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### BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of Constitution Gas Transport Co., Inc. for Approval of a Natural Gas Transportation Service Agreement and a Natural Gas Sales Agreement with Kraton Polymers LLC.

Case No. 07-994-GA-AEC

#### APPLICATION OF CONSTITUTION GAS TRANSPORT CO., INC.

Constitution Gas Transport Co., Inc. ("ConTranCo"), pursuant to Section 4905.31,
Revised Code, hereby respectfully requests Commission approval of a natural gas transportation service agreement and a natural gas sales agreement with Kraton Polymers LLC ("Kraton"). In support of its application, KNG states as follows:

- 1. ConTranCo, an Ohio corporation, is a public utility and natural gas company within the definitions of Sections 4905.02 and 4905.03(A)(6), Revised Code, and, as such, is subject to the jurisdiction of this Commission pursuant to Sections 4905.04, 4905.05, and 4905.06, Revised Code.
- 2. ConTranCo and Kraton Polymers LLC ("Kraton") a Delaware limited liability corporation, have entered a natural gas transportation agreement (the "Base Volume Gas Transportation Agreement") containing the mutually agreed rates, terms, and conditions pursuant to which ConTranCo will provide natural gas transportation service to the Kraton's Belpre, Ohio plant. Because the Base Volume Gas Transportation Agreement contains certain competitively-sensitive information, ConTranCo has, this date filed a motion for a protective order pursuant to Rule 4901-1-24(D), Ohio Administrative Code, and, as required by this rule, has submitted three

confidential, unredacted copies of the agreement under seal. A public, redacted version of the Base Volume Gas Transportation Agreement is attached hereto as Attachment A.

3. ConTranCo and Kraton have also entered into a natural gas sales agreement (the

"Gas Sales Agreement") containing the mutually agreed rates, terms, and conditions pursuant to

Kraton will purchase natural gas directly from ConTranCo to augment the volumes of natural gas

secured by Kraton from third-party supplier(s) and delivered by ConTranCo to Kraton's Belpre,

Ohio plant pursuant to the Base Volume Gas Transportation Agreement. Because the Gas Sales

Agreement also contains certain competitively-sensitive information, ConTranCo has included

this information in the motion for a protective order filed herewith, and has submitted three

confidential, unredacted copies of this agreement under seal. A public, redacted version of the

Gas Sales Agreement is attached hereto as Attachment B.

WHEREFORE, ConTranCo respectively requests that its application be granted as a

reasonable arrangement pursuant to Section 4905.31, Revised Code, and that the Base Volume

Gas Transportation Agreement and the Gas Sales Agreement be approved.

Respectfully submitted.

Barth E. Royer

Bell & Royer Co., LPA

33 South Grant Avenue

Columbus, OH 43215-3900

(614) 228-0704 - Telephone

(614) 228-0201 - Fax

Attorney for

Constitution Gas Transport Co., Inc.

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### **EXHIBIT A**

(Public Version)

# BASE VOLUME GAS TRANSPORTATION AGREEMENT

This Agreement is made and entered into as of the 15th day of February 2007 by and between Constitution Gas Transport Company, Inc., an Ohio corporation with offices at 1005 East, 3900 South, Salt Lake City, Utah 84124 ("ConTranCo"), and Kraton Polymers LLC, a Delaware limited liability corporation with offices at 15710 John F. Kennedy Blvd., Suite 300, Houston, Texas, 77032 ("Kraton").

#### WITNESSETH:

WHEREAS, Kraton desires to make arrangements to secure a supply of natural gas dedicated to Kraton and desires to have ConTranCo use ConTranCo's facilities and equipment to perform a portion of the delivery function required to permit Kraton to utilize said supply; and,

WHEREAS, ConTranCo is willing, capable of, and desires to receive said natural gas into ConTranCo's facilities and to provide firm transportation service of said natural gas to Kraton's Belpre, Ohio plant in accordance with the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises, covenants and agreements herein set forth, ConTranCo and Kraton mutually agree as follows:

### ARTICLE | Definitions

As used herein, the following terms shall have the meanings defined below:

- (a) The term "Gas" shall mean natural gas and/or casinghead gas.
- (b) The term "Mcf" shall mean one thousand (1,000) cubic feet of Gas at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch with corrections for super compressibility and at a temperature of sixty (60) degrees Fahrenheit.
- (c) The term "Dekatherm" or "Dth" shall mean one million (1,000,000) British Thermal Units (Btu).
- (d) The term "Delivery Volume" shall mean the daily volume of Gas delivered by Kraton into ConTranCo's facilities for redelivery to Kraton.
- (e) The term "Redelivery Volume" shall mean the daily volume of gas which ConTranCo shall redeliver to Kraton. It is understood that the Redelivery Volume shall take into account an allowance for unaccounted for gas as defined herein.

- (f) The term "Month" shall mean calendar month.
- (g) The term "Delivery Point(s)" shall mean the locations(s) at which ConTranCo shall first receive Kraton's Delivery Volumes.
- (h) The term "Redelivery Point(s)" shall mean the location(s) at which Kraton shall receive the Redelivery Volumes.
- (i) The term "TCO" means Columbia Gas Transmission Corp., its successors and assigns.

### ARTICLE II Term

The initial term of this Agreement shall commence on January 1, 2007 and continue thereafter until December 31, 2008. At the end of the initial term, this Agreement shall continue in force for additional terms of twelve (12) months each unless canceled by either party by giving written notice to the other within sixty (60) days prior to the end of the initial term or any such additional term.

# ARTICLE III Delivery Point and Redelivery Point

The Delivery Point shall be the metering valve between the TCO and ConTranCo facilities and such other points as Kraton and ConTranCo may mutually designate. The Redelivery Point shall be the plant side flange of the metering valve between the ConTranCo facilities and the Kraton Belpre, Ohio plant and such other points as Kraton and ConTranCo may mutually designate in writing signed by both parties.

After Kraton delivers Gas or causes Gas to be delivered to ConTranCo at the Delivery Point(s), ConTranCo shall be deemed to be in control and possession of the Gas until thermally equivalent quantities (less Unaccounted for Gas) are redelivered to Kraton at the Redelivery Point(s). Kraton shall have no responsibility with respect to any Gas Kraton delivers or causes to be delivered to ConTranCo until ConTranCo redelivers such Gas to Kraton. ConTranCo shall have no responsibility with respect to such Gas before Kraton delivers or causes to be delivered such Gas to ConTranCo or after ConTranCo redelivers such Gas to Kraton. ConTranCo recognizes and acknowledges that title to all natural gas received by it for redelivery to Kraton will remain at all times in Kraton and ConTranCo shall take no action to interfere with or diminish Kraton's title to said natural gas.

