against pressures exceeding 1150 psig as measured at the Receipt Point(s), with the exception of the Monroe Point, which is addressed below.

### **MONROE PRESSURE:**

Shipper will deliver Gas to Transporter, at the Monroe Point, at prevailing system pressures, such prevailing system pressures not to exceed 1,440 psig.

## **Shipper C**

### **1. Extension Rights**

Shipper shall have a unilateral right to extend the term of the FTS Agreement up to four consecutive times for some portion or all of its then contracted capacity beyond the Primary Term for a term of five (5) years per extension (each such extension an "Extended Term") or beyond any Extended Term for an additional

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term of five (5) years per extension provided that Shipper requests such extension at least six (6) months before the expiration of the Primary Term and any Extended Term as provided for in the Firm Transportation Service Agreement. The Negotiated Rate Agreement shall remain in effect for the Extended Term(s).

## **2. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.35% for deliveries from Shipper's Primary Receipt Point(s) to the Midwest Hub, or 1.75% for deliveries from Shipper's Primary Receipt Point(s) to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for any months in which Shipper's utilization averages at least 70% of its MDQ. Shipper shall pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

## **3. Credit Provisions**

Shipper, at all times, must satisfy the creditworthiness criteria as set forth under this Exhibit C; provided the Parties agree that Shipper shall be deemed Creditworthy if Shipper satisfies the requirements of Section 9 of the Precedent Agreement:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and

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the FTS Agreement and such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit Support"), and in either case equal to: (a) on or after August 31, 2015, the total aggregate dollar value of 9 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement; or (b) on and after January 1, 2016, the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook, then the amount of Credit Support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Section (B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Section (B)(i) or Section (B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Section (B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit

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upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

#### **4. Maximum Pressure**

Shipper will deliver Gas to Transporter, at the Receipt Point(s), at prevailing system pressures not to exceed 950 psig.

### **Shipper D**

#### **1. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries from Shipper's Primary Receipt Point(s) to the Midwest Hub, or 1.6% for deliveries from Shipper's Primary Receipt Point(s) to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper's utilization averages at least 70% of its MDQ. Shipper shall pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

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## 2. Credit Provisions

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit; or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment; or other acceptable form of credit that is in a form acceptable to Transporter, in Transporter's sole judgement, in either of the three cases securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit Support"), on or after August 31, 2015, equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement, unless Transporter in its sole discretion determines that a lesser amount of Credit Support is required. The Credit Support shall be issued and maintained by Shipper, or a third party as provided for in (B)(i) above, for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook as compared to the outlook at the time the Precedent Agreement was signed, then the amount of Credit Support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to

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the lessor of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Attachment C(B)(i) or Attachment C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of

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Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

### **3. Maximum Pressure**

Shipper will deliver Gas to Transporter, at the Receipt Point(s), at prevailing system pressures not to exceed 1,150 psig.

## **Shipper E**

### **1. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries from the Supply Zone to the Midwest Hub, or 1.6% for deliveries to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper is utilizing at least 70% of its MDQ. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

### **2. Credit Provisions**

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services ("S&P") or its successor and at least Baa3 by Moody's Investor Services, Inc. ("Moody's") or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and

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faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit Support"), and in either case equal to:(a) on or after August 31, 2015, the total aggregate dollar value of 9 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement; or (b) on and after January 1, 2016, the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper or its parent company, if such parent company provides the Guaranty in accordance with Exhibit C(B)(i), declines below BBB-, in the case of S&P, or Baa3, in the case of Moody's, then the amount of Credit Support shall increase to the lesser 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) all of the Debt Ratings assigned to Shipper or its parent company, if such parent company provides the Guaranty in accordance with Exhibit C(B)(i), declines below BBB-, in the case of S&P, or Baa3, in the case of Moody's, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Exhibit C(B)(i) or Exhibit C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Exhibit C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the

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form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

### **3. Reduction right**

If deliveries to the Market Zone North are unavailable on the Effective Date, Shipper shall have the Midwest Hub as its primary delivery point until such time as Transporter provides service to the Market Zone North. For any time period that Transporter is able to transport to the Market Zone North, but is not able to transport to the Dawn Hub, Shipper shall have Michigan Delivery point(s) as its primary delivery point(s). If Transporter has not provided service to the Dawn Hub by December 31, 2019, then Shipper's MDQ may, at Shipper's option, be reduced to as low as 0 Dth per Day for the remainder of the Primary Term.

