

Columbia Gas Transmission, LLC  
FERC NGA Gas Tariff  
Baseline Tariffs  
Proposed Effective Date: March 15, 2019  
Service Agreement No. 198794 – Kaiser Marketing Appalachian, LLC  
Option Code A

Service Agreement No. 198794  
Revision No. 2

### FTS SERVICE AGREEMENT

THIS AGREEMENT is made and entered into this 13<sup>th</sup> day of March, 2019, by and between COLUMBIA GAS TRANSMISSION, LLC ("Transporter") and KAISER MARKETING APPALACHIAN, LLC ("Shipper").

WITNESSETH: That in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1. Service to be Rendered. Transporter shall perform and Shipper shall receive service in accordance with the provisions of the effective FTS Rate Schedule and applicable General Terms and Conditions of Transporter's FERC Gas Tariff, Fourth Revised Volume No. 1 ("Tariff"), on file with the Federal Energy Regulatory Commission ("Commission"), as the same may be amended or superseded in accordance with the rules and regulations of the Commission. The maximum obligation of Transporter to deliver gas hereunder to or for Shipper, the designation of the points of delivery at which Transporter shall deliver or cause gas to be delivered to or for Shipper, and the points of receipt at which Shipper shall deliver or cause gas to be delivered, are specified in Appendix A, as the same may be amended from time to time by agreement between Shipper and Transporter, or in accordance with the rules and regulations of the Commission.

Section 2. Term. This Agreement shall be effective as of the later of March 15, 2019, or the date that all of Transporter's Mountaineer XPress Project and Columbia Gulf Transmission's ("CGT") Gulf Xpress Project ("GXP") facilities necessary to provide firm transportation service to Shipper have been commissioned, tested, and are ready for service as determined in Transporter's discretion ("Actual In-Service Date") and shall remain in full force and effect for a term of fifteen (15) years ("Initial Term"). Pre-granted abandonment shall apply upon termination of this Agreement, subject to any right of first refusal Shipper may have under the Commission's regulations and Transporter's Tariff.

At the end of the Initial Term, Shipper shall have the right to no more than two successive five (5) year extension terms (each an "Extended Term"), each term exercisable no later than twelve (12) months prior to the expiration of the Initial Term and first Extended Term (if applicable), respectively. Any Extended Term must be for a minimum quantity of 300,000 Dth/d (or such lesser quantity if Shipper's capacity is prorated pursuant to Section 1(b)) and at the same rates and commercial terms contained herein. Provided, however, if Shipper elects to extend the Initial Term at a quantity less than its Initial Term quantity, then such reduced quantity for the first Extended Term shall become the maximum quantity for any second Extended Term. In addition to the rates applicable to Shipper's Extended Term, Shipper shall pay all surcharges

(excluding CCRM) applicable to Rate Schedule FTS that are set forth in the Tariff, without exception, as those surcharges may be amended, added or modified from time to time.

Section 3. Rates. Shipper shall pay Transporter the charges and furnish Retainage as described in the above-referenced Rate Schedule, unless otherwise agreed to by the parties in writing and specified as an amendment to this Service Agreement. Transporter may agree to discount its rate to Shipper below Transporter's maximum rate, but not less than Transporter's minimum rate. Such discounted rate may apply to: (a) specified quantities (contract demand or commodity quantities); (b) specified quantities above or below a certain level or all quantities if quantities exceed a certain level; (c) quantities during specified time periods; (d) quantities at specified points, locations, or other defined geographical areas; (e) that a specified discounted rate will apply in a specified relationship to the quantities actually transported (i.e., that the reservation charge will be adjusted in a specified relationship to quantities actually transported); (f) production and/or reserves committed by the Shipper; and (g) based on a formula including, but not limited to, published index prices for specific receipt and/or delivery points or other agreed-upon pricing points, provided that the resulting rate shall be no lower than the minimum nor higher than the maximum applicable rate set forth in the Tariff. In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rate so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, so long as none of the resulting rate components exceed the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission order accepts revised tariff sections. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates, which had been charged under a discount agreement, exceeded rates which ultimately are found to be just and reasonable.

Section 4. Notices. Notices to Transporter under this Agreement shall be addressed to it at 700 Louisiana, Houston, TX 77002, Transportation Contracts, and notices to Shipper shall be addressed to it at 6733 South Yale Avenue, Tulsa, OK 74136, Attention: John Boone, until changed by either party by written notice.

Section 5. Superseded Agreements. This Service Agreement supersedes and cancels, as of the effective date hereof, the following Service Agreement(s): FTS Service Agreement 198794 Revision 1.