ConTranCo represents and warrants that it shall maintain a minimum pressure of 75 psig at the Delivery Point(s), except when the rate of delivery exceeds 1,250 Mcf per day.

Recognizing Kraton's desire to optimize its natural gas supply configuration, ConTranCo will make a reasonable effort to adjust supply pressures as requested. If such pressure adjustments require ConTranCo to install additional compression assets, a mutually agreed process will be implemented for ConTranCo to recover the cost of any related capital investment from Kraton. Except in the case of emergency, if ConTranCo must reduce system pressure for maintenance or any other purpose that may cause disruption of Kraton's processes, ConTranCo shall notify Kraton no less than seventy-two (72) hours before doing so.

# ARTICLE IV Measurement

ConTranCo shall be responsible for all measurements at the Delivery Point(s) and the Redelivery Point(s). For billing purposes, the measurement and tests for quantity and quality of Gas delivered hereunder shall be governed by the following criteria:

- (a) The volume shall be measured by orifice or turbine meter or meters installed, maintained, and operated by ConTranCo at the Delivery Points(s) and Redelivery Point(s).
- (b) The base unit of volumetric measurement of Gas sold and delivered hereunder shall be one (1) cubic foot of Gas at a base temperature of sixty (60) degrees Fahrenheit and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute with corrections for super compressibility.
- (c) An atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed. The flowing Gas temperature will be recorded by ConTranCo at the Redelivery Point(s).
- (d) In the event that orifice meters are utilized for the measurement of Gas hereunder, the methods of computation shall conform to the recommendation contained in Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revisions made thereto, applied in a practical manner. The specific gravity of the Gas being measured shall be determined at the beginning of Gas deliveries and as often thereafter as conditions may warrant.
- (e) The heating value of the Gas delivered hereunder shall be determined by taking weekly samples of the Gas at the Delivery Point(s) or at other such reasonable times as may be designated by either ConTranCo or Kraton. The Btu content per cubic foot shall be determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of Gas at a temperature of sixty (60) degrees Fahrenheit at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Weekly samples will also be sent

- to a mutually agreed upon independent laboratory. A copy of the results of these additional analyses will be sent to Kraton.
- (f) Telemetering equipment will be installed at the Redelivery Point(s) as soon as reasonably practicable. The cost of the telemetering equipment and the installation and operating costs associated with such equipment will be borne equally by Kraton and ConTranCo; provided, however, that the telemetering equipment shall be the property of ConTranCo and shall be installed, maintained, and operated by ConTranCo.

The accuracy of the metering equipment at the Delivery Point(s) and Redelivery Point(s) shall be verified by ConTranCo at reasonable intervals and, if requested by Kraton, in the presence of a Kraton representative. Such intervals are not to exceed six (6) months. A meter registering between two percent (2%) fast and (2%) slow shall, for all purposes under this Agreement, be deemed to be registering accurately. Kraton may challenge the accuracy of a meter registration by providing written notice to ConTranCo requesting that a meter test be conducted. Upon receipt of such notice, ConTranCo, after providing reasonable notice to Kraton of the time and place of such the test, shall cause the meter to be tested in the presence of a Kraton representative unless Kraton waives the right to have a representative present at such test; provided, however, that ConTranCo shall not be required to verify the accuracy of any meter more than once in any ninety (90) day period. If the meter test shows that the meter is accurate, as defined above, the cost of testing the meter shall be borne by Kraton. If the meter test shows that the meter is not accurate, the cost of testing the meter shall be borne by ConTranCo.

During such time as a meter is disconnected from the line for purposes of verifying its accuracy, the volume of Gas delivered or redelivered may be estimated by ConTranCo based on the volume of Gas registered at like pressure for like periods of time under operating conditions similar to those experienced when the meter was known to be registering accurately. Adjustments for inaccurate meter registrations shall be made for the period over which the meter was known to be registering inaccurately, of, if such period is not known with certainty, over such period as ConTranCo and Kraton may mutually agree. If the period of inaccurate registration is not known with certainty, and ConTranCo and Kraton do not agree upon an appropriate period, the adjustment shall be made over one-half of the time elapsed since the date of the last calibration. ConTranCo shall provide a written statement to Kraton of the estimated deliveries during the period the meter was disconnected and any adjustments for inaccurate meter registrations. Such statement shall be final, except as to other estimates or adjustments then pending, unless Kraton notifies ConTranCo in writing one (1) year after Kraton has received the statement of any exceptions Kraton takes to the statement.

### ARTICLE V Quality

The Gas delivered by Kraton to ConTranCo at the Delivery Point(s) and the Gas redelivered by ConTranCo to Kraton at the Redelivery Point(s) shall be commercial quality reasonably free of liquids, gums, dust and solids, and shall have a composition meeting the following specifications:

Hydrogen Sulfide 0.25 Grain per 100 standard cubic feet maximum.

Total Sulfur 1.0 Grain per 100 standard cubic feet maximum.

Oxygen 0.5 Percent by volume maximum.

Carbon Dioxide 2.0 Percent by volume maximum.

Combined Total of Carbon Dioxide

and Nitrogen 5.0 Percent by volume maximum.

Minimum Btu 1,000 Btu per cubic feet minimum on a gross wet Btu basis.

Maximum

Temperature 100° Fahrenheit Maximum.

If the Gas delivered or redelivered pursuant to this Agreement fails, at any time, to meet the above specifications, the recipient shall notify the responsible party of such failure, and the responsible party shall make a diligent effort to correct such failure so as to deliver or redeliver Gas meeting the such specifications. Notwithstanding these obligations, the recipient shall have the right to reject any Gas not meeting such specifications or to refuse and/or suspend acceptance of Gas until it is established to the receipient's satisfaction that the Gas delivered or redelivered meets the above specifications. It is understood that the Btu content and the specific gravity of the Gas redelivered by ConTranCo to Kraton may vary and that such variations shall not affect Kraton's obligation to receive and pay for such Gas.

