§ 192.3

Municipality means a city, county, or any other political subdivision of a State.

Offshore means beyond the line of ordinary low water along that portion of the coast of the United States that is in direct contact with the open seas and beyond the line marking the seaward limit of inland waters.

Operator means a person who engages in the transportation of gas.

Outer Continental Shelf means all submerged lands lying seaward and outside the area of lands beneath navigable waters as defined in Section 2 of the Submerged Lands Act (43 U.S.C. 1301) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

Person means any individual, firm, joint venture, partnership, corporation, association, State, municipality, cooperative association, or joint stock association, and including any trustee, receiver, assignee, or personal representative thereof.

Petroleum gas means propane, propylene, butane, (normal butane or isobutanes), and butylene (including isomers), or mixtures composed predominantly of these gases, having a vapor pressure not exceeding 208 psig (1434 kPa) gage at 100 °F (38 °C).

Pipe means any pipe or tubing used in the transportation of gas, including pipe-type holders.

Pipeline means all parts of those source of supply to an individual customer, to two adjacent or adjacent residential or small commercial customers, or to multiple residential small commercial customers served through a meter header or manifold service line ends at the outlet of a customer meter or at the connection of a customer’s piping, whichever is farther downstream, or at the connection to customer piping if there is no manifold.

Service regulator means the device on a service line that controls the pressure of gas delivered from a high pressure to the pressure provided to the customer. A service regulator may serve one customer or multiple customers through a meter header or manifold.

SMYS means specified minimum yield strength is:

1. For steel pipe manufactured in accordance with a listed specification, the yield strength specified as a minimum in that specification; or

2. For steel pipe manufactured in accordance with an unknown or unlisted specification, the yield strength determined in accordance with § 192.107(d).

State means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

Supervisory Control and Data Acquisition (SCADA) system means a computer-based system or systems used by a controller in a control room that collects and displays information about a pipe-

Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not down stream from a distribution center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

Note: A large volume customer may receive similar volumes of gas as a distribution center, and includes factories, power plants, and institutional users of gas.

Transportation of gas means the gathering, transmission, or distribution of gas by pipeline or the storage of gas, in
Subject: RE: Information for Keith Cubic Regarding Pacific Connector

From: Stuart I. Cowie
Sent: Thursday, April 03, 2014 9:46 AM
To: Keith Cubic
Subject: FW: Information for Keith Cubic Regarding Pacific Connector

Stuart Cowie - Senior Planner
Douglas County, Oregon

41-440-6069

Sent: Thursday, April 03, 2014 9:22 AM
To: Stuart I. Cowie; Cheryl Goodhue
Cc: Richard Allan (ralan@martenlaw.com); Goudreau, James Z; Klimsmith, Dan; PEACOCK, BOB
Subject: Information for Keith Cubic Regarding Pacific Connector

Stuart and Cheryl:

Keith Cubic called and left me a message regarding “access to the Pacific Connector Gas Pipeline in Douglas County”. I realized that I don’t have Keith’s e-mail address, could you please see that he gets the information contained in this e-mail?

I have excerpted the following text from the project’s application to FERC that describes a small portion of gas from the pipeline that would interconnect with Williams Northwest Pipeline system in Douglas County. The text is from Resource Report 1 (RR1). The first quote is from RR1, Section 1.1 Introduction; the second is from RR1, Section 1.2.2 Need; the third quote is from RR1, Section 1.4.3 Aboveground Facilities.

“In addition, the PCGP Project will interconnect at MP 71.46 with Williams’ Northwest Pipeline (Northwest Pipeline) gas transmission system near Myrtle Creek, Oregon. Northwest Pipeline provides service, directly and indirectly through local distribution companies, to customers in southwestern Oregon via its Grant’s Pass Lateral.”

“The PCGP Project will also be capable of delivering approximately 40MMcf/d (40,000 Dth/d) of natural gas to markets along its route, including markets on Northwest’s Grants Pass Lateral.”

