

GUARDIAN PIPELINE, L.L.C.
PRECEDENT AGREEMENT

THIS PRECEDENT AGREEMENT (“Agreement”) is entered into effective this ___ day of _____, 2006 (“Effective Date”), between Guardian Pipeline, L.L.C., a limited liability company organized under the laws of the state of Delaware (“Guardian” or “Guardian Pipeline” or “Transporter”), and _____, a _____ organized under the laws of _____ (“_____” or “Shipper”). Guardian and Shipper may sometimes be collectively referred to herein as the “Parties” and singularly as a “Party.”

R E C I T A L S:

WHEREAS, Guardian currently owns and has operated on its behalf the Guardian Pipeline, an approximately 142-mile long, 36-inch diameter interstate natural gas pipeline originating from Guardian’s Joliet Hub near Joliet, Illinois, and extending to Ixonia, Wisconsin, and related facilities, including a Joliet, Illinois compressor station and various meters and other appurtenant facilities;

WHEREAS, Guardian proposes to construct, own, operate and maintain an expansion of its system to provide 537,200 Dth per day of new firm natural gas pipeline capacity under a new premium rate schedule that provides for hourly flow capabilities (“Firm Transportation Service Rate Schedule FT-2” or “Rate Schedule FT-2,” with the service being referred to herein as “FT-2”), of which 437,200 Dth/day will be capacity on a to-be-constructed pipeline extension beginning in the greater Milwaukee area and extending to the Green Bay, Wisconsin area, including to delivery points identified in Exhibit B (the “Guardian Expansion”);

WHEREAS, Guardian proposes to file for such regulatory authorizations as may be deemed necessary to effectuate the terms of this Agreement including, but not limited to, an Application for a Certificate of Public Convenience and Necessity (“Certificate Application”) with the Federal Energy Regulatory Commission (“FERC”) pursuant to Section 7(c) of the Natural Gas Act for authority to construct, own and operate the Guardian Expansion by approximately September 30, 2006, a filing to implement Rate Schedule FT-2 and a filing to implement Rate Schedule MPN, (all of which Guardian shall endeavor to include in the Certificate Application or file within a month of filing the Certificate Application), and any other filings necessary to effectuate the agreements reflected herein;

WHEREAS, Shipper desires Guardian to transport and deliver natural gas to Shipper or for Shipper’s account from a specified receipt point to specified delivery points on Guardian utilizing FT-2 capacity on the Guardian Expansion;

WHEREAS, Shipper intends to execute a Service Agreement under Rate Schedule FT-2 with Guardian to effectuate the service desired by Shipper, subject to the terms and provisions of this Agreement and subject to the general terms and conditions and applicable rate schedules of the tariff approved for Guardian by the FERC, as such tariff may be on file and in effect from time to time; and

WHEREAS, this Agreement evidences the binding, good-faith commitments of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement, the Parties agree as follows:

ARTICLE I.
DEFINITIONS

As used within the context of this Agreement, capitalized terms shall have the meanings ascribed to them in Guardian's FERC Gas Tariff. Other capitalized terms shall have the meanings ascribed to them in the Section in which they first appear, except the following terms shall have the meanings ascribed to them in this Article I. Any other words used within this Agreement shall have their ordinary meanings within common usage in the English language within North America.

- 1.1. "Cost-of-Service Factor" or "COS Factor" shall mean a factor reflecting costs associated with Guardian's capital structure, operating and maintenance expense, depreciation, taxes, and other components necessary to determine an annual revenue requirement associated with a capital investment, as will be agreed by the Parties pursuant to Section 10.3 of this Agreement, if applicable.
- 1.2. "Enhanced Aggregation and Wheeling Service" or "EAW Service" shall mean the service offered under Rate Schedule EAW of Guardian's FERC Gas Tariff.
- 1.3. "FERC" shall mean the Federal Energy Regulatory Commission of the United States of America, or any successor agency.
- 1.4. "FERC Gas Tariff" shall refer to the rates, rate schedules, and general terms and conditions of service offered by Guardian as approved by the FERC, as may be in effect from time to time.
- 1.5. "First In-Service Date" shall mean the first to occur of a Partial In-Service Date or the Full In-Service Date.
- 1.6. "FT-2 Firm Transportation Service Agreement" or "FT-2 Service Agreement" shall mean the agreement between Shipper and Guardian for the new firm transportation service on the Guardian Pipeline that provides for hourly flow capabilities under Rate Schedule FT-2, as further detailed in Article IV of, and contemplated by, this Agreement. Such hourly flow capabilities shall be consistent with the gas flow profile attached hereto as Exhibit A.
- 1.7. "Full In-Service Date" subject to Article VI, shall mean the later of: (i) November 1, 2008 or (ii) the date all necessary facilities comprising the Guardian Expansion are completed and such facilities are available for active gas service; provided, however, that if this Agreement is terminated pursuant to Section 7.2(d), then the Full In-Service Date shall be as set forth in Section 7.2(d).

