

# FERC GAS TARIFF

## CREDIT REQUIREMENTS

**Please note that the attached document has not been updated to account for provisions recently approved by the Commission associated with capacity release transactions (i.e. Docket Nos. GT02-34, GT02-37, RP03-23, etc.).**

### Algonquin Gas Transmission Company Credit Evaluation

1. Standards Used in Appraising Credit. Algonquin shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the following information and criteria:
  - a. Customer shall provide current financial statements, annual reports, 10-K reports, or other filings with regulatory agencies which discuss Customer's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. Algonquin shall determine the acceptability of the Customer's overall financial condition.
  - b. Customer shall provide a bank reference and at least two trade references. The results of reference checks and credit reports submitted in (a) above must show that Customer's obligations are being paid on a reasonably prompt basis.
  - c. Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
  - d. Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an ongoing business entity.
  - e. Customers with an ongoing business relationship with Algonquin shall have no delinquent balances outstanding for services made previously by Algonquin, and Customer must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - f. Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Customer's ability to remain solvent as a business entity.

2. Alternatives to Satisfaction of Credit Criteria. Upon notification by Algonquin that Customer has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by Algonquin if it elects to provide one of the following:
  - a. an advance deposit;
  - b. a standby irrevocable letter of credit;
  - c. security interest in collateral found to be satisfactory to Algonquin; or
  - d. a guarantee, acceptable to Algonquin, by another person or entity which satisfies credit appraisal.

Such advance deposit, standby irrevocable letter of credit, security interest, or guarantee should at all times equal the amount equal to three months of transportation at a 100% load factor of the requested MDTQ at the maximum applicable unit rate hereunder. If Customer's credit standing ceases to meet Algonquin's credit requirements during the period of service, then Algonquin has the right to require security or a deposit as specified herein. If security or a deposit is not tendered in a timely period as reasonably determined by Algonquin, then Algonquin is not required to continue service. If Customer is unable to maintain credit approval, the executed service agreement shall terminate as of the first day of the month following written notice to Customer.

Algonquin LNG, Inc.  
Credit Evaluation

1. Standards Used in Appraising Credit. ALNG shall apply, on a non-discriminatory basis, consistent financial evaluation standards to determine the acceptability of Customer's overall financial condition. Such credit appraisal and any further or ongoing credit appraisal as may be necessary shall be based upon the following information and criteria:
  - a. Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status; a list of all corporate affiliates, parent companies and subsidiaries; and any reports from credit reporting and bond rating agencies which are available. ALNG shall determine the acceptability of the Customer's overall financial condition.
  - b. Customer shall provide a bank reference and at least two trade references. The results of reference checks and credit reports submitted in (a) above must show that Customer's obligations are being paid on a reasonably prompt basis.
  - c. Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with

adequate assurance that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction.

- d. Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial business entity.
  - e. Customers with an ongoing business relationship with ALNG shall have no delinquent balances outstanding for services made previously by ALNG, and Customer must have paid its account according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - f. Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would materially affect Customer's ability to remain solvent as a business entity.
2. Alternatives to Satisfaction of Credit Criteria. Upon notification by ALNG that Customer has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by ALNG if it elects to provide one of the following:
- a. an advance deposit;
  - b. a standby irrevocable letter of credit;
  - c. security interest in collateral found to be satisfactory to ALNG; or
  - d. a guarantee, acceptable to ALNG, by another person or entity which satisfies credit appraisal.

Such advance deposit, standby irrevocable letter of credit, security interest or guarantee should at all times equal the amount equal to three months of storage service utilizing Customer's requested Storage Capacity at the maximum applicable unit rate hereunder. If Customer's credit standing ceases to meet ALNG's credit requirements during the period of service, then ALNG has the right to require a security or a deposit as specified herein. If security or deposit is not tendered in a timely period as reasonably determined by ALNG, then ALNG is not required to continue service. If Customer is unable to maintain credit approval, the executed service agreement shall terminate as of the first day of the month following written notice to Customer.

### ANR Pipeline Company Credit Worthiness

1. Creditworthiness. Transporter shall not be required to commence service or, subject to the following timing provisions, to continue to provide service under an Agreement with any Shipper, that (a) is or has become insolvent; (b) has applied for bankruptcy under Chapter 11 of the Bankruptcy Code, or which is subject to similar proceedings under State or Federal law; or (c) when requested by Transporter to demonstrate creditworthiness, fails to do so in Transporter's reasonable judgment, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, that any such Shipper that is receiving service shall continue to receive service for a period of fifteen (15) Days after written notice by Transporter of any such

circumstance, and shall continue thereafter to receive service if, within such fifteen (15) Day notice period, such Shipper (a) deposits with Transporter and maintains, on account, an amount which would be due for three (3) Months service at the full Maximum Daily Quantity plus an amount equal to the three (3) highest Cashout payments, if any incurred during the previous twelve (12) Months, or (b) 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 Transporter, 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, Transporter 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 Transporter shall no longer be obligated to continue to provide service to such Shipper.

ANR Storage Company  
Credit Worthiness

1. Creditworthiness. Seller shall not be required to commence service or, subject to the following provisions, to continue to provide service and may terminate a Agreement with any Customer under Rate Schedule FS with a primary term or one year or less and Service Agreements under Rate Schedule IS, if:
  - a. Customer is or has become insolvent;
  - b. Customer has applied for bankruptcy under Chapter 11 of Bankruptcy Code, or which is subject to similar proceedings under State or Federal law; or
  - c. Customer, when requested by Seller to demonstrate creditworthiness, fails to do so in Seller's reasonable judgment, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, than 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:
    - 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 Service Agreement; or
    - ii. furnishes good and sufficient security, which may include an acceptable standby letter of credit, or monthly prepay 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 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.

- d. Seller shall not be required to commence service, or subject to the following provisions, to continue to provide service and may terminate an Agreement with any Customer under Rate Schedule FS 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 Corporations, 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 Baa3 according to Moody's Investors Service or BBB- according to Standard and Poor's Corporations; provided, however, 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:
  - i. attain minimum long-term debt rating as described above; or
  - ii. secure a guarantee by a person with a minimum long-term debt rating as described above, provided further, if Customer should fail to meet the requirements set forth within the three-month period, Seller shall have the right to market the capacity underlying the Service Agreement(s) in question to other Customers meeting the requirements as set forth herein.

Blue Lake Gas Storage Company  
Creditworthiness

1. Seller shall not be required to commence service or, subject to the following provisions, to continue to provide service and may terminate a Agreement with any Customer under Rate Schedule FS with a primary term of one year or less and Service Agreements under Rate Schedule IS, if:
  - a. Customer is or has become insolvent;
  - b. 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
  - c. Customer, when requested by Seller to demonstrate creditworthiness, fails to do so in Seller's reasonable judgment, in light of previous payment experience and changes thereto and the prudent credit analysis of information available; provided, however, than 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:
    - 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 Service 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.

- d. Seller shall not be required to commence service, or subject to the following provisions, to continue to provide service and may terminate a Service Agreement with any Customer under Rate Schedule FS 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 Corporations, 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 Baa3 according to Moody's Investors Service or BBB- according to Standard and Poor's Corporation; provided, however, 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:
  - i. attain minimum long-term debt ratings as described above; or
  - ii. secure a guarantee by a person with a minimum long-term debt rating as described above, provided further, if Customer should fail to meet the requirements set forth within the three (3) Month period, Seller shall have the right to market the capacity underlying the Service Agreement(s) in question to other customers meeting the requirements as set forth herein.

Carnegie Interstate Pipeline Company  
Creditworthiness

- 1. In order to ascertain the creditworthiness of any customer seeking service under any of CIPCO's Rate Schedules, whether through a request for service under Section 9 or in accordance with Sections 10 or 11, CIPCO may require such customer to:
  - a. provide CIPCO with current financial statements, annual reports, 10-K reports or other filings by the customer or any parent company of the customer with any regulatory agency, a list of all of such customer's affiliates and any reports regarding such customer or any affiliate of such customer from credit reporting agencies which are available;
  - b. provide CIPCO a bank reference and at least two trade references to enable CIPCO to verify that such customer's obligations and the

- obligations of any parent company of such customer are being paid on a reasonably prompt basis;
- c. provide CIPCO with a verified statement that neither the customer nor any parent company is operating under any chapter of the bankruptcy laws and that neither it nor any parent company is subject to liquidation or debt reduction procedures under state laws; and
  - d. provide CIPCO with a verified statement that neither the customer nor any parent company of the customer has any significant collection lawsuits or judgments outstanding which would seriously reflect upon such customer's ability or the ability of any parent company of such customer to remain solvent.
2. If the customer fails to satisfy the credit criteria, such customer may still obtain service under CIPCO's Rate Schedules if such customer elects one of the following options:
- a. a standby irrevocable letter of credit drawn upon a Bank acceptable to CIPCO;
  - b. a security interest in collateral provided by such party that is satisfactory to CIPCO; or
  - c. a guarantee of payment by a person or entity which does satisfy the credit criteria.

Chandeleur Pipe Line Company  
Creditworthiness

1. Chandeleur shall not be required to perform or continue service on behalf of any Shipper who is on has become insolvent, or who, at Chandeleur's request, fails within a reasonable time to demonstrate creditworthiness; provided, however, Chandeleur shall continue service to such Shipper if Shipper prepays for such service or furnishes good and sufficient security (as determined by Chandeleur in the exercise of reasonable discretion) in an amount equal to the cost of performing the service requested by Shipper for a three (3) month period. Potential replacement Shippers who currently are not Shippers on Chandeleur or are not currently included on Chandeleur's firm or interruptible service request queue and who believe there is a possibility they may seek to satisfy Chandeleur's creditworthiness requirements prior to bidding for capacity and actually receiving service. The pre-qualification of creditworthiness will provide for a more efficient bidding process and faster implementation of capacity releases.
2. For the purpose of this section, the insolvency of a Shipper shall be evidenced by the filing by Shipper or any parent entity thereof (collectively referred to as "Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction of the premises adjudging Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said

order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

Colorado Interstate Gas Company  
Creditworthiness

Transporter shall not be required to commence service or to continue to perform service under this Rate Schedule for any Shipper who fails to demonstrate creditworthiness as reasonably determined by Transporter. Transporter's determination of creditworthiness shall be based upon a review of Shipper's financial statements, bank references, trade references, and such other information relating to Shipper's financial status, obligation payment history, and other relevant factors as may be necessary to satisfy Transporter that Shipper is creditworthy. Upon Shipper's request, Transporter shall provide a written explanation of any credit limitation applied to Shipper. Transporter may require Shipper to deposit with Transporter and maintain, on prepaid account, or to establish and maintain an escrow account, or to furnish a letter of credit, in an amount equal to Transporter's estimate of 2 Months of the charges for performing such service or for furnish, within 15 days, good and sufficient security, as determined solely by Transporter, of a continuing nature and in an amount equal Transporter's estimate of the charges for performing said service for a period of 2 Month's, or may require such other measures as Transporter may specify. Transporter will also permit another entity to guarantee in writing Shipper's obligation, provided that the guarantor has sufficient credit available, as determined by Transporter in accordance with this provision. Transporter may, without waiving any rights or remedies it may have, suspend further service until such acceptable security is received by Transporter. Upon Shipper's establishment of an acceptable credit record or upon expiration of the Agreement, Transporter shall refund Shipper's deposit with interest accrued at rates set pursuant to 18 CFR Section 154.501(d).

