

PRE-ASSIGNMENT AGREEMENT
(Applicable to permanent assignment of
firm transportation rights pursuant to
Section 11 of
Transporter's General Terms and Conditions)

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between USG PIPELINE COMPANY, a Delaware corporation, hereinafter called "Transporter" and _____, a _____ corporation, hereinafter called "Assignment Bidder." Transporter and Assignment Bidder shall be referred to herein individually as "Party" and collectively as "Parties."

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

WHEREAS, Transporter's Tariff on file with the Federal Energy Regulatory Commission permits firm transportation shippers under Transporter's Rate Schedule FT to release some or all of their transportation rights for permanent assignment under the terms and conditions prescribed in Transporter's Tariff;

WHEREAS, Assignment Bidder desires to submit bids for transportation rights released for permanent assignment and Transporter's Tariff requires Assignment Bidder to enter into this Pre-Assignment Agreement as a pre-condition to the submission of any such Bids; and

WHEREAS, Transporter is willing to enter into this Agreement with Assignment Bidder and provide transportation service to Assignment Bidder to the extent it obtains released transportation/storage rights;

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

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ARTICLE I - DEFINITIONS

The definitions found in Section 1 of Transporter's General Terms and Conditions are incorporated herein by reference.

ARTICLE II - FIRM TRANSPORTATION AGREEMENT

In the event transportation rights are assigned to Assignment Bidder pursuant to Section 11 of Transporter's General Terms and Conditions, Transporter shall submit to Assignment Bidder a Firm Transportation Service Agreement in the included in Transporter's Tariff ("FT Agreement"), setting forth the Release Quantity, applicable receipt and delivery points, applicable rate, and the name of the Rate Schedule governing such released transportation rights ("Governing Rate Schedule"). Assignment Bidder shall execute and return the FT Agreement, as applicable, within 7 days of its transmittal.

ARTICLE III - GOVERNING TERMS AND CONDITIONS

This Agreement shall be subject to, shall be governed by, and shall incorporate the applicable provisions of Transporter's Tariff, including, without limitation, Section 11 of Transporter's General Terms and Conditions, and the Governing Rate Schedule.

ARTICLE IV - TERM

This Agreement shall become effective on the date first written above and shall remain in force and effect until the later of (a) the date that Assignment Bidder returns to Transporter an executed FT Agreement, as applicable, in the form in which it was sent to Assignment Bidder or (b) thirty days following written notice by either Party of its intent to terminate this Agreement.

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ARTICLE VII - MISCELLANEOUS PROVISIONS

- 7.1 No waiver by any Party of any one or more defaults by the other in the performance of any provisions of this Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or of a different character.
- 7.2 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the meaning or construction thereof.
- 7.3 THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CHOICE OF LAW DOCTRINE THAT REFERS TO THE LAWS OF ANOTHER JURISDICTION.
- 7.4 This Agreement, including all provisions expressly incorporated by reference, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, representations and understandings, written or oral, pertaining thereto. Except as otherwise provided herein, any modifications, amendments or changes to this Agreement shall be binding upon the Parties only if agreed upon in a written instrument executed by both Parties hereto which expressly refers to this Agreement.
- 7.5 Except for changes specifically authorized pursuant to this Agreement, no modification of or supplement to the terms and conditions hereof shall be or become effective until Shipper has submitted a request for change to Transporter and Shipper has been notified by Transporter of Transporter's agreement to such change.

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

(Assignment Bidder)

USG PIPELINE COMPANY
(Transporter)

By _____

By _____

Title _____

Title _____