

MPSC Case No. U-14754

Exhibit DOM-6

## FIRM GAS TREATING AGREEMENT

THIS FIRM GAS TREATING AGREEMENT ("Agreement") is dated as of the 29<sup>th</sup> day of November 2005 and deemed effective as of the 1<sup>st</sup> day of December 2005 between CMS ANTRIM GAS LLC ("CMS") and DOMINION MIDWEST ENERGY, INC. and DOMINION RESERVES, INC. (jointly the "Customer"). CMS and Customer may be referred to herein individually as a "Party" and collectively as "Parties."

WHEREAS, Customer owns or controls Gas, as herein defined, with a CO<sub>2</sub> content currently in excess of two percent (2%); and

WHEREAS, Customer is willing to dedicate and deliver (or cause to be delivered) Gas produced to various CPF(s), as specified in Exhibit A, for Treatment by CMS for the purpose of extracting CO<sub>2</sub> from that Gas; and

WHEREAS, CMS is willing to Treat the Gas so that it will meet the prevailing CO<sub>2</sub> standard of intrastate and/or interstate pipeline systems interconnected with the Antrim Expansion Project and downstream of the Treating Facility, not to be less than two percent (2%).

NOW, THEREFORE, in consideration of the mutual agreements and covenants herein contained, it is agreed by and between CMS and Customer as follows:

### 1. DEFINITIONS

1.01 "Affiliate" means any corporation, partnership or other entity which is owned, directly or indirectly, 50% or greater by, or owns, directly or indirectly, 50% or greater of either party to this Agreement.

1.02 "Aggregate Treating Facility Capacity" means the maximum amount of Gas that can be Treated by CMS under normal operating conditions at the Treating Facility utilizing all four Single Large Plants and Plant 1.

1.03 "British Thermal Unit" ("BTU") means the amount of heat required to raise the temperature of one avoirdupois pound of water one degree Fahrenheit at 60 degrees Fahrenheit. BTU will be measured on a dry basis.

1.04 "Central Production Facility" or "CPF" means the point(s) at which Gas is measured and delivered to a pipeline for transportation to the Receipt Point.

1.05 **“CMS Firm Treatment Obligation Quantity”** means the total of CMS’ maximum Firm Service Treating obligations to all CMS customers under contracts, including this Agreement, in effect from time to time. Such Firm Service Treating obligations specifically exclude MichCon’s assertion that Overrun gas under its agreement with CMS is a Firm Service obligation.

1.06 **“CO<sub>2</sub>”** means carbon dioxide.

1.07 **“Day”** means a period of twenty-four (24) consecutive hours beginning at 9:00 A.M. Eastern Time or such other time as may be mutually agreed.

1.08 **“Dedication”** means Customer exclusively commits, for the term of this Agreement, all Gas owned or controlled by Customer that Customer produces to the CPF(s) described in Exhibit A to this Agreement for processing at the Treating Facility, except for: (i) such Gas as is used at the well site for production purposes; (ii) any gas used for fuel, on or off the lease premises, direct sales of Gas that is not Treated, and lost and unaccounted for Gas in upstream transportation; and (iii) any Gas permanently released according to the terms of this Agreement.

1.09 **“Delivery Point”** means the tailgate of the Treating Facility.

1.10 **“Firm Service”** shall mean service that is firm and is not subject to curtailment, interruption or discontinuance except as provided herein.

1.11 **“Force Majeure”** shall have the meaning as set forth in Section 11.01.

1.12 **“Gas”** means natural gas of the quality specified in Section 10.

1.13 **“Installed Capacity”** means the sum of each Single Large Plant Capacity plus the Plant 1 Capacity as of December 1, 2005. It is estimated that, as of December 1, 2005, the Plant 1 Capacity is 30,000 Mcf/d of Gas (with an assumed inlet CO<sub>2</sub> content of 12%) and the capacity attributable to each Single Large Plant is 70,000 Mcf/d of Gas (with an assumed inlet CO<sub>2</sub> content of 12%).

1.14 **“Maximum Daily Quantity” or “MDQ”** means the maximum quantity of Gas that CMS has the firm obligation to Treat under this Agreement. The MDQ shall equal 27,000 Mcf/d.

1.15 **“Mcf”** means one thousand cubic feet of gas at a base temperature of 60 degrees Fahrenheit and a base pressure of 14.65 pounds per square inch absolute (psia).

1.16 **“Mcf/d”** means Mcfs per day.

1.17 **“MichCon”** shall mean Michigan Consolidated Gas Company and/or its Affiliates.

1.18 **“MMBTU”** means one million British Thermal Units.

1.19 **“Month”** shall mean a period beginning on the first Day of a calendar month and ending on the first Day of the next succeeding month.

1.20 **“Notice of Curtailment”** means the notice issued by CMS, or any of its affiliates, notifying producers of a plant outage and requiring CMS to initiate flow changes at CPF(s).

1.21 **“Person”** means an individual, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

1.22 **“Plant 1”** means the CMS plant designed by Natco and installed in 1992.

1.23 **“Plant 1 Capacity”** means the maximum amount of Gas that can be Treated under normal operating conditions in Plant 1, based upon the inlet volume and inlet CO<sub>2</sub> content.