### ARTICLE VI Unaccounted for Gas

For billing purposes, ConTranCo will reduce the metered volume of Gas delivered by Kraton to the Delivery Point(s) downward by one percent (1%) for line loss, compression fuel, and other unaccounted for losses occurring on ConTranCo's pipeline system, to reflect the difference between the volume of Gas delivered by Kraton to ConTranCo at the Delivery Point(s) and the volume of delivered Gas available for redelivery by ConTranCo to Kraton at the Redelivery Point(s). Such downward adjustment shall apply only to gas delivered by ConTranCo for redelivery to Kraton.

## ARTICLE VII Transportation Rate

The rates for the transportation service provided by ConTranCo to Kraton pursuant to this Agreement shall be as set forth in Exhibit A attached hereto.

# ARTICLE VIII Additional Gas Supply

To augment the volume of Gas delivered by Kraton to ConTranCo for redelivery to Kraton pursuant to this Agreement, Kraton has, this date, entered into a natural gas sales agreement with ConTranCo (the "Gas Sales Agreement"), whereby Kraton will purchase from ConTranCo additional volumes of Gas, such volumes to be delivered to Kraton's Belpre, Ohio plant as provided in the Gas Sales Agreement. The methodology for determining the amount due for the transportation volumes redelivered by ConTranCo to Kraton pursuant to this Agreement and the amount due for the sales volumes delivered by ConTranCo to Kraton pursuant to the Gas Sales Agreement shall be as set forth in Article IX of this Agreement.

# ARTICLE IX Billing

On or before the fifth (5th) business day of each month, ConTranCo will render an invoice to Kraton identifying the total payment due for all Gas transported pursuant to this Agreement and all Gas purchased by Kraton from ConTranCo pursuant to the Gas Sales Agreement during the preceding month. ConTranCo shall employ the following methodology for determining the payment due:

- (a) ConTranCo shall, not less than once each month, read all meters that are necessary for determining the aggregate volume of Gas redelivered to Kraton pursuant to this Agreement and delivered to Kraton pursuant to the Gas Supply Agreement during the preceding month.
- (b) ConTranCo may convert one measure of natural gas quality or quantity to another measure of natural gas quality or quantity as may be necessary for purposes of issuing its invoices (for example, a conversion from MMBtu to either Mcf or Dth). If ConTranCo performs any such conversion, ConTranCo will provide Kraton with a full description of the precise method used to perform the conversion, copies of its calculations, and copies of any reports regarding quality and/or quantity for Kraton's verification.
- (c) Based on the meter registrations of the meters installed at the Redelivery Point(s), and subject to any conversions made pursuant to paragraph (b) of this Article. ConTranCo will determine, each month, the total volume of Gas

redelivered to Kraton pursuant to this Agreement during the preceding month and delivered to Kraton pursuant to the Gas Supply Agreement during the preceding month. This total will be designated for billing purposes as KRATON'S AGGREGATED TOTAL VOLUME OF NATURAL GAS CONSUMED DURING THE MONTH.

- (d) ConTranCo will determine, each month, the quantity of natural gas delivered into ConTranCo's pipeline system by Kraton through the Delivery Point at the junction of the TCO pipeline and ConTranCo's facilities during the preceding month. This volume will be designated for billing purposes as the TOTAL MONTHLY TCO VOLUME. Any other quantities of natural gas delivered into ConTranCo's pipeline system by Kraton under this Agreement at any other Delivery Point(s) established pursuant to Article III of this Agreement shall be treated in a similar manner as the TOTAL MONTHLY TCO VOLUME.
- (e) ConTranCo will subtract the TOTAL MONTHLY TCO VOLUME from KRATON'S AGGREGATED TOTAL VOLUME OF NATURAL GAS CONSUMED DURING THE MONTH. The resulting difference will be deemed to be the volume delivered pursuant to the Gas Supply Agreement and will be designated for billing purposes as the CONTRANCO PRODUCTION DELIVERED TO Kraton DURING THE MONTH.
- (f) ConTranCo will multiply the TOTAL MONTHLY TCO VOLUME, as adjusted for Unaccounted for Gas pursuant to Article VI of this Agreement, by the appropriate transportation rate set forth in Exhibit A to this Agreement. The product of this calculation will be designated for billing purposes as the AMOUNT DUE FOR TRANSPORTATION OF THE TOTAL MONTHLY TCO VOLUMES.
- (g) ConTranCo will multiply the CONTRANCO PRODUCTION DELIVERED TO Kraton DURING THE MONTH by the appropriate rate specified in the Gas Supply Agreement. The product of this calculation will be designated for billing purposes as AMOUNT DUE FOR NATURAL GAS SUPPLIED BY CONTRANCO.
- (h) ConTranCo's monthly invoice to Kraton will contain an itemization showing each of the above volumetric and pricing components and will include, as the total amount due for the current month, the sum of the AMOUNT DUE FOR TRANSPORTATION OF THE TOTAL MONTHLY TCO VOLUMES and the AMOUNT DUE FOR NATURAL GAS SUPPLIED BY CONTRANCO.
- (i) ConTranCo's will provide all relevant supporting meter documents along with the monthly invoice.

All invoices rendered by ConTranCo to Kraton pursuant to this Agreement are due and payable no later than twenty (20) days following Kraton's receipt of the invoice Neither Kraton's payment of an invoice nor ConTranCo's acceptance of such payment shall foreclose

Kraton or ConTranCo from seeking or performing subsequent billing adjustments for the service month based on inaccurate meter registrations as provided for in Article IV of this Agreement.

If Kraton disputes the amount of any invoice, Kraton will pay the undisputed amount and shall provide documentation consistent with industry practice to ConTranCo to support its position with respect to the disputed amount. If, based on such documentation and any other relevant information available, ConTranCo determines that the invoice was incorrect, ConTranCo shall promptly issue a corrected invoice, or, if ConTranCo determines that the disputed amount is, in fact, due and owing, ConTranCo shall promptly provide Kraton with documentation demonstrating that the invoice was correct. ConTranCo shall promptly refund the amount of any overpayment made by Kraton if ConTranCo determines that the invoice was incorrect. ConTranCo and Kraton will seek to resolve any disputed amounts as soon as is practicable. In no event shall disruption of supply be a remedy for any disputed invoice.

