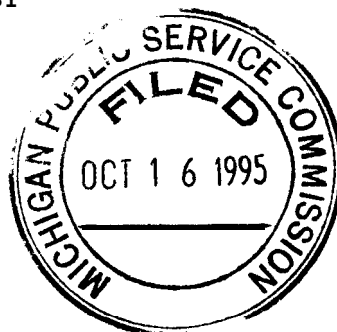


TITLE PAGE  
EATON RAPIDS GAS STORAGE SYSTEM  
RULES, REGULATIONS AND RATE SCHEDULES  
FOR STORAGE SERVICE

These Rules, Regulations and Rate Schedules apply to all  
Storage Service provided by the Company.

ISSUED October 12, 1995 BY  
MICHAEL J. MUJADIN  
CHAIRMAN  
500 RENAISSANCE CENTER  
DETROIT, MI 48243

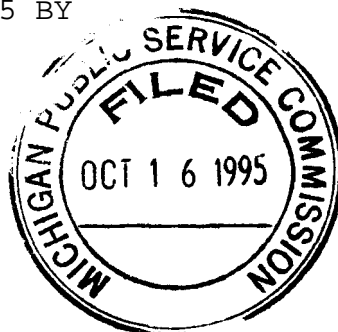


EFFECTIVE FOR STORAGE SERVICE  
RENDERED ON AND AFTER  
October 12, 1995  
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MICHIGAN PUBLIC SERVICE COMM.  
DATED: October 12, 1995  
IN CASE NO. U-10828

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Rate Schedules	14.00	10/12/95
Tariff Book Standard Forms Filed with the Commission	17.00	10/12/95
General Terms and Conditions Rate Schedules FS & RFS	18.00	10/12/95

ISSUED October 12, 1995 BY  
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500 RENAISSANCE CENTER  
DETROIT, MI 48243

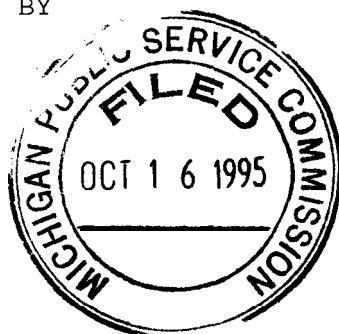


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ISSUED October 12, 1995 BY  
 MICHAEL J. MUJADIN  
 CHAIRMAN  
 500 RENAISSANCE CENTER  
 DETROIT, MI 48243



EFFECTIVE FOR STORAGE SERVICE  
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 DATED: October 12, 1995  
 IN CASE NO. U-10828

**TERRITORY SERVED**  
**Eaton Rapids Gas Storage System**

**Not applicable**

**ISSUED April 27, 1990 BY**  
**MICHAEL J. MUJADIN**  
**CHAIRMAN**  
**500 RENAISSANCE CENTER**  
**DETROIT, MI 48243**



**EFFECTIVE FOR STORAGE SERVICE**  
**RENDERED ON AND AFTER**  
**February 7, 1990**  
**ISSUED AUTHORITY OF THE**  
**MICHIGAN PUBLIC SERVICE COMM**  
**DATED: February 6, 1990**  
**IN CASE NO. U-9369**

TECHNICAL TERMS AND ABBREVIATIONS

(See contract in Tariff Book, Standard Forms Section)

"FS" means firm gas storage service.

"RFS" means released firm gas storage service resulting from operation of Section 11 of the General Terms and Conditions for Rate. Schedules FS and RFS.

"GS" is all other storage service except FS and RFS storage service and consists of gas storage services such as, interruptible, parking, advance, or any other service agreed to between Seller and Customer.

"Agreement" means any agreement for gas storage service entered into between Seller and Customer.

ISSUED October 12, 1995 BY  
MICHAEL J. MUJADIN  
CHAIRMAN  
500 RENAISSANCE CENTER  
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EFFECTIVE FOR STORAGE SERVICE  
RENDERED ON AND AFTER  
October 12, 1995  
ISSUED AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED: October 12, 1995  
IN CASE NO. U-10828

RULES AND REGULATIONS - FS & RFS

A. Agreements. An Agreement for storage service in the appropriate form shall be entered into between Seller and Customer. Such Agreement shall be substantially in the form of the Pro Forma Gas Storage Agreement which is a part of this Tariff. In the event of conflict, the terms and conditions of the Rules and Regulations and Rate Schedules of this Tariff shall control.

B. Responsibility for Gas. Upon receiving delivery of Gas for storage at the Point of Delivery, Seller shall be in exclusive control and possession of such Gas and responsible for any loss thereof, or any and all injury or damage caused thereby. When the Gas has been redelivered at the Point(s) of Redelivery Customer shall be in exclusive control and possession of such Gas and responsible for any and all injury or damage caused thereby.

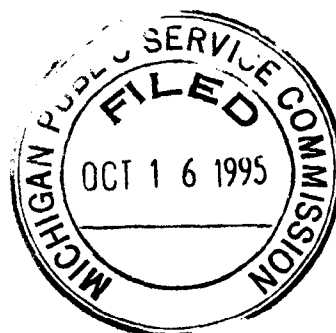
C. Limitation of Service. A Customer which fails to comply with any and all of the terms of the Agreement, including the applicable Rate Schedule and these Rules and Regulations of this Tariff, shall, at Sellers option, be deemed to have consented to termination of such Agreement and abandonment of service.

D. Additional Facilities. Unless otherwise agreed to by the parties, Seller shall not be required to construct and install any additional facilities to perform the service requested by Customer. In the event that Seller enters into an Agreement with Customer, whereby Seller will construct and install facilities to perform the service requested by Customer, and Customer agrees to prepay Seller for the cost of such construction and installation, then Seller shall notify the MPSC staff of such agreement.

E. Requests for Storage Service.

E1. Requests. To request FS or RFS service, a potential Customer shall submit a request for such service in a form acceptable to Seller. Seller shall evaluate and respond to such requests as soon as is reasonably possible, and shall begin service, if an Agreement is executed, as soon as is reasonably possible. Such a request shall be considered acceptable only if the information specified in subsections E.2(a) through (e) below is provided in writing, but Seller may waive all or a portion of such information in individual instances. Unless otherwise agreed, each request for FS and/or RFS shall be accompanied by refundable earnest money in the form of a certified or cashier's check payable to Seller in the amount of the lesser of ten thousand dollars (\$10,000) or the maximum charges which would be due for the term of service for such requested service, which amount shall be applied, until fully used, against the first amounts due by

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EFFECTIVE FOR STORAGE SERVICE  
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RULES AND REGULATIONS - FS & RFS (CONTINUED)

Customer to Seller for the requested service; provided, however, such amount shall be refunded by Seller to Customer within thirty (30) days if such request is considered null and void pursuant to Section E.4 of these Rules and Regulations of this Tariff. Requests for service shall be sent to:

Eaton Rapids Gas Storage System  
500 Renaissance Center  
Detroit, Mi 48243  
Attn. Marketing Department

E.2 Form of Requests - Customers requesting FS & RFS service must provide the following information.

(a) Customer(s) names

Name, address, representative and telephone number of Customer(s).

(b) Type of service(s) requested

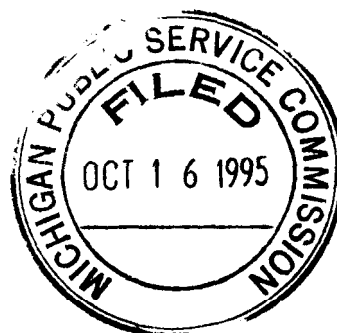
Service desired (i.e., FS or RFS).

(c) Quantity (stated in Mcf)

(i) Maximum Storage Volume (which, unless otherwise agreed to, shall not be less than one hundred thousand (100,000) Mcf)

(ii) Storage Demand Injection Quantity shall be an amount to be negotiated between Seller and Customer.

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**RULES AND REGULATIONS - FS & RFS (CONTINUED)**

(iii) Storage Demand Withdrawal Quantity shall mean a volume which cannot be greater than 1/10 of the Maximum Storage Volume nor less than 1/128 of the Maximum Storage Volume.

(d) Term of Service

(i) Date service is requested to commence. Unless agreed to otherwise, service shall commence on April 1, of each Contract Year.

(ii) Date service is requested to terminate. RFS shall terminate on the date specified by FS customer who is releasing the firm capacity., Unless agreed to otherwise, FS shall terminate on March 31, of the last Contract Year.

(e) Credit Evaluation

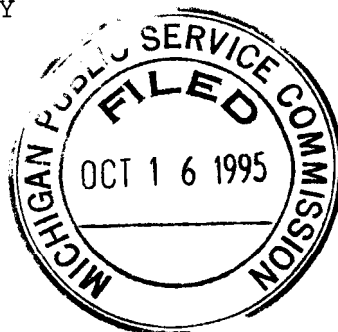
(i) Customer's Bank References.

(ii) Year end audited financial statements of Customer and Customer's parent. Such financial statements must include Income Statements, Balance Sheets and Cash Flow Statements.

(iii) Customer's Affiliates, including parent, subsidiaries of parent and of such subsidiaries, and subsidiaries of Customer.