1.24 **“Receipt Point”** means the point at which natural gas is received at the CMS South Chester CO<sub>2</sub> Treating Facility. The Receipt Point volume shall equal the volume measured at the CPF(s).

1.25 **“Shrinkage”** means the volumetric gas stream reduction associated with CO<sub>2</sub> removal at the Treating Facility together with the Gas used on an MMBTU basis at the Treating Facility for Customer’s account.

1.26 **“Single Large Plant”** means any one of CMS’ four T.H. Russell designed plants.

1.27 **“Single Large Plant Capacity”** means the maximum amount of Gas that can be Treated under normal operating conditions in a single Large Plant, based upon the inlet volume and inlet CO<sub>2</sub> content.

1.28 **“Standby Treating Capacity”** means the amount of capacity equal to the difference between (i) Aggregate Treating Facility Capacity and (ii) the CMS Firm Treatment Obligation Quantity, not to exceed an amount of capacity equal to 70,000

Mcf/d of Gas (with an assumed inlet CO<sub>2</sub> content of 12%). The Parties anticipate that due to a continuing decline in the amount of the CMS Firm Treatment Obligation Quantity and the decline in overall Antrim shale production, the Standby Treating Capacity will increase over time. It is estimated that, as of December 1, 2005, (i) assuming, as further addressed in Section 15.07, MichCon does not have the exclusive right to process the Gas of Customer and other producers whose gas is handled at the Treating Facility the CMS Firm Treatment Obligation Quantity in effect is 250,000 Mcf/d (with an assumed inlet CO<sub>2</sub> content of 12%) and (ii) the Standby Treating Capacity is 30,000 Mcf/d (with an assumed inlet CO<sub>2</sub> content of 12%).

**1.29 “Threshold Volume”** means the amount of Mcf/d identified in Exhibit B to this Agreement for specified periods of this Agreement.

**1.30 “TIPS Report”** means the measurement, analysis, allocation and accounting procedure used by MichCon for allocating and accounting for the quantities of gas produced at Receipt Point(s).

**1.31 “Treat” (or any form or tense of the word)** shall mean the removal or dilution of CO<sub>2</sub> with lower CO<sub>2</sub> gas so the Gas will meet or be deemed to meet prevailing CO<sub>2</sub> quality specifications, not to be less than two percent (2%), for gas delivered to downstream pipelines. If the downstream transporter accepts the Gas for transportation without objection, it will be deemed as Treated for purposes of this Agreement, regardless of actual CO<sub>2</sub> content.

**1.32 “Treating Capacity Fee”** means the fee that Customer pays to CMS for the Treating as more fully described in Section 4.01 below.

**1.33 “Treating Facility”** means one or more CO<sub>2</sub> removal plants located in Section 10 of South Chester Township (T29N, R2W), Michigan owned and operated by CMS, initially including Plant 1 and the four (4) Single Large Plants, or any other such plant owned and operated by CMS.

## **2. CAPACITY, DELIVERY AND REPORTING OBLIGATIONS**

**2.01** MichCon, on behalf of Customer, shall provide to CMS the most recent gas quality specifications including gas composition for Gas by CPF to be tendered pursuant to this Agreement at least two business days prior to the first day of each Month in which Gas will be Treated.

**2.02** Customer shall nominate all quantities of Gas delivered to the Receipt Point from each CPF that will be Treated pursuant to this Agreement. Nominations submitted in a form acceptable to CMS, specifying the daily quantities of Gas to be Treated by CPF

during each Month, must be received by CMS at least two (2) business days prior to the first day of each Month in which Gas will be Treated. Proposed changes in daily nominations shall be submitted in a form acceptable to CMS twenty-four (24) hours prior to the proposed change.

2.03 CMS shall rely upon nominations submitted by each of its Customers for scheduling plant operations to meet each Customer's Treating obligation. In the event Customer's actual delivered quantities of Gas deviate from its CPF nominations by more than ten percent (10%), on a daily or monthly basis, such that Customer over-delivers or under-delivers Gas to the Receipt Point, and such over- or under-deliveries cause CMS to be subject to a penalty under any of its firm Treating agreements, Customer shall be responsible for its pro-rata share of any penalty incurred by CMS to the extent Customer's incorrect nominations cause such penalty. CMS shall object and contest any penalties that appear, based on information available to CMS, to be erroneously assessed under such firm Treating agreement.

2.04 Subject to the provisions in Section 1.08, Customer will deliver or cause to be delivered all Gas to the Receipt Point. CMS will, on a Firm Service basis, receive, Treat and redeliver the thermally equivalent quantities of Gas, less Shrinkage, to the Delivery Point up to the applicable MDQ. Any Gas delivered to the Receipt Point in excess of MDQ shall be Treated on a best efforts basis. If Customer's actual production averaged over two consecutive calendar quarters and excepting days of Force Majeure is less than ninety percent (90%) of Customer's MDQ, CMS shall have the right, at its discretion, to reduce the Customer's MDQ to one hundred five percent (105%) of the actual production. If Customer's actual production averaged over two consecutive calendar quarters and excepting days of Force Majeure is greater than one hundred ten percent (110%) of Customer's MDQ, Customer shall have the right, subject to CMS having additional firm Treating capacity available, increase the Customer's MDQ up to one hundred five percent (105%) of the actual production. Such change in MDQ shall be effective as of the first day of the ensuing calendar quarter.