- 1.8 “In-Service Date” shall mean either the Full In-Service Date or a Partial In-Service Date.
- 1.9 “Initial Term” shall mean a period of fifteen (15) years; provided, however, that if an In-Service Date falls on any calendar date other than November 1, then Shipper shall have the option when it executes the FT-2 Service Agreement(s) to designate an Initial Term that includes (a) the calendar days between (and including) that In-Service Date and the subsequent November 1, and (b) a period of fifteen (15) years commencing on that subsequent November 1.
- 1.10 “Market Pool Nomination Service” or “MPN Service” shall mean a service that provides delivery point aggregation flexibility as further described in Section 5.1.
- 1.11 “Maximum Daily Delivery Obligation” or “MDDO” shall mean the maximum quantity of natural gas assigned to a specific primary point of delivery that Guardian is obligated to deliver to Shipper at that point on any day. The total of all MDDO for points of delivery shall equal the MDQ.
- 1.12 “Maximum Daily Receipt Obligation” or “MDRO” shall mean the maximum quantity of natural gas assigned to a specific primary point of receipt that Guardian is obligated to receive from Shipper at that point on any day. The total of all MDRO for points of receipt shall equal the MDQ.
- 1.13 “Maximum Daily Quantity” (“MDQ”) shall mean the maximum number of dekatherms of natural gas that Guardian is obligated to deliver to or on behalf of Shipper, and Shipper is obligated to receive, on any day.
- 1.14 “Open Season” or “Open Season Procedures” shall mean the initial public information process which provides information as to Guardian related to the terms and conditions of this Agreement and solicits binding precedent agreements for FT-2 transportation service.
- 1.15 “Partial In-Service Date” shall mean the date(s) sufficient Guardian Expansion facilities are completed to enable FT-2 Service for a portion of Shipper’s MDQ or to a subset of Shipper’s designated delivery points on Exhibit B, but not for the entirety of Shipper’s requested MDQ or to all of Shipper’s designated delivery points; provided, however, that a Partial In-Service Date cannot occur before November 1, 2008.
- 1.16 “Total Expansion MDQ” shall mean 537,200 Dth/day; provided, however, that if following Guardian’s exercise of Transporter Pro Rata Reduction rights under Section 4.3(a), if any, the Open Season MDQ exceeds 537,200 Dth/day, Guardian may in its sole discretion determine to construct capacity in excess of 537,200 Dth/day, in which case the Total Expansion MDQ shall equal the total capacity Guardian has so determined it can construct; provided, further, that if the Open Season MDQ is less than 537,200 Dth/day, then Guardian may in its sole discretion determine to construct capacity less than 537,200 Dth/day. In the event Guardian alters the Total Expansion MDQ pursuant to this Section 1.16, it shall advise each shipper that has executed a precedent agreement for FT-2 Transportation Service of such revised Total Expansion MDQ within sixty (60) days following the close of the Open Season. The Total Expansion MDQ may be further reduced as set forth in Section 7.2(d).

ARTICLE II.
TERM

This Agreement shall become effective as of the Effective Date identified in the preamble to this Agreement and shall remain in full force until the earlier of: (1) the Full In-Service Date; or (2) the termination of this Agreement pursuant to Article VII. Notwithstanding the provisions of this Article II, Sections 3.2, 4.3 and 10.2 of this Agreement shall survive termination of this Agreement, as set forth in Sections 3.2, 4.3 and 10.2; provided, however, these sections shall not survive termination in the event of termination of this Agreement pursuant to Article VII. The Parties intend that the provisions of this Agreement that are not part of the foregoing survival provision shall be reflected in the FT-2, EAW and MPN Agreements, to the extent such provisions are relevant to the services under such Agreements.

ARTICLE III.
OBLIGATIONS OF THE PARTIES

- 3.1 Subject to the terms and conditions of this Agreement, and subject to the good faith determination by Guardian within sixty (60) days following the close of its Open Season that it has received sufficient commitments from shippers under this and other precedent agreements obligating such shippers to enter into FT-2 Firm Transportation Service Agreements for sufficient capacity determined by Guardian in its sole discretion to justify economically the construction of the proposed Guardian Expansion, Guardian shall proceed with due diligence to obtain from all governmental and regulatory authorities having valid jurisdiction such authorizations and/or exemptions that it determines are necessary; provided, however, that in the event that Guardian has commitments from shippers equal to or greater than 537,200 Dth/day, then Guardian shall be deemed to have sufficient capacity to justify economically the proposed construction and shall proceed to obtain the necessary authorizations. The governmental authorizations and/or exemptions referenced herein shall include, without limitation, authorizations from the FERC: (i) for Guardian to construct, own, operate and maintain (or cause to be constructed, operated and maintained) the necessary facilities and to render the services as contemplated in this Agreement and in precedent agreements with other shippers, and (ii) for Guardian to perform its obligations as contemplated in this Agreement and in precedent agreements with other shippers. Guardian reserves the right to file and prosecute (or cause to be filed and prosecuted) any and all applications for such authorizations and/or exemptions, any supplements and amendments thereto, and, if necessary, any court review, in such manner as Guardian deems to be in its best interest.
- 3.2 Subject to the terms and conditions of this Agreement, Shipper expressly agrees (i) to support (through written submissions and other reasonable means as Guardian may request) the application of Guardian to obtain all authorizations and/or exemptions and supplements and amendments thereto necessary to construct, own, operate and maintain (or to cause to be constructed, operated and maintained) the necessary facilities and to perform its obligations as contemplated by this Agreement so long as Guardian's efforts are consistent with the terms of this Agreement; (ii) to provide in a timely manner to Guardian such information as may be reasonably required by Guardian to obtain such authorizations and/or exemptions or as may be requested by any regulatory agency or its