(iv) In the event proceedings have been commenced by or against such Customer for any relief under any bankruptcy or insolvency law, or any law relating to the relief of debtors, readjustment of indebtedness, reorganization, arrangement, composition or extension; or in the event a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or

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RULES AND REGULATIONS - FS & RFS (CONTINUED)

liquidator or trustee or assignee in bankruptcy or insolvency of such Customer, or of a substantial part of its property, or for the winding up or Liquidation of its affairs, **shall have** been entered, or any substantial part of the property of such Customer shall be sequestered or attached and shall not be returned to the possession of such Customer or released from such attachment within thirty (30) Days thereafter; or in the event such Customer shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, Customer shall be required to fully disclose any and all actions regarding the above described proceedings against Customer or related parties defined in ii above, in its request for service.

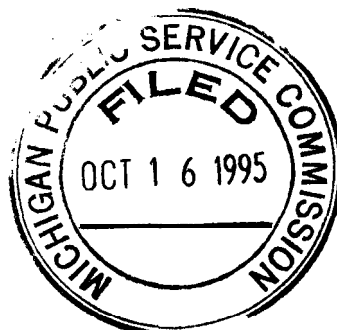
(g) Use and Source of Gas

The ultimate end user(s) of the Gas involved, the source of the Gas and the identity of all other entities involved in the transaction including but not limited to upstream and downstream interstate pipelines, intrastate pipelines, local distribution companies and gathering companies\_ Customer shall be responsible for furnishing all such information, as to Customer, required in reports of Seller pursuant to the regulations of any agency having jurisdiction.

E.3 Subsequent Information

- (a) If any of the events or actions described in E.2e(iv) above, shall be initiated or imposed during the term of service hereunder, Customer shall provide notification thereof to Seller within two (2) working Days of any such initiated or imposed event or action. Customer shall also provide, forthwith, such additional Customer credit information, as may be reasonably required by Seller, at any time during the term of service hereunder, to determine Customer's creditworthiness.

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RULES AND REGULATIONS - FS & RFS (CONTINUED)

(b) After receipt of a Request for service hereunder, Seller may require that Customer furnish additional information as a prerequisite to Seller offering to execute an Agreement with Customer. Such information may include proof of Customer's title to the Gas involved and/or its legal right to cause the Gas to be delivered to Seller for storage, and of Customer's contractual and/or physical ability to cause such Gas to be delivered to and received from Seller. Customer may blank out competitively sensitive information from documents furnished hereunder.

E.4 Request Validity.

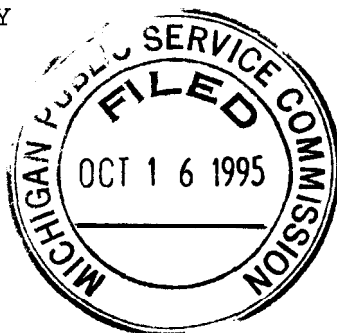
Customer's Request for storage service shall be considered null and void if Seller has tendered an Agreement for execution to Customer and Customer fails to execute the Agreement within fifteen (15) Days thereafter. In determining whether it is feasible to tender an Agreement relative to FS and RFS, in light of available capacity, after provision for existing services, operating constraints and pending requests for service, Seller will not execute an Agreement which relates to requests for such service for which it does not have sufficient available capacity.

F. Queing. This Section governs the sequence in which requests for new FS and RFS service will be accommodated where capacity is not available for all valid requests for new service. It does not govern allocation of capacity pursuant to Section G hereof or interruption of service pursuant to the Agreement.

F.1 Order of Priority.

(1) Requests for quantities of FS will be first fulfilled, provided sufficient available capacity exists. The order of priority among such requests shall be based upon the economic value of the transaction to Seller, with the transaction producing the greatest economic value having the highest priority of request, provided, however, that nothing herein shall require Seller to provide service at any rates less than Seller's applicable maximum rates, and provided further, that Seller shall not be required to enter into Agreements unless Customer meets Seller's Creditworthiness

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RULES AND REGULATIONS - FS & RFS (CONTINUED)

standards set forth in Sellers General Terms and Conditions governing FS and RFS service. Economic value shall be determined on the basis of the Net Present Value of the annual revenues to be generated from the transaction (using a term not to exceed twenty (20) years), discounted by the then-current interest rate determined in accordance with Section 154.67(c) of the FERC's Rules and Regulations. In the event two or more bids with the same equal economic values are received for combined capacity in excess of the quantity of available firm capacity, the capacity will be allocated on a first come first served basis.

**F.2** Date of Requests.

- (1) Existing Service - The date of request for any existing service shall be the date of the Agreement to provide such service. For purposes of this Section an existing service is any service for which there was a valid executed Agreement as of the initial effective date of this Tariff (i.e. February 7, 1990).
- (2) New Service - The date of request for any other service shall be the date of Seller's receipt of a valid request for storage service under Section E hereof. If Seller does not receive Customer's executed Agreement within fifteen (15) days from the date the Agreement is sent, the request for storage service and any priorities for the storage service shall expire without prejudice to Customer's right to submit a new request for storage service.

**G.** Scheduling and Allocation of Capacity. For each Day and on any Day, if Seller determines that the capacity of its system, or, portions thereof, is insufficient to serve all Customers' scheduled volumes of Gas for such Day, capacity shall be allocated to provide the service which is feasible, first to FS and RFS Customers.

**G.1** For each Day and on any Day, if Seller determines that the capacity of its system, or, portions thereof, is insufficient to serve all FS and RFS Customers scheduled

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RULES AND REGULATIONS - FS & RFS (CONTINUED)

volumes of Gas for such Day, capacity shall be allocated on a pro-rata basis in proportion to FS and RFS Customers' scheduled deliveries or redeliveries **compared** to the total of all FS and RFS Customers' scheduled deliveries or redeliveries immediately prior to the allocation of capacity.

H. Authorized Overrun Storage Service and Priorities Therefore.

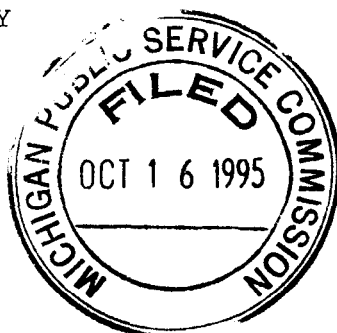
H.1 Upon request of Customer, Seller may, (but is not obligated to) on any Day, receive and redeliver Gas in volumes in excess of Customer's Maximum Daily Injection Quantity and Maximum Daily Withdrawal Quantity, provided such overrun service does not require Seller to reduce quantities of service being provided to any other customers on such Day.

H.2 such "Authorized Overrun Storage Services," when permitted, will be available to Customers whose nominations are received first in time. Customers whose nominations are received on the same Day shall share available Authorized Overrun Service pro-rata based upon the Customer's nomination compared to total nominations.

I. Commingling. Shipper shall have the unqualified right to commingle Gas stored hereunder with Gas from all Customers and from other sources and treat and handle all such Gas without distinction as to source. It is recognized that Gas redelivered will not be the same molecules as those received.

J. Range of Rates. Unless otherwise agreed upon in writing between Customer and Seller, the rates applicable to Customer for service hereunder shall be the applicable Maximum Rate(s), if any, as set forth in the effective tariff sheet. In the event an amount less than the applicable Maximum Rate(s) and not less than the applicable Minimum Rate(s) is agreed upon, such amount shall be applied prospectively from the Day such lesser rate is agreed to, and Seller shall be responsible for complying with the reporting requirements of any regulatory agency. Anything to the contrary notwithstanding, any rate for RFS service less than the applicable Maximum Rate(s) requires the prior approval of the Customer releasing such service.

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RULES AND REGULATIONS - FS & RFS (CONTINUED)

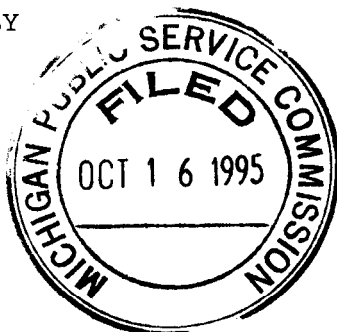
K. TITLE TRANSFERS OF GAS IN STORAGE

K.1 A Customer (Transferor) may sell or otherwise transfer title to Gas received for storage by Seller for the account of Customer to any other Customer (Transferee) if:

- (1) Both Transferor and Transferee of the Storage Volume provides Seller with verification of the transfer in writing;
- (2) The purchase does not cause either Customer to exceed its Maximum Storage Volume, as specified in each Customer's Agreement, and
- (3) In Seller's judgment such transfer can be done without adverse effect on Seller's operations or its ability to meet all higher priority obligations.

K.2 Seller will recognize transferred volumes for purposes of computing available Storage Volume and applicable Injection **and** Withdrawal Quantities on a prospective basis within 24 hours after receiving the written verification required by Section K.1(1).

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Rate Schedule FS

FIRM SERVICE

Availability:

This Rate Schedule is available for Firm storage service by Eaton Rapids Gas Storage System (Eaton Rapids) for any person to the extent that:

- (a) Eaton Rapids has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Customer; and
- (b) Eaton Rapids and Customer have executed an Agreement under this Rate Schedule.

