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FERC GAS TARIFF
THIRD REVISED VOLUME NO. 1
(Superseding Second Revised Volume No. 1)
Of
ANR PIPELINE COMPANY
Filed With The
FEDERAL ENERGY REGULATORY COMMISSION

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PRELIMINARY STATEMENT

This Third Revised Volume No. 1 of the FERC Gas Tariff ("Tariff") of ANR Pipeline Company ("ANR") contains the Rates and Charges, Rate Schedules, Forms of Service Agreement and the General Terms and Conditions applicable to transportation, storage and sales service performed by ANR to which the provisions of Sections 284.7 and 284.284 of the Regulations of the Federal Energy Regulatory Commission ("Commission") are applicable and to any other transportation service on behalf of others to which all or portions of such volume are made applicable by Order of the Commission pursuant to application filed by ANR.

ANR owns and operates a pipeline system extending from the Hugoton Field in Texas, the adjacent Anadarko Basin in Oklahoma and the producing areas in the State of Louisiana and the Gulf Coast area of Louisiana and Federal waters to terminal points in Wisconsin and Michigan. Natural gas is transported for producers in these areas and also for pipeline suppliers in the States of Kentucky, Michigan and Wisconsin and also at a point on the International Boundary near Emerson, Manitoba, Canada, and for others.

ANR also owns and leases extensive underground natural gas storage facilities. ANR provides storage services to persons using its transportation facilities and others.

The currently effective system maps are available on ANR's Internet site at
<http://ebb.anrpl.com/tariff/map/systemmap.htm>.

RESERVED FOR FUTURE USE

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Transporter's Use (%)
EPC Charge
SIMM Charges

RATE SCHEDULE ETS
MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY ROUTE
EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	\	DELIVERED TO	SOUTHEAST			SOUTHWEST			NORTHERN
			S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
SOUTHEAST AREA (SE)	-	Res		\$20.4750	\$20.8474		\$59.3414	\$49.5752	\$28.7643
	-	Cmd		0.0206	0.0278		0.0598	0.0479	0.0356
	-	MIN		0.0206	0.0278		0.0598	0.0479	0.0356
	-	Ovrn		0.6937	0.7132		2.0108	1.6778	0.9813
SE – Southern (ML-2)	-	Res		\$19.2112	\$19.5836		\$58.0776	\$48.3114	\$27.5005
	-	Cmd		0.0190	0.0262		0.0582	0.0463	0.0340
	-	MIN		0.0190	0.0262		0.0582	0.0463	0.0340
	-	Ovrn		0.6506	0.6700		1.9676	1.6346	0.9381
SE – Central (ML-3)	-	Res		\$23.0153	\$8.9161		\$47.4101	\$37.6439	\$16.8330
	-	Cmd		0.0262	0.0072		0.0392	0.0273	0.0150
	-	MIN		0.0262	0.0072		0.0392	0.0273	0.0150
	-	Ovrn		0.7829	0.3003		1.5979	1.2649	0.5684
SOUTHWEST AREA (SW)	-	Res		\$60.5958	\$46.4966		\$24.1199	\$42.2724	\$44.0634
	-	Cmd		0.0613	0.0423		0.0150	0.0273	0.0351
	-	MIN		0.0613	0.0423		0.0150	0.0273	0.0351
	-	Ovrn		2.0535	1.5710		0.8080	1.4171	1.4838
SW – Southern (ML-5)	-	Res		\$57.4800	\$43.3808		\$21.0041	\$39.1566	\$40.9476
	-	Cmd		0.0582	0.0392		0.0119	0.0242	0.0320
	-	MIN		0.0582	0.0392		0.0119	0.0242	0.0320
	-	Ovrn		1.9480	1.4654		0.7024	1.3115	1.3782
SW – Central (ML-6)	-	Res		\$45.6172	\$31.5180		\$37.0600	\$27.2938	\$29.0848
	-	Cmd		0.0463	0.0273		0.0242	0.0123	0.0201
	-	MIN		0.0463	0.0273		0.0242	0.0123	0.0201
	-	Ovrn		1.5460	1.0635		1.2426	0.9096	0.9763
NORTHERN (ML-7)	-	Res		\$29.5613	\$15.4621		\$43.6060	\$33.8398	\$13.0289
	-	Cmd		0.0340	0.0150		0.0320	0.0201	0.0078
	-	MIN		0.0340	0.0150		0.0320	0.0201	0.0078
	-	Ovrn		1.0059	0.5233		1.4656	1.1326	0.4361

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth in Section 4.12 and represent maximum rates unless designated as minimum firm service rates (MIN).

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19 and 4.20.

RATE SCHEDULE STS; SMALL SHIPPER ETS & FTS-1
 MATRIX OF VOLUMETRIC BASE TARIFF RATES PER DTH
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	DELIVERED TO	SOUTHWEST MAINLINE	SOUTHEAST MAINLINE	NORTHERN SEGMENT
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RATE SCHEDULE STS				

SOUTHWEST AREA		\$3.6249	\$3.6569	\$2.5984
SOUTHEAST AREA		3.9662	2.4045	2.0379
NORTHERN SEGMENT		3.3714	2.4942	1.4331
RATE SCHEDULE ETS				
For Small Shipper Service Option				

SOUTHWEST AREA		\$4.2387	\$6.0982	\$4.4250
SOUTHEAST AREA		5.9718	2.1047	2.9013
NORTHERN SEGMENT		4.3763	2.9791	1.3058
RATE SCHEDULE FTS-1				
For Small Shipper Service Option				

SOUTHWEST AREA		\$3.4389	\$5.5669	\$4.0989
SOUTHEAST AREA		5.3808	1.9153	2.5752
NORTHERN SEGMENT		3.7854	2.4477	0.9797

General Note:

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.

RATE SCHEDULES FTS-1, FTS-4, FTS-4L
MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY ROUTE
EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	DELIVERED TO	SOUTHEAST			SOUTHWEST			NORTHERN
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
SOUTHEAST AREA (SE)	- Res	\$4.4737	\$15.1412	\$18.9453	\$56.5258	\$53.4100	\$41.5472	\$25.4913
	- Cmd	0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
	- MIN	0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
	- Ovm	0.1487	0.5184	0.6507	1.9213	1.8157	1.4138	0.8737
SE – Southern (ML-2)	- Res	\$15.1412	\$13.8774	\$17.6815	\$55.2620	\$52.1462	\$40.2834	\$24.2275
	- Cmd	0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
	- MIN	0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
	- Ovm	0.5184	0.4752	0.6075	1.8781	1.7726	1.3707	0.8305
SE – Central (ML-3)	- Res	\$18.9453	\$17.6815	\$7.0140	\$44.5945	\$41.4787	\$29.6159	\$13.5600
	- Cmd	0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150
	- MIN	0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150
	- Ovm	0.6507	0.6075	0.2378	1.5084	1.4029	1.0010	0.4608
SOUTHWEST AREA (SW)	- Res	\$56.5258	\$55.2620	\$44.5945	\$6.3257	\$18.1885	\$34.2444	\$40.7904
	- Cmd	0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
	- MIN	0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
	- Ovm	1.9213	1.8781	1.5084	0.2111	0.6130	1.1531	1.3762
SW – Southern (ML-5)	- Res	\$53.4100	\$52.1462	\$41.4787	\$18.1885	\$15.0727	\$31.1286	\$37.6746
	- Cmd	0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
	- MIN	0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
	- Ovm	1.8157	1.7726	1.4029	0.6130	0.5074	1.0476	1.2706
SW – Central (ML-6)	- Res	\$41.5472	\$40.2834	\$29.6159	\$34.2444	\$31.1286	\$19.2658	\$25.8118
	- Cmd	0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201
	- MIN	0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201
	- Ovm	1.4138	1.3707	1.0010	1.1531	1.0476	0.6457	0.8687
NORTHERN (ML-7)	- Res	\$25.4913	\$24.2275	\$13.5600	\$40.7904	\$37.6746	\$25.8118	\$9.7559
	- Cmd	0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078
	- MIN	0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078
	- Ovm	0.8737	0.8305	0.4608	1.3762	1.2706	0.8687	0.3285

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth in Section 4.12 and represent maximum rates unless designated as minimum firm service rates (MIN).

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19 and 4.20.

RESERVED FOR FUTURE USE

RATE SCHEDULE FTS-2
 MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY ROUTE
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	\ TO	DELIVERED	SOUTHEAST			SOUTHWEST			NORTHERN
			S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
SOUTHEAST AREA (SE)	- Res		\$2.9416	\$9.9558	\$12.4571	\$37.1675	\$35.1188	\$27.3186	\$16.7613
	- Cmd		0.0519	0.1910	0.2410	0.6993	0.6611	0.5156	0.3225
	- MIN		0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
	- Ovm		0.1487	0.5184	0.6507	1.9213	1.8157	1.4138	0.8737
SE – Southern (ML-2)	- Res		\$9.9558	\$9.1248	\$11.6261	\$36.3365	\$34.2878	\$26.4876	\$15.9303
	- Cmd		0.1910	0.1752	0.2252	0.6835	0.6453	0.4998	0.3067
	- MIN		0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
	- Ovm		0.5184	0.4752	0.6075	1.8781	1.7726	1.3707	0.8305
SE – Central (ML-3)	- Res		\$12.4571	\$11.6261	\$4.6119	\$29.3223	\$27.2736	\$19.4734	\$8.9161
	- Cmd		0.2410	0.2252	0.0861	0.5444	0.5062	0.3607	0.1676
	- MIN		0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150
	- Ovm		0.6507	0.6075	0.2378	1.5084	1.4029	1.0010	0.4608
SOUTHWEST AREA (SW)	- Res		\$37.1675	\$36.3365	\$29.3223	\$4.1593	\$11.9595	\$22.5168	\$26.8210
	- Cmd		0.6993	0.6835	0.5444	0.0743	0.2198	0.4129	0.4944
	- MIN		0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
	- Ovm		1.9213	1.8781	1.5084	0.2111	0.6130	1.1531	1.3762
SW – Southern (ML-5)	- Res		\$35.1188	\$34.2878	\$27.2736	\$11.9595	\$9.9108	\$20.4681	\$24.7723
	- Cmd		0.6611	0.6453	0.5062	0.2198	0.1816	0.3747	0.4562
	- MIN		0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
	- Ovm		1.8157	1.7726	1.4029	0.6130	0.5074	1.0476	1.2706
SW – Central (ML-6)	- Res		\$27.3186	\$26.4876	\$19.4734	\$22.5168	\$20.4681	\$12.6679	\$16.9721
	- Cmd		0.5156	0.4998	0.3607	0.4129	0.3747	0.2292	0.3107
	- MIN		0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201
	- Ovm		1.4138	1.3707	1.0010	1.1531	1.0476	0.6457	0.8687
NORTHERN (ML-7)	- Res		\$16.7613	\$15.9303	\$8.9161	\$26.8210	\$24.7723	\$16.9721	\$6.4148
	- Cmd		0.3225	0.3067	0.1676	0.4944	0.4562	0.3107	0.1176
	- MIN		0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078
	- Ovm		0.8737	0.8305	0.4608	1.3762	1.2706	0.8687	0.3285

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth in Section 4.12 and represent maximum rates unless designated as minimum firm service rates (MIN).

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19 and 4.20.

RATE SCHEDULE FTS-3
 MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY ROUTE
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	\ DELIVERED TO	SOUTHEAST			SOUTHWEST			NORTHERN
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
SOUTHEAST AREA (SE)	- Del	\$2.2369	\$7.5706	\$9.4727	\$28.2629	\$26.7050	\$20.7736	\$12.7457
	- Cap	0.0735	0.2489	0.3114	0.9292	0.8780	0.6830	0.4190
	- Cmd	0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
	- Min	0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
	- Ovm	1/	1/	1/	1/	1/	1/	1/
SE – Southern (ML-2)	- Del	\$7.5706	\$6.9387	\$8.8408	\$27.6310	\$26.0731	\$20.1417	\$12.1138
	- Cap	0.2489	0.2281	0.2907	0.9084	0.8572	0.6622	0.3983
	- Cmd	0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
	- Min	0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
	- Ovm	1/	1/	1/	1/	1/	1/	1/
SE – Central (ML-3)	- Del	\$9.4727	\$8.8408	\$3.5070	\$22.2973	\$20.7394	\$14.8080	\$6.7800
	- Cap	0.3114	0.2907	0.1153	0.7331	0.6818	0.4868	0.2229
	- Cmd	0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150
	- Min	0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150
	- Ovm	1/	1/	1/	1/	1/	1/	1/
SOUTHWEST AREA (SW)	- Del	\$28.2629	\$27.6310	\$22.2973	\$3.1629	\$9.0943	\$17.1222	\$20.3952
	- Cap	0.9292	0.9084	0.7331	0.1040	0.2990	0.5629	0.6705
	- Cmd	0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
	- Min	0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
	- Ovm	1/	1/	1/	1/	1/	1/	1/
SW – Southern (ML-5)	- Del	\$26.7050	\$26.0731	\$20.7394	\$9.0943	\$7.5364	\$15.5643	\$18.8373
	- Cap	0.8780	0.8572	0.6818	0.2990	0.2478	0.5117	0.6193
	- Cmd	0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
	- Min	0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
	- Ovm	1/	1/	1/	1/	1/	1/	1/
SW – Central (ML-6)	- Del	\$20.7736	\$20.1417	\$14.8080	\$17.1222	\$15.5643	\$9.6329	\$12.9059
	- Cap	0.6830	0.6622	0.4868	0.5629	0.5117	0.3167	0.4243
	- Cmd	0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201
	- Min	0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201
	- Ovm	1/	1/	1/	1/	1/	1/	1/
NORTHERN (ML-7)	- Del	\$12.7457	\$12.1138	\$6.7800	\$20.3952	\$18.8373	\$12.9059	\$4.8780
	- Cap	0.4190	0.3983	0.2229	0.6705	0.6193	0.4243	0.1604
	- Cmd	0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078
	- Min	0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078
	- Ovm	1/	1/	1/	1/	1/	1/	1/

	<u>Deliverability Rate</u>	<u>Capacity Rate</u>	<u>Commodity Rate</u>	<u>Minimum Rate</u>
Enhancement Services Option 2/	\$2.8455	\$0.0936	\$0.0078	\$0.0078
2 Hour Notice Service 2/	\$2.3970	\$0.0788	\$0.0124	\$0.0124
Balancing Service 2/	\$0.1278	\$0.0042	\$0.0001	\$0.0001

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth in Section 4.13 and represent maximum rates unless designated as minimum firm service rates (Min).

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.

- 1/ Overrun Rate. The 100% Load Factor rate, which is the sum of: (a) the product of (1) the sum of the applicable Deliverability Reservation Rates, (2) the applicable Maximum Hourly Flow Rate, (3) twenty-four, and (4) twelve, divided by (5) 365; (b) the sum of the Capacity Reservation Rates; and (c) the sum of the Commodity Rates.
- 2/ Shippers opting for one or both service enhancements must also pay the enhancement service rate.