Columbia Gas Transmission Corporation  
Credit Data

1. Requestor shall submit with its Form the following credit evaluation data:
  - a. a copy of Requestor's current financial statement prepared preceding the date of the request for service;
  - b. a copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of it's business, and the number of its employees;
  - c. a list of Requestor's affiliates, including and parent and subsidiary companies;
  - d. the names, addresses and telephone numbers of three trade references with whom Transporter may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;

- e. names, addresses, and telephone numbers of bank references;
  - f. disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of Requestor; and
  - g. any other data Shipper desires to submit that would assist Transporter in determining creditworthiness.
2. Transporter may waive the requirements of all or any part of Section 3.3 on a non-discriminatory basis. A Requestor that is an existing Shipper on Transporter's system shall not be required to provide the information required by Section 3.3(a) in order to make a new request for service, provided, however, that Transporter may require an existing Shipper to furnish any information necessary to make a creditworthiness determination with respect to that Shipper/Requestor's new request for service.
  3. In lieu of submitting all or any part of the data required by this Section 3.3, a Requestor that has submitted such data to Transporter within the past twelve months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

Columbia Gulf Transmission Company  
Credit Data

1. Except as provided in Section 3.3 (b), Requestor shall submit with its completed Request for Service From the following credit evaluation data:
  - a. a copy of Requestor's current financial statement prepared within the twelve months preceding the date of the request for service;
  - b. a copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of its employees;
  - c. a list of Requestor's affiliates, including any parent and subsidiary companies;
  - d. the names, addresses and telephone numbers of three trade references with whom Transporter may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;
  - e. names, addresses, and telephone numbers of bank references;
  - f. disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgment or pending claims or lawsuits that could affect the solvency of Requestor; and
  - g. any other data Shipper desires to submit that would assist Transporter in determining creditworthiness.
2. Transporter may waive the requirements of all or any part of Section 3.3 on a nondiscriminatory basis. A Requestor that is an existing Shipper on Transporter's system shall not be required to provide this information required by Section 3.3 (a) in order to make a new request for service, provided, however, that Transporter may

require an existing Shipper to furnish any information necessary to make a creditworthiness determination with respect to that Shipper/Requestor's new request for service.

3. In lieu of submitting all or any part of the data required by this Section 3.3, a Requestor that has submitted such data to Transporter within the past twelve months may certify that all or part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

### Crossroads Pipeline Company

#### Credit Data

1. Except as provided in Section 3.3(b), Requestor shall submit with its completed Request for Service Form the following credit evaluation data:
  - a. A copy of Requestor's current financial statement prepared within the twelve months preceding the date of the request for service;
  - b. A copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or Forms 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of employees;
  - c. A list of Requestor's affiliates, including any parent and subsidiary companies;
  - d. The names, addresses and telephone numbers of three trade references with whom Transporter may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies;
  - e. Names, addresses, and telephone numbers of bank references;
  - f. Disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgements or pending claims or lawsuits that could affect the solvency of Requestor; and
  - g. Any other data shipper desires to submit that would assist Transporter in determining creditworthiness.
2. Transporter may waive the requirements of all or any part of Section 3.3 on a nondiscriminatory basis. A Requestor that is an existing Shipper on Transporter's system shall not be required to provide the information required by Section 3.3(a) in order to make a new request for service, provided, however, that Transporter may require an existing Shipper to furnish any information necessary to make a creditworthiness determination with respect to that Shipper/Requestor's new request for service.
3. In lieu of submitting all or any part of the data required by this Section 3.3, a Requestor that has submitted such data to Transporter within the past twelve months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

Cove Point LNG Limited Partnership  
Credit Data

1. Except as provided in Section (b) above, Requestor shall submit with its completed Request for Service Form the following credit evaluation data:
  - a. A copy of Requestor's current financial statement prepared within the twelve months preceding the date of the request for service;
  - b. A copy of Requestor's most recent Annual Report and, if applicable, most recent Forms 10-Q and 10-K; provided that if Requestor has no Annual Report or 10-Q or 10-K it must provide its most recent audited financial statement and financial report, any current filings with other regulatory agencies that discuss Requestor's financial condition, and a detailed business description that includes Requestor's corporate form, the number of years or months it has been in business, the nature of its business, and the number of its employees;
  - c. A list of Requestor's affiliates, including any parent and subsidiary companies;
  - d. The names, addresses, and phone numbers of three trade references with whom Operator may make reasonable inquiry into Requestor's creditworthiness, and copies of any available reports from credit reporting and bond rating agencies.
  - e. Names, addresses and telephone numbers of bank references;
  - f. Disclosure of past or pending bankruptcy or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of Requestor; and
  - g. Any other data Buyer desires to submit that would assist Operator in determining creditworthiness.

In lieu of submitting all or any part of the data required by this Section ©, a Requestor that has submitted such data to Operator within the past twelve (12) months may certify that all or any part of such data has not changed in any manner material to creditworthiness and may update items that have materially changed.

East Tennessee Natural Gas Company  
Credit Requirements

1. Unless previously provided to Transporter in the prior three months, a Shipper seeking service from Transporter under Rate Schedule FT-A, FT-GS, LNGS, IT, LMS-MA, LMS-PA, or SA must provide:
  - a. a copy of Shipper's most recent audited financial statement or a financial statement certified by the Chief Financial Officer of the Shipper (which certificate shall state that such financial statements fairly represent the financial condition and the results of the operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles;

- b. a copy of Shipper's most recent twelve months audited financial statement or Annual Report and, if applicable, 10-K form;
  - c. a list of Shipper's affiliates, including parent and subsidiaries, if applicable.
- 2. In the event Shipper cannot provide the information in Section 1 above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate credit worthiness, provided, however, such Shipper may receive service under an Rate Schedule if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a three month period or the duration of the agreement, whichever is shorter. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

Egan Hub Partners, L.P.  
Evidence of Creditworthiness

- 1. Evidence of creditworthiness. Acceptance of a service request is contingent upon a satisfactory credit appraisal by Egan Hub. To enable Egan Hub to conduct such credit appraisal, a Customer shall submit the following; provided, however, that submission of such material shall not be deemed acceptance of a request for service by Egan Hub, which determination shall be made by Egan Hub only after submission of the material and information set forth below and a determination by Egan Hub that Customer is sufficiently creditworthy.
  - a. Customer shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Customer's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Egan Hub shall determine the acceptability of the Customer's overall financial condition;
  - b. Customer shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports

- submitted in 3.4(g)(1) must show that Customer's obligations are being paid on a reasonably prompt basis;
- c. Customer shall confirm in writing that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction;
  - d. Customer shall confirm in writing that Customer is not aware of any change in business conditions which would cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an ongoing business entity;
  - e. If Customer has an on-going business relationship with Egan Hub, no delinquent balances should be outstanding for services made previously by Egan Hub and Customer must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract; and
  - f. Customer shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.

### El Paso Natural Gas Company Credit Requirements

El Paso shall not be required to perform or to continue interruptible service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent, or fails to meet payment obligations in accordance with Sections 6.2 or 6.3 of this FERC Gas Tariff, or who, at El Paso's request, fails, within a reasonable period to demonstrate creditworthiness or fails to provide adequate assurances of performance as such are defined in the Texas version of the Uniform Commercial Code (See, Vernon's Texas Codes Annotated, Business and Commerce Code, Acts 1967, 60th Leg., Ch. 785, H.B. No. 293, UCC effective September 1, 1967). However, such Shipper may receive interruptible service under this FERC Gas Tariff if Shipper prepays for such service or furnishes good and sufficient security, as determined by El Paso in its reasonable discretion, an amount equal to the cost of performing the service requested by Shipper for a three (3) month period to include the cost of gas for permissible imbalance quantities. For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any

substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days. Notwithstanding the above and Section 6.4 of this FERC Gas Tariff, El Paso shall not suspend service to any Shipper, who is or has become insolvent, in a manner that is inconsistent with the Federal Bankruptcy Code.

Equitrans, L.P.  
Credit Evaluation

1. Credit Evaluation. Equitrans' acceptance of a request for service is contingent upon the requesting party's satisfying a credit evaluation by Equitrans. An ongoing relationship or billing history between Equitrans and the requesting party may serve to establish that party's creditworthiness. In the absence of a prior billing history, the requesting party will provide the following information as requested by Equitrans:
  - a. Bank references.
  - b. Year end financial statements together with the latest quarterly report.
  - c. A list of all affiliates.
  - d. A statement of whether the requesting party is operating under any bankruptcy or insolvency law or any law relating to the relief of debtors, reorganization or creditors assignment.
  - e. Such other information as Equitrans deems necessary to evaluate the creditworthiness of the requesting party.
  
2. Upon notification of Equitrans that a Customer has failed to satisfy the credit criteria or subsequently during the term of the service agreement no longer satisfies the credit criteria, such Customer may still obtain credit approval by Equitrans if it pays any outstanding balances due Equitrans for service rendered or has complied with Section 13.7 of the General Terms and Conditions with regard to such balances and elects to provide one of the following:
  - a. An advance deposit.
  - b. A standby irrevocable letter of credit.

Florida Gas Transmission Company  
Creditworthiness

1. Transporter shall not be required to (i) execute a Transportation Service Agreement providing for service under the applicable Rate Schedule for any Shipper who fails to meet Transporter's standards for creditworthiness, or (ii) initiate service for a Shipper who fails to meet Transporter's standards for creditworthiness, or (iii) continue transportation service for any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness pursuant to Transporter's standards.  
For purposes herein, the determination of Shipper's creditworthiness shall be based upon: (i) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, Inc. or (ii) if Shipper is not rated by Standard & Poor's or Moody's rate methodology, criteria and ratios which are generally acceptable in the natural gas

industry. In the event that Transporter determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios generally acceptable in the natural gas industry as published by the above rating agencies from time to time.

2. To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) complete and current financial statements, including annual reports, 10K reports or other filings with regulatory agencies, prepared in accordance with generally accepted accounting principles, or for non-U.S.-based Shippers, prepared in accordance with equivalent principles; (ii) a list of corporate affiliates, parent companies and subsidiaries; and (iii) any credit reports from credit reporting agencies which are available. In addition to the establishment of creditworthiness: (i) Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws such as an assignment for the benefit of creditors, or any informal creditors' committee agreement; an exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, but only with adequate assurances satisfactory to Transporter that the billing will be paid promptly as cost of administration under the federal court's jurisdiction; (ii) Shipper should not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an ongoing business entity; (iii) if Shipper has an ongoing business relationship with Transporter, no delinquent balances should be consistently outstanding for natural gas sales or transportation services made previously by Transporter, and Shipper must have paid its account in the past according to the credit terms and contract provisions and not made deductions or withheld payment for claims not authorized by contract; and (iv) no significant collection, lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.

In the case of a joint action agency which acts as Shipper for other public agencies which have aggregated their firm service agreements into single Service Agreement pursuant to the aggregation provisions of the settlement filed and approved in Docket No. RS92-16-000, the foregoing information shall be provided by each member public agency who in turn shall guarantee the obligations of the joint action public agency to the extent of each such member's share of the total firm entitlement of such joint action public agency.