Characteristics of Service:

Firm-except as maybe limited by the effective Rules and Regulations and General Terms and Conditions of Seller.

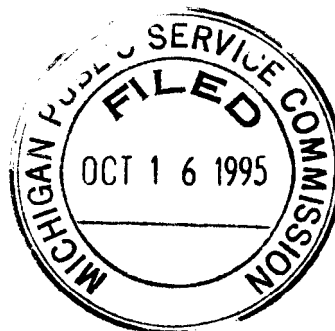
Rate:

	<u>Maximum</u> <u>Rate per Mcf</u>	<u>Minimum</u> <u>Rate per Mcf</u>
Deliverability - Monthly	\$2.2993	\$0.00
Capacity - Monthly	\$0.0207	\$0.01

Fuel:

	<u>Maximum</u>	<u>Minimum</u>
Injection	1.9%	<b>0%</b>
Withdrawal	1.7%	0%

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Rate Schedule RFS

RELEASED FIRM SERVICE

Availability:

This Rate Schedule is available for Released Firm Storage service by Eaton Rapids Gas Storage System (Eaton Rapids) for any person to the extent that:

- (a) Eaton Rapids has determined that it has sufficient available Released Firm storage **capacity** to perform service requested by Customer; and
- (b) Eaton Rapids and Customer have executed an Agreement under this Rate Schedule.

Characteristics of Service:

Firm-except as maybe limited by the effective Rules and Regulations and General Terms and Conditions of Seller and the terms of the release.

Rate:

	<u>Maximum</u> <u>Rate per Mcf</u>	<u>Minimum</u> <u>Rate per Mcf</u>
Deliverability - Monthly	\$2.2993	\$0.00
Capacity - Monthly	\$0.0207	\$0.01

Fuel:

	<u>Maximum</u>	<u>Minimum</u>
Injection	1.9%	0%
Withdrawal	1.7%	0%

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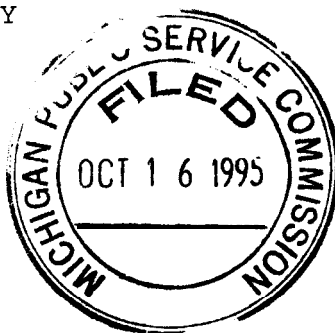
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Rate Schedule IS

INTERRUPTIBLE SERVICE

THIS RATE IS CANCELLED

ISSUED October 12, 1995 BY  
MICHAEL J. MUJADIN  
CHAIRMAN  
500 RENAISSANCE CENTER  
DETROIT, MI 48243



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RATE SCHEDULE GS

Availability:

Natural gas storage service will be available to all customers desiring service to the extent that:

- 1) Seller has determined that sufficient uncommitted storage capacity is available to provide the service requested by the customer; and
- 2) Seller and customer have executed a contract for storage service under this rate schedule.

Characteristics of service:

Any rates, terms, and conditions not specifically set forth in this rate schedule may be provided in the storage agreement between the Customer and Seller.

Rate:

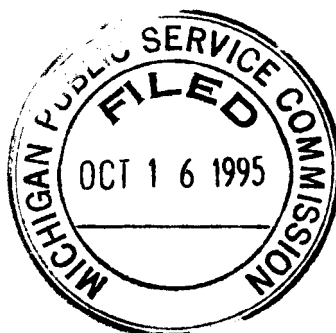
	<u>Maximum</u> <u>Rate per Mcf</u>	<u>Minimum</u> <u>Rate per Mcf</u>
Deliverability - Monthly	\$2.2993	\$0.00
Capacity - Monthly	\$0.0207	\$0.01

The maximum storage rate shall not exceed the annual 100% load factor rate for 10 day service, for each transaction, and the minimum rate shall be 1 cent per Mcf, for each transaction. The rate may consist of a demand portion and/or a commodity portion as provided in the storage agreement.

Fuel:

	<u>Maximum</u>	<u>Minimum</u>
Injection	1.9%	0%
Withdrawal	1.7%	0%

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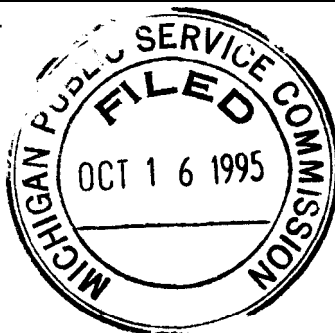


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TARIFF BOOK STANDARD FORMS  
FILED WITH THE COMMISSION

<u>Form #</u>	<u>Description</u>	<u>Form Effective Date</u>	<u>Sheet No.</u>
	Storage Service Contracts		
a)	Pro Forma Gas Storage Agreement for Firm Service		1-8

ISSUED October 12, 1995 BY  
MICHAEL J. MUJADIN  
CHAIRMAN  
500 RENAISSANCE CENTER  
DETROIT, MI 48243



EFFECTIVE FOR STORAGE SERVICE  
RENDERED ON AND AFTER  
October 12, 1995  
ISSUED AUTHORITY OF THE  
MICHIGAN PUBLIC SERVICE COMM.  
DATED: October 12, 1995  
IN CASE NO. U-10828

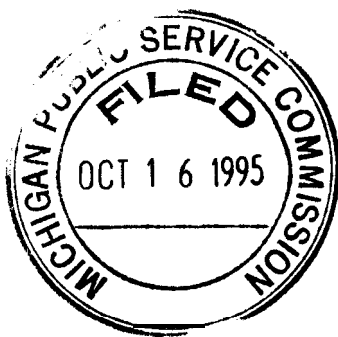
PRO FORMA  
GAS STORAGE AGREEMENT  
FOR FIRM SERVICE  
BETWEEN  
EATON RAPIDS GAS STORAGE SYSTEM  
AND

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GAS STORAGE AGREEMENT

This Agreement, made and entered into as of this day of \_\_\_\_\_ 19\_\_\_\_, by and between \_\_\_\_\_, a corporation having its principal office at \_\_\_\_\_ (hereinafter referred to "Customer"), and Eaton Rapids Gas Storage System, having a principal office in Ingham County, Michigan 49264 (hereinafter referred to as "Seller").

## W I T N E S S E T H :

WHEREAS, Customer is in need of storage service and is desirous of utilizing a portion of the Gas storage capacity owned by Seller; and

WHEREAS, **Seller is** willing to render such service pursuant to the terms and conditions hereinafter provided for; and

WHEREAS, Customer either has existing agreements or is currently negotiating new agreements with other pipeline companies for the transportation, delivery and redelivery of volumes of Gas for storage service proposed herein:

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, Seller and Customer agree as follows:

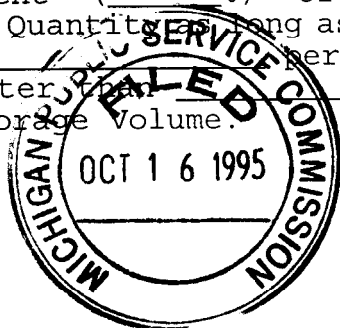
ARTICLE I  
DEFINITION OF TERMS

1.1 The term "Maximum Daily Injection Quantity" shall mean:

- (a) the Storage Demand Injection Quantity as long as the Storage Volume is equal to or less than \_\_\_\_\_ percent (\_\_\_%) of the Maximum Storage Volume.
- (b) \_\_\_\_\_ percent (\_\_\_%) of the Storage Demand Injection Quantity as long as the Storage Volume is greater than \_\_\_\_\_ percent (\_\_\_%) of the Maximum Storage Volume.

1.2 The term "Maximum Daily Withdrawal Quantity" shall mean:

- (a) the Storage Demand Withdrawal Quantity as long as the Storage Volume is equal to or greater than \_\_\_\_\_ percent(%) of the Maximum Storage Volume.
- (b) \_\_\_\_\_ percent (\_\_\_%) of the Storage Demand Withdrawal Quantity as long as the Storage Volume is less than \_\_\_\_\_ percent (\_\_\_%), but equal to or greater than \_\_\_\_\_ (\_\_\_%) of the Maximum Storage Volume.



- (c) \_\_\_\_\_ percent (\_\_\_\_\_% ) of the Storage Demand Withdrawal Quantity as long as the Storage Volume is less than \_\_\_\_\_ (\_\_\_\_\_% ) but equal to or greater than \_\_\_\_\_ (\_\_\_\_\_% ) of the Maximum Storage Volume.
- (d) \_\_\_\_\_ percent (\_\_\_\_\_% ) of the Storage Demand Withdrawal Quantity as long as the Storage Volume is less than \_\_\_\_\_ (\_\_\_\_\_% ) of the Maximum Storage Volume.

1.3 The term "Maximum Storage Volume" shall mean \_\_\_\_\_  
Mcf of Gas.

1.4 The term "Storage Demand Injection Quantity" shall mean  
a daily quantity of \_\_\_\_\_ Mcf of Gas ( \_\_\_\_\_  
\_\_\_\_\_% ) of the Maximum Storage Volume).