Invoices shall be sent to Kraton at the following address:

Kraton Polymers LLC Belpre Plant Attention: Energy Manager P.O. Box 235 Belpre, Ohio 45714

#### Copies to:

Kraton Polymers LLC Belpre Plant Attention: Plant Controller P.O. Box 235 Belpre, Ohio 45714

Macon Consulting Attention: Karen Macon P.O. Box 39 Rocky Gap, VA 24366

# ARTICLE X Volume

Subject to the terms and conditions of this Agreement, ConTranCo shall use its best efforts to receive, for Kraton's account, the Gas obtained by Kraton and delivered to ConTranCo at the Delivery Point(s), and to redeliver such Gas at the Redelivery Point(s) subject to the adjustment for Unaccounted for Gas as provided in Article VI of this Agreement. It is understood that ConTranCo has no obligation to redeliver Gas having a uniform Btu content, it being understood that the heating value or specific gravity of gas delivered by Kraton may vary between delivery points and over time, and that this condition is beyond Kraton's control.

Except where expressly modified by other terms of this Agreement, ConTranCo agrees to transport and deliver, and Kraton agrees to provide and receive an average of thirty-five thousand (35,000) Dth of Gas each month except in the one month per year in which Kraton alters or ceases its manufacturing process to allow for plant maintenance. It is understood that thirty-five thousand (35,000) Dth of Gas each month is a targeted objective monthly average for those months in which Kraton is not performing plant maintenance, and the actual monthly volumes may vary above or below thirty-five thousand (35,000) Dth of Gas. There shall be no penalty for variations in the monthly volumes.

## ARTICLE XI Indemnification

ConTranCo shall defend, indemnify, and save Kraton harmless from any liabilities, claims, or demands (including reasonable attorney's fees and costs of defense) made by anyone for injuries to persons or damage to property resulting from ConTranCo's acts or omissions or those of persons under ConTranCo's direction and control. Kraton shall notify ConTranCo promptly of any liabilities, claims or demands for which ConTranCo is responsible pursuant to this provision.

Kraton shall defend, indemnify, and save ConTranCo harmless from any liabilities, claims, or demands (including reasonable attorney's fees and costs of defense) made by anyone for injuries to persons or damage to property resulting from Kraton's acts or omissions or those of persons under Kraton's direction and control. ConTranCo shall notify Kraton promptly of any liabilities, claims or demands for which Kraton is responsible pursuant to this provision.

# ARTICLE XII Liability

Neither party shall be liable in damages to the other party for any failure of performance under this Agreement caused by a force majeure event as defined in Article XIII of this Agreement; provided, however, that a force majeure event shall not relieve a party from liability for failure of performance unless the party gives notice and describes the full particulars of the force majeure event in writing to the other party as soon as reasonably practical after the event occurs. Further, a force majeure event shall not relieve a party from liability for failure of performance to the extent the resulting damages are attributable to the party's negligence or willful or wanton misconduct. In no event shall a force majeure event relieve Kraton from its obligation to pay for Gas delivered to it by ConTranCo pursuant to this Agreement and the Gas Supply Agreement prior to the occurrence of the force majeure event.

# ARTICLE XIII Force Majeure Events

Except for Kraton's obligation to make payment for Gas delivered to it by ConTranCo pursuant to this Agreement and the Gas Supply Agreement, neither party to this Agreement shall be liable to the other for any failure to perform under this Agreement due to the occurrence of a a force majeure event as hereinafter defined. The term force majeure as employed in this Agreement shall include acts of God, strikes, lockouts, or industrial disputes or disturbances, civil disturbances, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrection, inability to secure labor or inability to secure materials, breakage or accident to plant, equipment, or lines of pipe, partial or entire failure of Gas supply, or any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming force majeure, provided the affected party promptly notifies the other of the occurrence of the event as provided in Article XII of this Agreement. The party claiming force majeure shall remedy its failure to perform as soon as is reasonably possible The requirement that a party claiming force majeure must remedy its failure to perform as soon as is reasonably possible shall not be interpretted to mean that a party facing a strike, lockout, or industrial dispute or disturbance must accede to the demands of other persons or parties involved in the event to settle such disputes, such decision, being within the discrection of the affected party.

# ARTICLE XIV Events of Default

Each of the following events shall constitute an event of default, whether voluntary, involuntary, by operation of law, or pursuant to any judgment decree, order, rule, or regulation of any court, administrative, or judicial body:

- (a) the failure of Kraton to make any payments due hereunder within fifteen (15) days after receipt of a written notice from ConTranCo that Kraton has failed to make a payment when due;
- (b) the failure of either party to perform or observe any material covenant contained in this Agreement, where such failure continues unremedied for thirty (30) days, or for such other period as the parties may mutually agree, after written notice is given to the defaulting party by the non-defaulting party; or
- (c) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the party, a custodian, receiver, trustee, intervener, or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition in bankruptcy or insolvency law of any jurisdiction, or ordering the

dissolution, winding up, or liquidation of either party, or if any such petition shall be filed against either party and shall not be dismissed within sixty (60) days thereafter, or an order shall have been issued granting either party a suspension of payments under applicable law and any such order is not dismissed within sixty (60) days thereafter.

### ARTICLE XV Remedies

Upon the occurrence and during the continuance of any event of default, the non-defaulting party may, at its option, declare this Agreement to be in default and may, in addition to any other remedies provided herein, terminate this Agreement upon ninety (90) days written notice. Except as expressly provided herein, no remedy is intended to be exclusive, but each shall be cumulative and may be exercised concurrently with any other remedy available to the parties at law or in equity.

### ARTICLE XVI Notices

All notices, requests, demands, statements, reports, and other communications under this Agreement shall, unless otherwise specified, be in writing and shall be deemed to be duly delivered if delivered in person, by overnight courier with evidence of delivery, by facsimile transmission with confirmation of receipt, by electronic transmission with confirmation of receipt, or by certified or registered mail:

#### If to ConTranCo, to:

Warren Blakemore Constitution Gas Transport Company, Inc. 1005 East 3900 South Salt Lake City, Utah 84124 (801) 281-1724 (fax)

#### If to Kraton, to:

Kraton Polymers, LLC Mr. Joseph Waiter, Esq. Vice President and General Counsel 15710 John F. Kennedy Blvd. Suite 300 Houston, Texas 77032 (281) 504-4741 (fax)

#### Copies to:

Kraton Polymers, LLC Belpre Plant Attention: Energy Manager P.O. Box 235 Belpre, Ohio 45714 (740) 423-2309 (fax)

Macon Consulting Attention: Karen Macon P.O. Box 39 Rocky Gap, VA 24366 (276) 928-0591 (fax)

Either party may, by written notice to the other, designate other addressees for receipt of notices.