2.05 CMS shall not be obliged to accept for Treating any Gas not dedicated for Treating at its Treating Facility pursuant to an executed Firm Gas Treating Agreement. CMS may accept and Treat such non-dedicated Gas on an interruptible basis to the extent that excess processing capability exists within the operational constraints of the Treating Facility; provided however, that such Gas meets the quality specifications of Section 10.

2.06 CMS will report to Customer any scheduled shut downs and non-routine occurrences at the Treating Facility that may impact its ability to Treat Gas for the Customer. CMS shall provide as much advance notice of such occurrences as is practical.

2.07 To the extent the Gas is measured at the CPF(s) by measuring equipment approved by MichCon, the TIPS Report will allocate and account for the Gas delivered pursuant to the Agreement. To the extent that MichCon is unwilling or unable to provide measurement and allocation of the Gas, if Customer so elects, CMS shall co-operate with Customer to develop and implement other means of measurement and allocation, provided that CMS shall incur no additional cost. If CMS does incur additional costs, Customer agrees to reimburse such costs.

2.08 The Treating that Customer will receive, depending on Customer's location, may be direct physical treatment through plant CO<sub>2</sub> extraction capacity or by dilution using low CO<sub>2</sub> gas blended with the Gas. Customer agrees that it receives the benefit of Treating all Gas received by CMS from Customer's CPF, whether it is Treated directly or Treated by dilution, if the Gas is accepted by the downstream pipeline, and Customer agrees that the Treating Capacity Fee set forth in Section 4.01 shall be paid as consideration for that benefit.

2.09 Customer has demonstrated to CMS that Customer, Customer's designated Agent or the purchaser of Customer's Gas has or will have sufficient downstream transportation agreements to handle the volume of Gas that will be Treated at the Treating Facility. Such arrangements may include transportation agreements or transportation service provided by a pipeline carrier pursuant to Act 9.

2.10 Customer or Customer's designated Agent shall be solely responsible to make sufficient contractual arrangements for the upstream transportation of Gas to the Treating Facility and for the downstream transportation of Treated Gas from the Delivery Point. In the event that title to Customer's production is transferred, at the Delivery Point, to a third party, it shall be the responsibility of that party to make sufficient contractual transportation arrangements to move the Gas downstream of the Delivery Point.

2.11 During the period December 1, 2005 through November 30, 2009, CMS shall not be required to install, operate or maintain Treating capacity in excess of the Installed Capacity and CMS shall not dismantle, abandon, or downsize the Installed Capacity. During the period of December 1, 2009 through November 30, 2010, CMS shall not dismantle, abandon, or downsize the Installed Capacity without first demonstrating, during a mutually agreeable seven (7) day period of anticipated normal operations, within thirty (30) days of either Party's request, that CMS is able to meet its Firm Treatment Obligation Quantity by operating three Single Large Plants with the fourth Single Large Plant as Standby Treating Capacity. In such event, CMS shall have the rights set forth in Section 2.13.

2.12 CMS shall operate, maintain and make available the Standby Treating Capacity when Force Majeure and/or routine maintenance reduces the available Treating capacity

below that required to Treat the CMS Firm Treatment Obligation Quantity without constraint.

2.13 CMS shall have the right to dismantle, abandon, or downsize Plant 1 after November 30, 2009; provided that CMS is able to successfully complete the seven day test described in Section 2.11; provided further, that CMS shall continue to maintain available Treating capacity at least equal to the CMS Firm Treatment Obligation Quantity plus the Standby Treating Capacity.

2.14 In the event (i) the Treating Facility suffers substantial damage on account of a fire or other accidental cause and (ii) the out-of-pocket cost to be incurred by CMS to repair such damage (net of insurance proceeds to be received by CMS) would exceed \$100,000.00, CMS shall only be obliged to repair the Treating Facility such that the Treating Facility can accommodate the CMS Firm Treatment Obligation Quantity in effect immediately prior to the time of such damage or destruction; provided that if Customer and/or Customer's designees agree to reimburse CMS for the amount of such out-of-pocket costs in excess of \$100,000.00, the Treating Facility shall be repaired to its condition in effect immediately prior to the time of such damage or destruction. During the term of this Agreement, CMS agrees to maintain, at its sole cost, property insurance on the Treating Facility with deductibles no greater than and limits no less than those applicable under the general corporate insurance program applicable to CMS and its affiliates. At Customer's written request, CMS shall provide a certificate or other evidence of the property insurance, including limits and deductible, covering the Treating Facility.

3. CURTAILMENT, ALLOCATION OF SHRINKAGE, AND DELIVERY POINT ALLOCATIONS

3.01 CMS shall provide Firm Service to Treat Customer's Gas covered by this Agreement, up to the MDQ identified herein. To the extent capacity limitations or restrictions constrain the amount of Gas that CMS can Treat at its Treating Facility, CMS shall curtail all interruptible CO<sub>2</sub> extraction service customers before any Firm Service customers by issuing a notice ("Notice of Curtailment"). In the event that further curtailments are required, Firm Service customers shall be curtailed on a pro-rata basis according to the lesser of MDQ or first of the month nominations. Any Gas curtailed by CMS as a result of such capacity limitations or restrictions shall be immediately released from the Dedication until such time as it can be Treated by CMS at its Treating Facility.