1.5 The term "Storage Demand Withdrawal Quantity" shall mean  
a daily quantity of \_\_\_\_\_ Mcf of Gas ( \_\_\_\_\_  
\_\_\_\_\_% ) of the Maximum Storage Volume).

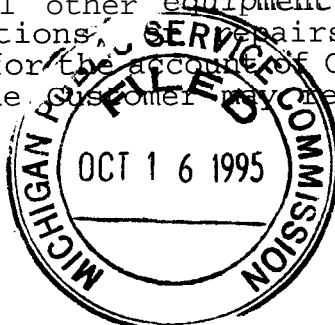
ARTICLE II  
SUMMER PERIOD

2.1 During each Contract Year of the term hereof, Seller will be obligated to accept for the account of Customer such volumes of Gas as Customer shall cause to be delivered pursuant to the provisions hereof; provided, however, that Seller shall have no **obligation** to accept **any volumes** of Gas, which will cause Customer's Storage Volume to exceed Customer's Maximum Storage Volume.

2.2 During each Summer Period of the term hereof, Customer will cause to be delivered the volumes of Gas pursuant to Section 2.1 of this Article II at a daily rate not to exceed the Maximum Daily Injection Quantity. In addition, Customer will cause to be delivered to Seller together with such volumes a volume of Gas equal to \_\_\_\_\_ percent (\_\_\_\_\_% ) of such volumes which Seller shall retain as compensation for its compressor fuel usage.

2.3 Although Seller shall have no obligation to accept daily volumes of Gas in excess of the Maximum Daily Injection Quantity, Seller may, at Customer's request, accept such daily volumes in excess thereof as Seller, in its sole judgment, determines that it is able to accept without jeopardizing its ability to meet its other obligations.

2.4 During each Summer Period of the term hereof, Seller will, at Customer's request, and **provided** that Seller's wells, compression facilities, pipeline and all other equipment are not undergoing tests, maintenance, alterations, or repairs, be obligated to redeliver to Transporter(s) for the account of Customer such volumes of the Storage Volume as the customer may request at such daily



rate as Customer may request, but not in excess of the Maximum Daily Withdrawal Quantity, without the consent of Seller, reduced by \_\_\_\_\_ percent (\_\_\_\_%) of such daily quantity which Seller shall retain as compensation for its compressor fuel usage.

ARTICLE III  
WINTER PERIOD

3.1 During each Winter Period of the term hereof, Seller will redeliver to Transporter(s) for the account of Customer such volumes of the Storage Volume as Customer may request subject to the limitations provided for in Section 3.2 of this Article III.

3.2 The cumulative volumes of Gas redelivered by Seller to Transporter(s) for the account of Customer pursuant to Section 3.1 of this Article III shall be at such daily rate as Customer may request but not in excess of the Maximum Daily Withdrawal Quantity without the consent of Seller. Seller will redeliver to Transporter(s) such volumes of Gas less \_\_\_\_\_ percent (\_\_\_\_%) of such volumes which Seller shall retain as compensation for its compressor fuel usage.

3.3 Although Seller shall have no obligation to redeliver daily volumes of Gas in excess of the Maximum Daily Withdrawal Quantity, Seller may, at Customer's request, redeliver such daily volumes in excess thereof as Seller, in its sole judgment, determines that it is able to redeliver without jeopardizing its ability to meet its other obligations.

3.4 During each Winter Period of the term hereof, **Seller will**, at Customer's request, and **provided** that Seller's wells, compression facilities and all other equipment are not undergoing tests, maintenance, alterations, or repairs, be **obligated to accept for** the account of Customer such volume of Gas as Customer shall cause Transporter(s) to deliver, up to the Storage Volume, at such daily rate as Customer may request, but not in excess of the Maximum Daily Injection Quantity, without the consent of Seller, plus a volume of Gas equal to \_\_\_\_\_ percent (\_\_\_\_%) of such daily quantity which Seller shall retain as compensation for its compressor fuel usage.

ARTICLE IV  
SCHEDULING OF DELIVERIES

4.1 On or before the first Day of each Month during each Summer Period, when deliveries are to be made to Seller pursuant to **the provisions** hereof, Customer shall advise or cause Transporter(s) to advise Seller of the daily volumes that it intends to deliver during such Month. Unless otherwise agreed, on twenty-four (24) hours' advance notice to seller Customer or Transporter(s) on Customer's behalf may reschedule any daily volumes to be delivered pursuant to the provisions hereof.



4.2 During each Winter Period, Customer will, unless otherwise agreed, give or cause Transporter(s) to give Seller twenty-four (24) hours advance notice of the daily volumes of Gas that it schedules for redelivery pursuant to the provisions hereof.

4.3 At any time and from time to time, and with the concurrence of Transporter(s) and Seller, Customer **may** give or cause Transporter(s) to give less than twenty-four (24) hours' advance notice of the daily volumes to be delivered or to be redelivered pursuant to the provisions hereof.

ARTICLE V  
RATE

5.1 Customer will pay Seller for the service provided for hereunder a charge of \$\_\_\_\_\_ per Month for each Month of the term of this Agreement.

5.2 Either Customer or Seller may seek and obtain authorization from the MPSC for such rate adjustments as may be found necessary to assure that Seller's rates are just and reasonable.

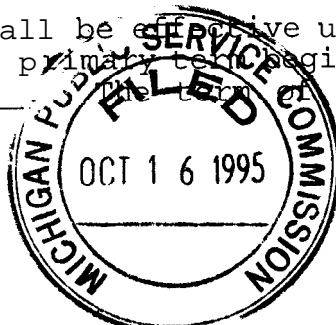
5.3 In the event that, at anytime, the MPSC requires Seller to adjust the maximum rate charged for service hereunder, then from and after the effective date of the rate adjustment so ordered, the adjusted maximum rate shall be the effective rate hereunder for such Customers paying the rates for service which exceed the adjusted maximum rates.

ARTICLE VI  
ADJUSTMENTS

6.1 In the event that during any one or more Days of any Winter Period Seller is unable to redeliver the volumes of Gas which Customer requests in accordance with the provisions of Sections 3.1 and 3.2 of Article III, and if Customer and Seller are unable to agree upon and effect make-up of such deficiency during the balance of such Winter Period and provided that Seller's inability to redeliver is not the result of Force Majeure as declared pursuant to Section 10 of the General Terms and Conditions, then Customer shall be entitled to a credit against Monthly charges, for the ensuing Summer Period, as otherwise computed pursuant to Section 5.1 of Article V hereof, which shall be equal to the sum of all such Days' deficiencies which are not made up multiplied by \_\_\_\_\_c per Mcf, or such adjusted cents (\$) per Mcf charge as may be in effect pursuant to Section 12.3 of the General Terms and Conditions.

ARTICLE VII  
TERM

7.1 This Agreement shall be effective upon its execution and shall remain in effect for a primary term beginning \_\_\_\_\_, 19\_\_\_\_ and ending \_\_\_\_\_, 19\_\_\_\_. The term of this Agreement shall





automatically be extended beyond its primary term on a \_\_\_\_\_ basis. Either Party may terminate this Agreement at the end of the primary term or any anniversary thereof by giving the other party at least \_\_\_\_\_ advance written notice.

7.2 In the event any volumes of Gas remain in storage for Customer's account on the Day this Agreement terminates, such remaining volumes shall be redelivered by Seller to Transporter(s) for the account of Customer, at no additional cost to Customer, as soon as practicable, but commencing not later than sixty (60) days after such termination.

ARTICLE VIII  
NOTICES

8.1 Any notice or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given upon hand delivery or on the first day following delivery to a nationally recognized United States overnight courier service, fee prepaid, return receipt or other confirmation of delivery requested, or on the third day following delivery to the U.S. Postal Service as certified or registered mail, return receipt requested, postage prepaid, if addressed to Seller or Customer at the addresses set forth below, and at such other addresses and to such other persons as may be designated from time to time by either Seller or Customer by written notice to the other party, or when telecopied or sent by facsimile transmission to the respective numbers set forth for Seller or Customer on the signature page, to be followed within three (3) days by delivery of a written copy of such communication:

EATON RAPIDS GAS STORAGE SYSTEM

Mail: Eaton Rapids Gas Storage System  
500 Renaissance Center  
Detroit, MI 48243

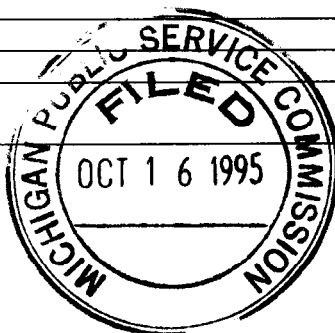
Courier: Eaton Rapids Gas Storage System  
One Woodward Avenue  
Detroit, MI 48226

Telecopy: 313-496-3504

Mail: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Courier: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Telecopy: \_\_\_\_\_



8.2 Notices with respect to deliveries of Gas shall be sufficient if given in person, in writing, by telegram, by telephone or by radio to the person or persons designated from time to time as authorized to receive the same.

8.3 All notices provided for in this Article VIII may be waived with the consent of Customer and Seller.

ARTICLE IX  
MISCELLANEOUS

9.1 The Rules and Regulations and General Terms and Conditions of Sellers M.P.S.C. No. I Rate Book are applicable to this gas storage agreement and are specifically incorporated herein by reference.

