

GATHERING INTERCONNECT COMPRESSION AGREEMENT

This **GATHERING INTERCONNECT COMPRESSION AGREEMENT** ("Agreement") is made and entered into on the ____ day of ____, 20__ by and between **PEOPLES GAS COMPANY LLC**, with an office at 375 North Shore Drive Pittsburgh PA 15212 ("Peoples") and **[PRODUCER]** with an office located at **[ADDRESS], [CITY], [STATE] [ZIP]** ("Customer").

WHEREAS, Customer desires to install compression equipment herein specified which would deliver gas to Peoples pipeline systems, and

WHEREAS, Peoples is willing to let Customer install compression on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

1.00 **Interconnect location.** Peoples agrees Customer may install or introduce a compressor system at interconnect location known as meter site **[PO/CO # _NAME]** located in **[NAME]** Township, **[NAME]** County, **[STATE]** and subject to the following restrictions.

1.01 **Commencement of Operation.** Customer is responsible for identifying and obtaining any environmental, governmental, and/or regulatory approvals that may be required for construction and operation of the facilities contemplated by this Agreement. Customer shall notify Peoples, in writing, when its compression facilities are complete, tested, and ready for activation. Unless otherwise indicated, Customer may introduce compressed natural gas into Peoples system as soon as the necessary facilities have been constructed, the requisite documents have been submitted and Customer has satisfied the terms and conditions of this Agreement.

1.02 **Low-Pressure Shutdown.** Compressor units shall have automatic low-pressure shutdown controls on the suction (intake) line to preclude drawing air into the system. Customer shall maintain at all times compressor suction pressure in excess of atmospheric pressure.

1.03 **Compressor Fuel.** Fuel gas for Customer's compression facilities shall be taken upstream of the meter measuring the gas delivered into Peoples pipeline.

1.04 **Compressor Site.** Customer's compression facilities shall be located entirely on sites owned by parties other than Peoples. Unless otherwise agreed to in writing by Peoples, Customer's compressor and related equipment shall be located no closer than 500 feet from the Interconnect location specified in 1.00 above.

1.05 **Pulsation.** Customer shall assure that compressor units are designed, installed, operated, and maintained in such a manner as to minimize pulsation at the interconnection with Peoples facilities. If pulsation is suspected, Peoples, at its option, may use an industry-accepted square root error indicator to determine if unacceptable pulsation levels are present at the referenced meter. If the square root error exceeds plus or minus one quarter percent (.25%), the meter shall be shut-in, and Customer agrees to install, at its expense, pulsation dampening devices as necessary to reduce the pulsation effect on measurement below plus or minus .25 percent. Peoples will continue to accept production during the period the corrective action is taken, provided it is free flowed without using the compressor. Customer is responsible for making all compressor/piping modifications to reduce or eliminate pulsation. If no satisfactory corrective action has been taken within 30 days, Peoples will require Customer to shut down its compressor until satisfactory corrective action has been taken.

1.06 **Adverse Impacts.** The compressor unit shall be installed in a manner necessary to eliminate any adverse impact on Peoples facilities. Peoples does not guarantee or represent that it will accept any certain quantity of gas. Customer's gas shall feed against Peoples line pressure at less than the pressure setting of the over-pressure shutdown device as prescribed by the Peoples Field Supervisor.

1.07 **Equipment Costs.** All costs associated with equipment required by this Agreement, including installation costs, shall be the Customer's responsibility and any such costs paid by Peoples shall be reimbursed by Customer.

1.08 **Specifications.** Customer shall follow the following specifications in designing and installing its compression facilities:

- (a) **Interconnect Location:** The Customer's compression facilities shall be located upstream of Peoples Line No. [LINE ID].
- (b) **Discharge / Outlet Pressure:** The discharge / outlet line pressure measured at the compressor cylinder shall not exceed XXXX psig. Customer's compressor unit(s) shall be equipped with a high discharge pressure shutdown switch set to prevent the discharge pressure from rising above that noted in this paragraph. Peoples shall have the right to modify the discharge / outlet line pressure at which Customer may introduce gas into Peoples system from time-to-time as may be necessary, in Peoples reasonable judgment, to meet its gathering system operating requirements or other service obligations.
- (c) **Safety Relief Valves:** The Customer's compressor station shall be equipped with a safety relief valve downstream of over-pressure protection and upstream of measurement, with a capacity equal to discharge volume. The safety relief valves shall be properly sized and will reach the full-open position at 110 percent of the high discharge pressure shutdown level required in condition 1.08b above. The Peoples Field Supervisor shall prescribe the set pressure.
- (d) **Filter:** Customer shall install and maintain a separator or filter in order to remove water, condensates, engine oil, and lubricants downstream of the compressor. Customer will be responsible for removing and properly disposing of all discharge oils, water and other liquids generated by Customer's operations before the compressed gas enters Peoples pipeline.
- (e) **Positive Shut Off Drip:** Customer shall install a positive shut off drip downstream of the compressor and 25 feet from the measurement site.
- (f) **Oxygen Sensor:** Peoples may require an Oxygen Sensor on the discharge side of the compressor, calibrated and operated to meet the gas quality specifications of Peoples. The sensor and compressor must be configured so that automatic shutdown occurs when oxygen level is detected. Peoples must approve all such equipment in writing prior to installation.
- (g) **Compressor Location:** Compressors shall not be installed within 500 feet of the measurement site.
- (h) **Gas Temperature:** The temperature of Customer's gas received shall not exceed 100 degrees Fahrenheit.
- (i) **Water Content:** Customer will install a water content measuring device in the discharge gas pipeline, which will shut down the compressor equipment if the measured water content in a vapor state per million cubic feet, exceeds the terms of the applicable contractual

provisions regarding water vapor maximums. Peoples must approve this device in writing prior to its installation.