# ARTICLE XVII Ownership of Facilities

Except for telemetering equipment, which is governed by Article IV(f) of this Agreement, all pipelines, fittings, and other facilities and equipment furnished under this Agreement shall remain the property of the party furnishing same, and such party shall be solely responsible for the maintenance and operation thereof. Each party may remove its facilities and equipment at the termination of this Agreement.

# ARTICLE XVIII Governmental Authorization

ConTranCo shall submit, as soon as reasonably practicable, all necessary or appropriate notices and/or applications to the appropriate governmental authorities for the purpose of securing all necessary authorizations for the service contemplated by this Agreement. Kraton shall cooperate fully with ConTranCo regarding such filings. This Agreement shall not become effective until approved by the Public Utilities Commission of Ohio (PUCO).

In the event that the PUCO denies ConTranCo's application seeking approval of this Agreement or requires any modification of this Agreement as a condition of approval, Kraton and ConTranCo will negotiate in good faith to make mutually acceptable changes to this Agreement necessary to secure PUCO approval.

# ARTICLE XIX Miscellaneous

- 1. This Agreement may not be amended except by a written instrument executed by each of the parties. No amendment to this agreement shall become effective until approved by the PUCO.
- 2. No waiver by either party of any default by the other in the performance of any provision of the Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like of a different character.
- 3. In the event any tax is now or hereafter imposed on services provided by this Agreement, or if such tax is imposed in any other manner so as to constitute a direct or indirect charge upon the Gas delivered to ConTranCo for redelivery to Kraton under this Agreement, the amount of such tax shall be borne by Kraton insofar as it affects, relates to, or is allocable to such Gas.
- 4. All the covenants and obligations of this Agreement shall extend to and be binding upon the successors and assigns of the respective parties.
- 5. Kraton shall have the right, at its own expense, and upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of ConTranCo in order to verify the accuracy of any statement, charge, payment or computation. This provision shall not be construed so as to require ConTranCo to disclose proprietary information to Kraton.
- 6. Each party represents and warrants that it has authority to enter into this Agreement.
- 7. This Agreement is made within, and shall be construed according to the laws of the State of Ohio.
- 9. The parties hereto agree that any dispute arising under or through this Agreement shall be submitted to a court of competent jurisdiction within or for Washington County, Ohio.

IN WITNESS WHEREOF, this Agreement is executed in duplicate originals as of the date and year first above written.

**Kraton Polymers LLC** 

Constitution Gas Transport Company, Inc.

Title: Clos Mouronal Director Title: President

#### **EXHIBIT A**

#### to the

#### **GAS TRANSPORTATION AGREEMENT**

made and entered into as of the 15th of February 2007 by and between Constitution Gas Transport Company, Inc. and Kraton Polymers LLC.

The transportation charge for natural gas transported under this Agreement shall be as follows:

- 1:) For the first Mcf delivered each month the transportation rate shall be sper Mcf;
- 2.) For any volumes delivered each month in excess of the transportation rate shall be \$100 per Mcf.

Kraton Polymers LLC	Constitution Gas Transport Company, Inc.
ву:	By: Warin & Denne
Title: addal Procurent Direct	Title: President

Dated:

### **EXHIBIT B**

(Public Version)

### GAS SALES AGREEMENT

This Gas Sales Agreement ("Agreement") is made and entered into as of the 15th day of February 2007 by and between Constitution Gas Transport Company, Inc., an Ohio corporation with offices at 1005 East, 3900 South, Salt Lake City, Utah 84124 ("ConTranCo"), and Kraton Polymers LLC, a Delaware limited liability corporation with offices at 15710 John F. Kennedy Blvd., Suite 300, Houston, Texas 77032 ("Kraton").

#### WITNESSETH:

WHEREAS, ConTranCo and Kraton have this date entered into a Base Volume Gas Transportation Agreement whereby ConTranCo will utilize its facilities to redeliver natural gas secured by Kraton from third-party supplier(s) to Kraton's Belpre, Ohio plant pursuant to the terms and conditions set forth therein; and

WHEREAS, Kraton desires to augment the volume of natural gas delivered by Kraton to ConTranCo for redelivery to Kraton pursuant to the Base Volume Gas Transportation Agreement by purchasing additional natural gas volumes directly from ConTranCo; and

WHEREAS, ConTranCo is capable of and willing to sell such additional natural gas volumes to Kraton in accordance with the terms and conditions hereinafter set forth;

NOW THEREFORE, in consideration of the premises, covenants and agreements herein set forth, ConTranCo and Kraton mutually agree as follows:

### <u>ARTICLE 1 – DEFINITIONS</u>

As used in this agreement, the following terms shall have the following meanings:

- 1.01 "BTU" means British Thermal Unit or British Thermal Units.
- 1.02 "Gas" means natural gas and/or casinghead gas.
- 1.03 "Cubic Foot" means the quantity of Gas which would occupy a volume of one cubic foot as measured by the metering equipment pursuant to Article 4 hereof.

- 1.04 "Delivery Point(s)" means the downstream flange of ConTranCo's metering station(s) at the connection with Kraton's piping at Kraton's Belpre, Ohio plant and such other point(s) as Kraton and ConTranCo may mutually designate in writing signed by both parties.
  - 1.05 "Month" means a calendar month unless otherwise specified.
  - 1.06 "Mcf" means 1,000 Cubic Feet of Gas.
  - 1.07 "MMcf" means 1,000,000 Cubic Feet of Gas.
  - 1.08 "Dekatherm" or "Dth" means one million (1,000,000) BTUs.
  - 1.09 "psig" means pounds per square inch gauge.
  - 1.10 "Gas Transportation Agreement" means the Base Volume Gas Transportation Agreement by and between ConTranCo and Kraton, dated the 15<sup>th</sup> day of February 2007.
  - 1.11 "TCO" means Columbia Gas Transmission Corp, and its successors and assigns.

#### <u>ARTICLE 2 – TERM</u>

2.01 <u>Initial and Additional Terms.</u> The initial term of this Agreement shall commence on January 1, 2007 and continue thereafter until December 31, 2008. At the end of the initial term, this Agreement shall continue in force for additional terms of twelve (12) months each unless canceled by either party by giving written notice to the other within sixty (60) days prior to the end of the initial term or any such additional term.

### **ARTICLE 3 – DELIVERIES**

- 3.01 <u>Delivery Point(s)</u>. ConTranCo shall deliver the Gas purchased by Kraton pursuant to this Agreement to the Delivery Point(s).
- 3.02 Passage of Title. Title and control over such Gas will pass from ConTranCo to Kraton when the gas is so delivered. Kraton shall have no responsibility with respect to the Gas purchased pursuant to this agreement until ConTranCo delivers such Gas to the Delivery Point(s). ConTranCo shall have no responsibility with respect to such Gas after it delivers such Gas to the Delivery Point(s).

