

Description of TBO Differences Current and Past

Rate Schedule X-1 comparison to FT-17593: Rate Schedule X-1 is a Gas Exchange Agreement between Great Lakes, ANR, and TCPL dated October 30, 1970. Under the Exchange Agreement, and subject to the receipt of gas from TCPL, Great Lakes receives up to 506,500 Dth per day from TCPL and supplies it to ANR at the Fortune Lake Interconnection and ANR redelivers a thermally equivalent quantity to Great Lakes at the Farwell Interconnection or other mutually agreed upon points, for redelivery to TCPL at the St. Clair Interconnection. The exchange service generally occurs during the winter period (November-March), but may occur on other days as mutually agreed upon by the parties. There is no fee to ANR for this exchange service. FT-17593 replicates the 506,500 Dth per day delivery of gas during the winter period to Great Lakes at the Farwell Interconnection with redelivery to the Fortune Lake Interconnection, providing the same quantity and operational functionality historically provided under the X-1 Agreement before that agreement became inoperable. In addition, FT-17593 now has multiple primary receipt and delivery points providing additional flexibility for ANR and its shippers which the X-1 could not provide. During the summer period FT-17593 also provides the same functionality as required in Rate Schedules T-8, T-9 and T-10 that seasonally had flows obligated under the X-1 Exchange Agreement. The summer period reduction in the maximum daily quantity after 60 days and 20 days that is included in contracts T-8 and T-10 respectively has been eliminated in contract FT-17593. ANR was able to reduce the quantities of gas needed during the summer period based on current system requirements and the multiple primary points provided for in the Great Lakes agreement. While the two contracts similarly serve to meet the same operational objectives for ANR to meet its firm service obligations and integrate its storage complex, the most notable difference between X-1 and FT-17593 is the cost.

Rate Schedule T-8 comparison to FT-18138: Rate Schedule T-8 is a Gas Transportation and Exchange Agreement between Great Lakes and ANR dated May 30, 1978. Pursuant to this Agreement, during the summer period (April-October) Great Lakes was obligated under the X-1 Exchange Agreement to receive gas from ANR at the Farwell Interconnection up to a maximum quantity of (1) 303,900 Dth per day up to 60 days, and (2) 202,600 Dth per day on days in excess of 60 days, in exchange for Great Lakes delivering a thermally equivalent quantity to ANR at the Deward Interconnection. During the winter period, Great Lakes transported up to a maximum quantity of 557,150 Dth per day for ANR from the Deward Interconnection which was to be redelivered to the Farwell Interconnection. At least 70 percent of the winter period redelivery by Great Lakes was to take place at the Fortune Lake Interconnection via backhaul under the X-1 Exchange Agreement; Great Lakes transported the remainder for delivery to ANR at the Farwell Interconnection (70% Rule). During the winter period ANR paid a one-part volumetric rate for the forward haul to the Farwell Interconnection. During the summer period there was no charge as the flow was under the no-fee X-1 Exchange Agreement. Contract FT-18138 during the winter period provides the same operational functionality to transport gas from the Deward Interconnection, which is not directly connected to ANR, to ANR's on-system facilities at the Farwell Interconnection, but this contract has a lower quantity of 115,771 Dth per day. ANR was able to reduce the quantity required during the winter period due to its current system operational requirements. Also, FT-18138 adds the South Chester Interconnection as a primary receipt point, providing ANR and its shippers with additional flexibility. Costs have increased

with the change from a one part volumetric rate in T-8 to a reservation and commodity charge in FT-18138. Finally, FT-18138 is no longer limited by the 70% Rule. The summer period flows on T-8 are provided for under Contract FT-17593 as previously discussed.