9.2 In the event of any inconsistency between Seller's Rules and Regulations, General Terms and Conditions and this Agreement, the terms of Seller's Rules and Regulations, General Terms and Conditions shall control.

ARTICLE X  
FURTHER AGREEMENT

Further Agreement:

(Write None or specify the agreement(s))

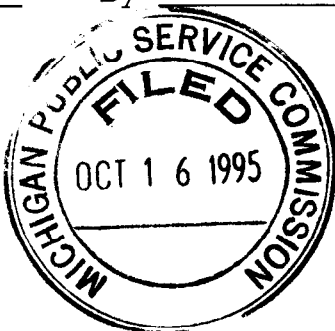
IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in several counterparts by the hands of their proper officials duly authorized inthatbehalf, as of the day and year first above written.

EATON RAPIDS GAS STORAGE SYSTEM

By \_\_\_\_\_

ATTEST: \_\_\_\_\_

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

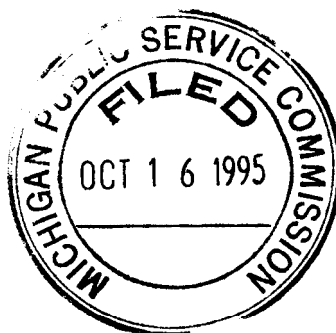


**GENERAL TERMS AND CONDITIONS**  
RATE SCHEDULES FS & RFS

1. DEFINITIONS

- 1.1 The term "Agreement" shall mean the Gas Storage Agreement executed by the Customer and Seller and any exhibits, attachments and/or amendments thereto.
- 1.2 The term Btu ("British thermal unit") shall mean the amount of heat required to raise the temperature of one (1) pound of water one degree (1<sup>o</sup>) Fahrenheit at sixty degrees (60<sup>o</sup>) Fahrenheit. (Btu is measured on a dry basis at 14.73 psia.)
- 1.3 The term "Contract Year" shall mean the period from April 1 of a calendar year through March 31 of the following calendar year or such shorter period as Customer and Seller may agree to.
- 1.4 The term "Day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 9:00 a.m., local time, in the zone in which delivery of Gas is made to Seller, or such other hour as Customer and Seller may agree upon. The reference date for any Day shall be the date of the beginning of such Day.
- 1.5 The term "FERC" shall mean the Federal Energy Regulator}\* Commission or any federal commission, agency or other governmental body or bodies succeeding to the powers of. such Commission.
- 1.6 The term "Gas" shall mean natural gas as produced in it:: natural state, natural gas that has been previously liquefied and restored to its gaseous state prior to delivery, gas synthesized or manufactured from oil, naphtha, coal or any other material that meets the quality standards contained in the Agreement and which Customer or Seller may elect to deliver and redeliver in lieu of or commingled with one or more of the types of gas described herein.

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MICHAEL J. MUJADIN  
CHAIRMAN  
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DETROIT, MI 48243

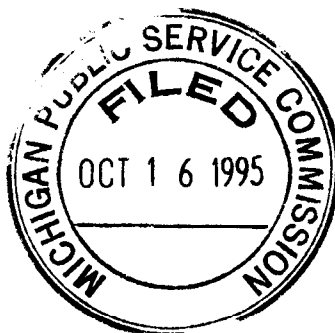


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GENERAL TERMS AND CONDITIONS - (Continued)

- 1.7 The term "Mcf" shall mean one thousand (1,000) cubic feet and, when used in reference to storage volumes covered by the Agreement, shall mean one thousand cubic feet containing 1,000 Btu's per cubic foot, as determined in accordance with the Measurement provisions hereof. (measured on a dry basis at 14.73 psia.)
- 1.8 The term "Month" shall mean the period beginning at 9:00 a.m. on the first Day of a calendar month and ending at the same hour on the first Day of the next succeeding calendar month or such other hour as Customer and Seller may agree upon.
- 1.9 The term "MPSC" shall mean the Michigan, Public Service Commission or any state commission, agency or other governmental body or bodies succeeding to the powers of such Commission.
- 1.10 The term "Point of Delivery" shall mean the location where Customer shall deliver or cause deliveries of Gas to be made to Seller.
- 1.11 The term "Point(s) of Delivery and Redelivery" shall mean both the Point of Delivery and the Point(s) of Redelivery.
- 1.12 The term "Point(s) of Redelivery" shall mean the location where Seller shall redeliver Gas for the account of Customer.
- 1.13 The term "Storage Volume": shall mean the actual volumes of Gas that Customer has caused to be delivered to Seller for storage (exclusive of injection compressor fuel delivered to Seller) less the actual volumes of Gas redelivered by Seller to Transporter(s) for ultimate redelivery to Customer (inclusive of withdrawal compressor fuel).

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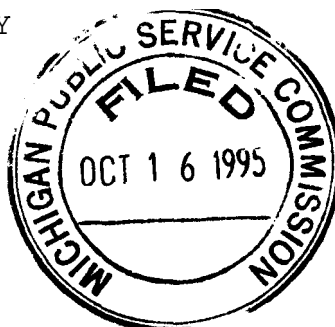
GENERAL TERMS AND CONDITIONS - (Continued)

- 1.14 The term "Summer Period" shall mean the period from April 1 through October 31 of a calendar year.
- 1.15 The term "Total Heating Value per Cubic Foot" shall mean the number of Btu's produced by the combustion, at constant pressure, of one (1) dry cubic foot of Gas at an absolute pressure of fourteen and seventy-three hundredths pounds (14.73#) per square inch and at a temperature of sixty degrees (60) Fahrenheit, with air of the same pressure and temperature as the Gas, when the products of combustion are cooled to the initial temperature of the Gas and air, and when the water formed by combustion is condensed to the liquid state.
- ~~1.16~~ The term "Winter Period" shall mean the period from November 1 of a calendar year through March 31 of the following calendar year.
- 1.17 The term "Point(s) of Measurement" shall mean any or all points of interconnection between Jackson Pipeline Company ("JPL") and Consumers Power Company or JPL and Panhandle Eastern Pipe Line Company or JPL and ANR Pipeline Company or between Seller and SEMCO Pipeline Company or any other points where Customer causes Gas to be delivered to JPL for ultimate delivery to Seller and Seller redelivers Customers Storage Volume to JPL.
- 1.18 The term "Transporter(s)" shall mean either Jackson Pipeline Company ("JPL") or SEMCO Pipeline Company, or both.

2. POINT(S) OF DELIVERY AND REDELIVERY

- 2.1 The Point of Delivery shall be at point of interconnection between the pipeline system of Seller and of Transporter(s) in Onondaga Township, Ingham County, Michigan.
- 2.2 The Point(s) of Redelivery shall be at point(s) of interconnection between the pipeline system of Seller and the pipeline system of Transporter(s) in Onondaga Township, Ingham County, Michigan.

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GENERAL TERMS AND CONDITIONS - (Continued)

- 2.3 Customer shall be solely responsible for making all arrangements and paying for the transportation of the Gas to be stored under the Agreement to the Point of Delivery and from the Point(s) of Redelivery.
- 2.4 Seller shall have no obligation to receive deliveries from Transporter(s) for storage hereunder, or to redeliver volumes of Gas to Transporter(s) for the account of Customer, hereunder, if Transporter(s) is unwilling, not obligated to, or unable to make or receive such deliveries or redeliveries, as the case may be.

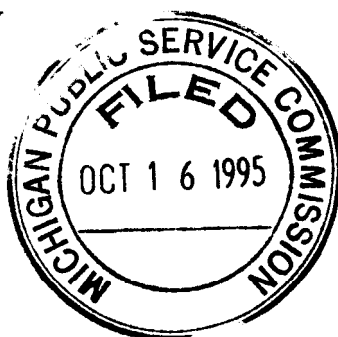
3. DETERMINATION OF DELIVERIES

- 3.1 Because of the inability to maintain precise control over the rates of flow and volumes of Gas to be delivered and redelivered under the Agreement, continuous efforts shall be exercised to maintain the actual delivery and redelivery volumes approximately equal to the scheduled delivery and redelivery volumes. Notwithstanding the above, however, all Gas delivered or redelivered on each Day shall be at rates as constant as practicable throughout such Day and any imbalances shall be corrected, insofar as practicable, during any period (winter or summer) in which such imbalances occur, but no later than sixty (60) Days into the succeeding period or such longer period as might be agreed to by Seller, Transporter(s), and Customer.

4. DELIVERY PRESSURE

- 4.1 Customer shall cause Transporter(s) to deliver Gas to Seller at Transporter(s)' available pipeline pressure at the Point of Delivery, but in no event at a pressure less than three hundred (300) psig unless otherwise mutually agreed to by Seller, Customer and Transporter(s) .
- 4.2 Seller shall redeliver Gas to Transporter(s) for the account of Customer at a pressure sufficient to enter Transporter(s)' pipeline system at the Point(s) of

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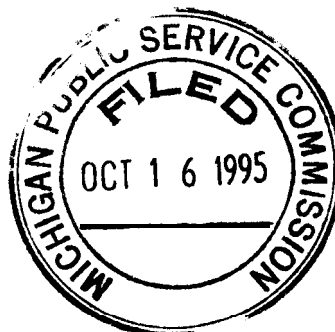
GENERAL TERMS AND CONDITIONS - (Continued)

Redelivery, but in no event at a pressure in excess of eight hundred twenty-five (825) psig unless otherwise mutually agreed to by Seller, Customer, and Transporter(s).