staff with respect to such requested authorizations and/or exemptions; (iii) prior to the Full In-Service Date, to not oppose or challenge Guardian's recourse rate for services provided on the Guardian Expansion, provided that within three (3) years of the Full In-Service Date, Guardian shall make available to Shipper data sufficient for Shipper to conduct a cost and revenue study; and (iv) otherwise to not oppose, obstruct or otherwise interfere with in any manner whatsoever, the efforts of Guardian to obtain the authorizations and/or exemptions required for Guardian to perform its obligations contemplated by this Agreement. Notwithstanding the foregoing, Shipper shall have the right to file with the FERC comments on and requests for modification of the terms and conditions of service, as long as any such filing is not in conflict with this Agreement, and Shipper shall have the right to file comments regarding any Guardian filing(s) at FERC that, in Shipper's reasonable discretion, are inconsistent with this Agreement.

ARTICLE IV.
FT-2 FIRM TRANSPORTATION SERVICE

- 4.1 Guardian shall take all reasonable steps necessary to file for and obtain authorization from FERC to implement the Rate Schedule FT-2 contemplated in this Agreement so that the Parties can execute the FT-2 Firm Transportation Service Agreement in accordance with the requirements of Section 6.5 of this Agreement. Such filing shall include a Form of Service Agreement for the FT-2 Firm Transportation Service Agreement.
- 4.2 Shipper's Maximum Daily Quantity ("MDQ") for the FT-2 Firm Transportation Service contemplated by this Agreement shall be _____ Dth per day ("Shipper's Open Season MDQ" or "FT-2 MDQ"), less Transporter's Pro Rata Reduction determined in Section 4.3(b), if any, and as may be further reduced as set forth in Section 7.2(d) of this Agreement.
- 4.3 Shipper elects to make a binding commitment for FT-2 Firm Transportation Service for its MDQ on the Guardian Expansion, as set forth on Exhibit B. Guardian agrees to provide this FT-2 Service for Shipper with the delivery point MDDOs and the minimum delivery pressures for each delivery point as set forth on Exhibit B, which delivery point MDDOs and minimum pressures will be included in the Parties' FT-2 Service Agreement(s). The minimum delivery pressures set forth on Exhibit B shall apply throughout the Initial Term of all FT-2 Service Agreement(s).
- (a) If the sum of the MDQs under Guardian's binding Precedent Agreements for FT-2 Firm Transportation Service is in excess of 537,200 Dth/day, then Guardian shall have the right to reduce all shippers' MDQs on a pro rata basis, including Shipper's, so that the aggregate of all shippers' MDQ does not exceed 537,200 Dth/day ("Transporter's Pro Rata Reduction Right").
- (b) If, following the close of the Open Season but prior to the Full In-Service Date, Guardian receives additional requests for capacity in excess of 537,200 Dth/day, Guardian shall solicit turn back capacity from shippers who have executed binding Precedent Agreements for FT-2 Service relative to the Guardian Expansion, which solicitation and acceptance of turn back capacity will be done

on a pro rata basis and consistent with FERC's reverse open season policies. Once an In-Service Date has occurred, the Parties understand that FERC's reverse open season policies shall apply to the FT-2 capacity that is in-service.

- (c) In no event under this Section 4.3 shall the aggregate of all shippers' Open Season MDQ be less than the Total Expansion MDQ. Within sixty (60) days of the close of Guardian's Open Season, Guardian shall give notice to Shipper as to the firm capacity to which it is entitled under Section 4.2.
 - (d) The MDQ resulting from Section 4.3 and Section 4.7 for total receipts and for each delivery point(s) will be set forth in an amendment to Exhibit B to this Agreement.
- 4.4 The FT-2 Firm Transportation Service Agreement for Shipper's FT-2 MDQ (or portion thereof, in the event a Partial In-Service Date occurs), and the associated EAW Service Agreement pursuant to Section 4.10 of this Agreement, shall be for an Initial Term commencing on the In-Service Date for that MDQ (or portion thereof).
 - 4.5 The terms and conditions of the premium firm transportation service to be provided for Shipper shall in all respects be governed by the FT-2 Firm Transportation Service Agreement and Transporter's FERC Gas Tariff as it is in effect from time to time over the term of the FT-2 Firm Transportation Service Agreement.
 - 4.6 Following the execution of this Agreement, it may become necessary for capacity on the Guardian Expansion to be allocated in accordance with the Open Season Procedures, in which case Guardian shall give notice to Shipper of the revised MDQ to which Shipper is entitled to under Section 4.2, which will be set forth in an amendment to Exhibit B to this Agreement.
 - 4.7 As of the First In-Service Date under the FT-2 Firm Transportation Service Agreement and unless such agreement has been terminated, Guardian will stand ready to provide firm transportation service for Shipper pursuant to the terms of the FT-2 Firm Transportation Service Agreement; provided, however, that if the First In-Service Date is a Partial In-Service Date, then Guardian will stand ready to provide firm transportation service for Shipper commensurate with the Guardian Expansion facilities that are completed as of that In-Service Date.
 - 4.8 Commencement of FT-2 Firm Transportation Service.