3. a) If a Shipper fails to establish creditworthiness as provided herein, Shipper may still receive interruptible service of any duration, or firm service through purchase of capacity relinquished for a maximum period of up to one (1) month under the applicable Rate Schedule provided it furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) a written guarantee from a third party which is creditworthy as determined above; or (ii) an irrevocable standby letter of credit; or (iii) an amount equal to the amount which would be

charged to Shipper for three (3) month's service or the term of service, whichever is less, to be deposited in an escrow account at a bank of Shipper's choosing; or (iv) other security.

b) If a Shipper fails to establish creditworthiness as provided herein, Shipper may still receive firm service or service through purchase of capacity relinquished for a period longer than one (1) month under the applicable Rate Schedule provided it furnishes and maintains in effect one of the following at Shipper's discretion and acceptable to Transporter: (i) a written guarantee from a third party which is creditworthy as determined above; or (ii) an irrevocable standby letter of credit; or (iii) an amount equal to the amount which would be charged to Shipper for three (3) month's service or the term of service, whichever is less, to be deposited in an escrow account at a bank of Shipper's choosing; or (iv) other security.

4. Transporter's credit appraisal procedures involve the establishment of dollar credit limits on a standardized nondiscriminatory basis. To the extent that a Shipper's account(s) with Transporter do not exceed such limits and/or provided no new information regarding Shipper's financial or business position becomes known to Transporter, no new credit approval shall be necessary for Shipper's existing Service Agreement(s) unless subsequently amended; provided however, a Shipper's credit file may be updated by Transporter at any time.

#### Great Lakes Gas Transmission LP Creditworthiness

1. The following information shall be submitted as part of any Request pursuant to Section 2 of the General Terms and Conditions of this FERC Gas Tariff, Second Revised Volume No. 1:
  - (a) a copy of Shipper's most recent audited financial statements;
  - (b) a copy of Shipper's financial statements for the most recent period available, which may be unaudited, but if unaudited, must be signed and attested by Shipper's President and Chief Financial Officer as fairly representing the financial position of the company;
  - (c) a copy of the Shipper's most recent annual report to shareholders and Form 10-K, if applicable;
  - (d) a statement of the legal composition of the business, i.e., corporation, limited partnership, etc.;
  - (e) a statement of the length of time Shipper has been in business;
  - (f) a list of Shipper's affiliated companies including its parent company and subsidiary companies;
  - (g) a statement of any proceedings having been commenced by or against such Shipper 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 extensions. In the event that a court decree or order shall have been entered for the appointment of a receiver, liquidator, trustee, assignee in bankruptcy or insolvency of Shipper, or of a substantial part of its property, or for the winding up or liquidation of its affairs; or in the event that any substantial part of the property of Shipper shall be sequestered or attached and shall not be returned to the possession of Shipper or released

from attachment within thirty (30) Days thereafter; or in the event that Shipper shall make a general assignment for the benefit of creditors or shall admit in writing its inability to then pay its debts generally as they become due, then Shipper shall fully disclose any and all actions regarding the above described proceedings against Shipper or any affiliated companies listed in Subsection 6.2(f) hereof in its Request.

- (h) A statement of Shipper's intended method of credit to be associated with the request; either stand alone credit, a guarantor letter from a creditworthy party (Guarantors must provide items (a)-(g) of this Section 6.2), irrevocable standby letter of credit from a creditworthy major U.S. or Canadian bank or prepayment.
2. For purposes herein, the determination of Shipper's creditworthiness will be based upon Shipper's credit/financial history and a comparison of the Credit Request with the Shipper's total net worth as reflected on current, audit-based financial statements of the Shipper. The Shipper will be deemed creditworthy if its Credit Request is less than fifteen percent (15%) of the Shipper's total net worth and (1) the Shipper's credit/financial history is determined to be acceptable by Transporter through the use of financial analysis, or (2) the Shipper can provide verification that its debt rating is investment grade or better (minimum BBB by Stand & Poor's or a comparable rating from another agency acceptable to Transporter). If the Shipper and its affiliates have multiple Transportation Agreements with the Transporter, the total of all such Agreements shall be considered in determining creditworthiness.
  3. Waiver of Requirements. If Transporter already has sufficient credit information to allow Transporter to make a credit evaluation, and on such information Transporter determines such Shipper to be creditworthy, Shipper shall be deemed to have met the creditworthiness requirements of this section without submitting additional credit information.
  4. Subsequent Information
    - a. If any of the events or actions in Subsection 6.2(g) hereof shall be initiated or imposed during the term of service hereunder, Shipper shall provide notification to the Transporter within two (2) working Days of any such initiated or imposed event or action. At any time during the term of service under a Rate Schedule LFT Agreement, Shipper shall also be required to update the information specified in Subsection 6.2 of this FERC Gas Tariff, Second Revised Volume No. 1, as may reasonably be required by Transporter, to determine Shipper's continuing creditworthiness.
    - b. Should the Transporter become aware of any significant change in Shipper's financial status that in its judgment impairs Shipper's continuing ability to satisfy its financial obligations for service hereunder, Transporter may require Shipper to furnish or bring up to date the information provided for in Subsection 6.2 hereof within seven (7) days of the date of a written request by Transporter. The information must be furnished in writing, but may be faxed upon mutual agreement of the parties.
    - c. To maintain its assigned credit status, the Shipper and/or Guarantor must provide the following on an annual basis no later than April 30:
      - i. A copy of Shipper's most recent audited financial statements; and

- ii. A copy of Shipper's most recent annual report to shareholders and Form 10-k, if applicable.

Failure to comply with this provision could result in a reclassification to "Prepayment" status.

Gulf South Pipeline Company LP  
Credit and Financial Information

1. The following information should be provided to Gulf South for credit evaluation purposes.
  - a. Most recent audited financial statements and interim financial statements prepared subsequent to the audit. If audited financial statements are unavailable, Customer shall provide the most recent unaudited financial statements (balance sheet, income statement and statement of cash flow) which have been prepared in compliance with Generally Accepted accounting Principles together with an attestation by its Chief Financial Officer, or equivalent official, that the information reflected in the unaudited statements is a true, current and fair representation of the Customer's financial condition.
  - b. Two (2) financial institution references and at least two (2) trade references.
2. Credit Evaluation
  - a. Gulf South's credit evaluation procedures will result in the establishment of maximum dollar credit limits on a standardized nondiscriminatory basis for any applicant. The amount owed Gulf South by Customer, including without limitation the value of any imbalance gas, shall not at any time exceed the maximum dollar credit limit established for such Customer.
  - b. Gulf South's standard objective credit criteria shall include all of the following:
    - i. The application of consistent credit evaluation practices to determine the acceptability of Customer's overall financial condition, working capital and profitability trends.
    - ii. The results of reference check and any credit reports submitted in accordance with Section 5.1 must demonstrate that Customer's obligations are being paid on a timely basis.
    - iii. Consideration of whether Customer or any parent entity has pending a petition in bankruptcy or the entry of a decree or order, continuing unstayed and in effect for a period of sixty (60) consecutive days, by a court having jurisdiction adjudging the following:
      1. declaring the Customer as bankrupt or insolvent;
      2. approving as a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Customer under the Federal Bankruptcy Act or any other applicable federal or state law;
      3. appointing a receiver, liquidator, assignee, trustee sequestrator (or other similar official) of the Customer or of any substantial part of its property;

4. ordering of the winding-up or liquidation of its affairs.  
An exception may be made for a Customer that is a debtor in possession operating under Chapter 11 of the Federal Bankruptcy Act but only with adequate assurances that Customer's obligations to Gulf South will be paid promptly as an administrative cost under the federal court's jurisdiction.

- iv. Evaluation of Customer's on-going business relationship with Gulf South, if any, consideration being given to delinquent balances being consistently outstanding for services rendered or for gas imbalances due Gulf South, and payment of its prior invoices from Gulf South according to the established terms of such invoices and the associated service agreement(s) and Section 18, as applicable.
- v. Determination of whether Customer is subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts or agencies which could cause a substantial deterioration in its financial condition, a condition of insolvency, or the ability to exist as an on-going entity.
- vi. Evaluation of whether any significant collection lawsuits or judgments are outstanding against Customer which could seriously affect Customer's ability to meet its current obligations and/or to remain solvent.

### 3. Security Requirements

- a. Gulf South shall require Customer or its agent to provide security (in one of the forms described below) in order for service to commence or continue under the following conditions:
  - i. Customer fails to meet Gulf South's standard objective credit criteria described in Section 5.2(b).
  - ii. Customer fails to provide Gulf South with required credit information within thirty days of request, provided such request shall not be exercised at unreasonable intervals. If Customer's failure to timely provide the required credit information is shown to be due to an administrative error, Gulf South may waive the security requirement on a non-discriminatory basis.
  - iii. Customer's account balances exceed the maximum credit limit established through credit review as described in Section 5.2.
- b. Should any of the conditions described in Section 5.3(a) occur, Gulf South will not deny service if Customer provides one of the following forms of security:
  - i. A prepayment deposit or irrevocable letter of credit, satisfactory in form and substance to Gulf South, from a bank or other financial institution acceptable to Gulf South. The amount of such prepayment deposit or letter of credit shall equal three (3) months of service assuming full contracted services are being provided.
  - ii. A guarantee, in form and substance satisfactory to Gulf South, executed by a person or company whom Gulf South deems

- creditworthy, of Customer's performance of its obligations to Gulf South under the agreement; or
- iii. Such other form of security as Customer may agree to provide and as may be acceptable to Gulf South.
  - c. Should Customer not provide the required security within fifteen (15) days of demand by Gulf South, Gulf South may deny or suspend the service being furnished, and the exercises of such right shall be in addition to any other remedies available to Gulf South.

Gulf States Transmission Corporation  
Credit Requirements

1. Transporter shall not be required to perform service or to continue to perform service under this Rate Schedule for any Shipper, who is or has become insolvent or who, after Transporter's request, fails to demonstrate credit worthiness under Section 7.5; provided, however, Shipper may receive transportation service under this Rate Schedule if Shipper prepays the sum of two (2) months of the revenues Transporter would receive if Transporter were performing such service at the Transportation Demand (TD) or Shipper furnishes within fifteen (15) days good and sufficient security, as determined by Transporter in its reasonable discretion, of a continuing nature and in an amount equal to the revenues Transporter would receive if Transporter were performing such service at the TD for a period of two (2) months. In the event such Shipper fails to prepay the required 2 months of revenue or furnish sufficient security, subject to any necessary authorizations Transporter may, without waiving any rights or remedies it may have, suspend further service until such security is received. For purposes of this Rate Schedule, the insolvency of a Shipper shall be evidenced by the filing of such Shipper or any parent entity thereof of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper or any parent entity thereof a bankrupt or insolvent or approving as properly filed a petition seeking reorganization arrangements adjustment or composition of or in respect of the Shipper or any parent entity thereof under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator's assignee, trustee, sequestrator (or other similar official) of the Shipper or any parent entity thereof or of any substantial part of its properties or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.
2. The determination of Shipper's creditworthiness shall be based upon the level of service requested by Shipper and: (1) a credit rating of investment grade or better by a nationally recognized rating agency, or (2) an equivalent rating of investment grade or better as determined by Transporter (if Shipper is not rated by a nationally recognized rating agency), or (3) approval by Transporter's lenders.
3. Transporter shall not be required to perform service under this Rate Schedule unless and until all facilities necessary to render the requested service have been constructed and placed in service.