5. BILLING AND PAYMENT

- 5.1 Billing: On or before the tenth (10th) Day of the Month in which the primary term of the Agreement commences and on or before the tenth Day of each Month thereafter until the last Month of the term of the Agreement, Seller shall render a statement to Customer setting forth the amount due for the current Month, and any adjustment due Customer pursuant to the Agreement. Each party shall have the right at all reasonable times to examine the books, records and charts of the other party to the extent necessary to verify the accuracy of any statement, made under or pursuant to any provisions of the Agreement.
- 5.2 Payment: Customer shall pay to Seller, on or before the twentieth (20th) Day of each Month, the amount billed by Seller in the statement for said Month. All such payments shall be made in the form of immediately available funds directed to a bank account designated by Seller's Treasurer. If the last Day for paying an invoice hereunder is not a banking Day, the time of payment shall be extended through the next banking Day.
- 5.3 Interest on Unpaid Amounts: Should Customer fail to pay the amount of any statement rendered by Seller as herein provided when such amount is due, interest thereon shall accrue from the due date until the date of payment, at a rate of interest equal to the prime rate charged by Citibank, N.A. during that period to responsible commercial and industrial borrowers, plus 2% but which in no event shall be higher than the maximum rate permitted by applicable law.
- 5.4 Remedies for Failure to Pay Bills: If Customer's failure to pay the amount of any statement rendered by Seller continues for thirty (30) Days after payment is due, Seller shall have the right, but not the obligation, to suspend

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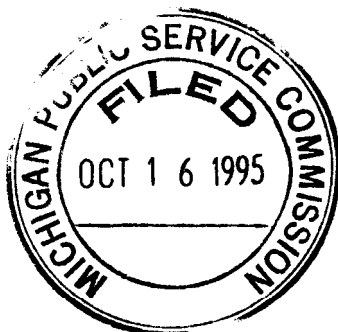
further service to Customer until such amount is paid, or to terminate the Agreement without further notice, provided, however, that if Customer in good faith shall either dispute the amount of any such statement or parts thereof or present a counterclaim or offset against the same, and at any time thereafter, within fifteen (15) Days after demand made by Seller shall furnish a good and sufficient surety bond, in the amount and with sureties satisfactory to Seller, conditioned upon the payment of any amounts ultimately found due upon such statement after a final determination, which may be reached by agreement, or by judgment of the courts, then such statement shall not be deemed to be due within the meaning of this section unless and until default be made in the conditions of such bond. If Seller shall require Customer to furnish such a bond, Seller shall institute appropriate proceedings to resolve the dispute with respect to which the bond has been furnished within one (1) **year** after the date of the statement in dispute. The foregoing remedy shall be in addition to any other remedies Seller may have, at law or in equity, with respect to Customer's failure to pay the amount of any such statements.

5.5 Late Billing: If presentation of a statement by Seller is delayed after the tenth (10th) Day of the Month, then the time for payment shall be extended correspondingly, unless Customer is responsible for such delay.

5.6 Errors in Billing: If Customer shall find at any time within twelve (12) Months after the date of any statement rendered by Seller that it has been overcharged in the amount billed in such statement, and if Customer shall have paid said overcharge and shall have made a claim therefore within sixty (60) Days from the date of discovery thereof, Seller shall verify and refund the principal of any such overcharge within thirty (30) Days, with interest thereon at a rate of interest equal to the prime rate charged by Citibank, N.A. during that period to responsible commercial and industrial borrowers, but which in no event shall be higher than the maximum rate permitted by applicable law.

If Seller shall find at any time within twelve (12) Months after the date of any statement rendered by it that there has been an undercharge in the amount billed in such

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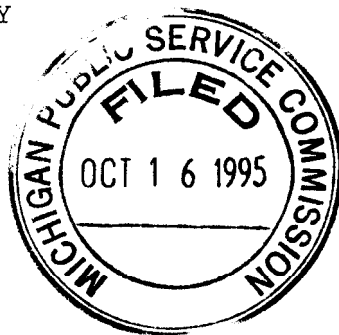
statement, it may submit a statement for such undercharge and Customer shall pay the same without interest, but this provision shall not preclude Customer from disputing the amount of such statement or the fact that there has been an undercharge.

6. QUALITY OF GAS

6.1 The Gas delivered and redelivered hereunder:

- (A) Shall have a Total Heating Value per Cubic Foot of not less than nine hundred fifty (950) Btu's and not more than twelve hundred (1200) Btu's.
- (B) Shall be commercially free (at prevailing pressure and temperature) from objectionable odors, dust, or other solid or liquid matters which might interfere with its merchantability or cause injury or interference with proper operation of the lines, regulators, meters or other appliances through which it flows, and shall not contain an amount of moisture at anytime exceeding seven (7) pounds per million cubic feet of Gas.
- (c) Shall not contain more than one (1) grain of hydrogen sulphide per one hundred (100) cubic feet of Gas when tested by methods generally accepted by the pipeline industry.
- (d) Shall not contain more than twenty (20) grains of total sulphur per one hundred (100) cubic feet of Gas.
- (e) Shall not contain more than fifty (50) parts per million of oxygen, and every reasonable effort shall be made to keep the Gas free of oxygen.
- (f) Shall not contain more than two percent (2%) by volume of carbon dioxide.

ISSUED October 12, 1995 BY  
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CHAIRMAN  
500 RENAISSANCE CENTER  
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October 12, 1995  
ISSUED AUTHORITY OF THE  
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DATED: October 12, 1995  
IN CASE NO. U-10828

GENERAL TERMS AND CONDITIONS - (Continued)

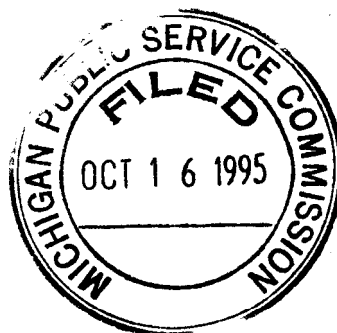
Notwithstanding anything herein contained to the contrary, if the Gas delivered or redelivered hereunder fails at any time to conform to any of the above specifications including, but not limited to, failure at any time to have a Total Heating Value per Cubic Foot of at least nine hundred fifty (950) Btu's, the party to whom such Gas is being delivered or redelivered may notify the other party of such failure and may, at its option, reject further deliveries or redeliveries until the condition is corrected. After receiving a notice hereunder, the party responsible for such failure shall immediately take all necessary steps to correct the condition and, upon completion thereof, shall resume deliveries and redeliveries in accordance with the terms and conditions of the Agreement. The remedies herein provided are in addition to any and all other remedies at law or equity to which either party may be entitled. Customer therefore authorizes Seller to refuse to accept deliveries from Transporter(s) which do not conform to the above specifications unless and until said deliveries are, in Seller's sole opinion, conformed to said standard.

7 MEASUREMENTS

7.1 Unit of Volume:

- (a) The unit of volume for measurement hereunder shall be a dry cubic foot of Gas at a temperature of sixty degrees (60) Fahrenheit and an absolute pressure of fourteen and seventy-three hundredths pounds (14.73#) per square inch, having an average Total Heating Value per Cubic Foot of one thousand (1,000) Btu's. Such units shall be determined by multiplying the number of cubic feet of Gas delivered during each Day by the factor arrived at by dividing the average Total Heating Value per Cubic Foot for such Day, on the basis indicated in Paragraph (b) below, by one thousand (1,000).

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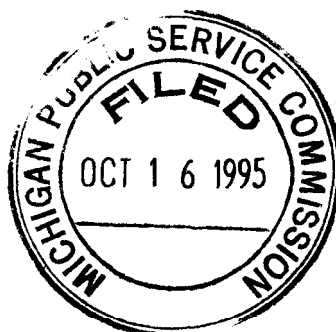
(b) The Total Heating Value per Cubic foot of the Gas delivered and redelivered hereunder shall be determined by a recording chromatograph of standard manufacture or other method mutually acceptable to both Seller and Customer and installed so that it may properly record the gross heat content of the Gas at the Point(s) of Measurement. Where a chromatograph is used, the arithmetical average of the hourly gross heat content recording each Day shall be deemed to be the heat content of the Gas for that Day. Such chromatograph shall be checked at least once each Month to assure its proper operation and accuracy. An appropriate certified Gas sample of known heat content shall be used to check the chromatograph accuracy.

7.2 Computations of Volume from Meter Readings and Registrations: The volume of Gas delivered or redelivered hereunder shall be determined in the manner specified in AGA Gas Measurement Committee Report No. 3 - ANSI/API 2530 ("AGA Report No. 3") published in 1985, as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Customer.