### **4. Maximum Pressure**

. . . and Transporter shall design its system to operate at such a pressure that Shipper shall not be required to deliver its gas against pressures exceeding 1150 psig as measured at the Receipt Point(s).

## Shipper F

### 1. Fuel Cap

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff; provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries to the Midwest Hub, or 1.4% for deliveries to the Rover/Vector interconnect. The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper is utilizing at least 70% of its MDQ. Shipper shall pay the applicable PEPL and/or TGC fuel rates for deliveries to Trunkline Zone 1, which are currently 1.62% and 0.3% respectively and for deliveries to PEPL/Consumers which is currently 0.51%, but each of which rates may change from time to time. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

### 2. Credit Provisions

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, at Shipper's option, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement. Any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and the Primary Term of the FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment; or other acceptable form of credit that is in a form acceptable to Transporter, in Transporter's sole judgment, in either of the three cases securing the full payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit

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Support”), on or after August 31, 2015, equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the MDQ under the FTS Agreement, unless Transporter in its sole discretion determines that a lesser amount of Credit Support is required. The Credit Support shall be issued and maintained by Shipper, or a third party as provided for in (B)(i) above, for the benefit of the Transporter throughout the term of the Precedent Agreement and the Primary Term of the FTS Agreement.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook as compared to the outlook at the time the Precedent Agreement was signed, then the amount of Credit Support shall increase to the lesser of 18 months of reservation charges due from Shipper for the MDQ or the number of months remaining in the Primary Term of the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the MDQ or the number of months remaining in the Primary Term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and the Primary Term of the FTS Agreement.

(C) At any time while either this Precedent Agreement or the Primary Term of the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer “Creditworthy”, or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Section (B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter’s basis for such determination), and within five (5) business days after Shipper’s receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Section (B)(i) or Section (B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Section (B)(ii) (any such letter of credit, “Shipper’s Letter of Credit”), such Shipper’s Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper’s Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and the Primary Term of the FTS Agreement. All extensions, amendments and replacements of any Shipper’s Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper’s Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper’s Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper’s Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter

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receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the Primary Term of the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the Primary Term of the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

### **3. Maximum Pressure**

Shipper will deliver Gas to Transporter, at the Receipt Point(s), at prevailing system pressures not to exceed 1,440 psig.

## **Shipper G**

### **1. Fuel Cap**

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries to the Midwest Hub, or 1.6% for deliveries to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper is utilizing at least 70% of its MDQ. Shipper shall pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

### **2. Credit Provisions**

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services ("S&P") or its successor, or at least BBB- by Fitch's Ratings, Inc. ("Fitch's") or its successor, or at least Baa3 by Moody's Investor Services, Inc. ("Moody's") or its successor, or an equivalent investment grade rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt

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Rating”), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; as long as Shipper receives an equivalent investment grade rating by two nationally recognized credit rating services as described above; and

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a nondiscriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity’s overall financial condition; and

(iii) Transporter, based on consistent and nondiscriminatory financial statement evaluation standards for determining the acceptability of such entity’s overall financial condition, concludes that the entity is “Creditworthy”.