Enbridge Pipelines (Kansas Pipeline Company)  
Credit Requirements

1. Acceptance of a request for service rights and the continuation of service is contingent upon the Shipper satisfying, on an on going basis, a credit appraisal by KPC. KPC shall apply consistent evaluation practices to determine the acceptability of Shipper's overall financial condition. Such credit appraisal shall be based upon the following information and criteria:
  - a. Shipper shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Shipper's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. KPC shall determine the acceptability of Shipper's overall financial condition, working capital, and profitability trends.
  - b. Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in 6.2(a) must show that Shipper's obligations are being paid on a reasonably prompt basis.
  - c. Shipper shall confirm in writing that it is not operating under any chapter of the bankruptcy laws and is not subject to litigation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing shall be paid promptly as a cost of administration under the Federal Court's jurisdiction.
  - d. Shipper shall confirm in writing that it is not subject to any uncertainty in any pending liquidation or regulatory proceedings in state or Federal courts Or is not aware of any change in business conditions which could cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an on-going business entity.
  - e. If Shipper has an on-going business relationship with KPC, no delinquent balances should be outstanding for services provided previously by KPC and Shipper must have paid its account balances according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - f. Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
2. Upon notification by KPC that Shipper has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement no longer satisfies the credit criteria such Shipper may still obtain credit approval by KPC if it elects to provide one of the following: (a) an advance deposit equal to the cost of performing the requested service for three (3) months; (b) a Standby Irrevocable Letter of Credit; (c) security interest in collateral found to be satisfactory to KPC; (d) a guaranty, acceptable to KPC, by another person or entity which satisfies credit appraisal. An advance deposit, Standby Irrevocable Letter of Credit, or security interest should at

all times equal the three highest Months of estimated usage during the term of the Service Agreement.

3. If Shipper's credit standing ceases to meet KPC's credit requirements during the period of service, then KPC has the right to require security or prepayment as specified in 6.3 above. If security or prepayment is not tendered in a time period as reasonably determined by KPC, then KPC is not required to continue service.
4. If Shipper is unable to maintain credit approval, the executed Service Agreement shall terminate as of the first Day of the Month following written notice to Shipper.

KN Interstate Gas Transmission Co.  
Credit Application

TRANSPORTATION, NO-NOTICE  
AND STORAGE SERVICES CREDIT  
APPLICATION

KINDER MORGAN INTERSTATE GAS TRANSMISSION LLC

P.O. Box 281304  
Lakewood, Colorado 80228-8034

Customer Name and Address: \_\_\_\_\_  
\_\_\_\_\_

Type of business:  Corporation  Partnership  Individual  
 Other  Specify \_\_\_\_\_

State incorporated in: \_\_\_\_\_ Tax ID Number: \_\_\_\_\_

Number of years in business under current name: \_\_\_\_\_

Has the customer changed its name in the last 5 years?  
 Yes  No

If yes, furnish prior name & address: \_\_\_\_\_  
\_\_\_\_\_

List the three principal owners, stockholders, partners, or officers of the customer:

Name _____	Name _____	Name _____
Title _____	Title _____	Title _____
Address _____	Address _____	Address _____
_____	_____	_____
Phone _____	Phone _____	Phone _____

If a wholly owned subsidiary, name and address of parent:

---

Is Parent company responsible for subs debts? Yes No

If yes, please furnish documentation.

Billing Address \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone \_\_\_\_\_

Amount of Credit Requested: \$ \_\_\_\_\_ Net Worth: \$ \_\_\_\_\_

Please Furnish One Bank Reference

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

Address: \_\_\_\_\_ Account Types: \_\_\_\_\_

\_\_\_\_\_ Account Nos.: \_\_\_\_\_

Contact: \_\_\_\_\_

Please Furnish Two Business Credit References

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

Address \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_

Contact: \_\_\_\_\_ Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Phone: \_\_\_\_\_

Customer's estimate of activity under all transportation agreements and storage agreements with Kinder Morgan Interstate Gas Transmission LLC:

Estimated Monthly Transportation Charges \$ \_\_\_\_\_

Is Customer:

- Operating under federal bankruptcy laws? Yes\_\_ No\_\_

- Subject to liquidation or debt reduction procedures under state laws?

Yes\_\_ No\_\_

- Subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration of Shipper's financial condition?

Yes\_\_ No\_\_

- Subject to any collection lawsuits or outstanding judgements which would affect Shipper's ability to remain solvent? Yes\_\_ No\_\_

- Attach copies of your financial statements (to include, at least, two most recent years on an annual basis and 3 most recent monthly or quarterly statements).

- Attach a copy of your most recent Annual Report and SEC Form 10-K, if applicable.

If credit is approved, payment terms will be indicated in the contract. Invoices not paid within these terms may result in customer being placed on a cash in advance basis and/or having transactions suspended until entire balance due is paid. We reserve the right to limit or revoke the amount of credit extended to a customer. We reserve the right to require an irrevocable letter of credit or deposit before extending credit to a customer; you will be notified if such an instrument is required. To avoid delays, be sure your credit is approved before any sales or transports are scheduled. Information provided on this application will be held in strictest confidence and used only by the Company, in making a credit evaluation.

### NOTICE

ALL INVOICES PAID AFTER DUE DATE WILL BE ASSESSED A LATE PAYMENT SERVICE CHARGE OF THE MAXIMUM ALLOWED BY TARIFF OR APPLICABLE LAW. IN THE EVENT THE APPLICANT BECOMES DELINQUENT IN THE PAYMENT OF INVOICES, THE APPLICANT AGREES TO REIMBURSE THE COMPANY FOR ALL COLLECTION COSTS, LEGAL FEES AND COURT COSTS, IF NOT PROHIBITED BY LAW, THAT ARE INCURRED IN THE COLLECTION PROCESS. STATE LAW MAY FORBID THE DISCLOSURE OF FINANCIAL INFORMATION BY A FIRM WITHOUT THE WRITTEN CONSENT OF ITS CUSTOMER. THEREFORE, THE FOLLOWING CONSENT IS PROVIDED: I HEREBY AUTHORIZE DISCLOSURE OF FINANCIAL INFORMATION BY ALL REFERENCES LISTED ON CREDIT APPLICATION TO KINDER MORGAN INTERSTATE GAS TRANSMISSION LLC, THE APPLICANT HAS READ AND AGREES TO ALL TERMS AND CONDITIONS APPEARING ON THIS FORM.

#### Midwestern Gas Transmission Company Credit Evaluation

1. Unless previously provided to Company in the prior three months, a Shipper seeking service from Company under Rate Schedules FT-A, FT-GS, LMS-MA, LMS-PA, SA or IT must provide
  - a. a copy of Shipper's most recent audited financial statement or financial statements certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles or, for non-U.S.-based Shippers, prepared in accordance with equivalent standards;
  - b. a copy of Shipper's most recent twelve months audited financial statement or Annual Report and, if applicable, Form 10-K; and
  - c. a list of Shipper's affiliates, including parent and subsidiaries, if applicable.

2. In the event Shipper cannot provide the information in Subsection 25.4 herein, Shipper shall, if applicable, provide that information for its parent company. Company shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper who is or has become insolvent or who, at Company's request, fails within a reasonable period to demonstrate creditworthiness; provided, however such Shipper may receive service under any Rate Schedule if Shipper prepays for such service or furnishes good and sufficient security, as determined by Company in its reasonable discretion, in amount equal to the cost of performing the service requested by Shipper for a three month period.
3. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper"), of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstated and in effect for a period of sixty (60) consecutive days.

Mississippi River Transmission Corporation  
Credit Evaluation

1. Acceptance of a request for service is contingent upon a satisfactory credit appraisal by MRT.
  - a. MRT shall perform a credit appraisal, if applicable, by utilizing the following information which Customer shall furnish to MRT:
    - i. A copy of Customer's most recent audited financial statement;
    - ii. A copy of Customer's most recent twelve (12) month audited financial statement or Annual Report and, if applicable, SEC 10-K Form;
    - iii. A list of Customer's affiliates, including parent and subsidiaries, if applicable; and
    - iv. A bank reference and two trade references. The results of reference checks must show that Customer's obligations are being paid on a reasonably prompt basis.
  - b. Customer must also meet the following criteria in order to be deemed satisfactory for purposes of this Section 5.4(k):
    - i. Customer must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that the bills will be paid promptly as a cost of administration under the federal court's jurisdiction.

- ii. Customer must not be subject to pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition or which could cause a condition of insolvency or adversely affect its ability to exist as an on-going business entity.
  - iii. Customer must have no significant outstanding collection lawsuits or judgments which would jeopardize Customer's ability to remain solvent.
- c. If a Customer fails to satisfy the credit criteria, such Customer may still obtain service hereunder if it provides MRT: (A) a continuing deposit equal to a minimum of six (6) months service; (B) a standby irrevocable letter of credit drawn upon a bank acceptable to MRT; or (C) a guarantee by a person or another entity which does satisfy MRT's credit appraisal.

Mojave Pipeline Company  
Creditworthiness

1. Prior to execution of a Transportation Service Agreement providing for service under Rate Schedules FT-1 or IT-1, Shipper shall be required to establish creditworthiness with Transporter. Transporter shall not be required to execute a Transportation Service Agreement providing for service under Rate Schedules FT-1 and IT-1 on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness or to initiate or continue service to a Shipper who fails to meet Transporter's standards for creditworthiness or to continue service to a Shipper who fails to pay Transporter for transportation service as provided for in Shipper's Transportation Service Agreement.
2. For purposes herein, the determination of Shipper's creditworthiness shall be based upon: (a) a credit rating of investment grade, defined as a rating of at least "BBB-" by Standard & Poor's Corporation, or a rating of at least "Baa3" by Moody's Investors Service, or (b) if Shipper is not rated by Standard & Poor's or Moody's, an equivalent rating of investment grade as determined by Transporter based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time, or (c) approval by the lenders providing the financing for Transporter's pipeline ("Lenders"). In the event that Transporter determines the Shipper does not have an equivalent rating of investment grade, Shipper may, at its own expense, obtain a private rating from Standard & Poor's or Moody's, or, as an alternative, request that an independent accountant or an independent financial consultant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial rating methodology, criteria and ratios for the industry of the prospective Shipper as published by the above rating agencies from time to time.
3. If Shipper fails to establish creditworthiness when required to do so, Shipper may still receive service under this rate schedule provided it either (a) furnishes and maintains for the term of the Transportation Service Agreement a written guarantee in a form satisfactory to Transporter and Transporter's Lenders from a third party which is

creditworthy as determined above, or (b) furnishes other security acceptable to Transporter's Lenders.

4. To permit Transporter to conduct such review, any Shipper or prospective Shipper under this Rate Schedule shall, upon request by Transporter, render to Transporter complete audited financial statements prepared in accordance with generally accepted accounting principles or, for non-U.S.-based Shippers, prepared in accordance with equivalent principles.

Natural Gas Pipeline Company of America  
Evaluation of Credit

1. In evaluating requests for service and for certain other purposes under this Tariff, Natural will perform a credit appraisal of Shipper.
  - a. Such a credit appraisal shall be performed in accordance with the following criteria:
    - i. Natural may require Shipper to provide current financial statements, annual reports, 10-K or other reports to regulatory agencies, a list of corporate affiliates, parents or subsidiaries, or any reports from credit reporting agencies which are available. Natural shall apply consistent evaluation practices to determine the acceptability of the Shipper's overall financial condition, working capital, and profitability trends.
    - ii. A bank reference and two trade references must be provided by Shipper. The results of reference checks must show that Shipper's obligations are being paid on a reasonably prompt basis.
    - iii. Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that billing hereunder will be paid promptly as a cost of administration under the federal court's jurisdiction.
    - iv. Shipper must not be subject to the uncertainty of pending litigation which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or which could jeopardize the ability of the Shipper to exist as an ongoing business entity.
    - v. If Shipper has an ongoing business relationship with Natural or any of its affiliates, no delinquent balances may be consistently outstanding for natural gas sales, storage or transportation services rendered previously to Shipper and Shipper must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims unless authorized by contract.
    - vi. No significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.