RATE SCHEDULE ITS
MATRIX OF BASE TARIFF TRANSMISSION RATES PER DTH BY ROUTE
EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RECEIVED FROM	\ DELIVERED TO	SOUTHEAST			SOUTHWEST			NORTHERN
		S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
SOUTHEAST AREA (SE)	- Cmd	\$0.1486	\$0.5183	\$0.6506	\$1.9212	\$1.8157	\$1.4138	\$0.8736
	- MIN	0.0016	0.0206	0.0278	0.0629	0.0598	0.0479	0.0356
SE – Southern (ML-2)	- Cmd	\$0.5183	\$0.4752	\$0.6075	\$1.8781	\$1.7726	\$1.3707	\$0.8305
	- MIN	0.0206	0.0190	0.0262	0.0613	0.0582	0.0463	0.0340
SE – Central (ML-3)	- Cmd	\$0.6506	\$0.6075	\$0.2378	\$1.5084	\$1.4029	\$1.0010	\$0.4608
	- MIN	0.0278	0.0262	0.0072	0.0423	0.0392	0.0273	0.0150

SOUTHWEST AREA (SW)	- Cmd	\$1.9212	\$1.8781	\$1.5084	\$0.2110	\$0.6129	\$1.1531	\$1.3761
	- MIN	0.0629	0.0613	0.0423	0.0031	0.0150	0.0273	0.0351
SW – Southern (ML-5)	- Cmd	\$1.8157	\$1.7726	\$1.4029	\$0.6129	\$0.5074	\$1.0476	\$1.2706
	- MIN	0.0598	0.0582	0.0392	0.0150	0.0119	0.0242	0.0320
SW – Central (ML-6)	- Cmd	\$1.4138	\$1.3707	\$1.0010	\$1.1531	\$1.0476	\$0.6457	\$0.8687
	- MIN	0.0479	0.0463	0.0273	0.0273	0.0242	0.0123	0.0201

NORTHERN (ML-7)	- Cmd	\$0.8736	\$0.8305	\$0.4608	\$1.3761	\$1.2706	\$0.8687	\$0.3285
	- MIN	0.0356	0.0340	0.0150	0.0351	0.0320	0.0201	0.0078

General Notes:

All rates shown combine area and segment rates for each route, utilizing the transmission rates set forth in Section 4.14 and represent maximum rates unless designated as minimum interruptible service rates (MIN).

The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19 and 4.20.

RATE SCHEDULES ITS-3, IPLS & IWS
STATEMENT OF RATES PER DTH FOR SERVICES RENDERED

	Maximum Rate -----	Minimum Rate -----
ITS-3 1/	\$3.0638	\$0.0465
IPLS 1/	\$0.8594	\$0.0000
IWS 1/- Joliet Hub	\$0.3285	\$0.0000
IWS 1/ - Lebanon Hub	\$0.2378	\$0.0000

- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.

We are RATE SCHEDULES FSS & DDS
 STATEMENT OF RATES FOR STORAGE OF NATURAL GAS

	Maximum Rate per Dth -----	Minimum Rate per Dth -----
RATE SCHEDULE FSS 1/ -----		
With Ratchets and Seasonal Entitlements -----		
1. Reservation Rate		
a. Deliverability Rate	\$1.7321	\$ 0
b. Capacity Rate	\$ 0.7697	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0124	\$ 0.0124
3. Overrun Service Rate	2/	\$ 0.0124
With Ratchets and Flexible Entitlements -----		
1. Reservation Rate		
a. Deliverability Rate	\$ 3.4879	\$ 0
b. Capacity Rate	\$ 0.7697	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0124	\$ 0.0124
3. Overrun Service Rate	2/	\$ 0.0124
Without Ratchets and Seasonal Entitlements -----		
1. Reservation Rate		
a. Deliverability Rate	\$ 2.1651	\$ 0
b. Capacity Rate	\$ 0.7697	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0124	\$ 0.0124
3. Overrun Service Rate	2/	\$ 0.0124
Without Ratchets and Flexible Entitlements -----		
1. Reservation Rate		
a. Deliverability Rate	\$ 3.9209	\$ 0
b. Capacity Rate	\$ 0.7697	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0124	\$ 0.0124
3. Overrun Service Rate	2/	\$ 0.0124

RATE SCHEDULE DDS 3/

1. Storage Commodity Rate	\$ 0.0064	\$ 0.0004
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- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.
- 2/ 100% load factor rate, which is the sum of (a) the product of (1) the Deliverability Reservation Rate, (2) twelve, and (3) the Base Maximum Daily Withdrawal Quantity divided by the Maximum Storage Quantity, (b) the Capacity Reservation Rate and (c) the Injection/Withdrawal Commodity Rate.
- 3/ The rates shown are subject to all applicable volumetric charges or surcharges, under Section 6.24 of the General Terms and Conditions of this Tariff. Section 4.16 reflects the applicable charges and surcharges under these Sections.

RATE SCHEDULES FSS & DDS
RESERVATION AND COMMODITY CHARGES
FIRM STORAGE SERVICE 1/ 3/

COLD SPRINGS 1 STORAGE PROJECT
DOCKET NO. CP06-464

APPLICABLE TO CUSTOMERS UTILIZING CAPACITY
PURSUANT TO INCREMENTAL FACILITY EXPANSIONS:

	Maximum Rate per Dth -----	Minimum Rate per Dth -----
RATE SCHEDULE FSS		

With Ratchets and Seasonal Entitlements		

1. Reservation Rate		
a. Deliverability Rate	\$ 2.8775	\$ 0
b. Capacity Rate	\$ 1.0271	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0176	\$ 0.0176
3. Overrun Service Rate	2/	\$ 0.0176
With Ratchets and Flexible Entitlements		

1. Reservation Rate		
a. Deliverability Rate	\$ 5.6444	\$ 0
b. Capacity Rate	\$ 1.0271	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0176	\$ 0.0176
3. Overrun Service Rate	2/	\$ 0.0176
Without Ratchets and Seasonal Entitlements		

1. Reservation Rate		
a. Deliverability Rate	\$ 3.5969	\$ 0
b. Capacity Rate	\$ 1.0271	\$ 0
2. Commodity Rate		
Injection/Withdrawal	\$ 0.0176	\$ 0.0176
3. Overrun Service Rate	2/	\$ 0.0176
Without Ratchets and Flexible Entitlements		

1. Reservation Rate		
a. Deliverability Rate	\$ 6.3638	\$ 0
b. Capacity Rate	\$ 1.0271	\$ 0
2. Commodity Rate		

	Injection/Withdrawal	\$ 0.0176	\$ 0.0176
3.	Overrun Service Rate	2/	\$ 0.0176

RATE SCHEDULE DDS 1/

1.	Storage Commodity Rate	\$ 0.0098	\$ 0.0006
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- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.
- 2/ 100% load factor rate, which is the sum of (a) the product of (1) the Deliverability Reservation Rate, (2) twelve, and (3) the Base Maximum Daily Withdrawal Quantity divided by the Maximum Storage Quantity, (b) the Capacity Reservation Rate and (c) the Injection/Withdrawal Commodity Rate.
- 3/ Applicable Transporter's Use (%) and EPC Charge for Rate Schedule FSS are stated in Sections 4.18 and 4.19.

RATE SCHEDULES NNS & MBS
STATEMENT OF RATES PER DTH FOR SERVICE RENDERED

RATE SCHEDULE NNS 1/

1. Reservation Rate	\$10.5795
2. Commodity Rate	0.0202
3. Overrun Service Rate	0.5419

RATE SCHEDULE MBS 1/

1. Daily Delivery Rate	
a. Northern Segment	\$0.4060
b. Southeast Mainline	0.9061
c. Southwest Mainline	1.3531
2. Capacity Rate	\$0.0641
3. Commodity Rate 2/	
a. Northern Segment Delivery	\$0.0163
b. Southeast Mainline Delivery	0.0294
c. Southwest Mainline Delivery	0.0284
4. Overrun Service Rate	\$0.5419

- 1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Sections 4.16, 4.18, 4.19, and 4.20.
- 2/ The minimum rate(s) for Rate Schedule MBS shall be equal to the applicable Commodity Rate.

BASE RATE COMPONENTS: FTS-1, FTS-4, FTS-4L, ETS, PTS-2 & FTS-2
 STATEMENT OF BASE TARIFF TRANSMISSION RATES
 FOR TRANSPORTATION OF NATURAL GAS
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

Rate Schedule and Type of Service ----- (Col. 1)	Maximum Rate Per Dth -----		
	Reservation Rate ----- (Col. 2)	Commodity Rate ----- (Col. 3)	Minimum Rate Per Dth ----- (Col. 4)
RATE SCHEDULES FTS-1, FTS-4, FTS-4L, ETS (1) AND PTS-2 -----			
1. Rate			
a. Mainline - Access	\$3.2099	\$0.0000	\$0.0000
b. Mainline - Southwest Southern Segment	11.8628	0.0119	0.0119
c. Mainline - Southwest Central Segment	16.0559	0.0123	0.0123
d. Mainline - Southeast Southern Segment	10.6675	0.0190	0.0190
e. Mainline - Southeast Central Segment	3.8041	0.0072	0.0072
f. Mainline - Northern Segment	6.5460	0.0078	0.0078
g. Southeast Area - Transmission (2)	1.2638	0.0016	0.0016
h. Southwest Area - Transmission (2)	3.1158	0.0031	0.0031
2. ETS Mainline Rate Increment	(1)	(1)	(1)
3. Overrun Service Rate	(3)	(3)	(3)

RATE SCHEDULE FTS-2

1. Rate			
a. Mainline - Access	\$2.1106	\$0.0361	\$0.0000
b. Mainline - Southwest Southern Segment	7.8002	0.1455	0.0119
c. Mainline - Southwest Central Segment	10.5573	0.1931	0.0123
d. Mainline - Southeast Southern Segment	7.0142	0.1391	0.0190
e. Mainline - Southeast Central Segment	2.5013	0.0500	0.0072
f. Mainline - Northern Segment	4.3042	0.0815	0.0078
g. Southeast Area - Transmission	0.8310	0.0158	0.0016
h. Southwest Area - Transmission	2.0487	0.0382	0.0031
2. Overrun Service Rate	(3)	(3)	(3)

- (1) The ETS Mainline Access Rates (reservation and commodity) are equal to the FTS-1 mainline access rates. The ETS Mainline Mileage reservation rate for the delivery segment is equal to one and one-half times the FTS-1 Mainline Mileage rate. For all other segments, the ETS Mainline Mileage reservation rate is equal to the FTS-1 Mainline Mileage rate. The ETS Mainline Mileage commodity rates for each segment are equal to the FTS-1 Mainline Mileage Commodity Rates. The ETS Rate Schedule is not available in the Southeast and Southwest Areas.

- (2) Rates applicable for service under Rate Schedule PTS-2.
- (3) The Overrun Service Rate is a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Charges times 12 then dividing the result by 365, plus (b) the applicable Commodity Charges, plus (c) in the case of utilization of any Secondary Receipt or Delivery Points outside of the Rate Segment(s) or portions thereof for which capacity is reserved and paid for, the applicable incremental maximum Reservation Rate(s) times 12 then dividing the result by 365 plus the applicable incremental commodity charges, as stated in Sections 4.1, 4.3 or 4.5 (whichever is applicable) and/or Section 5.19, that Transporter would otherwise charge for transportation to or from those additional Rate Segments, or portions thereof.

BASE RATE COMPONENTS: RATE SCHEDULE FTS-3
 STATEMENT OF RATES PER DTH FOR SERVICES RENDERED

Description	Reservation Rate				
	Deliverability Rate	Capacity Rate	Commodity Rate	Minimum Rate	Overrun Rate
Base Rate 1/					
Mainline - Access	\$1.6050	\$0.0528	\$0.0000	\$0.0000	2/
Mainline - SW - Southern	\$5.9314	\$0.1950	\$0.0119	\$0.0119	2/
Mainline - SW - Central	\$8.0280	\$0.2639	\$0.0123	\$0.0123	2/
Mainline - SE - Southern	\$5.3338	\$0.1754	\$0.0190	\$0.0190	2/
Mainline - SE - Central	\$1.9021	\$0.0625	\$0.0072	\$0.0072	2/
Mainline - Northern	\$3.2730	\$0.1076	\$0.0078	\$0.0078	2/
Southeast Area	\$0.6319	\$0.0208	\$0.0016	\$0.0016	2/
Southwest Area	\$1.5579	\$0.0512	\$0.0031	\$0.0031	2/
Enhancement Services Option 3/	\$2.8455	\$0.0936	\$0.0078	\$0.0078	
2 Hour Notice Service 3/	\$2.3970	\$0.0788	\$0.0124	\$0.0124	
Balancing Service 3/	\$0.1278	\$0.0042	\$0.0001	\$0.0001	

1/ The rates shown are subject to all applicable reservation and volumetric charges or surcharges, including but not limited to those charges in Section 4.16, 4.18, 4.19, and 4.20.

2/ Overrun Rate. The 100% Load Factor rate, which is the sum of: (a) the product of (1) the sum of the applicable Deliverability Reservation Rates, (2) the applicable Maximum Hourly Flow Rate, (3) twenty-four, and (4) twelve, divided by (5) 365; and (b) the sum of the Capacity Reservation Rates; and (c) the sum of the Commodity Rates.

3/ Shippers opting for one or both service enhancements must also pay the Enhancement Services Rate.

STATEMENT OF BASE TARIFF TRANSMISSION RATES
 FOR TRANSPORTATION OF NATURAL GAS
 EXCLUSIVE OF ADDITIONAL CHARGES OR SURCHARGES

RATE SCHEDULE AND TYPE OF SERVICE ----- (Col. 1)	MAXIMUM RATE PER DTH ----- (Col. 2)	MINIMUM RATE PER DTH ----- (Col. 3)
RATE SCHEDULE ITS AND PTS-3 -----		
1. Commodity Rate		
a. Mainline - Access	\$0.1299	\$0.0081
b. Mainline - Southwest Southern Segment	0.0628	0.0020
c. Mainline - Southwest Central Segment	0.0748	0.0027
d. Mainline - Southeast Southern Segment	0.1085	0.0034
e. Mainline - Southeast Central Segment	0.0638	0.0027
f. Mainline - Northern Segment	0.0685	0.0020
g. Southwest Area (1)	0.0954	0.0067
h. Southeast Area (1)	0.0802	0.0027

(1) Rates applicable for service under Rate Schedule PTS-3.

NEGOTIATED RATE AGREEMENTS - PTS-3

SHIPPER - The Apache Corporation

Contract 1/ Schedule	Winter MDQ	Summer MDQ	Receipt Point	Delivery Point	Commodity Rate	Contract Number	Begin Date	End Date
-----	-----	-----	-----	-----	-----	-----	-----	-----
PTS-3	-	-	EL 346 Receipt Point	Eunice Headstation	2/ 3/	104806	10/01/00	Life of Reserve

1/ This agreement does not deviate in any material aspect from the Tariff.

2/ Apache shall pay ANR a monthly charge calculated in accordance with the following formula:

(a x b) - x = d

where: a = \$.05

b = Tanzanite Field quantities measured in dekatherms by ANR at the EL 346 Receipt Point.