(B) If Shipper is deemed not “Creditworthy”, then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix “A” hereof (“Guaranty”), from a third party that is “Creditworthy” and that is otherwise acceptable to Transporter, in Transporter’s sole judgment (such third party, “Guarantor”), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter’s sole judgment, in either case securing the full and faithful performance and payment of all of Shipper’s obligations under this Precedent Agreement and the FTS Agreement (“Credit Support”), and in either case equal to:(a) on or after August 31, 2015, the total aggregate dollar value of 6 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement; or (b) on and after January 1, 2016, the total aggregate dollar value of 9 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook, then the amount of Credit Support shall increase to the lesser of 12 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lessor of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term under the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer “Creditworthy”, or (ii) any bank

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that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Exhibit C(B)(i) or Exhibit C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Exhibit C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled, or (iii) upon review Shipper considered "Creditworthy" by Transporter (such review to occur annually and upon request by Shipper, but such request shall not be made more often than once in a twelve (12) month period).

### **3. Capacity Release**

Subject to Rover's FERC Tariff, and limitations under 18 CFR 284.8(h)(2) and other capacity release provisions, and any necessary FERC approvals of off system capacity release, at any time during the Primary Term, Rover agrees to release to Shipper, for periods of one month or less, all or any portion of

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the 200,000 MMBtu/day of Panhandle Eastern Pipeline and Trunkline Gas Company capacity held by Rover to make deliveries for Shipper under this Agreement to TGC Zone 1A. Shipper would acquire such capacity at the maximum reservation rates set forth in the PEPL and TGC tariffs. Rover agrees to credit such reservation rates to the Fixed Negotiated Reservation Rate otherwise payable under Article 1.

## Shipper H

### 1. Fuel Cap

Shipper shall pay the Fuel Charges set forth in ROVER's Tariff provided, however, that the Fuel Charges shall be capped at 1.2% for deliveries from Shipper's Primary Receipt Point(s) to the Midwest Hub, or 1.6% for deliveries from Shipper's Primary Receipt Point(s) to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper's utilization averages at least 70% of its MDQ. When the cap is applicable, ROVER shall provide Shipper a credit for any fuel charges charged by ET Rover Canada LLC, or any other transporter used to make the Dawn deliveries, under the corresponding transport for the portion of the pipeline in Canada, to the extent the sum of such fuel charges and the Fuel Charges imposed by Rover for deliveries from Shipper's Primary Receipt Point(s) to the Market Zone North exceed the 1.6% Fuel Cap. Shipper shall pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time. Nothing in this Section shall be construed to preclude ROVER from charging to a deferral account for future recovery any amount by which the Fuel Charge of Shipper is above the Fuel Cap (the "Under Recovered Amounts"). In such situations, ROVER will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

### 2. Credit Provisions

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Attachment C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

(B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full

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and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit; an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment; or other acceptable form of credit that is in a form acceptable to Transporter, in Transporter's sole judgment, in either of the three cases securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit Support"), on or after August 31, 2015, equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement, unless Transporter in its sole discretion determines that a lesser amount of Credit Support is required. The Credit Support shall be issued and maintained by Shipper, or a third party as provided for in (B)(i) above, for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) At any time during the term of this Precedent Agreement and the FTS Agreement, in the event (a) any of the Debt Ratings assigned to Shipper becomes qualified or impacted by a negative outlook as compared to the outlook at the time the Precedent Agreement was signed, then the amount of Credit Support shall increase to the lesser of 18 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement; or, in the event that (b) any of the Debt Ratings assigned to Shipper declines from the Debt Ratings assigned to Shipper as of the execution date of the Precedent Agreement and the FTS Agreement, the amount of Credit Support shall increase to the lessor of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining in the term of the FTS Agreement. In the case of either (a) or (b), the Credit Support shall be issued and maintained by Shipper, or caused by Shipper to be issued and maintained, for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Attachment C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to, Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Attachment C(B)(i) or Attachment C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Attachment C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to

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Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

### **3. Maximum Pressure**

Shipper will deliver Gas to Transporter, at the Receipt Point, at prevailing system pressures not to exceed 1,440 psig if the Receipt Point is downstream of Clarington. Shipper will deliver Gas to Transporter, at the Receipt Point, at prevailing system pressures not to exceed 1150 if the Receipt Point is upstream of Clarington.