- b. If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain service hereunder if it elects one of the following options:
  - i. Payment in advance for three (3) months service;
  - ii. A standby irrevocable letter of credit drawn upon a bank acceptable to Natural;
  - iii. Security interest in collateral provided by the Shipper found to be satisfactory to Natural; or
  - iv. Guarantee by a person or another entity which does satisfy the credit appraisal.
- c. Natural's credit appraisal procedures involve the establishment of dollar credit limits on a standardized, nondiscriminatory basis. To the extent that a Shipper's accounts with Natural do not exceed such limit, and Shipper has met all creditworthiness requirements as determined in periodic credit reviews by Natural, which reviews may be conducted on at least an annual basis, no new credit appraisals shall be required when an existing agreement is amended or a request for a new Agreement is made, provided that Shipper's payment history has been satisfactory and there is no bona fide basis for questioning Shipper's creditworthiness.

Northern Border Pipeline Company  
Creditworthiness

Company shall evaluate the credit worthiness of any Person that may request services under this Tariff. Company shall not be required to commence or continue services under this Tariff on behalf of any Person who fails to establish or maintain credit worthiness as may be required by Company. A Person's credit worthiness shall be reviewed on a continuing basis. Credit worthiness shall be based on the levels of service requested.

Company shall evaluate a Person based on the following credit criteria:

1. Current financial reports; whereby Company shall apply consistent evaluation practices in determining the working capital, profitability trends, net worth, cash flow, and overall financial condition,
2. information from credit rating agencies or bank/trade references to determine the manner in which a Person's payment obligations are met,
3. prompt payment of obligations to Company on a consistent basis as reflected in an on-going business relationship with Company, and
4. a person shall not be operating under a federal, state, or other applicable bankruptcy law or judgment subject to liquidation, reorganization, arrangement, adjustment, composition, or appointment of a receiver, trustee, or assignee of the Person's property.

A Person that fails to meet the credit criteria may also become creditworthy by providing and maintaining one of the following credit alternatives as required by Company: (a) a guaranty from a creditworthy party, (b) a standby letter of credit from a creditworthy bank equal to an amount not to exceed twelve (12) months of estimated contractual obligations or the lesser of contract term, or (c) other security as is acceptable to Company.

Northern Natural Gas Company  
Credit Worthiness

1. Prior to execution of a Service Agreement, providing for service under any Rate Schedule, a Shipper or a prospective shipper (hereinafter in this section jointly referred to as “Shipper”) shall be required to establish creditworthiness with Northern. Northern shall not be required to: (i) execute a Service Agreement providing for service under the applicable Rate Schedule on behalf of any Shipper who fails to meet Northern’s standards for creditworthiness; or (ii) initiate service to a Shipper who fails to meet Northern’s standards for creditworthiness; or (iii) continue transportation service on behalf of any Shipper who is or has become insolvent or who, at Northern’s request, fails within a reasonable period to demonstrate creditworthiness.
2. For purposes herein, the determination of a Shipper’s creditworthiness shall be based upon the level of service requested by Shipper, Shipper’s estimated financial strength as defined by Dun & Bradstreet, and a composite credit appraisal of at least “3”, also as defined by Dun & Bradstreet. If Shipper is not rated by Dun & Bradstreet, determination of a Shipper’s creditworthiness shall be based upon a credit rating, as evaluated by Northern, based upon the level of service requested by Shipper and financial analysis criteria and ratios which are generally acceptable in the natural gas industry. If Northern determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Dun & Bradstreet, or, as an alternative, request that an independent certified public accountant, mutually acceptable to Shipper and Northern, prepare an equivalent evaluation based on the financial analysis criteria and ratios which are generally acceptable in the natural gas industry.
3. If a Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive service under the applicable Rate Schedule provided it furnishes and maintains for the term of the Service Agreement: (i) a written guarantee in a form satisfactory to Northern from a third party which is creditworthy as determined above, (ii) an irrevocable standby letter of credit in an amount equal to the contract on a 100% load factor basis, for contracts with a term of twelve (12) months or longer the amount of the irrevocable standby letter of credit will not exceed twelve (12) month valuation, and for contracts with a term less than twelve (12) months the irrevocable standby letter of credit will be the lesser of three (3) months valuation or the term of the contracts, (iii) a pre-payment in the amount equal to the contract on a 100% load factor basis, for contracts with a term of twelve (12) months or longer the amount of the pre-payment will not exceed twelve (12) months valuation, and for contracts with a term less than twelve (12) months the pre-payment will be the lesser of three (3) months valuation or the term of the contracts, or (iv) other security acceptable to Northern.
4. To permit Northern to conduct a creditworthiness review, a Shipper shall, upon requested by Northern, render to Northern: (i) a completed credit application, and (ii) complete financial statements prepared in accordance with generally accepted accounting principles or, for non-U.S. – based Shippers, prepared in accordance with

equivalent principles. Upon requesting transportation service, a Shipper must submit to Northern a completed credit application unless it has previously submitted such to Northern within the last twelve (12) months. If a Shipper elects to provide an irrevocable standby letter of credit or pre-payment, the completed credit application, and financial statement requirement is waived by Northern. Northern shall have the right to review a Shipper's creditworthiness on an ongoing basis and Shipper shall provide, upon Northern's request, updated financial statements periodically in order to determine the continuing creditworthiness of a Shipper.

5. Northern may also consider the Shipper's past payment record with Northern. Specifically, if Shipper is current with its payments to Northern, and has not been delinquent in paying its bills to Northern over the past twelve months (with good faith billing disputes excepted), the Shipper shall be deemed to have met the creditworthiness standard with respect to its existing transportation and storage contracts with Northern. Shipper's past payment record with Northern and other pipelines may also be considered in establishing creditworthiness requirements for new transportation and storage contracts on Northern.

#### Oktex Pipeline Company Credit Worthiness

1. Transporter shall not be required to initiate service on behalf of any Shipper or perform or, subject to the receipt of any necessary regulatory authorization, to continue service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a fifteen (15) day period to demonstrate credit worthiness, provided, however, Shipper may receive service if Shipper prepays for such service or furnishes good and sufficient security (as determined by Transporter in the exercise of reasonable discretion) in an amount equal to the cost of performing the service requested by Shipper for a two (2) month period. For the purpose of this section, the insolvency of a Shipper shall be evidenced by the filing by Shipper or any parent entity thereof (for purposes of this Section XXVI referred to collectively as "Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction over the premises adjudging Shipper bankrupt or insolvent or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition or in respect of the Shipper under the Federal Bankruptcy Act or any thither applicable federal or state law or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

#### Overthrust Pipeline Company Creditworthiness

1. Acceptance of a request for transportation service and performance of that service is contingent upon a satisfactory credit appraisal by Overthrust of Shipper's creditworthiness. All required credit information shall be evaluated by Overthrust on

a uniform basis for all similarly situated potential Shippers. Overthrust shall not be required to initiate transportation service under any rate schedule to this FERC Gas Tariff if Shipper fails to demonstrate creditworthiness.

2. Shipper's creditworthiness may be shown by:
  - a. A credit report from a credit reporting agency which shows that Shipper pays its commercial obligations within a reasonable period:
  - b. A bank reference and two trade references that, upon investigation show that Shipper's obligations are being paid on a reasonably prompt basis.
  - c. Verification that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act; but only with adequate assurances that the transportation billing will be paid promptly as cost of administration under the federal court's jurisdiction.
  - d. Verification that Shipper is not subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause (i) a substantial deterioration in its financial condition, (ii) a condition of insolvency, or (iii) a hindrance in its ability to exist as an on-going business entity.
  - e. If Shipper has an on-going business relationship with Overthrust, no delinquent balances should be consistently outstanding for natural gas transportation services made previously by Overthrust. Shipper must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
3. If Shipper is found to lack creditworthiness, Shipper may receive transportation service if it prepays for such service or furnishes a letter of credit or other good and sufficient security, as determined by Overthrust in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for up to a 6-month period.

Ozark Gas Transmission, L.L.C.  
Creditworthiness

1. Prior to execution of an FTS Agreement, Shipper shall be required to establish Creditworthiness with Transporter. Transporter shall not be required to execute an FTS Agreement with any Shipper who fails to meet Transporter's standard for Creditworthiness. Any Shipper failing to meet Transporter's standard for Creditworthiness may still receive service under this Rate Schedule FTS if Shipper furnishes, and maintains for the term of the FTS Agreement, in form and substance acceptable to Transporter either (i) a guarantor letter from a creditworthy party, or (ii) the following:

- a. A standby letter of credit from a major bank in an amount equal to the charge for performing the service for Shipper at the contracted MDQ for three Months; or
- b. An escrow account for all Shipper's revenues from gas sales associated with the transportation service to cover transportation charges under Rate Schedule FTS in form and substance for three Months.

Transporter shall not be required to initiate firm service under an FTS Agreement to a Shipper who becomes insolvent.

2. The determination of Shipper's Creditworthiness shall be based upon:
  - a. Cash flow consideration: comparison of the maximum monthly demand statements.
  - b. Balance Sheet consideration: comparison of the net present value of Shipper's estimated total financial obligation to Transporter over the term of the requested FTS Agreement with information derived from Shipper's financial statements.
  - c. Credit/financial history: any credit information obtained from banks or other third parties will be used in the overall evaluation process.
3. For purposes of Section 5.1 of the Rate Schedule FTS, the insolvency of a Shipper or its parent of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction adjudging the Shipper as bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect to the Shipper under applicable Federal or state laws, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive Days.

Paiute Pipeline  
Creditworthiness

1. If in any month Shipper fails to pay Paiute for properly billed amounts under any rate schedule, or seeks protection from creditors in bankruptcy or reorganization, or is reported by reliable sources to have defaulted on an obligation to any creditor, Paiute shall notify Shipper of the need to prepay two (2) months' estimated bills, and Paiute may refuse to receive or deliver natural gas pending corrective action by Shipper.
2. If any person requesting service under this tariff is in bankruptcy or reorganization, or has a poor credit history, as established by a reliable credit reporting agency, or has so few assets in the state in which Paiute operates as to make enforcement of any judgment against such person doubtful, Paiute may refuse to accept and may reject a request for service hereunder until and unless such Shipper prepays an amount equal to two (2) months' estimated bills.