3.02 CMS or its designee will allocate Shrinkage among all Customers having Gas Treated during any given Month. Plant fuel shall be based on actual, measured MMBTU usage and will be allocated proportionally according to the MMBTU's of each Customer's volume of Gas measured at the Receipt Point ("Plant Fuel"). Plant Fuel shall

not exceed five percent (5%) of Customer's total MMBTU's received at the CPF(s). If Customer's allocated Plant Fuel exceeds five percent (5%), either Party shall have the option to terminate this Agreement with thirty (30) days prior written notice.

3.03 In the event Customer fails to comply with a Notice of Curtailment as issued by CMS in accordance with 3.01 for production delivered to CMS under this Agreement, CMS, at its sole discretion, may impose a \$1.00 per Mcf penalty on any excess volumes delivered to CMS during the requested curtailment period. The excess volumes shall be calculated by taking the difference between the daily remaining volume after reduction, as reported on the CMS Notice of Curtailment and the actual daily volumes during the curtailment period; provided however, that CMS shall not impose such penalty if the volume of Gas delivered on a daily basis is within five percent (5%) of the target curtailment.

#### 4. TREATING CAPACITY FEE

4.01 Customer shall pay a Treating Capacity Fee of \$0.11 for each Mcf of Gas received at the CPF and Treated from the commencement of service under this Agreement. Such Treating Capacity Fee shall be applied to the quantity of Gas received at the CPF and Treated, up to and including a quantity of Gas equal to the applicable Threshold Volume multiplied by the number of Days in the Month in which the Treating service is provided. For each Mcf of Gas received at the CPF and Treated during the same Month in excess of the Threshold Volume, Customer shall pay \$0.10 for each such Mcf.

4.02 Customer has demonstrated to CMS that Customer has out of specification Treating services provided by a third party to ensure the CO<sub>2</sub> content of the Gas is, when delivered to CMS, fourteen percent (14%) or less. To the extent the Customer has out of specification Treating services provided by a third party, and MichCon is unwilling or unable to provide allocation services for such out of specification Treating, if Customer so elects, CMS shall co-operate with Customer to develop and implement other means of allocation; provided that CMS shall incur no additional cost. If CMS does incur additional costs, Customer agrees to reimburse such costs.

4.03 On or before the tenth (10th) day of each calendar month, CMS will render a statement to Customer for the Treating Capacity Fee calculated as provided in Section 4.01. Customer must pay the Treating Capacity Fee by the twentieth (20th) day of the month or within ten (10) days after receipt of the statement, whichever is later. All such payments must be made by ACH transfer of funds directly to the bank account designated by CMS. All undisputed amounts due will bear an interest rate until paid, at an annual rate (which shall in no event be higher than the rate permitted by applicable law) equal to the prime rate published by Citibank, N.A. (the "Prime Rate") plus two percent (2%).

Interest will accrue during the period from the date payment was due under this Section to and including the date the payment is received by CMS.

4.04 If Customer disputes a statement, in full or in part, it may withhold payment of the disputed portion of the statement, but if the disputed portion is shown to be correct, Customer must promptly pay the disputed amount plus interest as provided in Section 4.03. If Customer in good faith disputes the amount of a statement, CMS may demand that Customer post a surety bond in sufficient amount and with sureties reasonably satisfactory to CMS within fifteen (15) Days from the date of demand. The surety bond shall be conditioned upon the payment of any amounts ultimately found due upon such statement after a final determination, which may be reached by agreement or by judgment of the courts; and, until such ultimate determination, the surety bond shall not be deemed to be due or in default. If CMS shall require Customer to furnish a surety bond, then CMS shall initiate appropriate proceedings to resolve the dispute with respect to which the surety bond has been furnished within one year after the date the dispute arose. The surety bond shall be in addition to and shall not affect any other remedies at law or in equity that the Parties may have.

4.05 Each of Customer and CMS shall have the right, at its own expense, to examine and audit, at any reasonable time, the relevant electronic flow computer data to be provided by MichCon, records and charts of the other to the extent necessary to verify the accuracy of any statements or payments made pursuant to the provisions of this Agreement. A formal audit of such relevant records and charts shall not be made more often than once each calendar year. Any inaccuracy will be promptly corrected when discovered. Each Party shall be required to maintain the relevant records or charts for a period of two (2) years following the end of the year to which they are applicable or such longer period as may be required under applicable law (the "Record Retention Period"). Neither Party shall have any right to question or contest any charge or payment if the matter is not called to the attention of the other Party, in writing, within two (2) years following the end of the year to which they are applicable. In the event that particular records or charts are disputed, such records or charts shall be maintained beyond the two (2) year limit described herein, until both Parties agree that the issue(s) has been resolved or the matter is otherwise resolved in accordance with applicable law.