Subject to the terms and conditions of this Agreement, Guardian shall proceed with due diligence to obtain all necessary authorizations and/or exemptions on terms satisfactory to Guardian and to construct the authorized Guardian Expansion facilities necessary to perform firm transportation service contemplated in this Agreement. Beginning on November 1, 2008, and on a continuing basis as the Guardian Expansion facilities or portion(s) thereof are completed, Guardian shall commence FT-2 Service to Shipper on the portion(s) of the Guardian Expansions facilities completed and available to provide such service. Notwithstanding Guardian's due diligence, if Guardian is unable to construct the necessary facilities and to commence the transportation services for Shipper

as contemplated herein by November 1, 2008, Guardian and Shipper agree as follows:

- (a) If, on or before November 1, 2007, Guardian believes it will not meet the target of a November 1, 2008 Full In-Service Date, it shall provide written notice to Shipper no later than November 1, 2007, regarding that inability and shall provide a reasonable estimate of when it will be able to commence fully the services contemplated herein, with subsequent written estimates of the Full In-Service Date and any Partial In-Service Dates (and the delivery points to be served on each Partial In-Service Date) to be provided by Guardian to Shipper on a periodic basis not less than every three (3) months.
- (b) The FT-2 Service contemplated by this Agreement shall commence on the first to occur of a Partial In-Service Date or the Full In-Service Date; provided, however, that if a Partial In-Service Date occurs, then FT-2 Service shall commence only for the portion of Shipper's MDQ and to the delivery points Guardian is able to serve; provided, further, that in the event the Full In-Service Date does not occur on or before November 1, 2009, then Section 7.2 of this Agreement applies.
- (c) Neither this Agreement nor any executed FT-2 Firm Transportation Service Agreement shall be subject to termination, except as provided in Article VII of this Agreement or as set forth in Guardian's FERC Gas Tariff.

ARTICLE V. OTHER SERVICES

5.1 Market Pool Nomination ("MPN") Service.

- (a) Guardian shall take all reasonable steps necessary to file for and obtain authorization from FERC to implement a Rate Schedule Market Pool Nomination to effectuate MPN Service on the Guardian system, to enable the Parties to execute the MPN Service Agreement as contemplated by Section 5.1(c). Such filing shall include a Form of Service Agreement for the MPN Firm Transportation Service Agreement.
- (b) Guardian will work with Shipper and other customers who qualify for MPN Service to design the MPN Service so that it provides delivery point aggregation flexibility, by allowing FT-1 and FT-2 shippers who operate delivery points to make one nomination to a single central point or pool associated with each delivery point operator within a limited geographic area. Guardian would then allocate this market pool nomination back to the individual delivery points, with a pre-determined delivery point taking any swing. The intent behind the MPN Service is to allow each shipper to manage its delivery point demands and, at the same time, cut down on the number of nominations, balancing issues and similar administration burdens.
- (c) Prior to the First In-Service Date, Guardian will make available to Shipper MPN Service, for an MDQ equal to the MDQ in the FT-2 Service Agreement. The

negotiated rate for the service subject to the MPN Service Agreement will be \$0.00(zero)/Dth for the term of the MPN Agreement.

5.2 Balancing Services.

Prior to the First In-Service Date, Guardian shall in good faith undertake best efforts to create and implement a firm balancing, storage and/or no-notice service to aid Shipper in its balancing needs.

ARTICLE VI.
CONDITIONS PRECEDENT

6.1 Guardian shall have no obligation to execute the FT-2 Firm Transportation Service Agreement contemplated by this Agreement, the EAW Service Agreement associated with the FT-2 Agreement, an MPN Agreement (if desired by Shipper) or to commence or continue at any time the acquisition of pipe and materials, the acquisition of rights-of-way, the construction of the Expansion or any other activity involving either the commitment or actual expenditure of funds required to construct the Expansion unless the following conditions (the “Conditions Precedent”) are met or waived by the Party for whose benefit the Condition Precedent is indicated:

- (a) the receipt by Guardian upon terms and conditions that are satisfactory in form and substance to Guardian of all necessary final regulatory authorizations, approvals, permits and/or exemptions as may be necessary for the performance of the transactions contemplated in this Agreement; and
- (b) the receipt by Guardian within one-hundred-and-eighty (180) days from the Effective Date of this Agreement of financing and construction commitments that are satisfactory in form and substance to Guardian.

6.2 Within thirty (30) days following the issuance of any regulatory authorization(s), approvals, permits and/or exemption(s) referred to in Section 6.1(a), Guardian may provide notice to the Shipper that the terms of such authorization(s), approvals, permits and/or exemption(s) are unacceptable. In the absence of such notice, the terms of such authorization(s), approvals, permits and/or exemption(s) shall be deemed to be acceptable to Guardian. If Guardian deems the terms of any regulatory authorization(s) and/or exemption(s) to be unacceptable in its reasonable judgment, Guardian shall exercise its due diligence to initiate regulatory or legal action to modify the regulatory authorization(s) and/or exemptions(s) to cause them to be modified to make them acceptable.