Panhandle Eastern Pipe Line Company  
Credit Requirements

1. Acceptance of a request for service rights and the continuation of service is contingent upon the Shipper satisfying, on an on-going basis, a credit appraisal by Panhandle. Panhandle shall apply consistent evaluation practices to determine the acceptability of Shipper's overall financial condition. Such credit appraisal shall be based upon the following information and criteria:
  - a. Shipper shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss the Shipper's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Panhandle shall determine the acceptability of Shipper's overall financial condition, working capital, and profitability trends.
  - b. Shipper shall provide a bank references and a least two trade references. The results of reference checks and any credit reports submitted in 6.2(a) must show that Shipper's obligations are being paid on a reasonably prompt basis.
  - c. Shipper shall confirm in writing that it is not operating under any chapter of the bankruptcy laws and is not subject to litigation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing shall be paid promptly as a cost of administration under the Federal Court's jurisdiction.
  - d. Shipper shall confirm in writing that it is not subject to any uncertainty in any pending liquidation or regulatory proceedings in state or Federal courts or is not aware of any change in business conditions which could cause a substantial deterioration in its financial condition, a condition of insolvency or the inability to exist as an on-going business entity.
  - e. If Shipper has an on-going business relationship with Panhandle, no delinquent balances should be outstanding for services provided previously by Panhandle and Shipper must have paid its account balances according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - f. Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
2. Upon notification by Panhandle that Shipper has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement no longer satisfies the credit criteria such Shipper may still obtain credit approval by Panhandle if it elects to provide one of the following:
  - a. An advance deposit;
  - b. A Standby Irrevocable Letter of Credit;
  - c. Security interest in collateral found to be satisfactory to Panhandle;
  - d. A guaranty, acceptable to Panhandle, by another person or entity which satisfies credit appraisal.

An advance deposit, Standby Irrevocable Letter of Credit, or security interest should at all times equal the three highest Months of estimated usage during the term of the Service Agreement.

3. If Shipper's credit standing ceases to meet Panhandle's credit requirements during the period of service, then Panhandle has the right to require security or prepayment as specified in 6.3 above. If security or prepayment is not tendered in a time period as reasonably determined by Panhandle, then Panhandle is not required to continue service.
4. If Shipper is unable to maintain credit approval, the executed Service Agreement shall terminate as of the first Day of the Month following written notice to Shipper.

Petal Gas Storage Company  
Evidence of Creditworthiness

1. Acceptance of a storage service request is contingent upon a satisfactory credit appraisal by Petal. Such credit appraisal must meet the following criteria:
  - a. Customer shall provide (i) current financial statements, annual reports, 10-K reports or other filing with regulatory agencies, (ii) a list of all corporate affiliates, parent companies and subsidiaries, and (iii) any reports from credit reporting agencies which are available. Petal shall apply consistent evaluation practices to determine the acceptability of the Customer's overall financial condition, working capital, and profitability trends.
  - b. A bank reference and at least two trade references must be provided by Customer. The results of reference checks and any credit reports must show that Customer's obligations are being paid on a prompt basis.
  - c. Customer must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures under the state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Customer who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that billings will be paid promptly as cost of administration under the federal court's jurisdiction.
  - d. Customer must not be subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or which could impair the ability of the Customer to continue to exist as an ongoing business entity.
  - e. If Customer has an ongoing business relationship with Petal, no delinquent balances should be consistently outstanding for natural gas storage services provided previously by Petal. Customer shall have paid its account for past periods according to established contract terms, not having made deductions or withheld payment not authorized by contract.
  - f. No significant collection lawsuits or judgments shall be outstanding which would seriously reflect upon the business entity's ability to remain solvent.

2. If a Customer fails to satisfy the credit criteria, such Customer may still obtain storage service hereof if it elects one of the following options: (i) a standby irrevocable letter of credit drawn upon a bank acceptable to Petal, in an amount acceptable to Petal; (ii) a security interest in collateral provided by the Customer found to be satisfactory to Petal; or (iii) guarantee of performance of all Petal's obligations by a person or entity which does satisfy the credit appraisal.

Questar Pipeline Company  
Creditworthiness

1. Insolvent Shipper. Questar shall not be required to perform any transportation or storage service for a shipper who is or has become insolvent or who, at Questar's request, fails within a reasonable period to demonstrate creditworthiness.
2. Credit Evaluation. Questar shall apply consistent evaluation practices to determine the acceptability of the shipper's overall financial condition, working capital, and profitability trends.
3. Credit Information. Shipper's creditworthiness may be shown by the following criteria:
  - a. Shipper shall provide (i) current audited financial statements, annual reports, 10-K reports or other filings with regulatory agencies, (ii) a list of all corporate affiliates, parent companies and subsidiaries, and (iii) any available reports from credit reporting agencies.
  - b. A bank reference and at least two trade references must be provided by shipper. The results of reference checks and any credit reports must show that shipper's obligations are being paid on a prompt basis.
  - c. Shipper must not be operating under any chapter of the bankruptcy laws and must not be subject to liquidation or debt reduction procedures, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception may be made for a shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurances that billings will be paid promptly as cost of administration under the federal court's jurisdiction.
  - d. Shipper must not be subject to the uncertainty of pending liquidation or proceedings in state or federal courts or before any administrative agency that could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an ongoing business entity.
  - e. No delinquent monetary balances may be outstanding for services previously provided by Questar. Shipper must have paid its account for past periods according to established tariff terms.
  - f. No significant collection lawsuits or judgments shall be outstanding that would seriously reflect upon shipper's ability to remain solvent.
4. Options. A shipper that fails to satisfy the credit criteria, may still obtain service by electing one of the following options: (i) payment in advance for six months' service, (ii) a standby irrevocable letter of credit drawn upon a bank acceptable to Questar,

(iii) a security interest in collateral provided by the shipper that is satisfactory to Questar, or (iv) guarantee of performance of all shipper's obligations to Questar by a party that satisfies Questar's credit appraisal.

5. Subsequent Information

- a. If any of the events or actions described in 8.3c, (d), and (f) above, occur during the term of service under this tariff, shipper shall provide notification to Questar within two business days of the imposed event or action. Shipper shall also promptly provide additional shipper credit information as may be reasonably required by Questar to determine shipper's creditworthiness at any time during the term of service under this tariff.
- b. After receipt of a request for service, Questar may require that shipper furnish additional information as a prerequisite to Questar providing service. The information may include proof of shipper's lawful right and title to deliver the gas to Questar.

Reliant Energy Gas Transmission Company  
Credit Data

Security. Transporter shall not be required to perform or to continue service under this Tariff on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, at any time fails within a reasonable period to maintain and demonstrate creditworthiness, including, without limitation, the ability to pay all amounts invoiced but not paid because of a claimed error pursuant to this Section 14; provided, however, such Shipper may receive service under this Tariff if Shipper provides a deposit for such service or otherwise furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, which at all times shall be sufficient to cover up to the amount which would be invoiced to Shipper if one hundred percent (100%) of the Contract Demand, Maximum Contract Quantity, Contract Delivery Demand and/or the requested or effective quantities for storage services, as applicable, were provided for service to Shipper during a period of up to six (6) Service Months. For purposes of this Tariff, the insolvency of a Shipper shall be evidenced by the filing of such Shipper or any parent entity or guarantor thereof (for purposes of this section, a reference to Shipper shall include any applicable parent entity or guarantor) of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging Shipper a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Shipper or any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive Days. Security may also be required in other circumstances as specified in this Tariff. The form of Transporter's credit application is provided commencing on Sheet No. 473 of this Tariff.

Sabine Pipe Line Company  
Credit Worthiness

1. Sabine shall not be required to perform or to continue transportation service under this FERC Gas Tariff or any Service Agreement on behalf of any Shipper who is or who has become insolvent or who, at Sabine's request, fails within a reasonable period to demonstrate credit worthiness. At Sabine's request, Shipper shall provide Sabine the following information in order for Sabine to analyze Shipper's credit worthiness: Shipper's latest audited financial statements, annual report, Form 10-K, a list of affiliates, three credit references and trade reference ratings and credit bureau reports. For purposes of this FERC Gas Tariff, the insolvency of a Shipper shall be evidenced by:
  - a. The filing by such Shipper, or parent entity thereof, of a voluntary petition in bankruptcy; or
  - b. The entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent; or
  - c. The approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of, or in respect of, the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law; or
  - d. The appointing of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of the Shipper's property; or
  - e. The ordering of the liquidation of Shipper's affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.
2. Credit Appraisal. Sabine's credit appraisal procedures involve the establishment of dollar credit limits of each Shipper. To the extent that the value of the transportation services provided to a Shipper do not exceed the established credit limit, no new credit appraisal will be conducted if an executed Service Agreement is amended or Shipper requests new transportation services, provided that the Shipper's payment history with Sabine has been satisfactory and there is no bona fide basis for questioning a Shipper's credit worthiness. If a Shipper fails to demonstrate credit worthiness, Shipper may obtain transportation service under this FERC Gas Tariff and any Service Agreement by:
  - a. Prepaying for such service in an amount equal to the cost of performing the transportation service requested for a three (3) month period; or
  - b. Providing a standby irrevocable letter of credit drawn on a bank acceptable to Sabine; or
  - c. Furnishing a good and sufficient security interest in collateral which is satisfactory to Sabine; or
  - d. Providing a guarantee by any firm, corporation, agent, assignee or legal representative who satisfies the credit worthiness criteria of Subsection 9.6.

Southern Natural Gas Company  
Credit Requirements

COMPANY shall not be required to perform services under a transportation Service Agreement for any SHIPPER who is or has become insolvent, or who fails to demonstrate creditworthiness, or who fails to make payments pursuant to Section 15 hereof (except if SHIPPER has disputed a bill and made provision for such payment in accordance with Section 15.3 hereof); provided, however, such SHIPPER may receive service if SHIPPER makes a security deposit in an amount equal to the cost of performing the maximum transportation service requested by SHIPPER for a three (3) month period, furnishes good and sufficient surety, as determined by COMPANY in its reasonable discretion, in an amount equal to the cost of performing the maximum transportation service requested by SHIPPER for a three (3) month period, or furnishes a guaranty from a creditworthy party that said creditworthy party will be responsible for payment of all charges and penalties assessed by COMPANY but not paid by SHIPPER. COMPANY shall not be required to perform services under a PAL Service Agreement for any SHIPPER who is or has become insolvent, or who fails to demonstrate creditworthiness, or who fails to make payments pursuant to Section 15 hereof (except if SHIPPER has disputed a bill and made provision for such payment in accordance with Section 15.3 hereof); provided, however, such SHIPPER may receive service if SHIPPER makes a security deposit or furnishes good and sufficient surety in an amount equal to the quantity of the gas to be parked or loaned at the value of the gas per dth, for a period of three months, or provides COMPANY with a guaranty from a creditworthy party that said creditworthy party will be responsible for the value of the gas including payment of all charges and penalties assessed by COMPANY but not paid by SHIPPER.

Southwest Gas Storage Company  
Credit Appraisal

1. Credit Appraisal

- a. The firm storage service rendered hereunder (including capacity release pursuant to Section 6) is contingent upon Shipper satisfying a credit appraisal by Southwest. Such credit appraisal shall be based upon the following information and criteria:
  - i. Shipper shall provide current financial statements, annual reports, 10-K reports, filings with regulatory agencies, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Southwest shall apply consistent evaluation practices to determine the acceptability of the Shipper's overall financial condition, working capital, and profitability trends.
  - ii. Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports submitted in Section 2.3(A)(1) must show that Shipper's obligations are being paid on a reasonably prompt basis.