X = the lesser of:

- (i) the sum of the Revenue(s) paid by Shipper under ITS Service Agreement (Contract No. 104805) for Tanzanite Field Gas transported from ANR's Eunice Headstation to Points located within ANR's Southeast Area Facilities, and ITS Service Agreement (Liquefiable) (Contract No. 104809) for Tanzanite Field Gas transported from ANR's Eunice Head station to a processing plant located within ANR's Southeast Area. (Such revenues shall be the product of the transportation rate of \$.05 and the transported dekatherms of gas.); or
- (ii) \$.05 x b

d = Apache's Monthly charge.

The Apache Corporation shall also be charged, and required to pay, Transporter's Use.

3/ Apache shall be eligible for a credit equal to the product of \$.005 and the actual volumes transported to the extent that production from the Tanzanite Field averages 100 Mcf/d, 100 MMcf/d, 150 MMcf/d, and 175 MMcf/d in years 1, 2, 3 and 4 respectively. The credit shall be applied on a monthly basis to offset amounts due by Apache.

STATEMENT OF SURCHARGES

General Terms and Conditions Section	Particulars	Maximum Rate Per Dth	Minimum Rate Per Dth
6.15	Cashout Price Surcharge applicable to Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3, PTS-1, PTS-2 and PTS-3	\$0.0000	\$0.0000
	Cashout Price Negative Surcharge applicable to Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS, ITS-3, PTS-1, PTS-2 and PTS-3	(\$0.0021)	(\$0.0021)
6.24	Annual Charge Adjustment applicable to Rate Schedules ETS, STS, FTS-1, ITS FTS-2, FTS-3, FTS-4, FTS-4L, and ITS-3 1/	2/	2/

1/ Refer to listed Section of General Terms and Conditions for applicability to Rate Schedules FSS, DDS and MBS.

2/ The currently effective ACA unit charge as published on the Commission's website (www.ferc.gov) is incorporated herein by reference.

4.17 RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

RESERVED FOR FUTURE USE

TRANSPORTER'S USE (%)

1. Transporter's Use (%) for all transmission Transportation Services in Volume Nos. 1 and 2:

		(PERCENTAGE)						
		SOUTHEAST			SOUTHWEST			NORTHERN
FROM:	TO:	S.E. Area	Southern Segment	Central Segment	S.W. Area	Southern Segment	Central Segment	Segment
		(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
SOUTHEAST AREA (SE)		0.40	0.87	1.26	1.66	1.66	1.65	1.63
S.E. SOUTHERN SEGMENT (ML-2)		0.87	0.53	0.92	1.32	1.32	1.31	1.29
S.E. CENTRAL SEGMENT (ML-3)		1.26	0.92	0.45	0.85	0.85	0.84	0.82
SOUTHWEST AREA (SW)		1.66	1.32	0.85	0.06	0.07	0.09	0.46
S.W. SOUTHERN SEGMENT (ML-5)		1.66	1.32	0.85	0.07	0.07	0.09	0.46
S.W. CENTRAL SEGMENT (ML-6)		1.65	1.31	0.84	0.09	0.09	0.08	0.45
NORTHERN SEGMENT (ML-7)		1.63	1.29	0.82	0.46	0.46	0.45	0.43

NOTES:

- There will be no charge for Transporter's Use on services performed within any Hub or services under Rate Schedule IPLS.
 - The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map in Section 3.
- For Rate Schedules FSS, STS, MBS and DDS storage services, and variance quantities pursuant to Rate Schedules FTS-3 and ITS-3, Transporter's Use (%): 0.57%.
- In the case of any Shipper that purchases Gas from a Pooler, the provisions of Rate Schedules PTS-1, PTS-2 and PTS-3 shall be applicable.
- For services provided on the 12-mile lateral located between the Link Meter Station and the Corunna Interconnect Point in St. Clair, Michigan, Shippers will not be charged a Transporter's Use % but will be charged a lost and unaccounted (%) of: 0.06%.

2. Incremental Transporter's Use % for the Grand Chenier Xpress Project:

		(PERCENTAGE) SOUTHEAST

	TO:	S.E. Area
	-----	-----
		(SE)
FROM:		

SOUTHEAST AREA		0.57

NOTES:

1. Pursuant to the Commission Order issued in Docket No. CP20-8-000, Shippers subscribing to capacity created by the Grand Chenier XPress Project shall be charged an incremental Transporter's Use (%).
2. The area and segment listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff and are illustrated on ANR's system map in Section 3.

EPC CHARGE

- For all transmission Transportation Services in Volume Nos. 1 and 2:

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
FROM:	TO:	S.E. Area	Southern Segment	Central Segment	S.W. Area	Southern Segment	Central Segment	Segment
		(SE)	(ML-2)	(ML-3)	(SW)	(ML-5)	(ML-6)	(ML-7)
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0008	\$0.0008	\$0.0008	\$0.0008
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0008	\$0.0008	\$0.0008	\$0.0008
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0008	\$0.0008	\$0.0008	\$0.0008
SOUTHWEST AREA (SW)		\$0.0008	\$0.0008	\$0.0008	\$0.0000	\$0.0000	\$0.0000	\$0.0008
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0008	\$0.0008	\$0.0008	\$0.0000	\$0.0000	\$0.0000	\$0.0008
S.W. CENTRAL SEGMENT (ML-6)		\$0.0008	\$0.0008	\$0.0008	\$0.0000	\$0.0000	\$0.0000	\$0.0008
NORTHERN SEGMENT (ML-7)		\$0.0008	\$0.0008	\$0.0008	\$0.0008	\$0.0008	\$0.0008	\$0.0008

- For Rate Schedules FSS, STS, MBS and DDS storage services, and variance quantities pursuant to Rate Schedules FTS-3 and ITS-3, the applicable storage EPC Charge is \$0.0054.

NOTES:

- There will be no charge for Transporter's EPC on services performed within any Hub, services under Rate Schedule IPLS, or services provided on the 12-mile lateral located between the Link Meter Station and the Corunna Interconnect Point in St. Clair, Michigan.
- The areas and segments listed above are defined in Section 6.1 of the General Terms and Conditions of this Tariff, and are illustrated on the system map in Section 3.1.
- In the case of any Shipper that purchases Gas from a Pooler, the provisions of Rate Schedules PTS-1, PTS-2 and PTS-3 shall be applicable.

4.20 SYSTEM IMPROVEMENT MODERNIZATION MECHANISM (SIMM) CHARGES

SIMM-T CHARGE
 RATE SCHEDULE ETS
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. <u>Area</u> (SE)	Southern <u>Segment</u> (ML-2)	Central <u>Segment</u> (ML-3)	S.W. <u>Area</u> (SW)	Southern <u>Segment</u> (ML-5)	Central <u>Segment</u> (ML-6)	<u>Segment</u> (ML-7)
	FROM:							
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

SIMM-T CHARGE
 RATE SCHEDULE FTS-1, FTS-4, & FTS-4L
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. <u>Area</u> (SE)	Southern <u>Segment</u> (ML-2)	Central <u>Segment</u> (ML-3)	S.W. <u>Area</u> (SW)	Southern <u>Segment</u> (ML-5)	Central <u>Segment</u> (ML-6)	<u>Segment</u> (ML-7)
FROM:								
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

SIMM-T CHARGE
 RATE SCHEDULE FTS-2
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. <u>Area</u> (SE)	Southern <u>Segment</u> (ML-2)	Central <u>Segment</u> (ML-3)	S.W. <u>Area</u> (SW)	Southern <u>Segment</u> (ML-5)	Central <u>Segment</u> (ML-6)	<u>Segment</u> (ML-7)
	FROM:							
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

SIMM-T CHARGE
 RATE SCHEDULE FTS-3
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. <u>Area</u> (SE)	Southern <u>Segment</u> (ML-2)	Central <u>Segment</u> (ML-3)	S.W. <u>Area</u> (SW)	Southern <u>Segment</u> (ML-5)	Central <u>Segment</u> (ML-6)	<u>Segment</u> (ML-7)
	FROM:							
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

SIMM-T CHARGE
 RATE SCHEDULE ITS
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
FROM:								
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

SIMM-S CHARGES
RATE SCHEDULE FSS

(DOLLARS PER DTH)

The FSS rate schedules will be assessed the following charges:

1. With Ratchets and Seasonal Entitlements:

Deliverability	\$0.0000
Capacity	\$0.0000

2. With Ratchets and Flexible Entitlements:

Deliverability	\$0.0000
Capacity	\$0.0000

3. Without Ratchets and Seasonal Entitlements:

Deliverability	\$0.0000
Capacity	\$0.0000

4. Without Ratchets and Flexible Entitlements:

Deliverability	\$0.0000
Capacity	\$0.0000

SIMM-T CHARGE
 RATE SCHEDULE STS
 MATRIX OF SIMM TRANSMISSION RATES PER DTH BY ROUTE

		(DOLLARS PER DTH)						
		SOUTHEAST			SOUTHWEST			NORTHERN
	TO:	S.E. Area (SE)	Southern Segment (ML-2)	Central Segment (ML-3)	S.W. Area (SW)	Southern Segment (ML-5)	Central Segment (ML-6)	Segment (ML-7)
FROM:								
SOUTHEAST AREA (SE)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. SOUTHERN SEGMENT (ML-2)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.E. CENTRAL SEGMENT (ML-3)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
SOUTHWEST AREA (SW)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. SOUTHERN SEGMENT (ML-5)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
S.W. CENTRAL SEGMENT (ML-6)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000
NORTHERN SEGMENT (ML-7)		\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0000

RATE SCHEDULES

ETS (Enhanced Transportation Service)
STS (Small Transportation Service)
FTS-1 (Firm Transportation Service)
FTS-2 (Firm Transportation Service)
FTS-3 (Firm Transportation Service)
FTS-4 (Firm Transportation Service)
FTS-4L (Firm Transportation Service)
ITS (Interruptible Transportation Service)
IPLS (Interruptible Park and Lend Service)
IWS (Interruptible Wheeling Service)
ITS-3 (Interruptible Transportation Service)
FSS (Firm Storage Service)
DDS (Deferred Delivery Service)
MBS (Market Balancing Service)
NNS (No-Notice Service)
PTS-1 (Pooling Transportation Service - Derivative)
PTS-2 (Pooling Transportation Service - Firm)
PTS-3 (Pooling Transportation Service - Interruptible)
Southeast Area Gathering Service

RATE SCHEDULE ETS
Enhanced Transportation Service

5.1.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) The executed Agreement shall be required to specify separately, by season, Receipt Point MDQs and Delivery Point MDQs. The sum of the Delivery Point MDQs shall be equal to the sum of the Receipt Point MDQs, which shall include Transportation from storage, if applicable. Transportation Service rendered under this Rate Schedule shall be firm, up to the Delivery Point MDQs and Receipt Point MDQs specified in the executed Agreement.
- (d) Transportation Service hereunder shall not be subject to predefined Primary Routes for nomination and scheduling purposes. The Primary Route designations shall apply to Reservation Charge calculation only.
- (e) Transporter and Shipper may agree to aggregate Delivery Points into a single Delivery Point for Transportation Service under this Rate Schedule ETS ("ETS Delivery Point Group"). Transporter and Shipper may further agree to limit or condition the maximum delivery levels applicable to a specific Delivery Point(s) in order to facilitate or accommodate inclusion of such a Delivery Point(s) into a new or existing ETS Delivery Point Group.
- (f) If Shipper's Rate Schedule ETS Agreement is the NNS Storage Transportation under Shipper's Rate Schedule NNS Agreement, then the no-notice quantities allocated at each Delivery Point will be netted with the no-notice quantities allocated at other Delivery Points.
- (g) Shippers under Rate Schedule ETS shall be entitled to maximum hourly deliveries equal to one-sixteenth (1/16) of the respective Delivery Point MDQ, provided, however, that such hourly flow limits will only be enforced after at least two (2) hours notice that the restrictions are necessary for operational reasons.

5.1.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.1 for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.1.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.1 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) The applicable Commodity Rate, as stated in Section 4.1 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Service Month.

3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are stated in Section 4.16.

4. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of

variance set forth therein that exceeds the Swing Percentage for overdeliveries or underdeliveries, as applicable. The rate for any such daily scheduling penalty per Dekatherm shall be one (1) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days.

5. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Delivery Point MDQs. Any request for service under this Section 5.1.3 paragraph 5 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Charges times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.1.3 paragraph 1 (c), above, times 12 then dividing the result by 365.

6. Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Delivery Point MDQs, which has not been authorized under Section 5.1.3 paragraph 5 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.1.3 paragraph 5 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.1.3 paragraphs 5 and 6(a), above.
7. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
8. SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
9. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
10. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.1 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

11. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.1.4 SMALL SHIPPER SERVICE OPTION

Any Shipper that meets all of the eligibility requirements set forth in Section 5.2.1(a), (c), (e) and (f) of Rate Schedule STS shall not be subject to Section 5.1.3 paragraphs 1 and 2(a), but shall be charged the one-part rate set forth in Section 4.2, applicable to each Nomination Route for each Dekatherm of Gas Delivered Hereunder including applicable charges and surcharges. In addition, any such Shipper shall be charged for each Dekatherm of authorized overrun service pursuant to Section 5.1.3 paragraph 4 hereunder the applicable rate set forth in Section 4.2, plus all applicable charges and surcharges.

5.1.5 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.1.6 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE STS
Small Transportation Service

5.2.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership and any other party that purchases Gas for resale and that is directly connected to facilities owned and operated by Transporter (hereinafter referred to as "Shipper") for service under this Rate Schedule, for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it will have sufficient available and uncommitted capacity to perform the service requested by Shipper and is able to predict with reasonable accuracy the demand requirements at the gate station in order to perform service, or Shipper was a customer as of May 18, 1992 pursuant to Transporter's previously effective Rate Schedule SGS-1;
- (b) Shipper agrees to have transported under this Rate Schedule Shipper's entire transportation requirements for the integrated Gas system into which deliveries are to be made, except for transportation of Gas that may be locally produced for such system;
- (c) Shipper's MDQ for its integrated system does not exceed 6,138 Dekatherms per Day, provided, however, that Shippers otherwise qualifying hereunder shall be entitled to aggregate their MDQs, up to 10,000 Dekatherms per Day;
- (d) The Base Maximum Daily Withdrawal Quantity shall be equal to fifty-five percent (55%) of the MDQ and the Maximum Storage Quantity shall be equal to fifty (50) times such Base Maximum Daily Withdrawal Quantity;
- (e) Shipper agrees not to utilize Transportation Service on any Day under any interruptible Transportation Service available from Transporter, unless Shipper has exceeded its MDQ hereunder on such Day;
- (f) Shipper agrees not to transport Gas as a Replacement Shipper under Transporter's capacity releasing mechanism, unless Shipper has exceeded its MDQ hereunder on such Day; and
- (g) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

5.2.2 APPLICABILITY AND CHARACTER OF SERVICE

Gas transported under this Rate Schedule shall be firm, up to the Maximum Daily Quantity, Maximum Daily Transportation Quantity, Maximum Storage Quantity, Maximum Daily Withdrawal Quantity and Maximum Daily Injection Quantity specified in the executed Agreement, including no-notice entitlements equal to the Base Maximum Daily Withdrawal Quantity.