6.3 Guardian shall provide written notice to Shipper within ten (10) days of satisfaction of all of the Conditions Precedent, or its decision to waive any outstanding Conditions Precedent. Guardian may waive expressly in writing any or all of the conditions precedent set forth in Section 6.1.

6.4 Within thirty (30) days following the provision of written notice of satisfaction (or waiver, as applicable) of the Conditions Precedent, as such notice is required by Section

6.4 of this Agreement, the Parties agree to execute and deliver (a) the FT-2 Firm Transportation Service Agreement contemplated by this Agreement in a form substantially the same as the Form of Service Agreement to be included in Guardian's FERC Gas Tariff pursuant to Section 4.1 of this Agreement; (b) if desired by Shipper, an EAW Service Agreement; and (c) if desired by Shipper, the MPN Service Agreement contemplated by this Agreement in a form substantially the same as the Form of Service Agreement to be included in Guardian's FERC Gas Tariff pursuant to Section 5.1 of this Agreement. Nothing herein shall preclude Guardian and Shipper from executing and delivering the agreements described above prior to the receipt of the notice of satisfaction (or waiver, as applicable) of the conditions Precedent.

ARTICLE VII. TERMINATION

- 7.1 In the event that any conditions precedent specified in Article VI: (1) have not been satisfied by September 1, 2008; or, (2) have not been waived pursuant to Section 6.4, then Guardian may terminate this Agreement by giving Shipper prompt written notice thereof.
- 7.2 Full In-Service Date Requirements.
- (a) For this Section 7.2 to apply, the conditions precedent specified in Article VI must have been satisfied according to their terms, or waived pursuant to Section 6.4.
 - (b) In the event the Full In-Service Date does not occur on or before November 1, 2009 ("Full In-Service Deadline"), the Parties agree to work together in good faith to maximize the deliveries Guardian can make to Shipper utilizing Guardian's then-available system facilities and capacity, to satisfy to the extent possible Shipper's FT-2 MDQ contemplated under this Agreement. To the extent that, after such cooperative effort, Guardian is not able to deliver all or a portion of Shipper's nominated MDQ for FT-2 Service (quantity that Shipper nominates and Guardian is unable to deliver hereinafter referred to as "Shortfall Quantity") on or after the Full In-Service Deadline, then Guardian shall pay to Shipper the sum of the "Transportation Cover," and the "Contract Overlap" relating to such Shortfall Quantity, as set forth in this Section 7.2.
 - (i) The Transportation Cover shall be the difference between (A) the reasonable reservation charges Shipper pays to others for the Shortfall Quantity, and (B) the rate applicable for each dekatherm of the Shortfall Quantity.
 - (ii) Contract Overlap shall be costs associated with any overlap between the commencement of Guardian's FT-2 Service to Shipper and any firm transportation contracts Shipper, in its reasonable judgment, executed with others for the Shortfall Quantity. For example, if Shipper in its reasonable judgment is required to enter a one-year firm transportation contract with

another interstate natural gas pipeline with a term extending from November 1, 2009 through October 31, 2010 for the Shortfall Quantity, and Guardian commences service for that Shortfall Quantity on March 1, 2010, then the Contract Overlap would be the additional costs incurred by Shipper for the March 1 through October 31, 2010 time period with the alternative interstate natural gas pipeline.

- (c) Shipper shall use all reasonable efforts to mitigate the costs associated with Transportation Cover and Contract Overlap.
- (d) If the Full In-Service Date has not occurred on or before November 1, 2010 (the “Sunset Date”), either Party may terminate this Agreement with respect to the portion of Shipper’s FT-2 MDQ not being served by Guardian using the Guardian Expansion facilities as of the Sunset Date. In the event this Agreement is terminated pursuant to this Section 7.2(d), then the Full In-Service Date shall be deemed to have occurred on the date of such termination, the Total Expansion MDQ will be reduced to reflect the total FT-2 MDQ in-service (for all shippers) as of that Full In-Service Date, and Shipper’s FT-2 MDQ shall equal the quantity of FT-2 Service Guardian can provide to Shipper’s delivery points as of that Full In-Service Date.
- (e) Nothing in this Section 7.2 precludes the Parties from agreeing in writing to extend (i) the Full In-Service Deadline to after November 1, 2009, or (ii) the Sunset Date to after November 1, 2010.

7.3 Any termination pursuant to this Article VII, except any termination pursuant to Sections 7.2(d) or 7.4, shall be without liability, damages, costs or expenses of either Party to the other Party or to any of their shareholders, directors, officers, employees, agents, consultants or representatives. After termination pursuant to this Article, the Parties shall have no further rights or obligations whatsoever under this Agreement; provided, however, that such limitation does not apply to termination by Guardian pursuant to Section 7.4.