3.03 <u>Nature of Service.</u> The performance obligation of ConTranCo under this Agreement shall be on a firm basis.

### ARTICLE 4 - MEASUREMENT

- 4.01 <u>Responsibility for Measurement.</u> ConTranCo shall be responsible for all measurements at the Delivery Point(s).
- 4.02 <u>Measurement Criteria</u>. For billing purposes, the measurement and tests for quantity and quality of Gas sold and delivered pursuant to this Agreement shall be governed by the following criteria:
  - (a) The volume shall be measured by orifice or turbine meter or meters installed, maintained and operated by ConTranCo at the Delivery Point(s).
  - (b) The base unit of volumetric measurement of Gas sold and delivered hereunder shall be one (1) cubic foot of Gas at a base temperature of sixty (60) degrees Fahrenheit and at an absolute pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute with corrections for super compressibility.
  - (c) An atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed. The flowing Gas temperature will be recorded by ConTranCo at the Delivery Point(s).
  - (d) In the event that orifice meters are utilized for the measurement of Gas hereunder, the methods of computation shall conform to the recommendation contained in Report No. 3 of the Gas Measurement Committee of the American Gas Association, including any revisions made thereto, applied in a practical manner. The specific gravity of the Gas being measured shall be determined at the beginning of Gas deliveries and as often thereafter as conditions may warrant.
  - (e) The heating value of the Gas sold and delivered hereunder shall be determined by taking weekly samples of the Gas at the Delivery Point(s) or at other such reasonable times as may be designated by either ConTranCo or Kraton. The BTU content per cubic foot shall be determined by an accepted type calorimeter (or other suitable instrument) for a cubic foot of Gas at a temperature

- of sixty (60) degrees Fahrenheit at an absolute pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Weekly samples will also be sent to a mutually agreed upon independent laboratory. A copy of the results of these additional analyses will be sent to Kraton.
- (f) Telemetering equipment will be installed at the Delivery Point(s) as soon as reasonably practicable. The cost of the telemetering equipment and the installation and operating costs associated with such equipment will be borne equally by Kraton and ConTranCo; provided, however, that the telemetering equipment shall be the property of ConTranCo and shall be installed, maintained, and operated by ConTranCo.
- Meter Testing. The accuracy of the metering equipment at the Delivery 4.03 Point(s) shall be verified by ConTranCo at reasonable intervals and, if requested by Kraton, in the presence of a Kraton representative. Such intervals are not to exceed six (6) months. A meter registering between two percent (2%) fast and (2%) slow shall, for all purposes under this Agreement, be deemed to be registering accurately. Kraton may challenge the accuracy of a meter registration by providing written notice to ConTranCo requesting that a meter test be conducted. Upon receipt of such notice, ConTranCo, after providing reasonable notice to Kraton of the time and place of such the test, shall cause the meter to be tested in the presence of a Kraton representative unless Kraton waives the right to have a representative present at such test; provided, however, that ConTranCo shall not be required to verify the accuracy of any meter more than once in any ninety (90) day period. If the meter test shows that the meter is accurate, as defined above, the cost of testing the meter shall be borne by Kraton. If the meter test shows that the meter is not accurate, the cost of testing the meter shall be borne by ConTranCo. During such time as a meter is disconnected from the line for purposes of verifying its accuracy, the volume of Gas delivered may be estimated by ConTranCo based on the volume of Gas registered at like pressure for like periods of time under operating conditions similar to those experienced when the meter was known to be registering accurately.
- 4.04 Adjustments for Inaccurate Meter Registration. Adjustments for inaccurate meter registrations shall be made for the period over which the meter was known to be registering inaccurately, or, if such period is not known with certainty, over such period as ConTranCo and Kraton may mutually agree. If the period of inaccurate registration is not known with certainty, and ConTranCo and Kraton do not agree upon an appropriate period, the adjustment shall be made over one-half of the time elapsed since the date of the last calibration. ConTranCo shall provide a written statement to Kraton of the estimated deliveries during the period the meter was disconnected and any adjustments for inaccurate meter registrations. Such statement

shall be final, except as to other estimates or adjustments then pending, unless Kraton notifies ConTranCo in writing within one (1) year after receipt of the statement of any exceptions Kraton takes to the statement.

4.05 Quality. The Gas delivered by ConTranCo to Kraton at the Delivery Point(s) pursuant to this Agreement shall be commercial quality reasonably free of liquids, gums, dust and solids, and shall have a composition meeting the following specifications:

Hydrogen Sulfide 0.25 Grain per 100 standard cubic feet maximum.

Total Sulfur 1.0 Grain per 100 standard cubic feet maximum.

Oxygen 0.5 Percent by volume maximum.

Carbon Dioxide 2.0 Percent by volume maximum.

Combined Total of Carbon Dioxide

and Nitrogen 5.0 Percent by volume maximum.

Minimum Btu 1,000 BTU per cubic feet minimum on a gross wet BTU

basis.

Maximum

Temperature 100° Fahrenheit Maximum.

If the Gas delivered pursuant to this Agreement fails, at any time to meet the above specifications, either party shall notify the other of such failure, and ConTranCo shall make a diligent effort to correct such failure so as to deliver Gas meeting such specifications. Kraton shall have the right to reject any Gas not meeting such specifications or to refuse and/or suspend acceptance of Gas until it is established to Kraton's satisfaction that the Gas delivered meets the above specifications. It is understood that the BTU content and the specific gravity of the Gas delivered by ConTranCo to Kraton may vary and that such variations shall not affect Kraton's obligation to receive and pay for such Gas.