5.2.3 CHARGES

1. Each Month Shipper shall pay to Transporter the applicable Commodity Rate(s) set forth in Section 4.2 and, if applicable, Section 5.19, for each Dekatherm of Gas Delivered Hereunder.
2. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges or surcharges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16.
3. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Rate Schedule STS MDQs. Any request for service under this Section 5.2.3 paragraph 3 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. The charges for each Dekatherm of Authorized Daily Overrun Quantity Gas that exceeds the Swing Percentage shall be equal to the Charges set forth in Section 5.2.3 paragraphs 1 and 2, above.
4. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Rate Schedule STS MDQs, and which has not been authorized under Section 5.2.3 paragraph 3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.2.3 paragraph 3 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the applicable maximum reservation rates under Rate Schedule ETS, in addition to all of the charges set forth in Section 5.2.3 paragraphs 3 and 4(a), above.
5. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use, utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable Section 5.19. Shipper shall also furnish at the Point of Injection/Withdrawal, for each Dekatherm injected, the applicable storage-related Transporter's Use (%) set forth in Section 4.18. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
6. SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
7. Cycling Fuel Charge. If a Shipper has renewed its Agreement for the next Storage Contract Year under this Rate Schedule, or any successor Rate Schedule, and fails to reduce its Working Storage Gas to twenty percent (20%) or less of its Maximum Storage Quantity by the end of the Winter Period, then Transporter shall reduce Working Storage Gas for Cycling Fuel.
8. If a Shipper has not renewed its Agreement for the next Storage Contract Year, and fails to withdraw all of its Working Storage Gas by the end of the Winter Period, then such Shipper shall be deemed to have executed the necessary Agreements under Rate Schedules DDS and ITS for the further disposition of such remaining Working Storage Gas.
9. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.

10. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff. Notwithstanding the definitions set forth in such Section 6.15, the calculations of Excess Quantities and Deficient Quantities shall be reduced by the storage injections and withdrawals determined pursuant to Section 6.14.1(a)(3)(ii) of the General Terms and Conditions of this Tariff, to the extent that Working Storage Gas is greater than zero and less than the Maximum Storage Quantity.
11. Storage Account Implementation. Upon the effective date of this Tariff, Shipper electing service under this Rate Schedule shall have purchased storage inventory in place equal to its Maximum Storage Quantity.

5.2.4 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.2.5 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein by reference and made a part of this Rate Schedule.

RATE SCHEDULE FTS-1
Firm Transportation Service

5.3.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

5.3.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service rendered under this Rate Schedule shall be firm, up to the Primary Route MDQs specified in the executed Agreement.

5.3.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the applicable Reservation Rate(s), as stated in Section 4.3 or 4.4, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.3.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Sections 4.3, 4.4, and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) The applicable Commodity Rate, as stated in Section 4.3 or 4.4 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.

3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.

4. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of

variance set forth therein that exceeds the Swing Percentage for overdeliveries or underdeliveries, as applicable. The rate for any such daily scheduling penalty per Dekatherm shall be one (1) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days.

5. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of any of Shipper's Primary Route MDQs. Any request for service under this Section 5.3.3 paragraph 5 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff.

In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to (a) the applicable maximum Reservation Rates times 12 then dividing the result by 365, plus (b) in the case of utilization of any Secondary Receipt or Delivery Points, the applicable incremental maximum Reservation Rate(s) set forth in Section 5.3.3 paragraph 1(c), above, times 12 then dividing the result by 365.

6. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of any of Shipper's Primary Route MDQs, which has not been authorized under Section 5.3.3 paragraph 5 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.3.3 paragraph 5 above.

- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.3.3 paragraphs 5 and 6(a), above.
7. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
8. SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
9. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
10. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.3 or 4.4 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

11. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.3.4 SMALL SHIPPER SERVICE OPTION

Any Shipper that meets all of the eligibility requirements set forth in Section 5.2.1(a), (c), (e) and (f) of Rate Schedule STS shall not be subject to Section 5.3.3 paragraphs 1 and 2(a), but shall be charged the one-part rate set forth in Section 4.2, applicable to each Nomination Route for each Dekatherm of Gas Delivered hereunder including applicable charges and surcharges. In addition, any such Shipper shall be charged for each Dekatherm of authorized overrun service pursuant to Section 5.3.3 paragraph 4 hereunder the applicable rate set forth in Section 4.2, plus all applicable charges and surcharges.

5.3.5 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.3.6 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE FTS-2
Firm Transportation Service

5.4.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

5.4.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service rendered under this Rate Schedule shall be firm, up to the Primary Route MDQ specified in the executed Agreement, except for any ten (10) Days each Service Month when Transporter will not schedule service, in whole or in part, on a firm basis. If the service is nominated on any of such ten (10) Days, it shall be subject to the lower scheduling priorities set forth in Section 6.10 of the General Terms and Conditions of this Tariff.
- (d) If Transporter receives an acceptable request for firm Transportation Service pursuant to Rate Schedule FTS-1 that can only be provided by reducing the MDQs of services under this Rate Schedule, Transporter shall notify the Shipper(s) that has the lowest priority of service under this Rate Schedule of the reductions in its or their MDQs under this Rate Schedule which are necessary to furnish Transportation Service under Rate Schedule FTS-1. Priority of service for purposes of the preceding sentence shall be determined as provided in Section 6.9 of the General Terms and Conditions of this Tariff. Such reduction(s) shall be made on the date(s) specified in such notification, which date(s) shall be no less than thirty (30) Days after the date of such notification. Such notified Shipper(s) under this Rate Schedule may, within said thirty (30) Days, convert that portion of service provided under this Rate Schedule which is equal to such reduction, to service under Rate Schedule FTS-1, by executing an Agreement under Rate Schedule FTS-1, which conversion shall have priority over the pending request for service under Rate Schedule FTS-1 which caused such notification, assuming such Rate Schedule FTS-2 Shipper agrees to a service under Rate Schedule FTS-1 that will have a NPV that equals or exceeds the NPV of the Rate Schedule FTS-1 pending request, or may convert that portion of service provided under this Rate Schedule which is equal to such reduction to service under Rate Schedule ITS by executing an Agreement for such service, or may terminate any remaining portion of service provided under this Rate Schedule. Conversions to Rate Schedule FTS-1 or ITS service shall maintain the original priority date under this Rate Schedule, for purposes of priority of service pursuant to Section 6.9 of the General Terms and Conditions of this Tariff.

5.4.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the sum of the applicable Reservation Rate(s), as stated in Section 4.5, for each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route designated for such MDQ.
- (b) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) that are outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.4.3 paragraph 1(a), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rate(s), as stated in Section 4.5 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (d) If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) A Commodity Rate, as stated in Section 4.5 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Month.

3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of MDQ, or Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.

4. Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage for overdeliveries or

underdeliveries, as applicable. The rate for any such daily scheduling penalty per Dekatherm shall be one (1) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days.

5. Authorized Overrun Service. Transporter may authorize Shipper to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQ. Any request for service under this Section 5.4.3 paragraph 5 must be made by Shipper pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff, provided, however, a separate nomination is not required if the overrun is being delivered under any service associated with the operation of Transporter's Rate Schedule NNS or MBS and has been authorized and allocated to Shipper pursuant to Section 6.14.1(a)(1), 6.14.1(a)(3) or 6.14.1(c) of the General Terms and Conditions of this Tariff. Shipper shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the applicable incremental maximum Reservation Rates times 12 then dividing the result by 365.
6. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's MDQ, which has not been authorized under Section 5.4.3 paragraph 5 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.4.3 paragraph 5 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under

this Rate Schedule, in addition to all of the charges set forth in Section 5.4.3 paragraphs 5 and 6(a), above.

7. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
8. SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
9. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
10. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.5 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
11. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.4.4 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.4.5 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE FTS-3
Firm Transportation Service

5.5.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper"), for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper;
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule;
- (c) If the Delivery Point is a citygate that is included as part of an aggregated Delivery Point for purposes of Rate Schedule ETS, the applicable Rate Schedule ETS Shipper agrees to provide Transporter in writing with a good faith projection of the portion of its Maximum Daily Quantity that it expects to take at such citygate under Rate Schedule ETS at any time prior to the earlier of the expiration of the Rate Schedule ETS service(s) or the proposed service under this Rate Schedule; and
- (d) The applicable end user agrees to allow Transporter, in cooperation with any intervening downstream transporter, to install telemetered electronic measurement equipment, and other necessary facilities, as reasonably required in order to provide service.

5.5.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper; (2) the Transportation of Gas; and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account, up to Shipper's MDQ and at hourly rates up to Shipper's MHQ.
- (c) Transportation Service rendered under this Rate Schedule shall be firm, up to the Primary Route MDQs and MHQs specified in the executed Agreement. The MHQ shall be no less than 1/24th of the MDQ and no greater than 1/4th of the MDQ.
- (d) Transportation Service may also include, at Shipper's election, either one or both of the optional service features as provided in Section 5.5.3 paragraphs 4 and 5, below. Transportation Service for Shippers not electing optional service features shall be provided with the same features as allowed other Transportation Services under Transporter's General Terms and Conditions of this Tariff.
- (e) Shipper shall have the right to nominate to secondary Delivery Point(s) and to segment capacity, provided that if Shipper seeks to nominate to a secondary Delivery Point at a flow rate that exceeds 1/24th of the nominated quantity, the applicable secondary Delivery Point(s) must be eligible for service pursuant to Section 5.5.1 of this Rate Schedule.

5.5.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Deliverability Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Billing MHQ; plus
- (b) For each Pooling Area or Mainline Segment (together, "Rate Segment(s)") traversed by the Primary Route, an FTS-3 Capacity Reservation Rate, as stated in Section 4.6, shall be paid each Month for each Dekatherm of Shipper's Primary Route Billing MDQ.
- (c) If, in any Month, Shipper nominates quantities at Secondary Receipt Points or Secondary Delivery Points, and all of such Secondary Points are within Rate Segment(s) for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, no Reservation Charges associated with the use of additional Rate Segment(s) shall be applicable.
- (d) If, in any Month, Shipper nominates quantities at Secondary Receipt Point(s) or Secondary Delivery Point(s) outside of Rate Segment(s) or portion(s) thereof, for which capacity is reserved pursuant to Section 5.5.3 paragraphs 1(a) and (b), above, Shipper shall pay on a pro rata basis for each Day of such nomination the applicable Reservation Rates, as stated in Section 4.6 and/or 5.19, that Transporter otherwise would charge for Transportation to or from those additional Rate Segment(s) or portion(s) thereof.
- (e) If, at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

A Commodity Rate, as stated in Section 4.6 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route during the Month.

3. Other Applicable Charges or Surcharges.

All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of

this Tariff, for each Dekatherm of MDQ or of Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.

4. Authorized Overrun Service.

- (a) Transporter may authorize Shipper to take hereunder overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQs, whichever is greater. Any request for service under this Section 5.5.3 paragraph 4 must be made by Shipper pursuant to a separate nomination for Authorized Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff.
- (b) In addition to other applicable charges, Shipper shall pay a commodity charge for each Dekatherm of Authorized Overrun Quantity. The formula for calculating this Rate Schedule FTS-3 Overrun Service Rate is stated in Section 4.6.

5. Unauthorized Overrun Service.

- (a) Each Dekatherm of Gas Delivered Hereunder to Shipper pursuant to Section 6.14 of the General Terms and Conditions of this Tariff on any Day, which is in excess of Shipper's Primary Route MDQs or Primary Delivery Point MHQ, whichever is greater, and which has not been authorized under Section 5.5.3 paragraph 4 of this Rate Schedule, shall be considered as "Unauthorized Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.5.3 paragraph 4 above.
- (b) Each Dekatherm of Gas Delivered Hereunder to Shipper as an Unauthorized Overrun Quantity at any time after Transporter has issued an express order to Shipper to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Deliverability rate, plus the Capacity Reservation Rate multiplied by 365 and divided by 12, in addition to all of the charges set forth in Section 5.5.3 paragraphs 4(b) and 5(a), above.

6. Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shippers electing the optional variation of delivery feature provided under Section 5.5.5, below, shall also furnish Gas for Transporter's Use for storage injections. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
7. SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
8. Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
9. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.6 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement, or pursuant to Section 6.4 paragraphs 1(b) and 2(b) of the General Terms and Conditions of this Tariff. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.5.4 SHORT NOTICE START-UP AND SHUT-DOWN

In addition to the nomination and scheduling procedures set forth in Section 6.6 of the General Terms and Conditions of this Tariff, Shipper may elect the right to start-up and shut-down service hereunder only upon providing Transporter with either:

1. two (2) Hour(s) telephone notification; or
2. subject to operational feasibility and taking into account any necessary facility requirements at the time of election, thirty (30) minutes telephone notification.

For each of these options, a shorter period of notice may be permitted subject to operational conditions.

After such telephone notification by the Shipper, and subsequent verification by the Transporter, Shipper shall also be required to provide a nomination consistent with Section 6.6 of the General Terms and Conditions of this Tariff.

5.5.5 VARIATION OF DELIVERIES

For any Day Shipper shall cause quantities provided at the Receipt Point(s) to approximate those nominated to the Delivery Point(s). In lieu of the variances permitted in Section 6.1 paragraph 76 of the General Terms and Conditions of this Tariff, Shipper may elect the variation of deliveries provided by this section. Upon such election, variances shall be permitted as follows:

- (a) For purposes of this Rate Schedule, a variance shall be defined as the difference between quantities received at the Receipt Point(s) and the quantities delivered at the Delivery Point(s). Shipper shall be permitted a cumulative variance not exceeding 25% (plus or minus) of the applicable MDQ.
- (b) If Shipper exceeds the permissible cumulative variance specified above, Shipper may be required, upon notification from Transporter, to cease deliveries from, or reduce tenders to, Transporter hereunder, consistent with Transporter's operating conditions to restore the variance within the permissible percentage. Further, Shipper may be required to tender quantities upon notification by Transporter. Such notification shall, at a minimum, be provided by a posting on Transporter's HTML page and may also be provided by other means of Electronic Communication. Transporter's notification shall specify the time frame within which variance(s) shall be corrected, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification, subject to the following conditions:
 - (1) In the event that the specified time for tender of Gas quantities is the next Day, the time frame for required tender shall begin from the time that Shipper receives notice from Transporter. Notices provided after business hours for the next Day will be provided to Shipper via Electronic Communication. In the event that Shipper makes a timely and valid nomination in response to notification by Transporter to tender such quantities, Shipper shall be deemed to have complied with Transporter's notification; and
 - (2) Unless otherwise agreed by Shipper and Transporter, (i) any variance quantities not nominated for Delivery by Shipper within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; and (ii) any variance quantities not tendered to Transporter within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the Transporter's Monthly Spot Price Index pursuant to Section 6.16(b) and (c) of the General Terms and Conditions of this Tariff.