7.4 In the event that, prior to the Full In-Service Date of the Guardian Expansion facilities, there has been a material adverse change in the financial criteria regarding Shipper relied on by Guardian at the time of the execution of this Agreement, Shipper fails to meet the Creditworthiness Requirement set forth in Section 8.5, and Shipper is unable to satisfy the applicable provisions of Section 8.5, then Guardian shall have the right to terminate this Agreement. Upon termination pursuant to this Section 7.4, Shipper shall be liable to Guardian for Shipper’s pro rata share of the costs of the Guardian Expansion incurred by Guardian as of the date of the termination; provided, however, the Parties shall use commercially reasonable efforts to mitigate the costs, damages and charges arising as a consequence of termination; provided, further, that if Shipper nonetheless desires to receive the services contemplated by this Agreement from Guardian, (a) it shall pay to Guardian its pro rata share of the total costs of the Guardian Expansion (“Construction Payment”); (b) commencing with the First In-Service Date, Guardian will provide FT-2 Service to Shipper as contemplated by this Agreement; (c) Shipper’s Construction

Payment shall be credited, on a monthly basis, against Shipper's otherwise due and owing reservation charges; (d) the balance of Shipper's Construction Payments shall accrue interest each month at the then-effective FERC Interest Rate for the applicable month reflecting the time value of the Construction Payment; (e) Guardian shall waive any creditworthiness standards of its Tariff to the extent necessary to provide service(s) to Shipper under this Section 7.4 until the Construction Payment is absorbed by the credits applied to Shipper's charges pursuant to Section 7.4(c), after which point the creditworthiness standards of Guardian's Tariff shall apply to the continuation of service to Shipper; and (f) this Agreement shall not be terminated pursuant to this Section 7.4.

ARTICLE VIII. CREDITWORTHINESS

- 8.1 Guardian has reviewed the credit assurances and representations provided by Shipper and has concluded that Shipper, or its Affiliate Guarantor, has the current ability to meet its financial obligations under this Agreement in accordance with the creditworthiness standards in Guardian's FERC Gas Tariff. Absent a material adverse change in the financial criteria regarding Shipper relied on by Guardian at the time of the execution of this Agreement, Shipper shall not be subject to an adverse finding by Guardian pursuant to Section 8.5.
- 8.2 Shipper will provide any reasonable information requested by Guardian in connection with transportation services to be provided and received pursuant to this Agreement, to the extent that such information reasonably may bear on Shipper's creditworthiness and ability to meet its financial obligations to Guardian under this Agreement.
- 8.3 Shipper shall furnish within one hundred and twenty (120) days after the close of each fiscal year of Shipper, until the effective date of the FT-2 Firm Transportation Service Agreement contemplated by this Agreement, audited consolidated financial statements setting forth, in comparative form, the corresponding figures of the preceding fiscal year together with an auditor's report thereon. Guardian may, at its sole discretion, not to be unreasonably exercised, accept unaudited consolidated financial statements. This provision will apply to the financial statements of any Affiliate Guarantor, as well as those of the Shipper.
- 8.4 Shipper commits that it can and will, upon execution and delivery of the FT-2 Firm Transportation Service Agreement contemplated by this Agreement, comply with the creditworthiness requirements set forth in Guardian's FERC Gas Tariff, as in effect from time to time.
- 8.5 Shipper shall be deemed to meet the creditworthiness requirements of this Section 8.5 if Shipper complies with one of the following creditworthiness requirements ("Creditworthiness Requirement"): (a) Shipper, or an affiliate guarantor, has an investment grade rating for its long term senior unsecured debt from a recognized rating agency; or (b) Guardian determines on a non-discriminatory basis that Shipper is creditworthy even though Shipper, or an affiliate guarantor, does not have an investment grade rating for its long term senior unsecured debt. With respect to the facilities

contemplated to be constructed as part of the Guardian Expansion, in the event that, prior to the Full In-Service Date of the Guardian Expansion facilities, there has been a material adverse change in the financial criteria regarding Shipper relied on by Guardian at the time of the execution of this Agreement, and Shipper fails to comply with the Creditworthiness Requirement, Guardian may require from Shipper security in an amount up to the Shipper's pro rata share of the cost of the facilities. Such security may be in the form of an irrevocable letter of credit, a pledge of a cash deposit held in an escrow account, a parental guaranty (provided that the entity providing the guaranty meets the creditworthiness standards in Guardian's FERC Gas Tariff) or other form of security acceptable to Guardian, which acceptability shall be determined in the sole discretion of Guardian, not to be unreasonably exercised. In the event Shipper pledges a cash deposit to satisfy the requirements of this Section 8.5, Guardian will accrue interest for the account of Shipper at the rate of interest for the applicable period offered by the escrow agent. In the event Shipper provides a letter of credit or parental guaranty to satisfy the requirements of this Section 8.5, Guardian shall return that letter of credit or parental guaranty to the Shipper the earlier of (a) Shipper meeting the creditworthiness standards in Guardian's FERC Gas Tariff, or (b) the First In-Service Date; provided, however, that if a Partial In-Service Date occurs, Guardian and Shipper shall work together in good faith so that a letter of credit or parental guaranty remains in place commensurate with the portion of Shipper's FT-2 MDQ not yet being served by Guardian.

- 8.6 Once any Guardian Expansion facilities commence service, the creditworthiness requirements set forth in Guardian's FERC Gas Tariff shall apply to the Shipper's FT-2 capacity associated with those in-service facilities, and Section 8.5 shall no longer apply to such FT-2 capacity.