“Clarks Branch Meter Station:

The Clarks Branch Meter Station will be located in Douglas County in the SW of Section 18, T. 29 S., R. 5 W. at MP 71.46. The meter station will provide an interconnect to deliver gas to Northwest Pipeline’s Grants Pass Lateral (see Map 11 in the Mapping Supplement). The meter station will occupy a site of approximately 0.97 acre and will be enclosed by a 7-foot high chain-link fence. The entire site will be graveled. The meter station will be located east of Dole Road. Existing power is available nearby the location. A building will be installed to house a gas chromatograph, communications equipment,
and flow computer. A building will be required for control valves and meters. A 26-foot tall, steel communications tower will be installed at the meter station to provide a link with Williams Pacific Operator's gas control monitoring system in Salt Lake City. Odorizing facilities, pig launcher/receiver equipment, and a mainline block valve will also be located at the meter station. The facility will be equipped with outside lighting to support night work activities; however, these lights will only be utilized when operations personnel are working at the station. During normal operations, nighttime work or maintenance activities will generally not be scheduled; therefore, these lights will only be used periodically and possibly for short periods during the winter when daylight hours are shorter.

Please note that the Clarks Branch Meter Station is outside of the Oregon Coastal Management Zone. Hopefully this responds to the question Keith is asking.

Thanks,

Randy

Randy Miller, CEP
Environmental Scientist, Staff
Williams Engineering & Construction
295 Chipeta Way
Salt Lake City, UT 84108
(801) 584-6702 office
(801) 556-0657 cell
**COOS COUNTY FILING COVER SHEET**

**TO:** Coos County Clerk's Office

**FROM:** Office of Legal Counsel

Please file the attached document in the selected category indicated in the box below using the following information:

<table>
<thead>
<tr>
<th>Board of Commissioners</th>
<th>Contracts and Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Districts</td>
<td>Vacation Proceedings</td>
</tr>
<tr>
<td>Registry of Offices</td>
<td>Demand for Just Compensation</td>
</tr>
<tr>
<td>Elections</td>
<td></td>
</tr>
</tbody>
</table>

**INDEXING INFORMATION**

Example: 1234567890 P 1

Resolution # - - -

Order # - - -

First Party: Jordan Cove Energy Project, LP

Second Party: Board of Commissioners

**SUBJECT OF ITEM BEING FILED:** Interruptible Transportation Agreement

(Brief Description - minutes, contracts, etc.) Note: Executed in Counterparts, so two copies of Agreement.

**DOCUMENT REMARKS:** Interruptible Transportation Agreement

Purchase Agreement

(Natural Gas Pipeline Project)

MEETING DATE: (or date of document): BOC signed 8/31/07
INTERRUPTIBLE TRANSPORTATION

PURCHASE AGREEMENT

THIS INTERRUPTIBLE TRANSPORTATION PURCHASE AGREEMENT (this "Agreement"), is made and entered into this 31st day of August, 2007, by and between COOS COUNTY, OREGON, acting by and through its Board of Commissioners ("Coos County") and Jordan Cove Energy Project, LP, a Delaware Limited Partnership ("Jordan Cove").

RECITALS:

A. Coos County owns and operates a natural gas pipeline;

B. Jordan Cove desires to purchase prepaid interruptible transportation on the Coos County Pipeline at a rate of $0.10 per MMBtu, escalated as set forth in this Agreement; and

C. Coos County agrees to sell such prepaid interruptible transportation and to negotiate an interruptible transportation services agreement on the Pipeline with Jordan Cove, on the terms and conditions set forth in this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements set forth, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, the following words and terms shall have the following meanings:

"Abandons all Efforts to Construct an LNG Facility" means if and when Jordan Cove makes a final decision to cease all efforts to construct a Liquid Natural Gas ("LNG") facility within the boundaries of Coos County, Oregon, and withdraws all applications from the applicable governmental authorities seeking approval for such a facility or, if such applications have not yet been filed, notifying such governmental authorities that Jordan Cove has no intention of seeking such approval. The applicable government authorities shall include, but are not limited to, the Federal Energy Regulatory Commission ("FERC"), the Oregon Public Utility Commission, and the Coos County Planning Department.

"Construction is Commenced" means to begin on-site construction or on-site modifications, including site clearing, grading, dredging, or landfill.

"Commercial Operation" means the date an LNG facility in Coos County, Oregon receives its first shipment of liquefied natural gas for processing.

"Effective Date" means August 15, 2007.
"Gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane, and of merchantable pipeline quality in conformance with the quality specifications of the receiving pipelines and any other transporting pipelines.

"Interruptible Transportation" shall mean non-firm transportation of gas on the Pipeline provided pursuant to an interruptible transportation services agreement to be negotiated between the parties in good faith at a later time and reflecting the primary commercial economic terms outlined herein. Coos County may curtail non-firm service only to the extent necessary to meet transportation obligations to any shipper holding firm transportation rights at the time of curtailment.

"Interruptible Transportation Prepayments" shall have the meaning provided in Section 2.3 below.