Section 6. Credit Annex. The credit requirements appended hereto as Attachment A are incorporated herein by reference with full force and effect and are made a part of this Service Agreement as though restated herein verbatim.

KAISER MARKETING APPALACHIAN,  
LLC

By: Kaiser Midstream, LLC

Its: Manager

By Jon Boone

Title President

Date 3/13/19

COLUMBIA GAS TRANSMISSION, LLC

By Jon A. Dobson EW

Title Corporate Secretary

Date 3/13/2019

Appendix A to Service Agreement No. 198794  
Under Rate Schedule FTS  
between Columbia Gas Transmission, LLC ("Transporter")  
and Kaiser Marketing Appalachian, LLC ("Shipper")

Transportation Demand

<u>Begin</u> <u>Date</u>	<u>End</u> <u>Date</u>	<u>Transportation</u> <u>Demand</u> <u>Dth/day</u>	<u>Recurrence</u> <u>Interval</u>
1/	1/	330,000	1/1-12/31

Primary Receipt Points

<u>Begin</u> <u>Date</u>	<u>End</u> <u>Date</u>	<u>Scheduling</u> <u>Point No.</u>	<u>Scheduling</u> <u>Point Name</u>	<u>Measuring</u> <u>Point No.</u>	<u>Measuring</u> <u>Point Name</u>	<u>Maximum</u> <u>Daily Quantity</u> <u>(Dth/day)</u>	<u>Minimum Receipt</u> <u>Pressure Obligation</u> <u>(psig) 2/</u>	<u>Recurrence</u> <u>Interval</u>
1/	1/		Mainline		Mainline			
			LXP		LXP			
		MLLXPMAJ	Majorsville	MLLXPMAJ	Majorsville	100,000	1075	1/1-12/31
1/	1/	743093	Stagecoach	743093	Stagecoach	115,000		1/1-12/31
1/	1/	743103	Eureka	743103	Eureka	115,000		1/1-12/31

Primary Delivery Points

<u>Begin</u> <u>Date</u> 1/	<u>End</u> <u>Date</u> 1/	<u>Scheduling</u> <u>Point No.</u>	<u>Scheduling</u> <u>Point Name</u> TCO- LEACH	<u>Measuring</u> <u>Point No.</u>	<u>Measuring</u> <u>Point</u> <u>Name</u> TCO- LEACH	<u>Maximum</u> <u>Daily Delivery</u> <u>Obligation</u> <u>(Dth/day) 2/</u>	<u>Design Daily</u> <u>Quantity</u> <u>(Dth/day) 2/</u>	<u>Minimum Delivery</u> <u>Pressure Obligation</u> <u>(psig) 2/</u>	<u>Recurrence</u> <u>Interval</u>
		801		801		330,000			1/1-12/31

1/ Per Section 2 of the Service Agreement

2/ Application of MDDOs, DDQs and ADQs, minimum pressure and/or hourly flowrate shall be as follows:

---



---



---

The Master List of Interconnects ("MLI") as defined in Section 1 of the General Terms and Conditions of Transporter's Tariff is incorporated herein by reference for purposes of listing valid secondary interruptible receipt points and delivery points.

   Yes X No (Check applicable blank) Transporter and Shipper have mutually agreed to a Regulatory Restructuring Reduction Option pursuant to Section 42 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

X Yes    No (Check applicable blank) Shipper has a contractual right of first refusal, exercisable only at the conclusion of the second Extended Term (if applicable), equivalent in all respects (other than the fact that the right of first refusal is exercisable only at the conclusion of the second Extended Term (if applicable)) to the right of first refusal set forth from time to time in Section 4 of the General Terms and Conditions of Transporter's FERC Gas Tariff.

   Yes X No (Check applicable blank) All gas shall be delivered at existing points of interconnection within the MDDOs, ADQs and/or DDQs, as applicable, set forth in Transporter's currently effective Rate Schedule        Service Agreement No.        Appendix A with Shipper, which are incorporated herein by reference.



\_\_\_ Yes X No (Check applicable blank) This Service Agreement covers interim capacity sold pursuant to the provisions of General Terms and Conditions Section 4. Right of first refusal rights, if any, applicable to this interim capacity are limited as provided for in General Terms and Conditions Section 4.

\_\_\_ Yes X No (Check applicable blank) This Service Agreement covers offsystem capacity sold pursuant to Section 47 of the General Terms and Conditions. Right of first refusal rights, if any, applicable to this offsystem capacity are limited as provided for in General Terms and Conditions Section 47.