### ARTICLE 5 - BILLING

- 5.01 <u>Calculation of Monthly Bills.</u> On or before the fifth (5th) business day of each month, ConTranCo will render an invoice to Kraton identifying the total payment due for all Gas purchased by Kraton from ConTranCo pursuant to this Agreement during the preceding month and all Gas transported by ConTranCo for Kraton pursuant to the Gas Transportation Agreement during the proceeding month. ConTranCo shall employ the following methodology for determining the payment due:
  - (a) ConTranCo shall, not less than once each month, read all meters that are necessary for determining the aggregate volume of Gas redelivered to Kraton pursuant to the Gas Transportation Agreement during the preceding month and delivered to Kraton pursuant to this Agreement during the preceding month.
  - (b) ConTranCo may convert one measure of natural gas quality or quantity to another measure of natural gas quality or quantity as may be necessary for purposes of issuing its invoices (for example, a conversion from MMBtu to either Mcf or Dth). If ConTranCo performs any such conversion, ConTranCo will provide Kraton with a full description of the precise method used to perform the conversion, copies of its calculations, and copies of any reports regarding quality and/or quantity for Kraton's verification.
  - (c) Based on the meter registrations of the meters installed at the Redelivery Point(s) as defined in the Gas Transportation Agreement and the Delivery Point(s) as defined in this Agreement, and subject to any conversions made pursuant to Paragraph (b) of this Article, ConTranCo will determine, each month, the total volume of Gas redelivered to Kraton pursuant to the Gas Transportation Agreement during the preceding month and delivered to Kraton pursuant to this Agreement during the preceding month. This total will be designated for billing purposes as KRATON'S AGGREGATED TOTAL VOLUME OF NATURAL GAS CONSUMED DURING THE MONTH.
  - (d) ConTranCo will determine, each month, the quantity of natural gas delivered into ConTranCo's pipeline system by Kraton at the junction of the TCO pipeline and ConTranCo's facilities during the preceding month pursuant to the Gas Transportation Agreement. This volume will be designated for billing purposes as the TOTAL MONTHLY TCO VOLUME. Any other quantities of natural gas delivered into ConTranCo's pipeline system by Kraton under the Gas Transportation

Agreement at any other Delivery Point(s) established pursuant to Article III of the Gas Transportation Agreement shall be treated in a similar manner as the TOTAL MONTHLY TCO VOLUME.

- (e) ConTranCo will subtract the TOTAL MONTHLY TCO VOLUME from KRATON'S AGGREGATED TOTAL VOLUME OF NATURAL GAS CONSUMED DURING THE MONTH. The resulting difference will be deemed to be the volume delivered pursuant to this Agreement and will be designated for billing purposes as the CONTRANCO PRODUCTION DELIVERED TO KRATON DURING THE MONTH.
- (f) ConTranCo will multiply the TOTAL MONTHLY TCO VOLUME, as adjusted for Unaccounted for Gas pursuant to Article VI of the Gas Transportation Agreement, by the applicable rate set forth in Exhibit A to the Gas Transportation Agreement. The product of this calculation will be designated for billing purposes as the AMOUNT DUE FOR TRANSPORTATION OF THE TOTAL MONTHLY TCO VOLUMES.
- (g) ConTranCo will multiply the CONTRANCO PRODUCTION DELIVERED TO KRATON DURING THE MONTH by the rate specified in Article 6 of this Agreement. The product of this calculation will be designated for billing purposes as AMOUNT DUE FOR NATURAL GAS SUPPLIED BY CONTRANCO.
- (h) ConTranCo's monthly invoice to Kraton will contain an itemization showing each of the above volumetric and pricing components and will include, as the total amount due for the current month, the sum of the AMOUNT DUE FOR TRANSPORTATION OF THE TOTAL MONTHLY TCO VOLUMES and the AMOUNT DUE FOR NATURAL GAS SUPPLIED BY CONTRANCO.
- (i) ConTranCo will provide all relevant supporting meter documents along with the monthly invoice.
- 5.02 Payment Due. All invoices rendered by ConTranCo to Kraton pursuant to this Agreement are due and payable no later than twenty (20) days following Kraton's receipt of the invoice. Neither Kraton's payment of an invoice nor ConTranCo's acceptance of such payment, shall foreclose Kraton or ConTranCo from seeking or performing subsequent billing adjustments for the service month based on inaccurate meter registrations as provided for in Article 4 of this Agreement.
- 5.03 <u>Disputed Invoices.</u> If Kraton disputes the amount of any invoice, Kraton will pay the undisputed amount and shall provide documentation consistent with

industry practice to ConTranCo to support its position with respect to the disputed amount. If, based on such documentation and any other relevant information available, ConTranCo determines that the invoice was incorrect, ConTranCo shall promptly issue a corrected invoice, or, if ConTranCo determines that the disputed amount is, in fact, due and owing, ConTranCo shall promptly provide Kraton with documentation demonstrating that the invoice was correct. ConTranCo shall promptly refund the amount of any overpayment made by Kraton if ConTranCo determines that the invoice was incorrect. ConTranCo and Kraton will seek to resolve any disputed amounts as soon as is practicable. In no event shall disruption of service be considered a remedy for default.

5.04 <u>Billing Address.</u> Invoices shall be sent to Kraton at the following address:

Kraton Polymers LLC Belpre Plant Attention: Energy Manager P.O. Box 235 Belpre, Ohio 45714

### Copies to:

Kraton Polymers LLC Belpre Plant Attention: Plant Controller P.O. Box 235 Belpre, Ohio 45714

Macon Consulting Attention: Karen Macon P.O. Box 39 Rocky Gap, VA 24366

### ARTICLE 6 - SALES RATE

6.01 Rate: The monthly rate to be paid by Kraton for Gas purchased under this Agreement shall be the monthly price of spot gas for Columbia Gas Transmission Corp. — Appalachia, as posted by Platt's Inside FERC's Gas Market Report, plus per Dth.

### ARTICLE 7 - FORCE MAJEURE EVENTS

- 7.01 Liability. Neither party shall be liable in damages to the other party for any failure of performance under this Agreement caused by a force majeure event as defined in Paragraph 7.02 of this Article; provided, however, that a force majeure event shall not relieve a party from liability for failure of performance unless the party gives notice and describes the full particulars of the force majeure event in writing to the other party as soon as reasonably practical after the event occurs. Further, a force majeure event shall not relieve a party from liability for failure of performance to the extent the resulting damages are attributable to the party's negligence or willful or wanton misconduct. In no event shall a force majeure event relieve Kraton from its obligation to pay for Gas delivered to it by ConTranCo pursuant to this Agreement and the Gas Transportation Agreement prior to the occurrence of the force majeure event. The party claiming force majeure shall remedy its failure to perform as soon as is reasonably possible.
- 7.02 <u>Definition of Force Majeure Event.</u> The term force majeure as employed in this Agreement shall include acts of God, strikes, lockouts, or industrial disputes or disturbances, civil disturbances, interruptions by government or court orders, present and future valid orders of any regulatory body having proper jurisdiction, acts of the public enemy, wars, riots, blockades, insurrection, inability to secure labor or inability to secure materials, breakage or accident to plant, equipment, or lines of pipe, partial or entire failure of Gas supply, or any other cause whether of the kind herein enumerated or otherwise, not reasonably within the control of the party claiming force majeure, provided the affected party promptly notifies the other of the occurrence of the event as provided in Paragraph 7.01 of this Article. The requirement that a party claiming force majeure must remedy its failure to perform as soon as is reasonably possible shall not be interpreted to mean that a party facing a strike, lockout, or industrial dispute or disturbance must accede to the demands of other persons or parties involved in the event to settle such disputes, such decision being within the discretion of the affected party.