"PCGP Interconnection" shall mean the proposed interconnection between the Pipeline and the FERC regulated Pacific Connector Gas Pipeline ("PCGP") that would allow natural gas originating from an LNG facility in Coos County to be delivered into the Pipeline.

"Pipeline" means the natural gas pipeline, running from an interconnection with the Williams Northwest Pipeline -- Grants Pass Lateral, in the vicinity of Roseburg, Oregon, to the Coos Bay City Gate meter station of Northwest Natural Gas Company in Coos Bay, Oregon.

"Prepay Period" shall commence on the Effective Date, and shall terminate at the earlier of (a) August 1, 2021 (except that such date will be extended, month for month, by the duration of any "Suspension", as this term is hereinafter defined); (b) the last day of the calendar month in which Jordan Cove Abandons all Efforts to Construct an LNG Facility within the boundaries of Coos County, Oregon; (c) the last day of the calendar month in which the Pipeline is subscribed for firm transportation of forty million standard cubic feet of natural gas per day flowing in any direction for a minimum consecutive period of twenty-four (24) months; or (d) termination pursuant to default by either party as provided in Sections 2.5 and 2.6 below.

"Prepurchase Rate" shall have the meaning provided in Section 2.1, below.

"Prepaid Interruptible Transportation" shall mean Interruptible Transportation purchased in advance at the rates set forth in this Agreement and redeemable during the Redemption Period as provided in this Agreement.

"Redemption Period" shall commence on the earlier of the Commercial Operation date or the termination of the Prepay Period and shall continue: (a) if commencing on the Commercial Operation date, for a period of twelve (12) years, terminating at 12:00 a.m. midnight on the twelfth anniversary date of the Commercial Operation date, or (b) if commencing on the termination of the Prepay Period, for a period of five (5) years, terminating at 12:00 a.m. midnight on the fifth anniversary of the termination of the Prepay Period.

"Suspension Period" means a decision by Jordan Cove to temporarily delay, for whatever reason, the date upon which Construction is Commenced, or, if construction has

PAGE 2 - INTERRUPTIBLE TRANSPORTATION PURCHASE AGREEMENT
Coos County
Jordan Cove
already commenced, to suspend such construction activity. Jordan Cove shall provide Coos County 30 day’s written notice of its intent to invoke a Suspension Period specifying the reason and estimated duration of the Suspension Period. A Suspension Period may not start any earlier than the date upon which Jordan Cove receives its FERC certificate and shall end on the earlier of (a) the date that construction activity is actually resumed, (b) another event which terminates the Prepay Period as defined herein, or (c) the expiration of twenty-four (24) total cumulative months of time in suspension. During a Suspension Period Jordan Cove shall not be obligated to make the Interruptible Transportation Prepayments. However, Jordan Cove shall be allowed only two (2) Suspension Periods, and further, to qualify as a Suspension Period, the delay of construction activity must exceed three (3) months. The total cumulative time of both Suspension Periods shall not exceed twenty-four (24) months.

"Uncontrollable Event" means acts of God, strikes, lockouts or other industrial disturbances, acts of a public enemy, terrorism, wars, blockages, insurrection, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, high water, washouts, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making non-routine repairs, non-routine alterations to machinery or lines of pipe, freezing lines of pipe, acts of civil or military authority (including, but not limited to, courts, or administrative or regulatory agencies), and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the party claiming relief and which, by exercise of due diligence, that party is unable to prevent or overcome.

Uncontrollable Events shall not include, nor are exclusions limited to, scheduled and routine maintenance and repairs of machinery and lines of pipe, financial considerations, or the unavailability of upstream or downstream transportation or supply.

"Zone 1 Rate" means the FERC approved tariff charged by the Pacific Connector Gas Pipeline for the transport of natural gas from an LNG facility in Coos County, the receipt point, to the Williams Northwest Pipeline – Grants Pass Lateral interconnection near Roseburg, Oregon.

"PCGP Rate" means the rate charged by PCGP for the transport of natural gas from an LNG facility in Coos County, the receipt point, to the PCGP Interconnection, the delivery point.