ARTICLE IX. ASSIGNMENT

- 9.1 Subject to this Article IX, any entity which shall succeed by purchase, merger, consolidation or assignment of the properties, substantially as an entirety, of Shipper, which satisfies the creditworthiness standards in Article VIII, shall be entitled to the rights and shall be subject to the obligations of Shipper under this Agreement.
- 9.2 Except as (i) provided in Section 9.1 and (ii) subject to Article VII, prior to the Full In-Service Date, Shipper shall not be permitted to assign or otherwise dispose of any of its rights and obligations under this Agreement without the express written consent of Guardian, not to be unreasonably withheld. Any assignment under this Section 9.2 must be to a party or parties which satisfy the creditworthiness standards in Article VIII.
- 9.3 After the Full In-Service Date, Shipper may assign or transfer its rights and obligations under this Agreement, and the Service Agreements contemplated by this Agreement, in accordance with Section 29.1 of Guardian's FERC Gas Tariff.
- 9.4 Guardian may assign all or a portion of its rights and interests under this Agreement provided that Guardian has furnished notice to Shipper that Guardian's assignee(s) agrees to be bound by all of the terms and conditions of this Agreement. Upon any such

assignment(s), Shipper agrees to release Guardian from its obligations under this Agreement.

- 9.5 The restrictions on assignment set forth in this Article IX shall not in any way prevent Guardian, Shipper or their successors in interest from pledging or mortgaging their rights under this Agreement as security for their indebtedness.
- 9.6 The restrictions on assignment set forth in this Article IX shall not in any way limit Shipper from engaging in capacity release transactions in accordance with the provisions of Guardian's FERC Gas Tariff. The Parties expressly agree that, after Guardian has received an order from FERC approving the Rate Schedule FT-2 and a preliminary determination from FERC finding that the Guardian Expansion is required by the public convenience and necessity subject to FERC's ongoing environmental review of the Guardian Expansion, Shipper shall have the right to engage in capacity release transactions regarding its FT-2 capacity commitment, consistent with the requirements and procedures set forth in Section 21 of Guardian's FERC Gas Tariff and any applicable FERC requirements, and Guardian shall take all reasonable steps necessary to permit such releases.

ARTICLE X. MISCELLANEOUS

- 10.1 **Negotiated Rate Portfolio.** The Parties agree that the negotiated rates herein pertain to an overall service portfolio and that no individual rate can be changed without affecting the overall economic bargain reached by the Parties. Guardian reserves the right to adjust the individual negotiated rates herein, and Shipper reserves the right to request adjustments to those rates (which adjustments Guardian in good faith will consider implementing), so long as the economic bargain reached by the Parties is preserved. The Parties agree that they will endeavor to include the concepts set forth in this Section 10.1 in the Service Agreements contemplated by this Agreement.
- 10.2 **Modifications to Underlying Services, Terms and Conditions.** Shipper shall notify Guardian in writing within ten (10) days of the receipt of any certificate order or other order issued by FERC necessary to implement the services or terms and conditions contemplated in this Agreement, which order(s) shall be final and no longer subject to appeal or rehearing before FERC, and which order(s), in Shipper's reasonable judgment, materially or adversely modifies such service or terms and conditions. The Parties will meet as soon as practicable to cooperate in good faith to preserve the service-related benefits reached by the Parties in this Agreement. This Section 10.1 shall survive termination of the Agreement.
- 10.3 **Additional Costs.** Costs associated with changes in the design of the Guardian Expansion that result from requests by Shipper ("Shipper Design Request") shall be paid for by Shipper. Shipper shall seek a Shipper Design Request by providing written notice to Guardian of such request that includes a proposed In-Service Date for the facilities subject to the design change, on a date reasonably in advance of such proposed In-Service Date. The Parties in good faith will work together to determine the appropriate

Cost-of-Service Factor applicable to the Shipper Design Request. Shipper shall pay Guardian a rate for the Shipper Design Request based on the result of dividing (a) the product of the Cost-of-Service Factor multiplied by the capital costs associated with the Shipper Design Request, by (b) the product of Shipper's FT-2 MDQ multiplied by 12; provided, however, that if the Total Expansion MDQ is reduced pursuant to Section 7.2(d), then the Parties shall work together in good faith to determine a rate for the Shipper Design Request based on a denominator using Shipper's FT-2 MDQ that results from termination under Section 7.2(d), which rate the Parties agree shall be applied as though it were in place the entire time the facilities associated with Shipper's Design Request have been in-service.