### **ARTICLE 8 - INDEMNIFICATION**

8.01 <u>Indemnification Requirements.</u> ConTranCo shall defend, indemnify, and save Kraton harmless from any liabilities, claims, or demands (including reasonable attorney's fees and costs of defense) made by anyone for injuries to persons or damage to property resulting from ConTranCo's acts or omissions or those of persons under ConTranCo's direction and control. Kraton shall notify ConTranCo promptly of any liabilities, claims or demands for which ConTranCo is responsible pursuant to this provision. Kraton shall defend, indemnify, and save ConTranCo harmless from any

liabilities, claims, or demands (including reasonable attorney's fees and costs of defense) made by anyone for injuries to persons or damage to property resulting from Kraton's acts or omissions or those of persons under Kraton's direction and control. ConTranCo shall notify Kraton promptly of any liabilities, claims or demands for which Kraton is responsible pursuant to this provision.

### <u>ARTICLE 9 - GOVERNMENTAL AUTHORIZATION</u>

9.01 <u>Securing Required Approvals.</u> ConTranCo shall submit, as soon as reasonably practicable, all necessary or appropriate notices and/or applications to the appropriate governmental authorities for the purpose of securing all necessary authorizations for the service contemplated by this Agreement. Kraton shall cooperate fully with ConTranCo regarding such filings. This Agreement shall become effective thirty days after it is submitted to the Public Utilities Commission of Ohio (PUCO) for approval, unless the PUCO issues an entry that suspends approval, in which case this Agreement shall become effective when the period of suspension ends. In the event that the PUCO denies ConTranCo's application seeking approval of this Agreement or requires any modification of this Agreement as a condition of approval, Kraton and ConTranCo will negotiate in good faith to make mutually acceptable changes to this Agreement necessary to secure PUCO approval.

# ARTICLE 10 Events of Default

Each of the following events shall constitute an event of default, whether voluntary, involuntary, by operation of law, or pursuant to any judgment decree, order, rule, or regulation of any court, administrative, or judicial body:

- (a) the failure of Kraton to make any payments due hereunder within fifteen (15) days after receipt of a written notice from ConTranCo that Kraton has failed to make a payment when due;
- (b) the failure of either party to perform or observe any material covenant contained in this Agreement, where such failure continues unremedied for thirty (30) days, or for such other period as the parties may mutually agree, after written notice is given to the defaulting party by the non-defaulting party; or
- (c) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the party, a custodian, receiver,

trustee, intervener, or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition in bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding up, or liquidation of either party, or if any such petition shall be filed against either party and shall not be dismissed within sixty (60) days thereafter, or an order shall have been issued granting either party a suspension of payments under applicable law and any such order is not dismissed within sixty (60) days thereafter.

# ARTICLE 11 Remedies

Upon the occurrence and during the continuance of any event of default, the non-defaulting party may, at its option, declare this Agreement to be in default and may, in addition to any other remedies provided herein, terminate this Agreement upon ninety (90) days written notice. Except as expressly provided herein, no remedy is intended to be exclusive, but each shall be cumulative and may be exercised concurrently with any other remedy available to the parties at law or in equity.

### <u>ARTICLE 12 – MISCELLANEOUS</u>

12.01 <u>Notices.</u> All notices, requests, demands, statements, reports, and other communications under this Agreement shall, unless otherwise specified, be in writing and shall be deemed to be duly delivered if delivered in person, by overnight courier with evidence of delivery, by facsimile transmission with confirmation of receipt, by electronic transmission with confirmation of receipt, or by certified or registered mail:

#### If to ConTranCo, to:

Warren Blakemore Constitution Gas Transport Company, Inc. 1005 East 3900 South Salt Lake City, Utah 84124 (801) 281-1724 (fax)

#### If to Kraton, to:

Kraton Polymers LLC
Joseph Waiter, Esq.
Vice President and General Counsel
15710 John F. Kennedy Blvd.
Suite 300
Houston, Texas 77032
(281) 504-4741 (fax)

#### Copies to:

Kraton Polymers LLC Belpre Plant Attention: Energy Manager P.O. Box 235 Belpre, Ohio 45714 (740) 423-2309 (fax)

Macon Consulting Attention: Karen Macon P.O. Box 39 Rocky Gap, VA 24366 (276) 928-0591 (fax)

Either party may, by written notice to the other, designate other addressees for receipt of notices.

- 12.02 <u>Amendment.</u> This Agreement may not be amended except by a written instrument executed by each of the parties. No amendment to this agreement shall become effective until approved by the PUCO.
- 12.03 Entire Agreement. This Agreement sets forth the complete understanding and agreement of the parties with respect to the subject matter hereof and shall govern the entirety of the performance of the parties with respect thereof. The headings contained herein are included for convenience of reference only and shall not be deemed to be a part of this Agreement. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm or corporation, other than the parties hereto or their respective permitted assigns, any rights or remedies under or by reason of this Agreement.
- 12.04 <u>Non-waiver</u>. No waiver by either party of any default by the other in the performance of any provision of the Agreement shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
- 12.05 Governing Law and Venue. This Agreement is made within, and shall be construed according to the laws of the State of Ohio. The parties hereto agree that any dispute arising under or through this Agreement shall be submitted to a court of competent jurisdiction within or for Washington County, Ohio.
- 12.06 <u>Assignment.</u> All the covenants and obligations of this Agreement shall extend to and be binding upon the successors and assigns of the respective parties.

- 12.07 Audit. Kraton shall have the right, at its own expense, and upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of ConTranCo in order to verify the accuracy of any statement, charge, payment or computation. This provision shall not be construed so as to require ConTranCo to disclose proprietary information to Kraton.
- 12.08 Warranty of Authority. Each party represents and warrants that it has authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate originals as of the day and year first above written.

Kraton Polymers LLC

Constitution Gas Transport Company, Inc.

of Morwerent Director Title: President