ARTICLE II
PREPAYMENT FOR INTERRUPTIBLE TRANSPORTATION

2.1 Grant of Interruptible Transportation. In consideration for the Interruptible Transportation Prepayments, Coos County hereby grants to Jordan Cove (a) the sole and exclusive right to construct and utilize the PCGP Interconnection and (b) to purchase Prepaid Interruptible Transportation at the Prepurchase Rate of One (1) MMBtu per ten cents (US$.10) redeemable on an interruptible basis during the Redemption Period pursuant to the terms of a mutually agreeable transportation services agreement to be negotiated between the parties in good faith and on commercial reasonable terms at a later time. Starting on the 1st day of July following the date on which Construction is Commenced, and occurring annually thereafter on the anniversary of the Effective Date, the Prepurchase Rate shall be increased or decreased at a rate equal to the increase or decrease in the Consumer Price Index for All Urban Consumers (seasonally adjusted),
published by the United States Department of Labor, Bureau of Labor Statistics for the immediately preceding twelve (12) month period.

2.2 Notwithstanding the escalation provisions outlined in Section 2.1 above, the Prepurchase Rate shall not be increased to a rate that exceeds the Zone 1 Rate minus the PCGP Rate minus .5 cents (PCGP Rate – Zone 3 Rate - $.005).

2.3 Interruptible Transportation Prepayments. In consideration for Prepaid Interruptible Transportation, Jordan Cove shall pay Coos County the sum of $200,000 upon execution of this Agreement, and shall pay an additional $25,000 beginning on September 1, 2007 and then each month thereafter (except in the event of a Suspension in accordance with this Agreement), due on the first day of the month, until the termination of the Prepay Period. In addition, Jordan Cove shall pay Coos County an additional $200,000 due if and when Construction is Commenced on an LNG facility within the boundaries of Coos County, Oregon. (The foregoing payments are referred to as the “Interruptible Transportation Prepayments”).

2.4 Obligations of Coos County. Coos County agrees that as long as this Agreement is in effect, Coos County will not (a) sell, lease, dispose of, transfer or encumber any portion or all of the Pipeline to any person, firm or entity, without making such transfer or encumbrance subject to Jordan Cove’s rights under this Agreement, or (b) provide the equivalent curtailable transportation services on the Pipeline for a rate that is less than the Prepurchase Rate then in effect with out the consent of Jordan Cove. Nothing in this Agreement shall prohibit, restrict, or limit the price and terms at which Coos County can provide transportation services subordinate to the services prepurchased under this Agreement.

2.5 Default by Coos County. Coos County shall be in default under this Agreement if Coos County fails to cure after thirty (30) days written notice from Jordan Cove that Coos County has failed to fulfill any of the Obligations in Section 2.4, above. In the event Coos County is in default under this Agreement, Jordan Cove shall have the right, after expiration of the above thirty (30) day notice period, to terminate this Agreement by providing written notice to Coos County. If Jordan Cove terminates this Agreement as a result of Coos County’s default under this Agreement, Jordan Cove is relieved of any further obligation to make Interruptible Transportation Prepayments and Jordan Cove may seek damages for the reduction in the fair market value of the Agreement to Jordan Cove as a result of Coos County’s failure to fulfill its obligations under Section 2.4, above.

2.6 Default by Jordan Cove. Jordan Cove shall be in default under this Agreement if Jordan Cove fails to cure after thirty (30) days written notice from Coos County that Jordan Cove has (a) failed to fulfill any payment obligation pursuant to the terms and conditions of this Agreement, or (b) failed to fulfill any other obligation hereunder. In the event that Jordan Cove is in default under this Agreement, Coos County shall have the right, after expiration of the above thirty (30) day notice period, to terminate this Agreement by providing written notice to Jordan Cove. If Coos County terminates this Agreement as a result of Jordan Cove’s default, Coos County shall retain all prior payments that Jordan Cove has made to Coos County and all remaining payments through the end of the Prepay Period, adjusted for present value at a discount rate of four percent (4%) per year, shall immediately become due and payable.
2.7 Method of Redemption. Prior to the Commercial Operation date, Jordan Cove may commence negotiations with Coos County for the purpose of drafting and executing an interruptible transportation service agreement for the Interruptible Transportation of gas on the Pipeline. Jordan Cove may schedule the Interruptible Transportation of gas on the Pipeline pursuant to such interruptible transportation service agreement and Coos County shall deduct from Jordan Cove’s preurchased account by MMBtu for transportation services provided to Jordan Cove. The Interruptible Transportation Prepayments are made on a “take-or-pay” basis and any preurchased Interruptible Transportation not redeemed during the Redemption Period shall revert to Coos County.