- 10.4 Effect of Agreement. This Agreement shall inure to the benefit of and be binding upon each of the Parties and their permitted successors and assignees. This Agreement, including Exhibits A and B, constitutes the entire agreement and understanding between the Parties with respect to the subject matter of this Agreement, supersedes all prior agreements and understandings with respect thereto, and may be amended, restated or supplemented only by a written agreement of the Parties.
- 10.5 Waiver. The waiver by any Party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach or violation thereof.
- 10.6 Governing Law. THE PARTIES HERETO AGREE THAT THE INTERPRETATION AND PERFORMANCE OF THIS SERVICE AGREEMENT MUST BE IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN WITHOUT RECOURSE TO THE LAW GOVERNING CONFLICT OF LAWS WHICH WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER STATE.
- 10.7 No Drafting Presumption. No presumption shall operate in favor of or against any Party as a result of any responsibility that any Party may have had for drafting this Agreement.
- 10.8 Recitals. The recitals appearing first above are hereby incorporated in and made a part of this Agreement.
- 10.9 Cross-references. All references in this Agreement to articles, paragraphs and exhibits shall be understood to refer to this Agreement, unless the context specifically indicates otherwise.
- 10.10 Notices. All notices provided for in this Agreement shall be given in writing and sent by mail, facsimile, prepaid priority courier or by electronic mail with original to follow by regular mail and shall, in the case of courier, be deemed to be received two (2) days after sending and, in the case of electronic mail or facsimile, be deemed to be received the following business day after confirmation that the notice was sent and received. Any notices required by this Agreement must be received within the time specified in such paragraphs of this Agreement. Notices shall be addressed as follows:

If to Guardian:

Gaye Lynn Schaffart
Vice President, Guardian Pipeline, L.L.C.
13710 FNB Parkway
Omaha, Nebraska 68154
Telephone: (402) 492-7446
Facsimile: (402) 492-7482
Electronic mail: gayelynn.schaffart@oneok.com

If to Shipper:

Attention: _____
Telephone: _____
Facsimile: _____
Electronic mail: _____

- 10.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.
- 10.12 Recourse. Any claim against Guardian that may arise hereunder or otherwise in connection herewith shall be made only against and shall be limited to the assets of Guardian, and any rights that may otherwise exist to proceed otherwise against the members of Guardian, either individually or collectively, or against the non-Guardian assets of any of the members of Guardian as a result of any claim arising in connection with this Agreement are hereby waived.
- 10.13 Authority. Each Party represents that the individual executing this Agreement on behalf of such Party has the authority to bind each such Party in writing.

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

GUARDIAN PIPELINE, L.L.C.

By: _____

Name: _____

Title: _____

[SHIPPER]

By: _____

Name: _____

Title: _____

EXHIBIT A
TO PRECEDENT AGREEMENT

FLOW PROFILE FOR FT-2 TRANSPORTATION SERVICE

Hour	FT-2 Hourly Flow Profile	FT-2 Cumulative Hourly Flow Profile
1	5.00%	5.00%
2	5.00%	10.00%
3	5.00%	15.00%
4	5.00%	20.00%
5	5.00%	25.00%
6	5.00%	30.00%
7	5.00%	35.00%
8	4.77%	39.77%
9	4.64%	44.41%
10	4.51%	48.92%
11	4.64%	53.56%
12	5.00%	58.56%
13	5.00%	63.56%
14	4.51%	68.07%
15	4.26%	72.33%
16	3.88%	76.21%
17	3.75%	79.96%
18	3.50%	83.46%
19	3.37%	86.83%
20	3.24%	90.07%
21	2.99%	93.06%
22	2.67%	95.73%
23	2.36%	98.09%
24	1.91%	100.00%
	100.00%	

The following describes the manner in which the FT-2 hourly flow profile would be used to define the limits of gas flows during a specific hour for FT-2 service:

- i. Flows during the hour shall not exceed 5.00% of FT-2 service MDQ;
- ii. Flows during the hour combined with flows during the immediately preceding hour shall not exceed 10.00% of the FT-2 service MDQ;
- iii. Flows during the hour combined with flows during the immediately preceding two hour period shall not exceed 15.00% of the FT-2 service MDQ;

- iv. Flows during the hour combined with flows during the immediately preceding three hour period shall not exceed 20.00% of the FT-2 service MDQ;
- v. Flows during the hour combined with flows during the immediately preceding four hour period shall not exceed 25.00% of the FT-2 service MDQ;
- vi. Flows during the hour combined with flows during the immediately preceding five hour period shall not exceed 30.00% of the FT-2 service MDQ;
- vii. Flows during the hour combined with flows during the immediately preceding six hour period shall not exceed 35.00% of the FT-2 service MDQ;
- viii. Flows during the hour combined with flows during the immediately preceding seven hour period shall not exceed 39.77% of the FT-2 service MDQ;
- ix. Flows during the hour combined with flows during the immediately preceding eight hour period shall not exceed 44.41% of the FT-2 service MDQ;
- x. Flows during the hour must not exceed limitations determined utilizing the pattern described in i through ix above through a full twenty-four hour test period (for example, flows during the hour combined with flows during the immediately preceding nineteen hour period shall not exceed 90.07% of the FT-2 service MDQ).

**EXHIBIT B
TO PRECEDENT AGREEMENT**

TOTAL MDQ: _____

FIRM PRIMARY POINT OF RECEIPT

<u>Description</u>	<u>MDRO (Dth/day)</u>
NBPL	_____

FIRM PRIMARY POINT(S) OF DELIVERY

<u>Description (Dth/day)</u>	<u>Min. Delivery Pressure (psig)</u>	<u>MDDO (Dth/day)</u>
Bluff Creek		_____
Chilton		_____
Fox Valley		_____
Green Bay/Denmark		_____
Hartford/West Bend		_____
Ixonia		_____
Rockvale Road		_____
Sheboygan/Plymouth		_____
Walworth		_____
West Green Bay		_____
Other		_____
Total MDDO		=====