4.06 Should Customer fail to pay any undisputed amount on a statement rendered when due, CMS may, after ten (10) days prior written notice, suspend further service to Customer until such amount is paid. CMS shall have the unequivocal right to retain and sell Gas tendered by Customer, sufficient to recover the undisputed amount of the statement plus interest as described herein, if and to the extent Customer is in arrears to satisfy Customer's payment obligation.

4.07 If Customer determines that it has paid an overcharge billed in such statement, and makes a claim for reimbursement in writing within twenty-four (24) months from the date of the error, the overcharge, if verified, shall be refunded with interest at the Prime Rate, computed as described herein, within thirty (30) days following CMS' receipt of Customer's refund request.

4.08 If CMS determines that there has been an undercharge in the amount billed in such statement, it may submit a statement for such undercharge within twenty-four (24) months of the erroneous bill, and Customer, upon verifying the same, shall pay such amount, with interest at the Prime Rate, computed as described herein, within thirty (30) days following Customer's receipt of CMS' statement.

5. TERM AND TERMINATION

5.01 The initial term of this Agreement shall be for a period of five (5) years from the date first written above. Thereafter, the term of this Agreement shall be automatically extended on a Month-to-Month basis, unless terminated by either Party upon written notice to the other Party at least thirty (30) days prior to the first Day of a Month.

6. POSSESSION AND RESPONSIBILITY

6.01 As between the Parties, Customer is deemed in exclusive control and possession of the Gas and responsible for any damage or injury caused thereby prior to the time it is delivered to CMS at the Receipt Point and from the time it has been delivered to Customer at the Delivery Point. Except as provided in Section 10.03 herein, CMS is deemed in exclusive control and possession of the Gas and responsible for any damage or injury caused thereby while it is in the Treating Facility, including any related pipe, valves or facilities owned by CMS.

7. WARRANTY/INDEMNIFICATION

7.01 As between the Parties, Customer warrants that at the time it delivers Gas to the Receipt Point it has the right to deliver the Gas and that it will indemnify CMS, defend, and save it harmless from suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of adverse claims of any and all persons to said Gas or to royalties.

7.02 Customer will indemnify CMS, defend, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising out of damage or malfunction to the Treating Facilities caused by Gas delivered hereunder by Customer to the Treating Facilities that does not meet the quality specifications set forth in Section 10.

8. LAWS, ORDERS, RULES AND REGULATIONS

8.01 In the event that the Michigan Public Service Commission or any other duly constituted governmental authority asserts jurisdiction over the Treating Facility, then the performance by the Parties of their obligations set forth in this Agreement shall be subject to the valid applicable decisions and regulations of such duly constituted authority. In that event, CMS or Customer may seek authorization from the appropriate authority for such change to any rate(s) and terms set forth in this Agreement or in any applicable rate schedule, as may be found necessary to ensure just and reasonable rates. Either Party shall have the right to contest the validity of any such change, and the acquiescence or compliance with the change for any period of time shall not be construed as a waiver of such right.

8.02 This Agreement is governed by the laws of the State of Michigan. It is agreed that any and all litigation related to this Agreement shall be brought in either a state or federal court located within the State of Michigan, and each Party, for purposes of any such litigation, submits to the exclusive jurisdiction and venue of that court. Venue shall lie in Jackson County, Michigan.

9. MEASUREMENT, SAMPLING AND ANALYSIS

9.01 Gas received and delivered pursuant to this Agreement shall be measured in Mcfs by a party acceptable to both Customer and CMS.

9.02 The Gas tendered at the CPF for delivery to CMS at the Receipt Point must be measured, sampled, and analyzed in a manner consistent with industry standards and pursuant to the then current measurement provisions of the applicable receiving pipeline or its designee. Gas sampling and analysis shall be performed at least quarterly.

10. GAS QUALITY

10.01 Gas tendered by Customer at the CPF for Treating:

- (a) shall be commercially free from salts, dust, gum, gum-forming constituents and liquids and solids which may become separated from Gas;
- (b) shall not contain free water;
- (c) shall not exceed a water content of 7 pounds per million cubic feet (and Customer shall endeavor through its best efforts to ensure that the Gas shall not exceed a water content of 5 pounds per million cubic feet);

- (d) shall not contain oxygen and Customer shall maintain its equipment to ensure the Gas is free of oxygen; provided Shipper's compliance with Fuel Allocation and Oxygen Specification Agreement referenced in Section 10.02 below shall constitute full compliance by Customer with the oxygen specification set forth in the preceding clause;
- (e) shall have a hydrocarbon dew point not to exceed 25 degrees at 500 psig;
- (f) shall not contain any measurable amount of hydrogen sulfide per 100 cubic feet;
- (g) shall not contain any measurable amount of mercaptan sulfur per 100 cubic feet;
- (h) shall not contain any measurable amount of total sulfur per 100 cubic feet, including the sulfur in any hydrogen sulfide, mercaptans, sulfides and residual sulfur;
- (i) if containing any corrosion inhibitor, must be compatible with a Methyldiethanolmine ("MDEA" or "Amine") carbon dioxide removal process and approved by CMS;
- (j) shall have a delivery temperature ranging between 40 and 80 degrees Fahrenheit;
- (k) shall not have a carbon dioxide content in excess of an average of fourteen percent (14%) by volume for all Gas Treated pursuant to this Agreement;
- (l) shall have an average BTU content of not less than 950 BTUs per cubic foot calculated as if carbon dioxide had been removed; and
- (m) shall not contain anything that reasonably could be expected to adversely affect the safe and efficient operation of an Amine-based carbon dioxide removal facility as specified by CMS with Customer having the right to provide rebuttal arguments to the contrary. To the extent needed, a qualified independent third party chosen by CMS will be used to provide a dispositive opinion on any gas quality dispute.