5.5.6 DEFINITIONS

1. The term "Billing MDQ" shall mean the product of each Dekatherm of Shipper's MDQ multiplied by 365 and divided by 12.
2. The term "Billing MHQ" shall mean the product of each Dekatherm of Shipper's MHQ and 24.
3. The term "Hour" shall mean a period of sixty consecutive minutes beginning at the top of the hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to Transporter and Shipper.
4. The term "Maximum Hourly Flow Rate" ("MHFR") shall mean the percentage of MDQ at a Primary Delivery Point that Transporter shall be obligated to deliver on behalf of Shipper during any Hour, and shall be expressed as the quotient of the MHQ divided by the MDQ.
5. The term "Maximum Hourly Quantity" ("MHQ") shall mean the greatest number of Dekatherms that Transporter is obligated to deliver at a Primary Delivery Point to or on behalf of Shipper up to Shipper's MDQ, during any Hour. Shipper shall have the right to take up to the MHQ any Hour of the Day, unless Transporter and Shipper agree otherwise, in which case Transporter and Shipper shall set forth the MHQ by Hour in the Service Agreement.

5.5.7 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.5.8 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE FTS-4
Firm Transportation Service (with Minimum Flow Condition)

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper and such service is operationally feasible; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service under this Rate Schedule shall be firm, up to the Primary Route MDQs specified in the executed Agreement.
- (d) If Shipper fails to nominate by the Timely Nomination Cycle sufficient quantities of Gas, up to its Primary Route MDQ, to enable Transporter to provide FTS-4L service nominated by the Timely Nomination Cycle, Transporter shall issue a Must Flow Order ("MFO") notice to Shipper as expeditiously as is reasonably practicable via GEMStm or EDM, requiring Shipper to nominate at the Primary Receipt and Delivery Points specified in the executed Agreement (or at Secondary Receipt and Delivery Points subject to Section 5.6 paragraph 2(h) below) the quantity of Gas specified in the MFO notice. The quantity of Gas subject to and specified in an MFO notice shall be up to but shall not exceed Shipper's Primary Route MDQ. Within four (4) hours of receipt by Shipper of an MFO notice, Shipper shall be obligated to submit nominations for the Service Day and in the quantity and at the points set forth in the MFO notice. Once scheduled, Transporter shall not be obligated to accept any revised nominations from Shipper to the extent such revised nominations would affect Transporter's ability to provide FTS-4L service nominated by the Timely Nomination Cycle. Notwithstanding the foregoing, Transporter shall not issue an MFO notice to accommodate new, or an increase in, FTS-4L service nominations submitted after the Timely Nomination Cycle.

- (e) The amount of Gas specified in the MFO notice(s) shall be determined based on nominated quantities received from the affected FTS-4L Shippers for such Day and such amount shall be allocated to Shipper(s) on the basis of Confirmed Price (from lowest to highest); provided, however, that in the event of an equal Confirmed Price among Shippers, the amount of Gas among those Shippers shall be allocated on a pro-rata basis based on Primary Route MDQ.
- (f) If Shipper, on any Day, fails to comply with the MFO notice or to tender and take deliveries of the scheduled quantities of Gas that are necessary for Transporter to provide service under Rate Schedule FTS-4L ("MFO obligations"), Shipper shall be subject to a penalty of twenty-five dollars (\$25.00), plus the applicable spot price index as set forth in the Agreement, for each Dekatherm of Gas that does not comply with such MFO notice or that is scheduled but not tendered to Transporter.
- (g) Any capacity that is created as a result of Transportation Service rendered by Transporter under this Rate Schedule, shall be sold by Transporter pursuant to Rate Schedule FTS-4L. Transporter shall post on its website the availability of the FTS-4L capacity resulting from service under this Rate Schedule.
- (h) Shipper, or if applicable a Replacement Shipper, shall be entitled to (i) nominate to any Receipt or Delivery Point as a Secondary Receipt or Delivery Point, (ii) segment capacity, (iii) change any Primary Point(s) designated in its Agreement, or (iv) elevate any Secondary Point(s) designated in its Agreement, provided it does not affect Transporter's ability to provide firm Transportation Service pursuant to Rate Schedule FTS-4L.
- (i) Shipper shall be entitled, subject to the terms and conditions of Section 6.21 of the General Terms and Conditions of this Tariff, to release any or all of its firm transportation entitlements held under an Agreement, provided that such release is subject to the same MFO obligations as set forth in the Agreement and this Rate Schedule.

3. INCORPORATION OF OTHER PROVISIONS BY REFERENCE

The following sections of Rate Schedule FTS-1 are incorporated herein: 5.3.4, 5.3.6, 5.3.7, and 5.3.8.

RATE SCHEDULE FTS-4L
Firm Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Shipper, as a result of capacity created by Transporter's Agreement with an FTS-4 Shipper(s), and such service is operationally feasible; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service under this Rate Schedule shall be firm, up to the Primary Route MDQs specified in the executed Agreement, subject to (i) Transporter's right not to schedule service in whole or in part on any Day in which Shipper's nomination is not received by Transporter by the Timely Nomination Cycle, (ii) Transporter's right not to schedule service in whole or in part on any Day in which an FTS-4 Shipper(s), following a MFO notice issued by Transporter, fails to nominate sufficient quantities of Gas, at the Primary Receipt and Delivery Points specified in the executed FTS-4 Agreement(s) (or at Secondary Receipt and Delivery Points subject to Section 5.6 paragraph 2(h) of Rate Schedule FTS-4), and (iii) Transporter's right to curtail service in whole or in part on any Day in which an FTS-4 Shipper(s) fails to tender and take delivery of the scheduled quantities of Gas, at the Primary Receipt and Delivery Points specified in the executed FTS-4 Agreement(s) (or at Secondary Receipt and Delivery Points subject to Section 5.6 paragraph 2(h) of Rate Schedule FTS-4), that are necessary for Transporter to provide service hereunder. Transporter shall notify Shipper via GEMS[™] or EDM if service is not scheduled or is curtailed as provided herein.
- (d) Transporter shall schedule Shipper nominations under this Rate Schedule in accordance with Section 6.10.1 of the General Terms and Conditions of this Tariff.

- (e) If the failure of an FTS-4 Shipper to meet its MFO obligations causes Shipper's service to be curtailed or not to be scheduled, Shipper, along with any other affected FTS-4L Shippers, shall be entitled to any penalty revenues received by Transporter from the FTS-4 Shipper. Such penalty revenues shall be allocated among all affected FTS-4L Shippers on a pro-rata basis based on quantities of Gas curtailed or not scheduled.
- (f) Other than for any obligations pursuant to Section 5.7 paragraph 2(e) above, Transporter shall not be liable to Shipper for any costs, damages, or other liability associated with the failure of an FTS-4 Shipper to meet its MFO obligations.
- (g) Shipper, or if applicable a Replacement Shipper, shall be entitled to (i) segment capacity, (ii) change any Primary Point(s) designated in its Agreement, or (iii) elevate any Secondary Point(s) designated in its Agreement, provided it is operationally feasible taking into consideration the availability of firm capacity under Rate Schedule FTS-4 at the applicable Receipt and/or Delivery Point.

3. INCORPORATION OF OTHER PROVISIONS BY REFERENCE

The following sections of FTS-1 are incorporated herein: 5.3.4, 5.3.6, 5.3.7, and 5.3.8.

RATE SCHEDULE ITS
Interruptible Transportation Service

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter when Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (a) the receipt of Gas on behalf of Shipper, (b) the Transportation of Gas and (c) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service rendered under this Rate Schedule shall be interruptible. Interruptible service shall be available only to the extent of actual available capacity as it may be from time to time, under current conditions and shall be offered in accordance with the priorities established in the General Terms and Conditions of this Tariff.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

- (1) Commodity Charges.
 - (a) A Commodity Rate, as stated in Section 4.7 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper for each Nomination Route utilized during the Service Month.
- (2) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Sections 4.16 and 4.20.
- (3) Daily Scheduling Penalties. Only Shippers identified in Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of the General Terms and Conditions of this Tariff, may be subject to daily scheduling penalties, and only on each Dekatherm of the quantities of variance set forth therein that exceeds the Swing Percentage for overdeliveries or

underdeliveries, as applicable. The rate for any such daily scheduling penalty per Dekatherm shall be one (1) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days.

- (4) Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
- (5) SIMM Charges. Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
- (6) Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
- (7) Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.7 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
- (8) Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

- (9) Each Dekatherm of Gas Delivered Hereunder to Shipper in excess of that Day's confirmed nomination, after Transporter has issued an express order to Shipper to cease and desist, shall be subject to a penalty rate equal to the penalty rate set forth in Section 5.1.3 paragraph 5(b) of Rate Schedule ETS.

4. COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE IPLS
Interruptible Park And Lend Service

5.9.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the parking and lending of Gas from Transporter, subject to the following limitations:

- (a) Transporter has determined that it is operationally able to render such service;
- (b) Shipper and Transporter have executed an Agreement, or conformed an existing Agreement to be consistent with this Rate Schedule;
- (c) Transporter offers this service at the points that are posted for this Rate Schedule in the Informational Postings area on its internet website, and any other Receipt or Delivery Point, subject to operational and administrative feasibility.

5.9.2 APPLICABILITY AND CHARACTER OF SERVICE

1. This Rate Schedule shall apply to service which is rendered by Transporter for Shipper pursuant to an executed Agreement under this Rate Schedule.
2. Service under this Rate Schedule shall consist of parking and lending of Gas on any Day, provided, however, that Shipper cannot both park and lend gas on the same Day at the same Receipt Point or Delivery Point. Service rendered by Transporter under this Rate Schedule shall be interruptible and shall consist of:
 - (a) **Parking Service.** Parking Service is an interruptible service which provides for (1) the receipt by Transporter of Gas quantities delivered by Shipper to the point(s) of service agreed to by Transporter and Shipper for receipt of parked quantities; (2) Transporter holding the parked quantities on Transporter's Pipeline System; and (3) return of the parked quantities to Shipper at the agreed upon time and at the same point(s) or other mutually agreed upon point(s), provided, however, that Transporter is not obligated to return parked quantities on the same Day and at the same point the Gas is parked.
 - (b) **Lending Service.** Lending Service is an interruptible service which provides for (1) Shipper receiving Gas quantities from Transporter at the point(s) of service agreed to by Transporter and Shipper for delivery of loaned quantities of Gas; and (2) the subsequent return of the loaned quantities of Gas to Transporter at the agreed upon time and at the same point(s) or mutually agreed upon point(s), provided that, however, Transporter is not obligated to accept return of loaned Gas on the same Day and at the same point the Gas is loaned.
 - (c) Parking or Lending service shall be provided up to Shipper's Maximum Quantity as set forth on an Exhibit A of Shipper's effective Agreement under this Rate Schedule. Transporter and Shipper may agree to a schedule of the quantities to be parked or loaned, and subsequently returned, as specified in an Exhibit A of Shipper's effective Agreement.
 - (d) If Shipper and Transporter agree that Shipper may receive parked quantities or return loaned quantities at point(s) other than the point(s) of the park or loan as specified on an Exhibit A of Shipper's effective Agreement under this Rate Schedule, then Shipper and Transporter shall enter into a separate Transportation Agreement(s) to effectuate receipt or delivery of the Gas from or to the new point(s).
3. Service rendered under this Rate Schedule shall be provided for a minimum of a one (1) Day term. The term shall be set forth on the Agreement executed between Shipper and Transporter.

4. Transportation of Gas quantities for or on behalf of Shipper to or from the designated point(s) of service as specified on an Exhibit A of Shipper's effective Agreement shall not be performed under this Rate Schedule. Shipper shall make any necessary arrangements with Transporter and/or third parties to receive or deliver Gas quantities at the designated points of service as specified on an Exhibit A of Shipper's effective Agreement for Parking or Lending Service hereunder.
5. Services rendered under this Rate Schedule shall be interruptible. Interruptible services shall be available only to the extent of actual capacity as it may be available from time to time, under current conditions and shall be offered in accordance with the priorities established in the General Terms and Conditions of this Tariff.

5.9.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. **Commodity Charges.**
 - (a) An Account Balance Charge, as stated in Section 4.8, which shall be paid for each Dekatherm of Gas parked or loaned at each point of service by Transporter for or on behalf of the account of Shipper at the end of any Day during the Month;
 - (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas parked or loaned under this Rate Schedule. Such charges or surcharges are shown in Section 4.16, but shall not be applicable if paid on related Transportation Service.
2. **Third Party Charges.** Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
3. **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate is stated in Section 4.8 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.9.4 OPERATIONAL REQUIREMENTS OF TRANSPORTER

- (a) Shipper may be required, upon notification from Transporter, to cease or reduce deliveries to, or receipts from, Transporter as agreed to in any Exhibit A to the Agreement under this Rate Schedule within the Day consistent with Transporter's operating requirements. Further, Shipper may be required to return loaned quantities or remove parked quantities upon notification by Transporter. Such notification shall, at a minimum, be provided by posting on Transporter's HTML page and may also be provided by other means of Electronic Communication. Transporter will not recall from (or require withdrawal by) any Shipper, on any Day, any quantity greater than one-tenth (1/10) of the Shipper's outstanding park or loan balance, but in no event shall Transporter be restricted to recalling less than 5,000 Dth from any Shipper on any Day, nor will any Shipper be permitted to extend the term of its park or loan by reason of this limitation. Transporter's notification shall specify the time frame within which parked quantities shall be removed and/or loaned quantities shall be returned, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification, subject to the following conditions:
- (1) In the event that the specified time for removal or return of Gas quantities is the next Day, the time frame for required removal or return shall begin from the time that Shipper receives notice from Transporter. Notices provided after business hours for the next Day will be provided to Shipper via Electronic Communication. In the event that Shipper makes a timely and valid nomination in response to notification by Transporter to remove parked quantities and/or return loaned quantities, Shipper shall be deemed to have complied with Transporter's notification; and
 - (2) Unless otherwise agreed by Shipper and Transporter: (i) any parked quantity not nominated for removal within a time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; (ii) any loaned quantity not returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the Transporter's Monthly Spot Price Index pursuant to Section 6.16(b) and (c) of the General Terms and Conditions of this Tariff.
- (b) In the event parked quantities remain in Transporter's Pipeline System and/or loaned quantities have not been returned to Transporter's Pipeline System at the expiration of any Exhibit A to an Agreement executed by Shipper and Transporter under this Rate Schedule, Transporter and Shipper may mutually agree to an extended time frame and/or modified terms, including the rate, of such Exhibit A. In the event that Shipper and Transporter are unable to reach agreement, Transporter shall notify Shipper, and Shipper shall nominate for removal of the parked quantities and/or return of the loaned quantities within the time frame specified in Transporter's notice,

which in no instance shall be less than one (1) Day. Any parked quantity not nominated for removal within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter, free and clear of any adverse claims. Any loaned quantities not nominated to be returned within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the Transporter's Monthly Spot Price Index pursuant to Section 6.16(b) and (c) of the General Terms and Conditions of this Tariff.