7.3 Flowing Temperature: The flowing temperature of Gas delivered and redelivered hereunder shall be determined by means of a standard recording thermometer or other instrument of standard manufacture accepted in the industry. The flowing temperature used in determining the flowing temperature factor for each record shall be the arithmetical average of the temperature shown by the recording instrument during the period of time when Gas is passing through the recorder at the Point(s) of Measurement.

7.4 Specific Gravity: The specific gravity of the Gas delivered and redelivered hereunder shall be determined by a chromatograph of standard manufacture or other method mutually acceptable to Seller and Customer and installed so that it may properly record the specific gravity of the Gas at the Point(s) of Measurement. The arithmetical

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average of the hourly specific gravity recording each Day shall be deemed to be the specific gravity of the Gas for that Day. Such instrument shall be checked at least once each Month by the use of an Edwards Balance, or by any other method or intervals mutually agreed to by Seller and Customer.

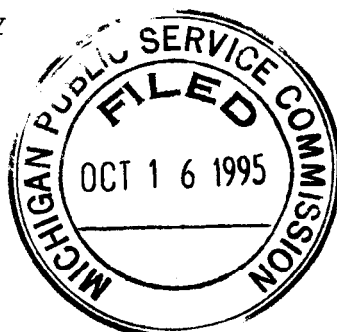
7.5 Supercompressibility: Adjustment for the effect of supercompressibility for Gas delivered and redelivered hereunder shall be made according to the provisions of AGA Report NX-19 as such publication may be revised from time to time, or of other reports and publications which are mutually acceptable to Seller and Customer, for the average conditions of pressure, flowing temperature and specific gravity at which the Gas was measured during the period under consideration and with the proportionate values of carbon dioxide and nitrogen in the Gas delivered and redelivered included in the computation of the applicable supercompressibility factors. Seller and Customer shall exercise due diligence in obtaining initial carbon dioxide and nitrogen fraction values and to obtain subsequent values of these components quarterly or at other intervals mutually agreeable.

7.6 Assumed Atmospheric Pressure: The average absolute atmospheric (barometric) pressure shall be assumed to be fourteen and four-tenths pounds (14.4#) per square inch irrespective of actual elevation or location of the Point(s) of Measurement above sea level or variations in actual barometric pressure from time to time.

8. MEASURING EQUIPMENT

8.1 Measuring Equipment: The Gas which Customer causes Transporter(s) to deliver to Seller hereunder and which Seller redelivers to Transporter(s) for the account of Customer shall be measured at the Point(s) of Measurement by measuring equipment owned, installed and operated by JPL or its designees in Jackson County, and by Seller in Ingham County, Michigan, as appropriate. The measuring equipment shall be of one-way flow design and of a type and kind generally accepted by the natural gas industry for the measurement of Gas in accordance with the Measurement

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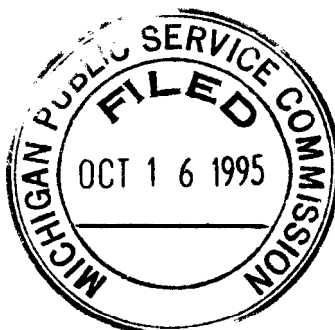
GENERAL TERMS AND CONDITIONS - (Continued)

provisions hereof at the rates of flow and pressures expected to exist at the Point(s) of Measurement. orifice meters are used, they shall be of a type specified and recommended in AGA Report No. 3 as such publication may be revised from time to time or of other reports and publications which are mutually agreeable to Seller, Transporter(s), and Customer, and the construction and installation shall be in accordance with the recommendations and specifications set forth in said agreed to report.

8.2 Access to Measuring Equipment, Tests and Records: Customer and Seller shall cause JPL to provide to the other access to JPL's measuring equipment at all reasonable hours and Seller shall provide to Customer access to Seller's metering equipment at all reasonable hours, but the reading, calibrating and adjusting thereof and any changing of charts shall be done by Seller or by JPL or its designees, and the right to be present at the time of any installing, testing, reading, cleaning, changing, repairing, inspecting, calibrating or adjusting done in connection with the measuring equipment used in determining the volumes of deliveries and redeliveries hereunder, with the understanding that Customer and Seller shall be given reasonable notice thereof in order that each of them may be present. The records and charts from such measuring equipment shall remain the property of Seller or of JPL or its designees, but Seller shall submit or cause JPL or its designees, upon request, to submit to Customer such records and charts, or reproductions thereof, together with calculations therefrom, for inspection and verification. Original records or charts so submitted will be returned within ten (10) Days after receipt thereof.

8.3 Check Measuring Equipment: Seller will install, maintain and operate, such check measuring equipment as it shall desire at the Point of Delivery and Redelivery. Customer shall have free access to the check measuring equipment at all reasonable hours. The reading, calibrating and adjusting thereof and the changing of charts shall be done by Seller, but Customer shall be given reasonable notice thereof.

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8.4 Failure of Measuring Equipment: Seller and Customer agree that if for any reason Seller's or JPL's measuring equipment is out of service or out of repair so that the volume of Gas delivered is not correctly indicated by the reading thereof, the Gas delivered through the period such measuring equipment is out of service or out of repair shall be estimated and agreed upon on the basis of the best data available, using the first of the following methods

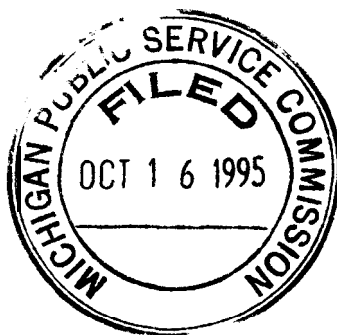
which is feasible:

- (a) by using the registration of any check meter of meters if installed and accurately registering at the Point(s) of Measurement; or
- (b) by using the registration of Seller's meters at the Point of Delivery and Redelivery, if installed and accurately registering; or
- (c) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculation; or
- (d) by estimating the volume of delivery by deliveries during preceding periods under similar conditions when the measuring equipment was registering accurately.

8.5 Measuring Equipment Tests: Customer shall cause Seller and JPL or its designees to verify the accuracy of the measuring equipment at the Point(s) of Measurement at a minimum of once each thirty (30) Day period.

8.6 Correction of Measuring Equipment Errors: Seller and Customer agree that if upon any test, Seller's or JPL's measuring equipment is found to be inaccurate by the indicated percentage - chromatograph or calorimeter (0.5% or less) and other measuring equipment (2% or less) - previous readings of such equipment shall be considered correct in computing the deliveries of Gas, but such equipment shall be adjusted properly at once to record accurately. Seller and Customer further agree that if upon any test, Seller's or JPL's measuring equipment shall be found to be inaccurate by an amount greater than the

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indicated percentages then any previous readings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but if the period is not known definitely or agreed upon, such correction shall be for a period covering the last half of the time elapsed since the date of the last test, but not exceeding a period of sixteen (16) Days.

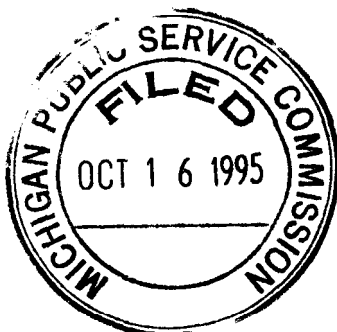
8.7 Preservation of Records: Seller agrees, and Customer will cause JPL or its designees, to preserve, for a period of at least three (3) years, or such longer period as any governmental agency having jurisdiction may require, all test data, charts and other similar records pertaining to Gas delivered and redelivered hereunder. ;

8.8 Improvement in Gas Measuring Techniques: If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement of Seller, Transporter(s) and Customer.

9. WARRANTY

Seller and Customer each warrants that it will at the time of delivery or redelivery have the right to deliver or cause to be delivered Gas in accordance with the Agreement; and that it will indemnify the other party and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses, including reasonable attorney fees, arising from or out of adverse claims of any and all persons to said Gas or to royalty, taxes, license fees or charges thereon.

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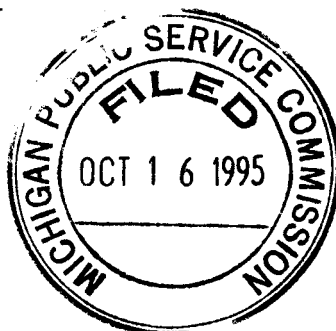
GENERAL TERMS AND CONDITIONS - (Continued)

10. FORCE MAJEURE AND REMEDIES

10.1 Force Majeure. Neither Seller nor Customer shall be liable in damages or for any other relief to the other for any act, omission or circumstances occasioned by or in consequence of any force majeure; provided that such Party gives notice and reasonably full particulars of such force majeure in writing or by telegraph to the other within a reasonable time after the occurrence of the cause relied on.