ARTICLE III
NOTICES

3.1 Notices. All notices, payments, consents or other communications between the parties given under or in relation to this Agreement shall be as directed below. Written notices shall be delivered by letter, facsimile or other mutually acceptable electronic means. Notice by facsimile, overnight mail, courier or hand delivery shall be deemed to have been received on the business day on which it was transmitted or hand delivered, unless transmitted or hand delivered after 5 p.m. local time at the receiving party’s address, in which case it shall be deemed to have been received on the next business day. Notice by U.S. Mail shall be deemed to have been received upon arrival at the receiving parties address.

Payments to Coos County:
Wire Transfers:

Bank: Umpqua Bank
Account Name: Coos County Treasurer
Account Number: 22271034
ABA Routing Number: 123205054

Notices:

Coos County
Coos County Legal Counsel
Coos County Courthouse
250 N. Baxter
Coquille, OR 97423
Telephone: (541) 396-3121 ext. 215
Facsimile: (541) 396-3651

Jordan Cove Energy Project, LP
125 Central Avenue, Suite 380
Coos Bay, OR 97420
Attn: Robert L. Braddock, Project Manager
Telephone: (541) 266-7510
Facsimile: (541) 269-1475

Either party may change its address for notice purposes by written notice to that effect delivered to the other party in accordance with this Article.
ARTICLE IV
ASSIGNMENT

4.1 Assignment and Consent. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective successors and assigns; provided, however, neither party shall assign this Agreement without the prior consent of Coos County, which consent shall not be unreasonably withheld; provided, however, Jordan Cove may make assignments of this Agreement, and its rights hereunder, without the consent of Coos County for assignments or transfers to Affiliates of Jordan Cove or to Northwest Natural Gas Company.

ARTICLE V
GUARANTEE

5.1 Jordan Cove, or its assignee, shall provide a letter of credit from a bank acceptable to Coos County or other acceptable payment guarantee for the benefit of Coos County when Construction is Commenced in the amount of $3,500,000.

ARTICLE VI
MISCELLANEOUS

6.1 Governing Law. The validity and interpretation of this Agreement shall be governed by the laws of the State of Oregon, without regard to choice of law principles. Coos County’s rights and obligations pursuant to ORS 30.310 to ORS 30.400 are expressly preserved.

6.2 Choice of Form. Any dispute or claim by one party against another related in any way to this Agreement shall be initiated and maintained solely in the Circuit Court of Oregon for the County of Coos County unless otherwise required by law.

6.3 Waiver. The failure of any party hereto to exercise any right granted hereunder shall not impair nor be deemed a waiver of that party’s privilege of exercising that right at any subsequent time or times.

6.4 Entire Agreement. This Agreement is the entire agreement between the parties as to the prepayment of interruptible gas transportation services on the Pipeline, and there are no other contracts, oral or written, as to that subject matter, expressed or implied. This Agreement may be modified only in writing signed by both parties.

6.5 Subject to Applicable Law. This Agreement shall be subject to all applicable state, federal and local laws, rules and regulations, and the parties hereto shall be entitled to regard all those laws, rules and regulations as valid, and may act in accordance therewith until they may be invalidated by final judgment in a court of competent jurisdiction.

6.6 Time is of the Essence. Time is of the essence in all terms, provisions, covenants, and conditions contained in this Agreement.
6.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement by fax or by electronic transmission of a PDF file shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

COOS COUNTY, OREGON
By: The Board of County Commissioners of Coos County, Oregon

By: ____________________________
Name: John Griffith
Title: Commissioner
Date: 8/31/07

By: ____________________________
Name: Nikki Whitty
Title: Commissioner
Date: 8/31/07

By: ____________________________
Name: Kevin Stufflebean
Title: Commissioner
Date: 8/31/07

JORDAN COVE ENERGY PROJECT, LLC

By: ____________________________
Name: [Signature]
Title: [Title]
Date: [Date]
which when taken together shall constitute one and the same agreement. Delivery of an executed signature page of this Agreement by fax or by electronic transmission of a PDF file shall be effective as delivery of a manually executed counterpart hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

COOS COUNTY, OREGON
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By:
Name: John Griffith
Title: Commissioner
Date: 

By:
Name: Nikki Whitty
Title: Commissioner
Date: 

By:
Name: Kevin Stufflebean
Title: Commissioner
Date: 

JORDAN COVE ENERGY PROJECT,

By: [Signature]
Name: ROBERT L. BRADDOCK
Title: VICE PRESIDENT
Date: AUGUST 31, 2007
WARNING
NO ANCHOR/DREDGE
NATURAL GAS PIPELINE
OPERATED BY NW NATURAL
1-800-422-4012