5.9.5 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.9.6 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

5.9.7 POINTS OF SERVICE

Transporter shall post on its Internet website the points at which service under this Rate Schedule is offered. Transporter may revise such points any time and from time to time, subject to the operational and administrative feasibility of including a particular point on Transporter's system. If Transporter removes a point where service under this Rate Schedule was previously provided, and there exists a Shipper balance at such point, service under this Rate Schedule shall remain available for such Shipper at such point for the limited purpose of reducing the balance. Transporter and Shipper may mutually agree to utilize a different posted point to reduce such balance.

RATE SCHEDULE IWS
Interruptible Wheeling Service

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas between a Point of Receipt and a Point of Delivery within a geographic region(s) encompassing Transporter's facilities as identified in Section 6.1 paragraph 38 of the General Terms and Conditions of this Tariff (hereinafter referred to as a "Hub"). Transactions, hereunder, within the Hub will net to zero each day.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (1) This Rate Schedule shall apply to all service which is rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (2) Wheeling service under this Rate Schedule shall consist of: (a) the receipt of Gas on behalf of Shipper, (b) the Transportation of Gas on behalf of Shipper and (c) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (3) Service rendered under this Rate Schedule shall be interruptible. Interruptible service shall be available only to the extent of actual capacity as it may be available from time to time, under current conditions and shall be offered in accordance with the priorities established in the General Terms and Conditions of this Tariff.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

- (1) Commodity Charges.
 - (a) A Commodity Rate, as stated in Section 4.8, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper during the Service Month;
 - (b) Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas allocated under this Rate Schedule. Such charges or surcharges are shown in Section 4.16, but shall not be applicable if paid on related Transportation Service.
- (2) Third Party Charges. Shipper shall be responsible for delivering all Gas to Transporter's System, and shall be free to contract with third party(ies) to achieve such

result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.

- (3) **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper which a Maximum Rate and Minimum Rate are stated in Section 4.8 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
- (4) **Cashout of Monthly Imbalances.** Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff, if applicable.
- (5) **Each Dekatherm of Gas Delivered Hereunder to Shipper in excess of that Day's confirmed nomination, after Transporter has issued an express order to Shipper to cease and desist, shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Rates under this rate schedule.**

4. COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE ITS-3
Interruptible Transportation Service

5.11.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the Transportation of Gas by Transporter, provided that the applicable end user agrees to allow Transporter, in cooperation with any intervening downstream transporter, to install telemetered electronic measurement, and other necessary facilities, as reasonably required in order to provide service.

5.11.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Shipper pursuant to the executed Agreement under this Rate Schedule.
- (b) Transportation Service under this Rate Schedule shall consist of: (1) the receipt of Gas on behalf of Shipper, (2) the Transportation of Gas, and (3) the Tender of Gas for delivery by Transporter to Shipper, or for Shipper's account.
- (c) Transportation Service rendered under this Rate Schedule shall be interruptible. Interruptible service shall be available only to the extent of actual available capacity as it may exist from time to time under current conditions, and shall be offered in accordance with the priorities established in the General Terms and Conditions of this Tariff. The Dekatherms delivered in one Hour may be requested by Shipper to be provided on a best efforts basis, but shall be no less than 1/24th and no greater than 1/4th of the total Dekatherms nominated and scheduled for delivery during the same Day.

5.11.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. **Commodity Charges.**
 - (a) A Commodity Rate, as stated in Section 4.8 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Shipper during the Service Month.
2. **Other Applicable Charges or Surcharges.** All applicable volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder, as applicable. Such charges or surcharges are shown in Section 4.16.
3. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18 and, if applicable, Section 5.19. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.
4. **SIMM Charges.** Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
5. **Third Party Charges.** Shipper shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Shipper requests, and Transporter agrees, that Transporter shall, for service to Shipper, use transportation service which Transporter has contracted for with third party(ies) for Shipper on or after November 1, 1989, Shipper shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Shipper under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Shipper's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Shipper.
6. **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.8 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in

such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.11.4 SHORT NOTICE START-UP AND SHUT-DOWN

In addition to the nomination and scheduling procedures set forth in Section 6.6 of the General Terms and Conditions of this Tariff, Shipper shall have the right to start-up and shut-down service hereunder only upon providing Transporter with two (2) Hour(s) telephone notification or, subject to operational conditions, a shorter period of notice. Such start-up telephone notification shall include a request for the hourly rate of flow that Shipper desires. After such telephone notification by the Shipper, and subsequent verification by the Transporter, Shipper shall also be required to provide a nomination consistent with Section 6.6 of the General Terms and Conditions of this Tariff.

5.11.5 VARIATION OF DELIVERIES

For any Day, Shipper shall cause quantities provided at the Receipt Point(s) to approximate those nominated to the Delivery Point(s). Variances shall be permitted as follows:

- (a) For purposes of this Rate Schedule, a variance shall be defined as the difference between quantities received at the Receipt Point(s) and the quantities delivered at the Delivery Point(s). For any Day, Shipper shall be permitted, a variance of (plus or minus) 25% of the amount nominated and scheduled for that Day, provided however, that on a cumulative basis such a variance shall not exceed 25% (plus or minus) of the highest nominated and scheduled amount for any Day to date during the Month.
- (b) If Shipper exceeds the permissible daily or cumulative variances specified above, Shipper may be required, upon notification from Transporter, to cease deliveries from, or reduce tenders to, Transporter hereunder, consistent with Transporter's operating requirements to restore the variance(s) within the permissible percentage. Further, Shipper may be required to return tender quantities upon notification by Transporter. Such notification shall, at a minimum, be provided by a posting on Transporter's HTML page and may also be provided by other means of Electronic Communication. Transporter's notification shall specify the time frame within which variance(s) shall be corrected, consistent with Transporter's operating conditions, but in no event shall the specified time be sooner than the next Day after Transporter's notification, subject to the following conditions:
 - (1) In the event that the specified time for tender of Gas quantities is the next Day, the time frame for required tender shall begin from the time that Shipper receives notice from Transporter. Notices provided after business Hours for the next Day will be provided to Shipper via Electronic Communication. In the event that Shipper makes a timely and valid nomination in response to notification by Transporter to tender such quantities, Shipper shall be deemed to have complied with Transporter's notification; and
 - (2) Unless otherwise agreed by Shipper and Transporter, (i) any variance quantities not nominated for Delivery to Shipper within the time frame specified by Transporter's notice shall become the property of Transporter at no cost to Transporter free and clear of any adverse claims; and (ii) any variance quantities not tendered to Transporter within the time frame specified by Transporter's notice shall be sold to Shipper at 150% of the Transporter's Monthly Spot Price Index pursuant to Section 6.16(b) and (c) of the General Terms and Conditions of this Tariff.

5.11.6 DEFINITIONS

1. The term "Hour" shall mean a period of sixty consecutive minutes beginning at the top of the Hour, e.g., 9:00, or such other period of sixty consecutive minutes mutually acceptable to Transporter and Shipper.

5.11.7 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.11.8 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE FSS
Firm Storage Service

5.12.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the purchase of storage service from Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted storage capacity to perform service requested by Shipper; and
- (b) Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

5.12.2 APPLICABILITY

- (a) This Rate Schedule shall apply to all storage service which is rendered by Transporter for Shipper pursuant to an executed Agreement under this Rate Schedule.
- (b) If a Shipper contracts for storage service hereunder, Shipper shall arrange for Transportation of the Gas to be stored to and from the Point of Injection/Withdrawal, by appropriate agreement with Transporter pursuant to Transporter's Rate Schedules ETS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS or ITS-3.
- (c) Storage service rendered by Transporter under this Rate Schedule shall consist of:
 - (1) The receipt during the Injection Period of Gas on behalf of Shipper at the Point of Injection/Withdrawal up to the Maximum Storage Quantity ("MSQ") at daily rates up to the Maximum Daily Injection Quantity ("MDIQ");
 - (2) The storage of Gas in quantities not to exceed the MSQ;
 - (3) Storage services associated with Rate Schedule NNS activity shall have incremental injection rights during the Summer and Winter Periods and incremental withdrawal rights during the Summer Period equal to their NNE; and
 - (4) The tender during the Withdrawal Period of Gas for delivery by Transporter to Shipper at the Point of Injection/Withdrawal at daily rates up to the Maximum Daily Withdrawal Quantity ("MDWQ"), provided that the quantities delivered in the Withdrawal Period cannot exceed the MSQ.
- (d) At the end of each Winter Period, Working Storage Gas must be reduced to twenty percent (20%) or less of the MSQ unless the Shipper's Agreement terminates on that date, in which case the Working Storage Gas should equal zero. Provided however, for Shippers taking service for periods not running for twelve consecutive Months Working Storage Gas should equal zero at the end of any Storage Contract Year. Section 5.12.3 paragraphs 7 and 8 below shall determine Shipper's rights and liabilities for failure to meet these conditions.
- (e) Storage service under this Rate Schedule shall be firm during the Withdrawal Period, up to the MDWQ and shall be firm during the Injection Period up to the quantities specified in Section 5.12.2(c)(1) of this Rate Schedule. Storage service associated with Rate Schedule NNS activity shall also be firm up to the NNE for injections and withdrawals in the Summer Period and injections during the Winter

Period. The MSQ, the Base MDIQ, and the Base MDWQ shall be specified in the executed Agreement.

- (f) Injection Period shall mean the Summer Period, and Withdrawal Period shall mean the Winter Period, respectively, except for Shippers electing service pursuant to Section 5.12.6 paragraph 2, below.

5.12.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charges.
 - (a) The applicable FSS Deliverability Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's Base MDWQ; plus
 - (b) The applicable FSS Capacity Reservation Rate, as stated in Section 4.9 or 4.10, shall be paid each Month for each Dekatherm of Shipper's MSQ divided by twelve (12).
2. Commodity Charges. The applicable Injection/Withdrawal Commodity Rate, as stated in Section 4.9 or 4.10, shall be paid each Month by Shipper for each Dekatherm of Gas tendered to or by Transporter at the Point of Injection/Withdrawal during the Service Month, excluding quantities delivered pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Storage Overrun Service. Shipper may request Transporter to inject quantities of Gas for Shipper on any Day during the Injection Period in excess of the quantities specified in Section 5.12.2(c)(1) of this Rate Schedule or to withdraw quantities of Gas for Shipper on any Day during the Withdrawal Period in excess of Shipper's MDWQ. Shipper may also request Transporter to inject quantities of Gas for Shipper on any Day during the Withdrawal Period or withdraw quantities of Gas for Shipper on any Day during the Injection Period. Shipper may request Transporter to accept deliveries of quantities of Gas in excess of the MSQ during any Injection Period and Shipper may request Transporter to redeliver quantities of Gas in excess of the MSQ or Working Storage Gas during any Withdrawal Period provided, however, that at no time may Shipper's Working Storage Gas exceed Shipper's MSQ. Transporter may utilize its base or working storage Gas to satisfy Shipper redelivery requests and may do so on an interruptible basis if it can do so without adverse effect on Transporter's operations or its ability to meet all of its other firm service obligations. Shipper may nominate on an interruptible basis for the redelivery of any quantities of Gas which have been provided to Shipper in excess of its Working Storage Gas, in accordance with Section 6.6 of these General

Terms and Conditions of this Tariff; however, Shipper shall be required to return all such quantities commencing within forty-eight (48) hours of notification by Transporter to do so unless Transporter in its reasonable discretion determines that a longer period is operationally feasible. For each Dth of such Gas that Shipper shall not return to Transporter as expressly required pursuant to this Section 5.12.3 paragraph 4, Shipper shall be subject to a penalty rate equal to twelve (12) times the sum of the maximum applicable FSS Deliverability and Capacity Reservation Rates.

5. **Overrun Service Charge.** The applicable Overrun Service Rate shall be paid for each Dekatherm of Gas which is injected or withdrawn on behalf of Shipper during the Month pursuant to Section 5.12.3 paragraph 4 of this Rate Schedule unless such overrun service, with Transporter's concurrence, is makeup of quantities of Gas that Transporter previously failed to inject into storage or withdraw from storage. The formula for calculating the applicable Rate Schedule FSS Overrun Service Rate is stated in Section 4.9 or 4.10.
6. **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at the Point(s) of Injection/Withdrawal, for each Dekatherm injected, the Transporter's Use and EPC Charge utilizing the applicable Rate Schedule FSS Transporter's Use (%) and EPC Charge set forth in Section 4.18 or 4.19.
7. **SIMM Charges.** Shipper shall pay all applicable charges or surcharges, including but not limited to those charges under Section 6.26 of the General Terms and Conditions of this Tariff. Such charges or surcharges are stated in Section 4.20.
8. **Cycling Fuel Charge.** If a Shipper has renewed its Agreement for the next Storage Contract Year under this Rate Schedule, or any successor Rate Schedule, and fails to reduce its Working Storage Gas to twenty percent (20%) or less of its MSQ by the end of the Winter Period, then Transporter shall reduce the Working Storage Gas for Cycling Fuel, provided, however, that such deadline for reducing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151.
9. If a Shipper has reached the termination date of its Agreement without renewing or extending its Agreement or has reached a break in the period of Shipper's service, and fails to withdraw all of its Working Storage Gas by the end of the Storage Contract Year, then such Shipper shall be deemed to have executed the necessary Agreements under Rate Schedules DDS and ITS for the further disposition of such remaining Working Storage Gas, provided, however, that such deadline for removing Working Storage Gas shall be extended, as applicable, by the number of Days that the quotient of Shipper's MSQ divided by Shipper's Base MDWQ exceeds 151. If Transporter provides notice to Rate Schedule DDS Shippers pursuant to Section 5.13 paragraph 2(d) of Rate Schedule DDS to withdraw

Shippers' Rate Schedule DDS quantities, such notice will be deemed as notice to Shippers terminating service under Rate Schedule FSS and Transporter shall contemporaneously notify such Shippers. Any remaining quantities of Working Storage Gas or, as applicable, Rate Schedule DDS quantities will be subject to confiscation after the end of the forty-five day notice period provided for in Section 5.13 paragraph 2(d) of Rate Schedule DDS.