10.02 Customer is a signatory to the Fuel Allocation and Oxygen Specification Agreement dated March 2004, which agreement is incorporated herein in its entirety. Failure on the part of the Customer to comply with the terms and conditions of the Fuel Allocation and Oxygen Specification Agreement shall deem Shipper as a Non

Participating Shipper, as those terms are defined in the Fuel Allocation and Oxygen Specification Agreement.

10.03 In the event the Gas tendered at the CPF for delivery by Customer to the Receipt Point fails to meet the above quality specifications, CMS shall notify Customer of the deficiency and thereupon may refuse to accept delivery until such deficiency is corrected by Customer. If gas attributable to Customer harms the Treating Facility because such gas does not comply with the Gas quality specifications of this Section, Customer shall reimburse CMS for all costs associated with any repairs or remedial maintenance.

10.04 Customer agrees to indemnify and hold CMS harmless for any liability resulting from gas that fails to meet the quality specifications set forth herein, including contamination of other Gas being Treated and damage to its or any downstream facilities.

10.05 Subject to the provisions of this Agreement, the remedies provided are in addition to any other remedies at law or in equity to which either Party may be entitled.

11. FORCE MAJEURE

11.01 Neither Customer nor CMS will be liable in damages, or in any other remedy, legal or equitable, to the other for any act, omission or circumstance occasioned by or in consequence of any acts of God, strikes, lockouts, acts of the public enemy, wars, sabotage, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of rulers and peoples, civil disturbances, explosions, outages, breakage or accident to wells, production equipment, machinery, lines of pipe, or CO<sub>2</sub> treating facilities or the necessity to make unscheduled shutdowns (for purposes of necessary maintenance, repairs, tests, or alterations to machinery, lines of pipe or CO<sub>2</sub> treating facilities), line and well freeze-ups, failure of upstream transportation facilities and/or transportation service providers, the binding order of any court of governmental authority which has been resisted in good faith by all reasonable legal means, or any other cause, whether of the kind herein enumerated, or otherwise, not within the control of the Party claiming suspension hereunder and which by the exercise of due diligence such Party is unable to prevent or overcome (each individually, an event of Force Majeure). A failure to settle or prevent any strike or other controversy with employees or with anyone purporting or seeking to represent employees may not be considered to be a matter within the control of the Party claiming suspension.

11.02 Such causes or contingencies affecting the performance of this Agreement by either Party, however, do not relieve it of liability in the event of its concurring negligence or in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor do such

causes or contingencies affecting the performance of this Agreement relieve either Party from its obligation to make payments of amounts then due thereunder, nor do such causes or contingencies relieve either Party of liability unless such Party gives notice and full particulars of the same in writing or by telefax to the other Party as soon as possible after the occurrence relied on.

11.03 Any claim of Force Majeure by either Party shall result in the notice to the other Party as to the cause and duration of the event(s) of Force Majeure, within forty-eight (48) hours of the onset of the event.

12. NON-WAIVER OF FUTURE DEFAULTS

12.01 No waiver by either Party of any one or more defaults by the other in the performance of any provision of this Agreement may operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.

13. CONFIDENTIALITY

13.01 Customer and CMS agree that the terms and conditions information described in this Agreement shall be kept confidential and disclosed only to Affiliates or as required by the courts, the Michigan Public Service Commission or other regulatory authority asserting jurisdiction over this Agreement.

13.02 The Agreement's contents may be reviewed by any prospective purchasers engaged in a due diligence review of the possible purchase of either Party or their interests.

14. NOTICE

14.01 Any notice, request, demand, statement or payment provided for in this Agreement must be sent to the Parties at the following addresses:

Customer:

For Operational Notices:  
Dominion E & P, Inc.  
Attn: Mr. Ray Barnhart  
226 East 16<sup>th</sup> Street  
Traverse City, MI 49684  
Phone: 231-922-7302  
Fax: 231-922-0892  
E-mail: ray\_barnhart@dom.com

For Contract Notices & Billings:  
Dominion E & P, Inc.  
Attn: Director Gas Marketing  
16945 Northchase Drive  
Houston, TX 77060  
Phone: 281-873-1500  
Fax: 281-873-1547  
E-mail: james\_m\_weyland@dom.com

CMS:

CMS Antrim Gas LLC  
One Energy Plaza  
Jackson, MI 49201  
Attn: Commercial Director  
Telecopier Number: 517-788-1036  
E-mail: fmmurray@cmsenergy.com

For Payment:

CMS Antrim Gas LLC  
Addressed in accordance with  
the instructions set forth  
on the invoice

14.02 Either Party may change its address under this Agreement by notice to the other Party. Unless otherwise provided, all notices given by one Party to the other must be sent by registered mail, overnight mail, telecopy or e-mail, or other means of electronic communication, and will be effective upon receipt. Routine communications, including monthly invoices, will be considered as duly delivered when mailed by postage paid, registered, overnight, or first-class mail.