10.2 Force Majeure Defined. As used herein, force majeure shall mean acts of God, strikes, lockouts, or industrial disturbances, acts of a public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, crevasses, floods, washouts, arrests and restraints of the government (either Federal or state, civil or military), civil disturbances, shutdowns (for purposes of necessary repairs, alterations, relocation or construction of wells, machinery, lines of pipe or other facilities), breakage or accident to wells or machinery or lines of pipe, testing (as required by governmental authority or as deemed necessary by the Seller for the safe operation of the underground storage reservoir and facilities required to perform the service hereunder), failure of wells or surface equipment or pipelines, well or line freeze-ups, inability of either Party hereto to obtain necessary material or supplies or permits or land rights or labor to perform or comply with any obligation or condition of the Agreement, failure of Transporter(s) or other transporters to deliver or receive gas, laws or orders or rules or regulations or acts of any court or governmental authority, and any other causes, whether of the kind herein enumerated or otherwise, which are not reasonably in the control of the Party hereto claiming suspension. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party hereto having the difficulty and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of an opposing party when such course is inadvisable in the discretion of the Party hereto having the difficulty.

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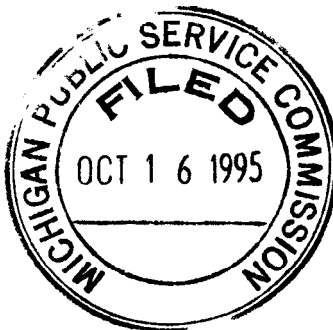
10.3 Limitations. Such force majeure affecting the performance hereunder by either Party hereto, however, shall not relieve such Party of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting such performance relieve Customer in whole or in part of its obligations to pay the Monthly charges provided for in the Agreement, which charges shall not be subject to any adjustment pursuant to Article VI of the Agreement on account of such force majeure.

11. TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Customer or of Seller, as the case may be, shall if eligible be entitled to the rights and shall be subject to the obligations of its predecessor in title under the Agreement between Seller and Customer. Either Seller or Customer may, without relieving itself of its obligations under the Agreement, assign any of its rights or obligations under the Agreement to a financially responsible corporation with which it is affiliated at the time of such assignment. Furthermore, Seller may, as security for its indebtedness, assign, mortgage or pledge any of its rights or obligations under the Agreement, including its rights to receive payments, to any other entity, and Customer will execute any consent agreement with such entity and provide such certificates and other documents as Seller may reasonably request in connection with any such assignment. Customer also may assign or pledge the Agreement under the provisions of any mortgage, deed of trust, indenture or similar instrument which it has executed or may hereafter execute covering substantially all of its properties. Otherwise, neither party shall assign the Agreement or any of its rights thereunder unless it first shall have obtained the consent thereto in writing of the other party hereto.

If at any time or from time to time, Customer determines that there will be a definite period of time during which Customer will not fully utilize the service capacity available pursuant to the Agreement and Customer gives Seller notice of (i) the quantity of such spare capacity available; (ii) the time period

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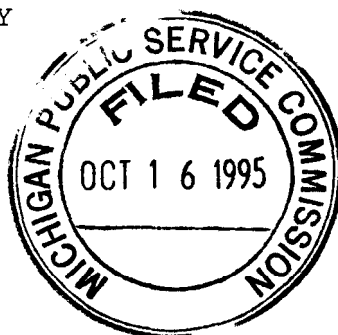
GENERAL TERMS AND CONDITIONS - (Continued)

that it will be available; and, (iii) Customer's desire to release such capacity for commitment to others during such period, then Seller shall endeavor to find a substitute customer or customers who will commit to use and pay for all or part of such capacity. Any such notice provided Seller by Customer must be received by January 1 of any calendar year that Customer determines spare capacity will be available during the Contract Year commencing April 1 of such calendar year and thereafter. By giving such notice, Customer authorizes Seller to contract with such substitute customer(s) for the use of the released capacity: Seller's entering into contract(s) with any substitute customer(s) shall not relieve Customer of any of its obligations hereunder, but, Seller will credit to Customer Monthly revenues received by Seller from such substitute customer(s), up to the Monthly charges to be paid by Customer under the Agreement, for use of such released capacity. Seller's obligation to find substitute customer(s) is limited to customer(s) which qualify to receive service under the blanket certificate issued pursuant to Section 284.224 of regulation of the FERC or to intrastate customer(s) within the State of Michigan, and the substitute customer(s) shall be responsible for making all arrangements and paying for the transportation, to the Point of Delivery and from the Point(s) of Redelivery, of the Gas to be stored in any released capacity. Customer(s) agrees to hold Seller harmless from any liability arising from Seller's inability to find substitute customers.

12. REGULATION

12.1 The Agreement and the respective obligations of the parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction, and are conditioned upon the issuance, by any governmental agency having jurisdiction, of requisite authorizations for Seller to provide the storage service contemplated hereby, and for Transporter(s) to make deliveries and redeliveries necessary to effect the storage service provided for herein. The parties hereto shall promptly file for and diligently pursue all governmental authorizations necessary for the implementation and maintenance of the Agreement.

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13. NON-WAIVER OF FUTURE DEFAULTS

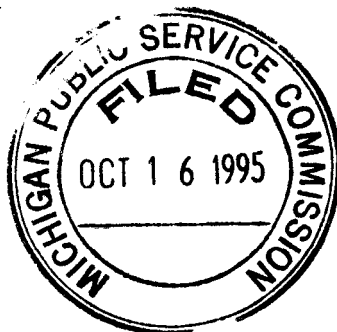
No waiver by either party of any one or more defaults by the other in the performance of any provisions of the Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.

14. CREDITWORTHINESS

14.1 Seller shall not be required to commence service or, subject to the following provisions, to continue to provide service and may terminate any FS or RFS gas storage agreement with a primary term of one year or less if:

- (1) Customer is or has become insolvent;
- (2) Customer has applied for bankruptcy under Chapter 11 of the Bankruptcy Code, or which is subject to similar proceedings under State or Federal law; or
- (3) Customer, when requested by Seller to demonstrate creditworthiness, fails to do so in Seller's reasonable judgement, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, that any such Customer that is receiving service shall continue to receive service for a period of fifteen (15) Days after written notice by Seller of any such circumstance, and shall continue thereafter to receive service if, within such fifteen (15) Day notice period, such Customer:

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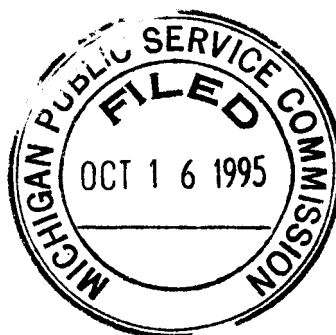
GENERAL TERMS AND CONDITIONS - (Continued)

- (i) deposits with Seller and maintains, on account, an amount which would be due for three (3) Months service at the full contract quantities set forth in the Agreement; or
- (ii) furnishes good and sufficient security, which may include an acceptable standby letter of credit, or monthly prepayment agreement or other security as reasonably determined by Seller, of a continuing nature and in an amount equal to such amounts which would be due for service. If such payment on account or payment security is not received within such fifteen (15) Day notice period, Seller may, without waiving any rights or remedies it may have, suspend further service for a period of ten (10) Days.

If such payment on account or a payment security is not received within such ten (10) Day suspension period, then Seller shall no longer be obligated to continue to provide service to such Customer.

Seller shall not be required to commence service, or subject to the following provisions, to continue to provide service and may terminate any FS or RFS agreement with any Customer having a term of more than one year if Customer, or its guarantor, fails to maintain a long-term debt rating issued by either Moody's Investors Service, or Standard and Poor's Corporation, or Customer's, or its guarantor's, long-term debt rating issued by Moody's Investors Service or Standard and Poor's Corporation falls below a rating of at least Baa according to Moody's Investors Service or BBB according to Standard & Poor's Corporation; provided, however, that any such Customer or its guarantor that is not so rated by either Moody's Investors Service or Standard and Poor's Corporation must demonstrate its satisfactory creditworthiness by other means as the Seller shall reasonably determine. It is further provided that any such Customer that is receiving service shall continue to receive service for a period of three (3) Months during which Customer shall have the ability to:

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- 91) attain minimum long-term debt ratings as described above; or
- (2) secure a guarantee by a person with a minimum long-term debt rating as described above.
- (3) demonstrate to Seller a level of creditworthiness equivalent to or better than that of a typical company with a long-term debt rating of at least Baa according to Moody's Investors Service or BBB according to Standard and Poor's Corporation.

14.2 Interpretation of Laws. Any Agreement shall be interpreted, performed and enforced in accordance with the laws of the State of Michigan.

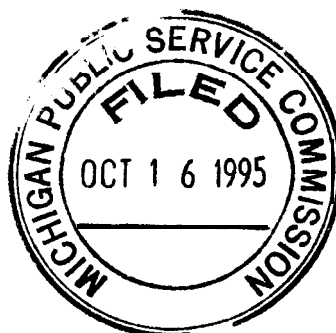
14.3 No Third-Party Beneficiary. It is expressly agreed that there is no Third-Party Beneficiary of the Agreement, and that the provisions of the Agreement and these General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to the Agreement.

14.4 Liability. Neither Seller nor Customer shall in any event be liable to the other for incidental, consequential, or indirect damages, whether arising in contract, or tort.

14.5 Counterparts. The Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

14.7 Heading. The headings contained in the Agreement are for reference purposes only and shall not affect the meaning or interpretation of the Agreement.

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