10. Rate Changes. Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.9 or 4.10 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

5.12.4 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.12.5 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

5.12.6 ENHANCED SERVICE FEATURES

1. Elimination of Storage Ratchets. Shippers may elect to have the MDIQ and the MDWQ equal to the Base MDIQ and Base MDWQ, respectively. The applicable maximum reservation rate for Rate Schedule FSS service pursuant to such an election shall be stated in Section 4.9 or 4.10, and denoted as Rate Schedule FSS service without Storage Ratchets.
2. Flexible Entitlements. Subject to the determination in Section 5.12.1(a), above, Rate Schedule FSS Shippers may elect flexible injections and withdrawals from storage ("Flexible Entitlements") to permit injections and withdrawals on any Day of the Storage Contract Year, provided, however, that in no event shall any Shipper be entitled to firm withdrawals in excess of the then current MSQ Gas balance or to inject amounts above the MSQ. The applicable maximum reservation rate for Rate Schedule FSS service pursuant to such an election shall be stated in Section 4.9 or 4.10, and denoted as Rate Schedule FSS service with Flexible Entitlements. The Injection Period and Withdrawal Period under such an election shall be consecutive monthly periods commencing April 1, provided, however, that if (a) the sum of: (i) the Shipper's MSQ divided by its Base MDWQ; and (ii) the Shipper's MSQ divided by its Base MDIQ, exceeds 365, or (b) the Storage Contract Year is less than 365 days, such Shipper may commence service on a Day other than April 1.
3. Cycling of Gas. Shippers electing Flexible Entitlements pursuant to Section 5.12.6 paragraph 2, above, shall during the Injection Period and the Withdrawal Period be permitted to inject and withdraw ("Cycle"), respectively, quantities of Gas above the normal single Cycle allowed for other Shippers. The ability to Cycle under this section does not create any additional firm rights. Rather, the Shipper's ability to Cycle is both limited as defined below and by the physical limitations inherent in the Shipper's Base MDIQ, Base MDWQ, MSQ and Storage Contract Year. Cycling under Flexible Entitlements shall be permitted up to 1.42 times the MSQ within any Storage Contract Year, provided, however, that in the case of any Shipper with a Base MDWQ between $\frac{1}{10}$ - $\frac{1}{49}$ of its MSQ, the respective Injection Period and Withdrawal Period quantities shall be equal to the quotient of 365 divided by the sum of: (a) the Shipper's MSQ divided by its Base MDWQ; and (b) the Shipper's MSQ divided by its Base MDIQ. The storage of Gas in excess of MSQ, or the injection or the withdrawal of Gas in excess of the allowed Cycle(s), as the case may be, shall be permitted only on a best efforts, overrun basis. For the purposes of determining the applicable limits on injections and withdrawals pursuant to this provision, quantities allocated as Designated Storage Account activity pursuant to the provisions of Rate Schedule NNS shall not be included in the calculations of a Shipper's accumulated injections and withdrawals of Gas.

4. In-Field Transfers. A Shipper may elect to fill the MSQ, in whole or in part, through an in-field transfer of Gas subject to Section 6.18.12 of the General Terms and Conditions of this Tariff. Such an election will neither increase nor diminish the Base MDIQ, Base MDWQ, or MSQ. Except as provided in Section 5.12.3 paragraph 4 above, for gas currently in the storage account, the sum of (a) the Gas nominated, injected and (b) the Gas moved into the account through one (1) or more in-field transfers, may not exceed the MSQ.

RATE SCHEDULE DDS
Deferred Delivery Service

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper") for the purchase of storage service from Transporter, when Shipper and Transporter have executed an Agreement under this Rate Schedule, or conformed an existing Agreement to be consistent with this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to service which is rendered by Transporter for Shipper pursuant to an executed Agreement under this Rate Schedule.
- (b) If a Shipper contracts for storage service hereunder, Shipper shall arrange for Transportation of the Gas to be stored to and from the Point of Injection/Withdrawal, by appropriate agreement with Transporter.
- (c) Storage service rendered by Transporter under this Rate Schedule shall consist of:
 - (1) The receipt of Gas on behalf of Shipper at the Point of Injection/Withdrawal up to the Maximum Storage Quantity at daily rates up to the DDS Maximum Daily Injection Quantity;
 - (2) The Storage of Gas not to exceed the Maximum Storage Quantity; and
 - (3) The tender for delivery by Transporter to Shipper at the Point of Injection/Withdrawal up to the Maximum Storage Quantity at daily rates up to the DDS Maximum Daily Withdrawal Quantity.
- (d) Storage service rendered under this Rate Schedule shall be interruptible, on any Day. Interruptible service shall be available only to the extent of actual available capacity for injection, storage and withdrawal, as it may be from time to time under current conditions, and shall be offered in accordance with the provisions established in the General Terms and Conditions. Transporter may, if storage capacity is needed to meet its firm obligations, require Shipper to withdraw all Rate Schedule DDS quantities held in storage by Transporter for or on behalf of Shipper within forty-five (45) Days of such notice; provided, however, if Transporter is unable to provide Transportation under a Transportation Agreement, then such forty-five (45) Day period will be extended by one Day for each Day Transporter is unable to render Transportation. The Maximum Storage Quantity shall be specified in the executed Agreement.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

- (1) **Interruptible Service Commodity Charge.** A Storage Commodity Rate set forth in Section 4.9 shall be paid for each Dekatherm of Working Storage Gas which are stored for or on behalf of Shipper at the end of any Day during the Month.
- (2) **Other Applicable Charges or Surcharges.** All applicable reservation and volumetric charges or surcharges, as provided for under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas Delivered Hereunder. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
- (3) **Fuel and Electric Power Cost Reimbursement.** Shipper shall furnish at the Point(s) of Injection/Withdrawal, for each Dekatherm injected, the Transporter's Use and EPC Charge utilizing the applicable Rate Schedule DDS Transporter's Use (%) and EPC Charge set forth in Section 4.18 or 4.19.
- (4) **Withdrawal Penalty Charge.** If Shipper fails to withdraw all Working Storage Gas quantities held in storage by Transporter for or on behalf of Shipper by the end of the forty-five (45) Day period that Transporter needs the storage capacity to meet all of its firm service obligations, then Transporter shall retain any Working Storage Gas quantities at the end of such period, without payment thereof, and free and clear of any adverse claims.
- (5) **Rate Changes.** Subject to any limitations agreed to by Shipper and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Shipper for which a Maximum Rate and Minimum Rate are stated in Section 4.9 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such section. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service, or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.

4. COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5. STORAGE OVERRUN SERVICE

Shipper may request Transporter to inject for Storage quantities of Gas for Shipper on any Day in excess of Shipper's DDS Maximum Daily Injection Quantity or to withdraw quantities of Gas from Storage for Shipper on any Day in excess of Shipper's DDS Maximum Daily Withdrawal Quantity. Transporter may do so on an interruptible basis if it can do so without adverse effect on Transporter's operations or its ability to meet all other obligations described in Section 6.10 of the General Terms and Conditions of this Tariff. Shipper shall pay the applicable charges pursuant to Section 5.13 paragraph 3 of this Rate Schedule DDS for such overrun storage service.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein by reference and made a part of this Rate Schedule.

RATE SCHEDULE MBS
Market Balancing Service

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership and any other party (hereinafter referred to as "Shipper") for service under this Rate Schedule for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Before Transporter accepts any nomination on any Day for service hereunder, Transporter has determined that it will have sufficient available and uncommitted capacity to perform the service requested by Shipper and is able to predict with reasonable accuracy the demand requirements at the gate station in order to perform the service;
- (b) If the Shipper requesting service is not directly connected to Transporter's facilities, Shipper shall be responsible for arranging service with any intermediate transporter(s), including provision for electronic measurement, is not impaired by such intermediate transporter(s), and Transporter shall not be liable for actions of any intermediate transporter;
- (c) On any Day Transporter accepts a nomination for service hereunder, Shipper provides to Transporter actual consumption of quantities, in Dekatherms, delivered by Transporter hereunder, using electronic measurement facilities;
- (d) Shipper and Transporter have executed an Agreement under another Transportation Rate Schedule of this Tariff that will serve as the Shipper's Gas supply sourcing Transportation Agreement ("MBS Supply Transportation"); and
- (e) Shipper and Transporter have executed an Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) Shipper shall have the right to take Gas at a Delivery Point(s), in excess of the sum of its receipts for Transportation to such Delivery Point(s) under its MBS Supply Transportation, up to the nominated withdrawal quantity. Shipper shall also have the right not to take Gas at a Delivery Point(s), by a quantity less than the sum of its receipts for Transportation to such delivery Point(s) under its MBS Supply Transportation, so long as such quantity does not exceed the nominated injection quantity. To effectuate such service, Transporter shall maintain an MBS Storage Account for Shipper.
- (b) Transportation, injection and withdrawal under this Rate Schedule shall be interruptible.

- (c) Shipper shall be required to nominate, pursuant to Section 6.6 of the General Terms and Conditions of this Tariff, the quantities described in Section 5.14 paragraphs 3.1(a), (b) and (c), below. If Transporter does not confirm any nomination, such nomination shall be deemed to be zero for billing purposes.

3. CHARGES

Each Month Shipper shall pay to Transporter the following charges:

- (1) (a) The Daily Delivery Rate which is shown in Section 4.11, multiplied by each Dekatherm of (1) confirmed nomination for the MBS withdrawal quantity and (2) residual quantities, up to the Swing Percentage, allocated as Transportation pursuant to Section 6.14.1(a)(1) of the General Terms and Conditions of this Tariff; plus
 - (b) The Daily Delivery Rate which is shown in Section 4.11, multiplied by each Dekatherm of (1) confirmed nomination for the MBS injection quantity and (2) residual quantities, up to the Swing Percentage, allocated as Transportation pursuant to Section 6.14.1(a)(1) of the General Terms and Conditions of this Tariff; plus
 - (c) The Capacity Rate shown in Section 4.11 payable on the maximum confirmed nomination of the MBS maximum storage quantity reserved; plus
 - (d) The Commodity Rate shown in Section 4.11 for allocated quantities for Transportation to or from storage, excluding the quantities allocated as MBS Overrun Quantity pursuant to Section 5.14 paragraph 3(3).
- (2) Other Applicable Charges or Surcharges. All applicable volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas allocated as an injection quantity. Such surcharges shall not be applicable if paid on related Transportation Service.
- (3) Overrun Service. The term "MBS Overrun Quantity" shall be defined as the quantity of Gas allocated as service hereunder that exceeds the nominated MBS injection quantity or the nominated MBS withdrawal quantity, as applicable, for each Delivery Point. Shipper shall pay, for any Dekatherm of MBS Overrun Quantity that exceeds the Swing Percentage, a commodity rate equal to the overrun service rate set forth in Section 4.11.
- (4) Fuel and Electric Power Cost Reimbursement. Shipper shall furnish at Receipt Point(s) the Gas for Transporter's Use utilizing the applicable Transporter's Use (%) set forth in Section 4.18. Shipper shall also furnish at the Point of Injection/Withdrawal, for each

Dekatherm injected, the applicable storage-related Transporter's Use (%) set forth in Section 4.18. Shipper shall also pay to Transporter the applicable EPC Charge as stated in Section 4.19.

- (5) Transporter may, if storage capacity is needed to meet its firm obligations, require Shipper to withdraw all Rate Schedule MBS quantities held in storage by Transporter for or on behalf of Shipper within forty-five (45) Days of such notice; provided, however, if Transporter is unable to provide Transportation under a Transportation Agreement, then such forty-five (45) Day period will be extended by one Day for each Day Transporter is unable to render Transportation.
- (6) Cashout of Monthly Imbalances.
 - (a) Shipper shall be responsible for payment of the one hundred percent (100%) Cashout price provided for in Section 6.15 of the General Terms and Conditions of this Tariff with respect to any negative balance remaining in the MBS Storage Account at the end of each Service Month.
 - (b) If any Shipper has Excess Quantities on its MBS Supply Transportation at the end of any Service Month, such Shipper may, subject to available capacity, elect in lieu of Cashout thereunder to have such Excess Quantities added to its MBS Storage Account, after payment of applicable transportation charges.
 - (c) If any Shipper has Deficient Quantities on its MBS Supply Transportation at the end of any Service Month, such Shipper may elect in lieu of Cashout thereunder to have such Deficient Quantities subtracted from its MBS Storage Account, by an amount not to exceed the remaining quantity in the MBS Storage Account.

4. PRIOR PERIOD ADJUSTMENTS

Before the close of the Service Month, Transporter shall use the best information available to update the consumption data provided by Shipper hereunder. After allocations have closed, any prior period adjustments associated with service hereunder shall be reconciled between the Shipper and the operator of the electronic measurement facilities.

5. COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

6. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein by reference and made a part of this Rate Schedule.

RATE SCHEDULE NNS
No-Notice Service

5.15.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership and any other party (hereinafter referred to as "Shipper") for delivery of Gas without prior notice ("no-notice") in conjunction with the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it will have sufficient available and uncommitted capacity to perform the service requested by Shipper;
- (b) If the Shipper requesting service is not directly connected to facilities owned and operated by Transporter, Shipper shall be responsible for arranging service with any intermediate transporter(s), and Transporter shall not be liable for actions of any intermediate transporter;
- (c) Shipper has established the Designated Storage Account(s), pursuant to Rate Schedule FSS, with a Base Maximum Daily Withdrawal Quantity equal to or greater than the NNE hereunder, and designated the sequence for allocation of no-notice quantities thereto;
- (d) Shipper has designated the Notice Transportation Agreement(s), with a Maximum Daily Quantity greater than or equal to the NNE during the Winter Period, pursuant to which the no-notice quantities shall be transported to/from the specified Delivery Points ("NNS Storage Transportation"), and designated the sequence for allocation of no-notice quantities thereto;
- (e) An NNS Storage Transportation Agreement shall have the point of injection/withdrawal be its Primary Delivery Point during the Injection Period and be its Primary Receipt Point during the Withdrawal Period. Transportation in either direction for NNS activity shall be firm at any time;
- (f) Shipper has agreed to use its best efforts to obtain and provide timely the information set forth in Section 5.15.4 of this Rate Schedule; and
- (g) Shipper and Transporter have executed an Agreement under this Rate Schedule.

5.15.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) Shipper shall have the right to take Gas at a Delivery Point(s) in excess of the sum of its nominations at such Delivery Point(s) under any Rate Schedule of this Tariff ("NNS Supply Transportation"), up to the no-notice entitlements ("NNE") specified in the executed Agreement for each Delivery Point. Shipper shall also have the right not to take Gas at a Delivery Point by a quantity less than the sum of its nominations at such Delivery Point under the NNS Supply Transportation Agreement, so long as such quantity does not exceed the NNE specified for such Delivery Point. This service shall be firm up to the Delivery Point NNE; provided, however, if the NNS Storage Transportation is an Agreement under Rate Schedule ETS, service hereunder shall be firm up to the aggregate NNE, after netting at all Delivery Points.
- (b) The difference between the sum of nominations and the allocated quantities at a Delivery Point for the NNS Supply Transportation shall be deemed a no-notice quantity and allocated as an injection to or withdrawal from the Designated Storage Account and transported under the NNS Storage Transportation, as applicable.
- (c) Service under the NNS Storage Transportation and Firm Storage Service Agreements can exceed the applicable Delivery Point MDQ or storage MDIQ and MDWQ by the NNE associated with such Delivery Point, except during withdrawals during the Winter Period.
- (d) Notwithstanding the foregoing provisions of this Section 5.15.2, if Shipper fails to meet its good faith obligations under Section 5.15.4 of this Rate Schedule, then Transporter's obligations under this Rate Schedule shall be best efforts only.