KAISER MARKETING APPALACHIAN, LLC

By: Kaiser Midstream, LLC

Its: Manager

By

Title

Date

Jon Boone  
President  
3/13/19

COLUMBIA GAS TRANSMISSION, LLC

By

Title

Date

Jon A. Dobson EM  
Corporate Secretary  
3/13/2019

March 13, 2019

Kaiser Marketing Appalachian, LLC  
6733 South Yale Avenue  
Tulsa, OK 74136  
Attention: John Boone, President

RE: FTS Service Agreement No. 198794 Revision 2  
Negotiated Rate Letter Agreement

Dear Mr. Boone:

This Negotiated Rate Letter Agreement between Columbia Gas Transmission, LLC ("Transporter" or "TCO") and Kaiser Marketing Appalachian, LLC ("Shipper") shall set forth the applicable rates, calculations thereof, and other rate provisions associated with the transportation service provided by Transporter to Shipper pursuant to the above-referenced FTS Service Agreement. Transporter and Shipper may be referred to individually as a "Party" or collectively as the "Parties".

Shipper and Transporter hereby agree:

1. The "Negotiated Reservation Rates" during the Initial Term for the transportation service provided shall be those rates and terms agreed upon as set forth in Attachment A-1 attached hereto.
2. As a result of the operation of the Daily Demand Rate adjustment mechanism set forth in Paragraph 2 of the Negotiated Rate Letter Agreement executed by and between the Parties and dated December 29, 2017, attached hereto as Attachment A-2, the Daily Demand Rate set forth therein is hereby increased \$0.05 ("Daily Demand Rate Increase"). The Daily Demand Rate Increase is included in the Daily Demand Rate set forth in Attachment A-1 attached hereto.
3. Shipper shall have a one-time right, to be exercised no later than six (6) months after the date that Transporter files its statement of costs with the Federal Energy Regulatory Commission pursuant to 18 CFR § 157.20(c)(3) to review Transporter's books and records as reasonably necessary to verify the Project costs used in the calculation of the Daily Demand Rate adjustment mechanism described above.
4. All capitalized terms used but not defined herein shall have the meanings given them in FTS Service Agreement No. 198794 Revision 2.



5. This Negotiated Rate Letter Agreement replaces and supersedes the Amended and Restated Negotiated Rate Letter Agreement between the Parties dated November 8, 2018.

Accepted and agreed to this 13 day of March, 2019

Kaiser Marketing Appalachian, LLC

By: Kaiser Midstream, LLC

Its: Manager

By: Jan Boon

Title: President

Date: 3/13/19

Columbia Gas Transmission, LLC

By: Jon A. Dobson EVW

Title: Corporate Secretary

Date: 3/13/2019

By: Nancy F. Priemer EVW

Title: Nancy F. Priemer  
Vice-President

Date: Financial Services

**Attachment A-1**

**NEGOTIATED RESERVATION RATES**

<b>Primary Receipt Point(s)*</b>	<b>Primary Delivery Point(s)*</b>	<b>Transportation Demand (Dth/day)</b>	<b>Term</b>	<b>Daily Demand Rate**</b>	<b>Daily Commodity Rate**</b>	<b>Rate Schedule</b>
Mainline LXP Majorsville (meter no MLLXPM AJ)	Leach (meter no. 801)	100,000 Dth/day	15 years from Actual In-Service Date	\$0.615	\$0.00	FTS
Stagecoach (meter no. 743093)	Leach (meter no. 801)	115,000 Dth/day	15 years from Actual In-Service Date	\$0.60	\$0.00	FTS
Eureka (meter no. 743103)	Leach (meter no. 801)	115,000 Dth/day	15 years from Actual In-Service Date	\$0.60	\$0.00	FTS

**\* Shipper shall have full secondary receipt and delivery point access, pursuant to the terms and conditions of TCO's FERC Gas Tariff, at no incremental charge. The Majorsville Primary Receipt Point reflected in the table above shall be a nonphysical nomination point to be created by TCO and reflected as a primary receipt point on Shipper's Service Agreement ("Majorsville Logical Point"). For TCO capacity restriction purposes along the Project's pipeline segment between the MW Facility and Lone Oak ("Majorsville Pipeline Segment"), the Majorsville Logical Point shall be deemed to be located adjacent to the physical point of interconnection proposed between the Project and the MW Facility ("Majorsville Physical Point"), such physical point location to be mutually agreed upon between MarkWest and TCO, provided however, that TCO shall use commercially reasonable efforts to acquire, design, construct, install, and obtain all necessary materials, permits and land rights for the Project's pipeline to the MW Facility property line. As part of the Project's facilities, TCO shall construct the necessary compression at Lone Oak to enable Shipper's physical deliveries into the Majorsville Pipeline Segment to overcome a prevailing line pressure of no more than 1075 psig. Notwithstanding any other provision herein, Shipper shall be solely responsible (financially and otherwise) for any arrangements and/or agreements, including all interconnection, compression and metering facilities related to any physical receipt point(s) of interconnection (excluding the Majorsville Physical Point) upstream of the Majorsville Pipeline Segment, such physical receipt point(s) to be accessed by Shipper on a secondary basis for nominations and scheduling priority purposes unless Shipper elects to amend, subject to available meter capacity, all or a portion of its primary receipt point capacity from the Majorsville Logical Point to such other physical receipt points.**