15. MISCELLANEOUS PROVISIONS

15.01 CMS may assign this Agreement to an Affiliate of CMS or to a partnership controlled by CMS that can demonstrate equivalent or greater creditworthiness than that of CMS without the consent of Customer. Customer may assign this Agreement to an Affiliate of Customer without the consent of CMS if such Affiliate can demonstrate creditworthiness no less than that of Customer. In the event that Customer transfers Gas production or acreage dedicated pursuant to Exhibit A, Customer shall also assign this Agreement to the transferee, as to the production or acreage transferred, and thereupon the transferee shall be subject to the obligations of Customer under this Agreement insofar as it pertains to such transferred production or acreage, in the place and instead of Customer. Upon receipt of written acceptance of the assignment by CMS, which acceptance shall not be unreasonably withheld or delayed, Customer shall be excused from all responsibilities under this Agreement, except for obligations accrued prior to the date of the CMS acceptance of assignment. Any company which shall succeed, by purchase, merger, consolidation, or other transfer of substantially all the assets of CMS or Customer, shall be entitled to the rights and shall be subject to the obligations of its predecessor under this Agreement. Otherwise, neither Party shall assign this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Unauthorized assignments shall be void. Nothing herein contained shall prevent or restrict either Party from pledging, granting a security interest in, or assigning as collateral all or any portion of such Party's interest in this Agreement to secure any debt or obligation of such Party under any mortgage, deed of trust, security

agreement or similar instrument. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto. Such assignment shall not relieve the assignor of its obligations pursuant to this Agreement unless the other Party so agrees.

15.02 The headings used throughout this Agreement are inserted for convenience of reference only. The headings should not be considered in construing the terms of the Agreement, nor are they to be deemed in any way to modify or explain the effect of any such provisions or terms.

15.03 This Agreement including Exhibit A, constitutes the entire agreement concerning the subject matter. Any prior representations or agreements whether written or oral, concerning the subject matter not contained in this Agreement shall have no force and effect. This Agreement may be modified or amended only by a writing duly executed by both Parties.

15.04 Unless the context otherwise requires, words importing the singular include the plural and vice versa.

15.05 Customer shall pay all taxes, tariffs, and duties resulting from services provided under this Agreement, except for taxes based on the income of CMS, property taxes and CMS's single business taxes and taxes imposed to replace income, property or single business taxes, if applicable. Customer shall reimburse CMS for any such taxes, tariffs and duties that are paid, with Customer's consent or pursuant to applicable law, on Customer's behalf by CMS.

15.06 Notwithstanding anything herein to the contrary, neither Customer nor CMS shall be liable to the other in respect of any consequential loss incurred by the other, including, but not limited to, loss of profit, loss of revenue, arising or alleged to arise out of either Customer's or CMS's failure to properly carry out its obligations under this Agreement. THIS PROVISION SHALL APPLY REGARDLESS OF WHETHER SUCH CONSEQUENTIAL LOSS IS CAUSED OR BROUGHT ABOUT BY ANY NEGLIGENCE (INCLUDING SOLE, CONCURRENT OR JOINT NEGLIGENCE) OR ANY OTHER THEORY OF LEGAL LIABILITY, INCLUDING STRICT LIABILITY, ON THE PART OF THE PARTY FAILING TO PROPERLY CARRY OUT ITS OBLIGATIONS UNDER THIS AGREEMENT.

15.07 It is recognized that MichCon claims the exclusive right to process a portion of the Gas dedicated to this Agreement and that Customer considers such MichCon claims to be without merit and intends to vigorously contest the same in appropriate venue(s). If the Michigan Public Service Commission and/or a court with jurisdictional power makes a final determination that such MichCon claims are valid, the Gas subject to such

determination shall automatically be permanently released from Dedication to this Agreement effective as of the date of such determination. In addition, and subject to Section 15.08 below, if MichCon withholds or threatens to withhold transportation service for any Gas subject to Dedication to this Agreement on account of such MichCon claims, upon Customer's request and election, such Gas shall be temporarily released from Dedication to this Agreement until such date as the Michigan Public Service Commission and/or a court with jurisdictional power makes a final determination regarding the validity or invalidity of such MichCon claims.

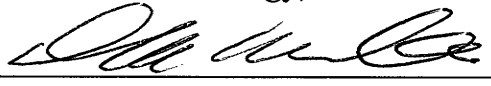
15.08 In the event that, pursuant to Section 15.07, more than thirty percent (30%) of the Gas subject to Dedication is permanently released from Dedication to this Agreement or temporarily released from Dedication to this Agreement for a period of eighteen (18) months, Sections 2.11, 2.12, 2.13 and 2.14 shall no longer be in effect under this Agreement.