Rate Schedule T-9 Comparison to FT-18139: Rate Schedule T-9 is a Gas Transportation and Exchange Agreement between Great Lakes and ANR dated March 1, 1979. Pursuant to this Agreement, during the summer period Great Lakes was obligated under the X-1 Exchange Agreement to receive a scheduled daily delivery of 60,780 Dth per day at the Farwell Interconnection and redeliver a thermally equivalent quantity to ANR at the Deward Interconnection. During the winter period, Great Lakes received up to 178,440 Dth per day from ANR at the Deward Interconnection and transported a thermally equivalent quantity to ANR at the Farwell Interconnection. However, Great Lakes was only obligated to transport a maximum of 12 MMDth during either the winter or summer period. ANR paid a two-part rate during the winter period for the transportation service, including both a reservation and a usage charge. During the summer period there was no usage charge as the flow was under the no-fee X-1 Exchange Agreement. During the winter period FT-18139 has the same MDQ of 178,440 Dth and primary route as the historical T-9 contract. However, FT-18139 is not limited to the 12 MMDth during the summer and winter periods. Although both the T-9 and FT-18139 both have reservation and commodity rates the cost of FT-18139 exceeds the cost under the original T-9 agreement. The summer period receipts and deliveries included in the T-9 contract are currently provided for in Contract FT-17593 as previously discussed.

Rate Schedule T-10 Comparison to FT-18147 and FT-18150: Rate Schedule T-10 is a Gas Transportation and Exchange Agreement between Great Lakes and ANR dated April 26, 1978. Pursuant to this Agreement, during the summer period Great Lakes was obligated under the X-1 Exchange Agreement to receive from ANR at the Farwell Interconnection up to a maximum quantity of (1) 303,900 Dth per day on up to 20 days, and (2) 202,600 Dth per day on days in excess of 20 days, in exchange for Great Lakes redelivering a thermally equivalent quantity to ANR at the South Chester Interconnection. During the winter period, Great Lakes received from ANR at the South Chester Interconnection up to a maximum quantity of (1) 405,200 Dth per day on up to 20 days, and (2) 303,900 Dth per day on days in excess of 20 days, and Great Lakes transported and redelivered a thermally equivalent quantity at either the Farwell Interconnection or the Crystal Falls Interconnection as specified by ANR. At least 70 percent of the winter period redelivery by Great Lakes was to take place at the Crystal Falls Interconnection via backhaul under Rate Schedule X-1; Great Lakes transported the remainder for delivery to ANR at the Farwell Interconnection (70% Rule). The total quantities to be transported by Great Lakes during the winter period could not exceed a total of 17.3 MMDth. ANR paid a one-part volumetric rate during the winter period for the forward haul to the Farwell Interconnection. During the summer period there was no charge as the flow was under the no-fee X-1 Exchange Agreement. FT-18147 replicates the winter period backhaul on Great Lakes from the South Chester Interconnect to the Fortune Lake Interconnection that is included in T-10. FT-18147 provides for the receipt quantity of 303,900 Dth of gas during the winter period. The 303,900 Dth per day is lower than the quantity that ANR could transport for the first 20 days of the winter period under T-10. However, ANR is no longer limited to the 17.3 Bcf thereby increasing the total quantity of gas that can be transported during the winter period. FT-18147 pays a reservation and commodity charge that are greater than the volumetric rate paid under T-10. FT-

18150 replicates the winter period forward haul on Great Lakes from the South Chester Interconnection to the Farwell Interconnection. Also, FT-18150 provides more flexibility by allowing for the additional primary receipt point for the 101,300 Dth of gas at either the South Chester Interconnection or the Deward Interconnection. The quantity required under this contract was reduced based on ANR's current system requirements. Both of FT-18147 and FT-18150 pay reservation and commodity charges during the winter periods only that exceed the volumetric rate paid under T-10. The new contracts no longer are limited by the 70% Rule. The summer period flows on T-10 are provided for under FT-17593 as previously discussed.

Rate Schedule T-6 Comparison to FT-9141 and FT-18228: T-6 is a Gas Transportation Contract between Great Lakes and ANR dated May 20, 1974. Pursuant to this Agreement, during the summer period Great Lakes was obligated to receive gas at the Farwell Interconnection for the quantity of 176,000 Dth per day, and redeliver thermally equivalent quantities to ANR for storage injections at the Capac Interconnection and Muttonville Interconnection. ANR paid a two-part rate for the transportation service, including both a reservation and a usage charge. Because ANR abandoned its Capac storage field it no longer required the same quantity as originally contracted with T-6. While T-6, FT-9141 and FT-18228 all pay two part rates with a reservation and commodity charge the Eastern Zone to Eastern Zone rate paid today by both FT-9141 and FT-18228 are higher than the costs under T-6. Winter period withdrawals from the Muttonville storage field are accomplished through the FT-17593 contract as previously discussed.