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## Shipper I

### 1. Fuel Cap

Shipper shall pay the Fuel Charges set forth in Rover's Tariff, provided however, that the Fuel Charges shall be capped at 1.2% for deliveries from Shipper's Primary Receipt Point(s) to the Midwest Hub, or 1.6% for deliveries from Shipper's Primary Receipt Point(s) to the Market Zone North ("Fuel Cap"). The Fuel Cap is only applicable to Shipper's primary path and shall be in effect for time periods in which Shipper's utilization averages at least 70% of its MDQ. Shipper shall pay the applicable PEPL and/or TGC fuel rates, which are currently 1.62% and 0.3%, respectively, but may change from time to time. Nothing in this Section shall be construed to preclude Rover from charging to a deferral account for "Under Recovered Amounts"). In such situations, Rover will charge Shipper a percentage equal to the Fuel Cap until the deferral account is reduced to zero.

### 2. Credit Provisions

Shipper, at all times, must satisfy the creditworthiness criteria, or otherwise provide such credit support, as set forth under this Exhibit C:

(A) An entity shall be deemed "Creditworthy" hereunder, as of a particular time, if:

(i) its long-term unsecured debt securities, at such time, are rated at least BBB- by Standard & Poor's Ratings Services or its successor and at least Baa3 by Moody's Investor Services, Inc. or its successor or an equivalent rating by another nationally recognized credit rating service (any such rating, as applicable, a "Debt Rating"), without any Debt Rating being qualified by or subject to a ratings action indicating a negative short-term or long-term outlook; and;

(ii) Transporter does not have other reasonable grounds for insecurity, as evaluated by Transporter on a non-discriminatory basis, based on consistent financial evaluation standards for determining the acceptability of such entity's overall financial condition.

B) If any of the Debt Ratings assigned to Shipper is deemed not "Creditworthy", then Shipper shall thereafter maintain, either:

(i) an irrevocable, unconditional guaranty in the form set forth in Appendix "A" hereof ("Guaranty"), from a third party that is "Creditworthy" and that is otherwise acceptable to Transporter, in Transporter's sole judgment (such third party, "Guarantor"), which Guaranty shall guarantee the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement any such Guaranty will remain outstanding for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement; or

(ii) a cash deposit or an irrevocable standby letter of credit that is in a form and from a bank acceptable to Transporter, in Transporter's sole judgment, in either case securing the full and faithful performance and payment of all of Shipper's obligations under this Precedent Agreement and the FTS Agreement ("Credit Support"), equal to the total aggregate dollar value of 12 months of reservation charges due from Shipper for the Contract MDQ under the FTS Agreement [in accordance with the following schedule: ten percent (10%) due within seven days of signing, forty percent (40%) due on March 31, 2015, twenty-five percent (25%) due on May 31, 2015 and twenty-five percent (25%) due on August 31, 2015.

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The Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement, as may be extended from time to time.

(iii) On an annual basis during the term of this Precedent Agreement and the FTS Agreement, Shipper shall provide to Transporter Shipper's audited financial statements with footnotes necessary to evaluate Shipper's financial condition. In the event i) Shipper's financial condition has deteriorated, as compared to the December 31, 2013 consolidated financial statements provided to Transporter on September 22, 2014, including, but not limited to, a deterioration in stated Members' Equity; or ii) Shipper experiences a material adverse change to its financial condition, including, but not limited to, any of the following: (a) qualified auditor's opinion relating to the financial statements which indicates uncertainty as to Shippers ability to exist as an ongoing concern; (b) pending or adjudged litigation or regulatory proceedings in state or Federal courts which could cause a condition of insolvency; or (c) significant lawsuits or outstanding judgments which would seriously reflect upon Shipper's ability to remain solvent, all as determined in Transporter's sole discretion, then the amount of Credit Support shall increase to the lesser of 24 months of reservation charges due from Shipper for the Contract MDQ or the number of months remaining under the FTS Agreement and any extensions thereof ("Incremental Credit Support") and shall be provided to Transporter within five (5) business days of written demand to Shipper. If, however, the Shipper has not yet provided 100% of the Initial Credit Support to Transporter, then Shipper shall provide the Initial Credit Support and Incremental Credit Support to Transporter within five (5) business days of written demand to Shipper. The Credit Support shall be issued and maintained by Shipper for the benefit of the Transporter throughout the term of the Precedent Agreement and FTS Agreement.