**\*\* In addition, Shipper shall pay all applicable demand and commodity surcharges specified under Rate Schedule FTS, as such may change from time to time, with the exception of the Capital Cost Recovery Mechanism (CCRM) surcharge, which Shipper shall not pay.**

**In addition to the rates above, Shipper will pay the fuel retention applicable to Rate Schedule FTS, as such may change from time to time.**

**Attachment A-2**

2. Shipper's Daily Demand Rates as set forth in the Negotiated Reservation Rates Table in Attachment 1 hereto shall be adjusted as follows:

Shipper's Daily Demand Rate reflected above shall be adjusted as follows:

To the extent Actual Project Costs (defined below) exceed Estimated Project Costs (defined below), Shipper's Daily Demand Rate shall be multiplied by the Capital Cost Overrun Factor ("CCO Factor"). The CCO Factor shall be equal to  $1 + [(CCO / EPC) \times 50\%]$ . In no event shall the CCO Factor exceed (i) 1.0885, in the case of the 100,000 Dth/d Majorsville capacity, and (ii) 1.0909 in the case of the 230,000 Dth/d Stagecoach capacity.

To the extent Actual Project Costs, as defined below, are less than Estimated Project Costs as defined below, Shipper's Daily Demand Rate shall be multiplied by the Capital Cost Underrun Factor ("CCU Factor"). The CCU Factor shall be equal to  $1 - [(CCU / EPC) \times 50\%]$ . In no event shall the CCU Factor be less than (i) 0.9115, in the case of the 100,000 Dth/d Majorsville capacity, and (ii) 0.9091 in the case of the 230,000 Dth/d Stagecoach capacity.

Any such adjustment to Shipper's Daily Demand Rate shall be effective prospectively beginning as soon as administratively feasible, but no later than the second anniversary date of the Actual In-Service Date and shall remain in effect for the balance of the Initial Term and any Extended Term Service.

"Actual Project Costs" or APC shall mean, subject to any limits on costs as set forth below, all costs and expenses incurred by TCO, including trailing costs up to twelve months subsequent to the Actual In-Service Date, to complete the Project in the manner contemplated by this Precedent Agreement, including but not limited to (a) all costs and expenses incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project facilities, including all compression costs, (b) all costs and expenses incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, and (d) an allowance for funds used during construction ("AFUDC") computed in accordance with regulations of the FERC. TCO shall maintain books and records reasonably necessary for Shipper to verify the APC. The Parties acknowledge that TCO's formal books and records that conform with the FERC and accounting policies and guidelines may not match the APC used to determine Shipper's adjusted Daily Demand Rate.

"Capital Cost Overrun" or "CCC" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs exceed Estimated Project Costs.

"Capital Cost Underrun" or "CCU" shall be an amount in U.S. dollars equal to the difference between the Actual Project Costs and the Estimated Project Costs, if Actual Project Costs are less than Estimated Project Costs.

“Estimated Project Costs” or “EPC” shall mean all costs and expenses that are projected to be incurred by TCO to complete the Project in the manner contemplated by this Agreement, including but not limited to (a) all costs and expenses projected to be incurred for the engineering, design, permitting, construction, pipeline and equipment procurement, installation and start-up of the Project facilities, including all compression costs, (b) all costs and expenses projected to be incurred for environmental, right-of-way, legal, consultant, construction management, and regulatory activities, (c) all direct and allocated internal overhead and administrative costs, (d) AFUDC computed in accordance with the regulations of the FERC, and (e) a contingency amount equal to at least 10% of the total of (a) and (b). For purposes of determining the adjustment to Shipper's Daily Demand Rate pursuant to this provisions the Parties agree that the Estimated Project Costs shall be equal to \$2.026 Billion USD the amount presented to NiSource Inc.'s board of directors (“Board”) for authorization of the Project. TCO has provided the EPC amount in general, scope of work and categorical detail to Shipper.