15.09 Based on the recommendation of Customer's legal counsel, Customer may enter into a settlement agreement resolving, in whole or in part, the MichCon claims described in Section 15.07. If such settlement agreement requires MichCon to provide Treating for all or a portion of the Gas subject to Dedication under this Agreement, the daily volume of Gas for which MichCon is required to provide Treating shall automatically be permanently released from Dedication to this Agreement as of the date of such settlement agreement. If, as of the effective date of such settlement agreement, the CMS Firm Treatment Obligation Quantity (net of the daily volume of Gas permanently released from Dedication to this Agreement per the settlement agreement) is less than or equal to 240,000 Mcf/d, Sections 2.11, 2.12, 2.13 and 2.14 shall no longer be in effect under this Agreement.

The Parties executed this Agreement in multiple originals by their duly authorized representative as of the day and year first above written.

**CUSTOMER**

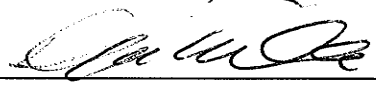
**Dominion Midwest Energy, Inc.**

By: 

Printed Name: DENNIS MILLET

Title: VICER PRESIDENT

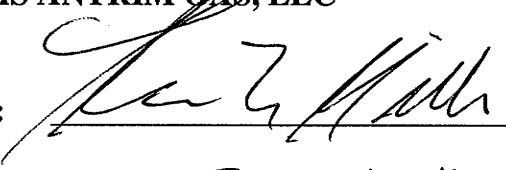
**Dominion Reserves, Inc.**

By: 

Printed Name: DENNIS MILLET

Title: VICER PRESIDENT

**CMS ANTRIM GAS, LLC**

By: 

Printed Name: THOMAS L. MILLER.

Title: VP.

## EXHIBIT A

### DEDICATION OF GAS PRODUCED TO CPFs

The Gas dedicated for CO<sub>2</sub> Treating hereunder is the Gas that is produced by Customer to the CPFs set forth below:

| <u>RMS#</u> | <u>CPF#</u> | <u>NAME (MICH CON)</u> | <u>NAME (DME)</u>     | <u>COUNTY</u> | <u>SEC</u> | <u>T</u> | <u>R</u> |
|-------------|-------------|------------------------|-----------------------|---------------|------------|----------|----------|
| 800031      | 81004       | Ant. Marstrand         | Marstrand (Antrim)    | Otsego        | 34         | 31N      | 1W       |
| 800941      | 81219       | Ant. Mid-Charlton W    | Mid Charlton West     | Otsego        | 26         | 30N      | 1W       |
| 800941      | 81220       | Ant. Mid-Charlton E    | Mid Charlton East     | Otsego        | 26         | 30N      | 1W       |
| 800561      | 81466       | Ant. Gilchrist Creek   | Gilchrist Creek Inlet | Montmorency   | 35         | 29N      | 3E       |
| 800531      | 81572       | Ant. Highway 33 Inlet  | Highway 33 Inlet      | Montmorency   | 13         | T29N     | 3E       |
| 800531      | 81573       | Ant. Joy Inlet         | Joy Inlet             | Montmorency   | 13         | T29N     | 3E       |
| 800471      | 81574       | Ant. Hardwood Inlet    | Hardwood Inlet        | Montmorency   | 15         | 29N      | 3E       |
| 800471      | 81575       | Ant. Highway 612       | Highway 612 Inlet     | Montmorency   | 15         | 29N      | 3E       |
| 800501      | 81576       | Ant. Sheridan Creek    | Sheridan Creek Inlet  | Montmorency   | 11         | 29N      | 3E       |
| 800501      | 81577       | Ant. Paffi Inlet       | Paffi Inlet           | Montmorency   | 11         | 29N      | 3E       |
| 800401      | 80040       | Otsego Lk 34A #1       | State Maple Forest    | Crawford      | 3          | 28N      | 3E       |
| 800521      | 80052       | Loud 18 Run #1         | Sage Creek RMS        | Montmorency   | 13         | 29N      | 2E       |
| 800671      | 80067       | S. Rust 10 Run #1      | Webber Creek RMS      | Montmorency   |            | 29N      | 4E       |
| 800991      | 80099       | S. Chester 1           | Chester RMS           | Otsego        | 1          | 29N      | 2W       |
| 801851      | 80185       | S. Rust 7 Run #1       | North Hardwood        | Montmorency   | 2          | 29N      | 3E       |
| 802131      | 80213       | E. Albert 17A Run #1   | Briley RMS            | Montmorency   | 34         | 30N      | 2E       |

## **EXHIBIT B**

### **THRESHOLD VOLUME BY PERIOD**

| <b><u>Period Covered</u></b>                                                                                     | <b><u>Threshold Volume</u></b>                                                  |
|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| December 1, 2005 – November 30, 2006                                                                             | 26,827 Mcf/d                                                                    |
| December 1, 2006 – November 30, 2007                                                                             | 25,218 Mcf/d                                                                    |
| December 1, 2007 – November 30, 2008                                                                             | 23,705 Mcf/d                                                                    |
| December 1, 2008 – November 30, 2009                                                                             | 22,282 Mcf/d                                                                    |
| December 1, 2009 – November 30, 2010                                                                             | 20,945 Mcf/d                                                                    |
| December 1, 2010 – November 30, 2011<br>and each subsequent 12-month period<br>during the term of this Agreement | 94% of the Threshold<br>Volume in effect during<br>the previous 12-month period |