(C) At any time while either this Precedent Agreement or the FTS Agreement is effective, if Transporter determines that, as of such time, (i) any Guarantor of Shipper is no longer "Creditworthy", or (ii) any bank that is supporting a letter of credit in favor of Transporter in accordance with Exhibit C(B)(ii) hereof is no longer acceptable to Transporter, then Transporter may submit a written notice of such determination to Shipper (which notice shall provide Transporter's basis for such determination), and within five (5) business days after Shipper's receipt of such notice from Transporter, Shipper shall deliver to Transporter, and shall thereafter maintain, alternative Credit Support in accordance with either Exhibit C(B)(i) or Exhibit C(B)(ii).

(D) For any Credit Support in the form of an irrevocable standby letter of credit that is provided to Transporter pursuant to Exhibit C(B)(ii) (any such letter of credit, "Shipper's Letter of Credit"), such Shipper's Letter of Credit shall permit partial draws and shall have an expiry date no sooner than twelve (12) calendar months after issuance thereof. With respect to any Shipper's Letter of Credit, Shipper shall furnish extensions or replacements of such letter of credit thirty (30) days prior to the expiration thereof, from time to time until the expiration of both the Precedent Agreement and FTS Agreement. All extensions, amendments and replacements of any Shipper's Letter of Credit shall be delivered to Transporter in the form of such outstanding Shipper's Letter of Credit, or in form otherwise satisfactory to Transporter. Transporter shall have the right to draw against any outstanding Shipper's Letter of Credit upon: (a) failure to make payment when due under either this Precedent Agreement or the FTS Agreement; or (b) the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit as provided herein. In the event of a draw in accordance with clause (a) of the preceding sentence, the proceeds of such draw shall be applied against any costs, expenses or damages

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incurred by Transporter. In the event of a draw due to the failure or refusal of Shipper to deliver any applicable extension, amendment or replacement of an outstanding Shipper's Letter of Credit, which draw may be in part or in whole, the proceeds of the draw shall be retained by Transporter until Transporter receives a replacement Shipper's Letter of Credit or until Transporter does in fact incur any costs, expenses or damages as a result of a breach by Shipper of any of its obligations under either this Precedent Agreement or the FTS Agreement (in which event, such monies shall be applied against the same). If drawn in part or in whole, Shipper shall immediately thereafter provide a replacement Shipper's Letter of Credit in an amount equal to the amount drawn by Transporter. Any draw made by Transporter under an outstanding Shipper's Letter of Credit shall not relieve Shipper of any liabilities, deficiencies, costs, expenses or damages beyond what is drawn under such Shipper's Letter of Credit. Shipper's Letter of Credit (representing any undrawn portion thereof), to the extent it still remains, or any Credit Support in the form of cash deposit held by Transporter shall be returned to Shipper on or before the thirtieth (30th) day after the later to occur of (i) the date on which both the Precedent Agreement and the FTS Agreement have terminated or expired and (ii) the date on which all of Shipper's performance and payment obligations under the Precedent Agreement and the FTS Agreement (including, without limitation, any damages arising from either such agreement) have been fulfilled.

**3. Maximum Pressure**

... and Transporter shall design its system to operate at such a pressure that Shipper shall not be required to deliver its gas against pressures exceeding 1150 psig as measured at the Receipt Point(s).

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