- iii. Shipper shall confirm that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to liquidation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper who is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the billing for storage service rendered hereunder will be paid promptly pursuant to Section 12 as a cost of administration under the Federal Court's jurisdiction.
  - iv. Shipper shall confirm in writing that Shipper is not subject to uncertainty in any pending liquidation or regulatory proceedings in state or Federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the ability to exist as an on-going business entity.
  - v. If Shipper has an on-going business relationship with Southwest, no delinquent balances should be consistently outstanding for natural gas storage services made previously by Southwest and Shipper must have paid its account during the past according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - vi. Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the business entity's ability to remain solvent.
- b. If a Shipper fails to satisfy the credit criteria, such Shipper may still obtain storage hereunder if it elects one of the following options: (1) payment of an advance deposit equal to three (3) months service; (2) a standby irrevocable letter of credit drawn on a bank acceptable to Southwest; (3) a security interest in collateral provided by Shipper found to be satisfactory to Southwest; or (4) a guarantee, acceptable to Southwest, by a person or another entity which does satisfy the credit appraisal.

Steuben Gas Storage Company  
Credit Evaluation

1. Customer's bank references.
2. Customer should submit year end audited financial statements of Customer and Customer's Parent together with the last quarterly report.
3. Customer's affiliates, including parent, subsidiaries of parent and of such subsidiaries of Customer.
4. 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 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 (3) above, in its Request for Service.

Tennessee Gas Pipeline Company  
Credit Worthiness

1. Unless previously provided to Transporter in the prior three months, a Shipper seeking Part 284 service from Transporter must provide:
  - a. a copy of Shipper's most recent audited financial statement certified by the Chief Financial Officer or Chief Accounting Officer of the Shipper (which certificate shall state that such financial statements fairly present the financial condition and results of operations of the Shipper for the period indicated therein) prepared in accordance with generally accepted accounting principles or, for non-U.S.-based Shippers, prepared in accordance with equivalent standards;
  - b. a copy of Shipper's most recent twelve months audited financial statements or Annual Report and, if applicable, Form 10-K; and
  - c. a list of Shipper's affiliates, including parent and subsidiaries, if applicable.
2. In the event Shipper cannot provide the information in Section 4.1 above, Shipper shall, if applicable, provide that information for its parent company. Transporter shall not be required to perform or to continue service under any Rate Schedule on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate credit worthiness, provided, however such Shipper may receive service under any Rate Schedule if Shipper prepays for such service or furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a three month period. For purposes herein, the insolvency of a Shipper shall be conclusively demonstrated by the filing by Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving, as properly filed, a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.

Texas Eastern Transmission Corporation  
Credit Requirements and Financial Information

1. Credit Information and Financial Responsibility - At Texas Gas's request Customer shall provide the following:
  - a. A complete set of its most recent audited financial statements and interim financial statements since audit date, most recent annual report, most recent SEC Form 10-K and Form 10-Q, and applicable annual filings with other regulatory agencies. If audited financial statements are unavailable, Customer shall provide the most recent unaudited financial statements along with an attestation by its Chief Financial Officer that the information reflected in the unaudited statements is a true, current and fair representation of the Customer's financial position.
  - b. Any reports from credit rating and bond rating agencies which are available.
  - c. A list of all corporate affiliates, parent companies and subsidiaries.
  - d. A bank reference and at least three trade references.
  - e. A statement of the legal composition of the business (i.e., corporation, limited partnership, etc.)
  - f. A statement of the length of time the business has been in operation.
  - g. Verification that Customer is not operating under any chapter of the bankruptcy laws and is not subject to liquidations or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. In the event that Customer is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act, Customer shall so state. In such event, Customer's Request for Service shall be contingent upon Customer also providing adequate assurance that the billing will be paid promptly as a cost of administration under the federal court's jurisdiction.
  - h. Verification that Customer is not subject to the uncertainty of pending liquidation or regulatory proceedings in state or federal courts which could cause a substantial deterioration in its financial condition, which could cause a condition of insolvency, or the inability to exist as an on-going business entity.
  - i. Verification that no significant collection lawsuits or judgments are outstanding which would seriously reflect upon the Customer's ability to remain solvent.
2. Credit Evaluation
  - a. Texas Gas shall periodically, at its discretion or whenever it is not reasonably satisfied with Customer's creditworthiness or ability to pay based on information available to Texas Gas at that time, apply consistent credit evaluation practices to determine the acceptability of the Customer's overall financial condition.
  - b. Texas Gas's standard objective financial criteria shall include all of the following:

- i. Acceptable overall financial condition, working capital and profitability trends.
- ii. Acceptable bank and trade references.
- iii. If Customer has an on-going business relationship with Texas Gas, no delinquent balances should be consistently outstanding for services provided previously by Texas Gas and Customer must have paid its prior accounts according to the established terms and not have made deductions or withheld payment for claims not authorized by contract.

### 3. Security Requirements

- a. If the Customer fails to meet Texas Gas's standard objective credit criteria (described in 5.2(b) above), Texas Gas will require Customer to provide security, in one of the forms described below, in order for service to commence or continue.
  - i. Prepayment in advance of an amount equal to up to three (3) months service at 100% load factor or the duration of the contract, whichever is shorter, including an amount to cover any cash-out costs that would be reasonably estimated to incur during this prepayment period. When such prepayment option is required of a Replacement Customer pursuant to Section 25 herein, such prepayment will not be collected by Texas Gas on behalf of the Releasing Customer and will not be paid to that Releasing Customer in the event of default, but will be applied by Texas Gas to the Replacement Customer's account, with the appropriate credits applied to the Releasing Customer's account as provided in Section 25.6 herein.
  - ii. An irrevocable letter of credit drawn upon a bank acceptable to Texas Gas with a term of one year and of an amount equal to up to three (3) months service at 100% load factor, including an amount to cover any cash-out costs that would be reasonably estimated to incur during this prepayment period.
  - iii. A guarantee, in form and substance satisfactory to Texas Gas, executed by a person or another entity which does satisfy the credit appraisal criteria, of Customer's performance of its obligations to Texas Gas under the agreement with a term of one year and of an amount equal to up to three (3) months service at 100% load factor, including an amount to cover any cash-out costs that would be reasonably estimated to incur during this prepayment period.
  - iv. Such other form of security as Customer may agree to provide and as may be acceptable to Texas Gas.
- b. Should Customer not provide required security within fifteen (15) days of request by Texas Gas, Texas Gas may deny or suspend the service being furnished, and the exercise of such right shall be in addition to any and all other remedies available to Texas Gas.

Transwestern Pipeline Company  
Creditworthiness

1. Prior to execution of a Transportation Service Agreement providing for service under Rate Schedules FTS-1, LFT, FTS-3, EFBH, FTS-2 and ITS-1, a Shipper or a prospective shipper (hereinafter in this section jointly referred to as "Shipper") shall be required to establish creditworthiness with Transporter. Transporter shall not be required to: (i) execute a Transportation Service Agreement providing for service under the applicable Rate Schedule on behalf of any Shipper who fails to meet Transporter's standards for creditworthiness; or (ii) initiate service to a Shipper who fails to meet Transporter's standards for creditworthiness; or (iii) continue transportation service on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness.
2. For purposes herein, the determination of Shipper's creditworthiness shall be based upon the level of service requested by Shipper, Shipper's estimated financial strength as defined by Dun & Bradstreet, and a composite credit appraisal of at least "3", also as defined by Dun & Bradstreet. If Shipper is not rated by Dun & Bradstreet, determination of a Shipper's creditworthiness shall be based upon a credit rating, as evaluated by Transporter, based upon the level of service requested by Shipper and financial analysis criteria and ratios which are generally acceptable in the natural gas industry. If Transporter determines that Shipper does not have an acceptable rating as set forth above, Shipper may, at its own expense, obtain a private rating from Dun & Bradstreet, or, as an alternative, request that an independent certified public accountant, mutually acceptable to Shipper and Transporter, prepare an equivalent evaluation based on the financial analysis criteria and ratios which are generally acceptable in the natural gas industry.
3. If a Shipper otherwise fails to establish creditworthiness as provided herein, Shipper may still receive service under the applicable Rate Schedule provided it furnishes and maintains for the term of the Transportation Service Agreement: (i) a written guarantee in a form satisfactory to Transporter from a third party which is creditworthy as determined above, (ii) an irrevocable standby letter of credit, (iii) a pre-payment, or (iv) other security acceptable to Transporter.
4. To permit Transporter to conduct a creditworthiness review, a Shipper shall, upon request by Transporter, render to Transporter: (i) a completed credit application, and (ii) complete financial statements prepared in accordance with generally accepted accounting principles or, for non-U.S.-based Shippers, prepared in accordance with equivalent principles. Upon requesting transportation service, a Shipper must submit to Transporter a completed credit application unless it has previously submitted such to Transporter within the last twelve (12) months. Transporter shall review a Shipper's creditworthiness on an ongoing basis and Shipper shall provide, upon Transporter's request, updated financial statements periodically in order to determine the continuing creditworthiness of a Shipper.

Trunkline Gas Company  
Credit Appraisal

1. Acceptance of a request for service (including capacity release pursuant to Section 9) and the continuation of service is contingent upon Shipper satisfying, on an ongoing basis, a credit appraisal by Trunkline. Trunkline shall apply consistent evaluation practices to determine the acceptability of Shipper's overall financial condition. Such credit appraisal shall be based upon the following information and criteria:
  - a. Shipper shall provide current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. Trunkline shall determine the acceptability of Shipper's overall financial condition, working capital, and profitability trends.
  - b. Shipper shall provide a bank reference and at least two trade references. The results of reference checks and any credit reports must show that Shipper's obligations are being paid on a reasonably prompt basis.
  - c. Shipper shall confirm in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to litigation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for Shipper that is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction.
  - d. Shipper shall confirm in writing that it is not subject to any uncertainty or any change in business conditions resulting from: (a) pending litigation in State or Federal courts; (b) regulatory proceedings; or (c) otherwise, which could cause a substantial deterioration in its financial condition, a condition of insolvency, or the inability to exist as an on-going business entity.
  - e. If Shipper has an on-going business relationship with Trunkline, no delinquent balances should be outstanding for services provided previously by Trunkline and Shipper must have paid its account balances according to the established terms and not made deductions or withheld payment for claims not authorized by contract.
  - f. Shipper shall confirm in writing that no significant collection lawsuits or judgments are outstanding which could adversely affect the Shipper's ability to remain solvent.
2. Upon notification by Trunkline that Shipper has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement that Shipper no longer satisfies the credit criteria, Shipper may still obtain credit approval by Trunkline if it elects to provide one of the following: (1) an advance deposit; (2) a Standby Irrevocable Letter of Credit; (3) security interest in collateral found to be satisfactory to Trunkline; or (4) a guaranty, acceptable to Trunkline, by another person or entity

which satisfies the credit appraisal. An advance deposit, Standby Irrevocable Letter of Credit, or security interest should at all times equal the three highest Months of estimated usage during the term of the Service Agreement.

3. If Shipper's credit standing ceases to meet Trunkline's credit requirements during the period of service, then Trunkline has the right to require security or prepayments as specified above. If satisfactory security or prepayment is not tendered in a time period as reasonably determined by Trunkline, then Trunkline is not required to continue service.
4. If Shipper is unable to maintain credit approval, the Service Agreement shall terminate as of the first day of the Month following written notice of such termination by Trunkline to Shipper.