1.09 **Annual Inspections.** Customer agrees to have an annual inspection performed by a Peoples approved testing company on the compressor. The Customer will provide the completed Compression Inspection Form, **Exhibit A** to Peoples on 12-month basis not to exceed 15 months from the last inspection. Inspections shall include all applicable items addressed on **Exhibit A**.

1.10 **Maintenance:** Peoples shall have the right to perform any maintenance, repairs, replacements, operational changes, or relocations, which are reasonably necessary in order to maintain the integrity, safety, and efficient operation of Peoples pipelines, compressor stations, measuring stations and associated system facilities. Peoples shall perform any such maintenance, repairs, replacements, operational changes, or relocations in a manner that avoids or minimizes interference with Customer's operations; provided, however, that Peoples may perform such activities as necessary under emergency circumstances.

1.11 **Audits:** Peoples may at any time inspect, collect gas samples, and test any of the devices (i.e. recording pressure gauges, shutdown devices, relief valves, oxygen sensing equipment, water content measuring equipment, vibration dampening equipment, etc.) installed by Customer hereunder to protect Peoples facilities and operations.

1.12 **Penalties:** If Customer fails to comply with any of the terms of this Agreement at any time, Customer is required to immediately shut in its compression facility for one week, or until Customer can provide proof that any deficiency has been corrected, whichever is longer. If Customer fails to comply with any of the terms of this Agreement on further occasions, Peoples retains the right to take further action at its discretion, including the right to require the shut in of the applicable compressor station for additional time periods. If Customer repeatedly violates this provision, Peoples has the right to terminate the Agreement.

1.13 **Indemnity:** Customer and Customer's Agent, jointly and severally, for themselves and on behalf of their respective successors and assigns, hereby assume all risks with respect to and all liability for and shall protect, indemnify and hold harmless Peoples, its successors, assigns, directors, officers, employees and agents, jointly and severally, from and against, any and all claims, costs, fines, penalties, demands, actions, controversies, obligations, liabilities, expenses (including attorneys' fees and expenses), losses, damages and causes of action of every kind and character asserted by any person or persons or entity or entities, which, by allegation or in fact, arise out of or in any way relate to any act or omissions of Customer and/or Customer's Agent, or their respective agents, employees, representatives or subcontractors, in connection with the installation, operation and/or maintenance of any gas compression equipment and related facilities installed or operated by Customer or Customer's Agent.

1.14 **Notifications:** Customers shall notify Peoples immediately of any material change in operations or production or shutdown of its compressor station. The estimated duration of shutdown and actual return to service of compression shall be communicated to Peoples North Shore office – Producer Services or other contact persons of whom Peoples has notified Customer in writing.

Customer hereby designates the following individual(s) at the indicated phone number(s) who can be contacted 24-hours a day, 7 days a week to receive Emergency shut-down instructions from Peoples in the event that operational or other circumstances require the compressor to be shut down:

<u>Contact Name</u>	<u>Phone Number</u>
_____	_____
_____	_____

1.15 **Term.** The primary term of this Agreement shall commence on [MONTH] [DATE], 20__, regardless of when executed, and shall continue in force and effect for a term of one (1) year, and month-to-month thereafter. Either party may terminate this Agreement upon thirty (30) days written notice to be effective at the end of the primary term or any subsequent renewal term.

IN WITNESS WHEREOF, Peoples and Customer have duly executed this Agreement, complete with any necessary attachments and as noted above, on this ____ day of _____, 20__.

Peoples Gas Company LLC

[CUSTOMER]

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A COMPRESSOR INSPECTION FORM

Producer InformationName: **CUSTOMER**PO: **PO/CO ID**Address: **ADDRESS**

Phone Number: _____ Email: _____

Low Pressure Shut Down Device

Type _____ Manufacturer _____ Model _____

Required Set Point **XXX** psig (minimum in excess of atmospheric pressure)

"As Found" Set Point _____ psig

"As Left" Set Point _____ psig

Did Compressor Shut Down at Set Point ____ Yes ____ No

Oxygen Analyzer *

Type _____ Manufacturer _____ Model _____

Required Set Point _____ ppm or % (< 2,000 parts per million (0.2%) of oxygen by volume)

"As Found" O2 Reading _____ ppm or %

"As Found" Set Point _____ ppm or %

"As Left" O2 Reading _____ ppm or %

"As Left" Set Point _____ ppm or %

Did Compressor Shut Down at Set Point ____ Yes ____ No

Discharge Relief Valve

Manufacturer _____ Model _____

Size – Inlet _____ Outlet _____

Loading – Pilot _____ Spring _____

Required Set Point **XXX** psig

"As Found" Set Point _____ psig

"As Left" Set Point _____ psig

Is Compressor 500 Feet From Meter Site ____ Yes ____ No

Is Separator or Filter Installed At Compressor ____ Yes ____ No

Is Positive Shut-off Drip Installed Between Compressor and Meter Site ____ Yes ____ No

Gas Volume/Temperature Recorder

Is gas temperature being recorded ____ Yes ____ No

Manufacturer _____ Model _____

Temperature Reading _____ (not in excess of one hundred degrees Fahrenheit (100°))

Compressor Meets All Operational Requirements ____ Yes ____ No

If No, Why _____

If No, notify producer to shut-in compressor immediately and contact Gathering for further instructions.

Inspector Contact Information

Name _____

Date _____

Company _____

Address _____

Phone Number _____ Email _____