### Trunkline LNG Company Credit Appraisal

1. Acceptance of a request for service, whether by using unsubscribed capacity, capacity released pursuant to Section 9 herein, or interruptible capacity, and the continuation of such service is contingent upon Shipper satisfying, on an ongoing basis, a credit appraisal by TLNG. TLNG shall apply consistent evaluation practices to determine the acceptability of Shipper's overall financial condition. Such credit appraisal shall be based upon the following information and criteria:
  - a. Current financial statements, annual reports, 10-K reports or other filings with regulatory agencies which discuss Shipper's financial status, a list of all corporate affiliates, parent companies and subsidiaries, and any reports from credit reporting and bond rating agencies which are available. TLNG shall determine the acceptability of Shipper's overall financial condition, working capital, and profitability trends.
  - b. A bank reference and at least two trade references. The results of reference checks and any credit reports provided by Shipper must show that Shipper's obligations are being paid on a reasonably prompt basis.
  - c. Confirmation in writing that Shipper is not operating under any chapter of the bankruptcy laws and is not subject to litigation or debt reduction procedures under state laws, such as an assignment for the benefit of creditors, or any informal creditors' committee agreement. An exception can be made for a Shipper that is a debtor in possession operating under Chapter XI of the Federal Bankruptcy Act but only with adequate assurance that the service billing will be paid promptly as a cost of administration under the Federal Court's jurisdiction.
  - d. Confirmation in writing that it is not subject to any uncertainty or any change in business conditions resulting from: (a) pending litigation in State or Federal courts; (b) regulatory proceedings; or (c) otherwise, which could cause a substantial deterioration in its financial condition, a condition of insolvency of, or the inability to exist as an on-going business entity.
  - e. Confirmation that Shipper's on-going business relationship with TLNG, reflects no delinquent balances outstanding for services provided

previously by TLNG. Shipper must have paid its account balances according to the established terms and not made deductions or withheld payment for claims not authorized by contract.

2. Upon notification by TLNG that Shipper has failed to satisfy the credit criteria, or subsequently during the term of the Service Agreement that Shipper no longer satisfies the credit criteria, Shipper may still obtain credit approval from TLNG if it elects to provide one of the following: (1) an advance deposit; (2) a Standby Irrevocable Letter of Credit; (3) security interest in collateral found to be satisfactory to TLNG; or (4) a guaranty, acceptable to TLNG, by another person or entity which satisfies the credit appraisal. An advance deposit, Standby Irrevocable Letter of Credit, or security interest should at all times equal the three highest Months of estimated usage during the term of the Service Agreement.
3. If Shipper's credit standing ceases to meet TLNG's credit requirements during the period of service, then TLNG has the right to require security or prepayments as specified above. If satisfactory security or prepayment is not tendered in a time period as reasonably determined by TLNG, then TLNG is not required to continue service.
4. If Shipper is unable to maintain credit approval, the Service Agreement shall terminate as of the first day of the Month following written notice of such termination by TLNG to Shipper.

#### Tuscarora Gas Transmission Credit Evaluation

1. Credit Evaluation. In addition to the information outlined above, a prospective Shipper must provide the following information for credit evaluation:
  - a. a copy of Shipper's most recent audited financial statement;
  - b. a copy of Shipper's most recent 12 month audited financial statement or Annual Report and, if applicable, 10-K form;
  - c. a list of Shipper's affiliates, including parents and subsidiaries, if applicable; and
  - d. such other information as Transporter may reasonably require to assess Shipper's creditworthiness including, but not limited to, Shipper's credit history with other providers of natural gas service.
2. In the event Shipper cannot provide the information specified in this section, Shipper shall, if applicable, provide the requested information for its parent company. A prospective Shipper need not provide the information requested in this section if the Shipper prepays for service, posts a letter of credit, or obtains a guarantee in accordance with Section 3.5 hereunder.
3. Shipper's Creditworthiness. A Shipper will be considered creditworthy if it meets the following conditions:
  - a. Shipper's long-term unsecured debt securities, at the time it enters into a Transportation Service Agreement (or a precedent agreement therefore) and throughout the term thereof, are rated BBB or better by Standard & Poor's Corporation or Baa2 by Moody's Investor Service; or
  - b. For a Shipper requesting service under the FT Rate Schedule, the Shipper prepays for service or provides a letter of credit or surety bond for an

- amount equal to the sum of the Reservation Charge for a 12 month period and the Commodity Charge applicable to the proposed transportation service (assuming 100 percent load factor usage) for a three month period or for the duration of the contract, whichever is shorter, such letter of credit to be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's Corporation, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investor Service, Inc.; or
- c. For a Shipper requesting service under the IT Rate Schedule, the Shipper prepays for service or provides a letter of credit for an amount equal to the Commodity Charge applicable to the proposed transportation service multiplied by the Maximum Transportation Quantity requested for a three month period, such letter of credit to be issued by a commercial bank or financial institution located in the United States whose long-term unsecured debt securities are rated A or better by Standard & Poor's Corporation, A or better by Dominion Bond Rating Service, or A2 or better by Moody's Investor Service, Inc.; or
  - d. For a Shipper requesting service pursuant to the FT Rate Schedule, the Shipper provides a guarantee or other form of security to secure payment of an amount equal to the sum of the Reservation Charge applicable to the proposed transportation service for a 12 month period and the Commodity Charge applicable to the proposed transportation service (assuming 100 percent load factor usage) for a three month period, such guarantee or other security to be provided by an entity which meets the creditworthiness standards set forth in (a) above; or
  - e. For a Shipper requesting service pursuant to the IT Rate Schedule, the Shipper provides a guarantee or other form of security to secure payment of an amount equal to the Commodity Charge applicable to the proposed transportation service multiplied by the Maximum Transportation Quantity requested for a three month period, such guarantee or other security to be provided by an entity which meets the creditworthiness standards set forth in (a) above; or
  - f. Transporter determines, in its sole discretion reasonably exercised, that, based upon factors such as the quantity and character of service requested, Shipper's credit history with other providers of natural gas service, and any other factors that a reasonable party in Transporter's position might consider, Shipper represents a reasonable credit risk.

For purposes of this Section 3, the insolvency of a Shipper

For purposes of this Section 3, the insolvency of a Shipper

4. Transporter shall not be required to commence service on behalf of any Shipper who is insolvent unless the Shipper prepays or provides letters of credit or guarantees as provided in Sections 3.5(b) through (e) above. Transporter shall not be required to continue service to any person who has become insolvent (except where that term is used in reference to a Shipper against whom an involuntary petition in bankruptcy under 11 U.S.C. . 303 has been filed, but as to whom no order for relief has been

entered), unless the Shipper provides adequate assurance of payment within 20 days of an event of insolvency, as that term is used in, and in the form prescribed by, 11 U.S.C. . 366, whether or not an order for relief has been entered under 11 U.S.C. .. 301 or 303 and whether or not the Bankruptcy Act of 1978 applies to the Shipper. For purposes of this Section 3, the insolvency of a Shipper shall be evidenced by any one or more of the following:

- a. the publication or release of any financial statement showing current assets to be less than current liabilities;
- b. the filing of an involuntary petition in bankruptcy under 11 U.S.C. . 303;
- c. the entry of an order for relief under Title 11, United States Code;
- d. the filing, by the Shipper, of any pleading before a court of competent jurisdiction seeking the arrangement, adjustment, or composition of the Shipper's debts, including an assignment for the benefit of creditors, or, in the alternative, the publication by the Shipper of a request for the composition of its debts or the assignment of its assets for the benefit of its creditors;
- e. the involuntary or voluntary appointment of a receiver, liquidator, assignee, or trustee for all or any substantial part of the Shipper's assets by a court of competent jurisdiction, or the sequestration of all or any substantial portion of the Shipper's assets (notwithstanding the foregoing, this subsection (v) shall not be operative unless the order or decree continues in effect, unstayed, for a period of 20 consecutive days); or
- f. the filing of any pleading before a court of competent jurisdiction seeking the dissolution of the Shipper or the winding-up of its affairs or its liquidation.

### Venice Gathering System Credit Worthiness

1. VGS shall not be required to perform or to continue transportation or other services under this FERC Gas Tariff or any Service Agreement on behalf of any Customer who is or who has become insolvent or who, at VGS' request, fails within a reasonable period to demonstrate credit worthiness. Upon submission of a Request for Service by the Customer, and then from time to time at VGS' request, Customer shall provide VGS the following information in order for VGS to analyze Customer's credit worthiness: Customer's latest audited financial statements, annual report, Form 10-K, a list of affiliates, three credit references and trade reference ratings and credit bureau reports. For purposes of this FERC Gas Tariff, the insolvency of a Customer shall be evidenced by:
  - a. the filing by such Customer, or parent entity thereof, of a voluntary petition in bankruptcy; or
  - b. the entry of a decree or order by a court having jurisdiction in the premises adjudging the Customer as bankrupt or insolvent; or
  - c. the approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of, or in respect of, the Customer

- under the Federal Bankruptcy Act or any other applicable federal or state law; or
- d. the appointing of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Customer or of any substantial part of the Customer's property; or
  - e. the ordering of the liquidation of Customer's affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.
2. VGS' credit appraisal procedures involve the establishment of dollar credit limits for each Customer. To the extent that the value of the transportation services provided to a Customer do not exceed the established credit limit, no new credit appraisal will be conducted if an executed Service Agreement is amended or Customer requests new transportation services, provided that the Customer's payment history with VGS has been satisfactory and there is no bona fide basis for questioning a Customer's credit worthiness. If a Customer fails to demonstrate credit worthiness, Customer may obtain transportation service under this FERC Gas Tariff and any Service Agreement by:
- a. prepaying for such service in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service; or
  - b. providing a standby irrevocable letter of credit in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or pooling service drawn on a bank acceptable to VGS; or
  - c. furnishing a good and sufficient security interest in collateral in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service that is satisfactory to VGS; or
  - d. providing a guarantee in an amount equal to three (3) days multiplied by the maximum penalty rate multiplied by the MDRQ for firm service, MDTQ for interruptible service or MDQ for pooling service by any firm, corporation, agent, assignee or legal representative who satisfies the credit worthiness criteria of Subsection 12.5.

### Williams Gas Pipelines Central Credit Worthiness

Williams shall not be required to perform or to continue service under this FERC Gas Tariff on behalf of any Shipper who is or has become insolvent or who, at Williams' request, fails within a reasonable period to demonstrate creditworthiness; provided, however, such Shipper may receive service under this FERC Gas Tariff if Shipper maintains a prepayment for three months of such service. Williams will evaluate creditworthiness on a non-discriminatory basis. Any Party desiring reassigned capacity under Article 11, must also satisfy these creditworthiness requirements.

Any Party may submit evidence of creditworthiness prior to requesting a service agreement or bidding for capacity and, to the extent of credit approval, be placed on an Approved Bidder List for creditworthiness purposes for new and reassigned capacity.

Williams will periodically review and, if necessary, revise the Approved Bidder List and the extent of any party's creditworthiness. A party on the Approved Bidder List will remain on that list (1) until such party notifies Williams to remove its name from such list, (2) until such party no longer meets Williams' creditworthiness requirements, or (3) until such party fails to pay part or all of the amount of any bill for service under this FERC Gas Tariff.

Williston Basin Interstate Pipeline Company  
Creditworthiness

Transporter shall not be required to perform or continue service under this Tariff on behalf of any Shipper who is or has become insolvent or who, at Transporter's request, fails within a reasonable period to demonstrate creditworthiness; provided, however, such Shipper may receive service under this Tariff if Shipper prepays for such service, provides an acceptable letter of credit or otherwise furnishes good and sufficient security, as determined by Transporter in its reasonable discretion, in an amount equal to the cost of performing the service requested by Shipper for a three (3) month period. For purposes of this Tariff the insolvency of a Shipper shall be evidenced by the filing by such Shipper or any parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or the ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.