5.15.3 CHARGES

Each Month Shipper shall pay to Transporter the following charges:

1. Reservation Charge. The Reservation Rate shown in Section 4.11 for each Dekatherm of NNE of Shipper under this Rate Schedule.
2. Commodity Charge. The Commodity Rate which is shown in Section 4.11, for each Dekatherm of Gas allocated under this Rate Schedule.
3. Other Applicable Charges or Surcharges. All applicable reservation and volumetric charges or surcharges, including but not limited to those charges under Section 6.24 of the General Terms and Conditions of this Tariff, for each Dekatherm of Gas allocated under this Rate Schedule. Such charges or surcharges are shown in Section 4.16. Such surcharges shall not be applicable if paid on related Transportation Service.
4. Overrun Service. "No-Notice Overrun Quantity" shall be defined as the quantities allocated at Delivery Point(s) that exceed the aggregate NNE, after first netting allocated quantities between Delivery Point(s) if the NNS Storage Transportation is rendered pursuant to Rate Schedule ETS. Shipper shall pay, for each Dekatherm of No-Notice Overrun Quantity that exceeds the Swing Percentage, a commodity rate equal to the maximum Reservation Rate which is shown in Section 4.11, times 12 then dividing the result by 365, times one-hundred and fifty percent (150%).
5. Cashout of Monthly Imbalances. Transporter or Shipper, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.
6. Fuel. Fuel associated with activity pursuant to this Rate Schedule shall be assessed on the NNS Storage Transportation Agreement(s) subject to the following limitations: (a) fuel shall not be assessed to the extent that Northern Segment fuel has been assessed on the NNS Supply Transportation Agreement(s); and (b) injection and withdrawal activity on each Day pursuant to all NNS Storage Transportation Agreements shall first be netted prior to the assessment of fuel.

5.15.4 OPERATING INFORMATION TO BE SUBMITTED BY SHIPPER

- (a) Shipper shall, in good faith, and using its best judgment and experience, provide to Transporter as soon as reasonably possible after it becomes available, the following information:
 - (1) expected daily receipts by Shipper from third party sources, or expected alternate energy sources for each segment of Shipper's facilities;
 - (2) operational input that could reasonably affect the otherwise stated capacity downstream from a Delivery Point, including facilities out of service, maintenance and construction; and
 - (3) significant changes in takes by Shipper's customers, if any.
- (b) At such times as Transporter may reasonably request, Shipper shall also provide its best, good faith estimates of its expected daily, monthly, winter and annual quantities of Gas to be transported by Transporter.

5.15.5 COMMISSION AND OTHER REGULATORY FEES

Shipper shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.15.6 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein by reference and made a part of this Rate Schedule.

RATE SCHEDULE PTS-1
Pooling Transportation Service (Derivative)

1. AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Pooler") for the Transportation of Gas by Transporter, provided that Pooler and Transporter have executed an Agreement under this Rate Schedule.

2. APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Pooler within a Pooling Area, pursuant to the executed Agreement under this Rate Schedule PTS-1.
- (b) Transportation Service under this Rate Schedule shall permit the Pooler to nominate and aggregate receipt(s) of Gas in a Pooling Area for redelivery into the designated Agreements of Shipper ("Downstream Shippers") that deliver gas in the Mainline Area Facilities. Pooler shall obtain its capacity derivatively from the applicable Downstream Shippers. If the Downstream Shipper(s) has purchased only transmission service in the Pooling Area, the Pooler shall nominate only from Catalog Receipt Points. If the Downstream Shipper(s) has also purchased gathering service, the Pooler may nominate from any Receipt Point(s) in the Pooling Area.
- (c) Downstream Shippers shall receive nominated quantities of Gas pooled hereunder at the applicable Headstation according to the priorities provided by the Pooler under this Rate Schedule pursuant to Section 6.6 of the General Terms and Conditions of this Tariff.
- (d) For purposes of determining imbalances for service to Pooler under this Rate Schedule, overdeliveries at one Receipt Point within a Pooling Area may be offset by underdeliveries at another Receipt Point within the same Pooling Area consistent with the provisions of Section 6.5.1 of the General Terms and Conditions of this Tariff. The applicable downstream Shipper shall not be responsible for the payment of any Cashout associated with resolving such imbalances.
- (e) Transportation Service rendered under this Rate Schedule shall be firm, up to the quantities of firm transportation nominated by Downstream Shippers in the Pooling Area; and all other quantities shall be interruptible.
- (f) For scheduling and curtailment purposes, Transporter shall utilize the Receipt Point rankings provided for in Section 6.6 of the General Terms and Conditions of this Tariff. The lowest priority Receipt Point(s) shall be deemed to be the supply sources for downstream interruptible Transportation Services. A curtailment of quantities,

pursuant to Section 6.10 of the General Terms and Conditions of this Tariff, will correspondingly reduce the respective quantities of firm or interruptible downstream Transportation.

3. CHARGES

- (a) Cashout of Monthly Imbalances. Transporter or Pooler, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this tariff.
- (b) (i) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule.
- (ii) In the case of any Shipper that purchases Gas from a Pooler under this Rate Schedule, service to such Shipper shall be subject to an adjustment for Transporter's Use and Transporter's EPC that includes Transportation Service in the applicable Pooling Area, and in that event the Pooler hereunder shall not be subject to an adjustment for Transporter's Use and Transporter's EPC.

4. TRANSPORTATION OF GAS FROM CONTIGUOUS FACILITIES OWNED OR OPERATED BY TRANSPORTER

Pooler shall have the option (a) to contract directly with any intermediate pipeline or (b) to have Transporter contract with any intermediate pipeline. In either case, Transporter shall consider any quantities of gas delivered to Transporter as deliveries into the pool. If Pooler elects option (b), above, Pooler shall reimburse Transporter, including transportation charges and fuel reimbursements.

5. GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE PTS-2
Pooling Transportation Service (Firm)

5.17.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Pooler") for the Transportation of Gas by Transporter, subject to the following limitations:

- (a) Transporter has determined that it has sufficient available and uncommitted capacity to perform service requested by Pooler; and
- (b) Pooler and Transporter have executed an Agreement under this Rate Schedule.

5.17.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Pooler within a Pooling Area to any Headstation, pursuant to the executed Agreement under this Rate Schedule.
- (b) For purposes of this Rate Schedule, the Eunice and Greensburg Headstations shall be considered, respectively, a Delivery Point in the Southeast Area Facilities or the Southwest Area Facilities, as applicable. For Transportation Services receiving Gas at such Headstations from a Pooler under this Rate Schedule, the Headstation shall be considered a Receipt Point in either the Southeast Southern Segment or the Southwest Southern Segment, as applicable. Nothing in this Section 5.17.2(b) is intended to limit pooling to the Eunice or Greensburg Headstations.
- (c) Transportation Service under this Rate Schedule shall consist of the Transportation from Catalog Receipt Point(s) (Primary and Secondary Receipt Point(s)) in a Pooling Area to the applicable Headstation.
- (d) The Pooler shall make nominations for Transportation Service in accordance with the provisions of Section 6.6 of the General Terms and Conditions of this Tariff. Such nominated quantities shall be aggregated at the Headstation and treated as quantities received at a single Receipt Point for Shippers nominating quantities of Gas from the Headstation for downstream Transportation.
- (e) Downstream Shippers shall receive nominated quantities of Gas at a Headstation according to the priorities provided by the Pooler under this Rate Schedule in accordance with Section 6.6 of the General Terms and Conditions of this Tariff.
- (f) Allocation of Gas for Poolers under this Rate Schedule shall be determined according to the provisions of Section 6.14 of the General Terms and Conditions of this Tariff.
- (g) For purposes of determining imbalances under this Rate Schedule, overdeliveries at one Receipt Point within a Pooling Area may be offset by underdeliveries at another Receipt Point within the same Pooling Area. Nothing contained in this provision shall eliminate Pooler's obligations under Section 6.5 of the General Terms and Conditions of this Tariff.
- (h) Transportation Service rendered under this Rate Schedule shall be firm, up to the Delivery Point MDQ(s) specified in the executed Agreement.

5.17.3 CHARGES

Each Month Pooler shall pay to Transporter the following charges:

1. Reservation Charges.

- (a) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southwest Area, if the Agreement provides for Transportation that reserves Transporter's Southwest Area Facilities.
- (b) (i) For each Dekatherm of MDQ, the Reservation Rate, as stated in Section 4.12 for the Southeast Area, if the Agreement provides for Transportation that reserves Transporter's Southeast Area Facilities.
 - (ii) If, in any month, Shipper nominates Secondary Receipt Point(s) or Secondary Delivery Point(s) in the Southeast Area where such points are not Transmission Receipt Points or Transmission Delivery Points, respectively, Shipper shall pay the applicable Reservation Rate as stated in Section 5.19.
- (c) If at the commencement or termination of the Agreement, service is provided for only a portion of a Service Month, any applicable Reservation Charges shall be prorated for the number of Days that service is provided.

2. Commodity Charges.

- (a) A Southwest Area Commodity Rate, as stated in Section 4.12, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southwest Area Facilities.
- (b) A Southeast Area Commodity Rate, as stated in Section 4.12 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southeast Area Facilities.
- (c) (i) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then such charges shall be applicable.
 - (ii) In the case of any Shipper that purchases Gas from a Pooler, service to such Shipper shall be subject to an adjustment for Transporter's Use and Transporter's EPC that includes Transportation Service in the applicable

Pooling Area, and in that event the Pooler hereunder shall not be subject to an adjustment for Transporter's Use and Transporter's EPC, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then service hereunder shall be subject to the adjustment for Transporter's Use and Transporter's EPC.

3. Authorized Overrun Service. Transporter may authorize Pooler to take hereunder daily overrun quantities of Gas to the extent that, in the sole judgment of Transporter, the delivery capacity of Transporter's Pipeline System will permit such delivery without jeopardizing the ability of Transporter to meet all of its other firm service delivery obligations. The term "Authorized Daily Overrun Quantity" shall mean the quantity of Gas which is authorized and delivered by Transporter during any one Day in excess of Pooler's MDQ. Any request for service under this Section 5.17.3 paragraph 3 must be made by Pooler pursuant to a separate nomination for Authorized Daily Overrun Quantity Gas in accordance with Section 6.6.1(a) or 6.6.2(a) of the General Terms and Conditions of this Tariff. Pooler shall pay a commodity charge for each Dekatherm of Authorized Daily Overrun Quantity equal to the sum of the applicable maximum Reservation Rates times 12 then dividing the result by 365.
4. Unauthorized Overrun Service.
 - (a) Each Dekatherm of Gas Delivered Hereunder to Pooler pursuant to Section 6.14 of this Tariff on any Day, which is in excess of Pooler's MDQ, which has not been authorized under Section 5.17.3 paragraph 3 of this Rate Schedule, shall be considered as "Unauthorized Daily Overrun Quantity" and shall be subject to a penalty rate equal to two (2) times the applicable Rate Schedule ITS Maximum Rate to that Delivery Point on non-Extreme Condition Situation days, or the greater of ten dollars (\$10.00) or two (2) times the Spot Price Index for the Service Month, as defined in Section 6.16 of the General Terms and Conditions of this Tariff on posted Extreme Condition Situation days, in addition to all the charges set forth in Section 5.17.3 paragraph 3 above.
 - (b) Each Dekatherm of Gas Delivered Hereunder to Pooler as an Unauthorized Daily Overrun Quantity at any time after Transporter has issued an express order to Pooler to cease and desist shall be subject to a penalty rate equal to twelve (12) times the sum of the applicable maximum Reservation Rates under this Rate Schedule, in addition to all of the charges set forth in Section 5.17.3 paragraphs 3 and 4(a), above.
5. Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Pooler requests, and Transporter agrees, that Transporter shall, for

service to Pooler, use transportation service which Transporter has contracted for with third party(ies) for Pooler on or after November 1, 1989, Pooler shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Pooler under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Pooler's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Pooler.

6. Rate Changes. Subject to any limitations agreed to by Pooler and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Pooler for any and all of the transportation routes for which a Maximum Rate and Minimum Rate are stated in Section 4.12 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
7. Cashout of Monthly Imbalances. Transporter or Pooler, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.17.4 COMMISSION AND OTHER REGULATORY FEES

Pooler shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.17.5 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

RATE SCHEDULE PTS-3
Pooling Transportation Service (Interruptible)

5.18.1 AVAILABILITY

This Rate Schedule is available to any person, corporation, partnership or any other party (hereinafter referred to as "Pooler") for the Transportation of Gas by Transporter when Pooler and Transporter have executed an Agreement under this Rate Schedule.

5.18.2 APPLICABILITY AND CHARACTER OF SERVICE

- (a) This Rate Schedule shall apply to all Transportation Service rendered by Transporter for Pooler within a Pooling Area to any Headstation, pursuant to the executed Agreement under this Rate Schedule.
- (b) For purposes of this Rate Schedule, the Eunice and Greensburg Headstations shall be considered, respectively, a Delivery Point in the Southeast Area Facilities or the Southwest Area Facilities, as applicable. For Transportation Services receiving Gas at such Headstations from a Pooler under this Rate Schedule, the Headstation shall be considered a Receipt Point in either the Southeast Southern Segment or the Southwest Southern Segment, as applicable. Nothing in this Section 5.18.2(b) is intended to limit pooling to the Eunice or Greensburg Headstations.
- (c) Transportation Service under this Rate Schedule shall consist of the Transportation from Catalog Receipt Point(s) in a Pooling Area to the applicable Headstation.
- (d) The Pooler shall make nominations for Transportation Service in accordance with the provisions of Section 6.6 of the General Terms and Conditions of this Tariff. Such nominated quantities shall be aggregated at the Headstation and treated as quantities received at a single Receipt Point for Shippers nominating quantities of Gas from the Headstation for downstream Transportation.
- (e) Downstream Shippers shall receive nominated quantities of Gas at a Headstation according to the priorities provided by the Pooler under this Rate Schedule in accordance with Section 6.6 of the General Terms and Conditions of this Tariff.
- (f) Allocation of Gas for Poolers under this Rate Schedule shall be determined according to the provisions of Section 6.14 of the General Terms and Conditions of this Tariff.
- (g) For purposes of determining imbalances under this Rate Schedule, overdeliveries at one Receipt Point within a Pooling Area may be offset by underdeliveries at another Receipt Point within the same Pooling Area. Nothing contained in this provision shall eliminate Pooler's obligations under Section 6.5 of the General Terms and Conditions of this Tariff.
- (h) Transportation Service rendered under this Rate Schedule shall be interruptible.

5.18.3 CHARGES

Each Month Pooler shall pay to Transporter the following charges:

1. Commodity Charges.

- (a) A Southwest Area Commodity Rate, as stated in Section 4.14, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southwest Area Facilities.
- (b) A Southeast Area Commodity Rate, as stated in Section 4.14 and, if applicable, Section 5.19, shall be paid for each Dekatherm of Gas Delivered Hereunder to or on behalf of Pooler at the Delivery Point(s) during the Month pursuant to an Agreement that utilizes Transporter's Southeast Area Facilities.
- (c) (i) No ACA or other surcharges shall be assessed against any quantities transported pursuant to this Rate Schedule, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then such charges shall be applicable.
- (ii) In the case of any Shipper that purchases Gas from a Shipper under this Rate Schedule, service to such Shipper shall be subject to an adjustment for Transporter's Use and Transporter's EPC that includes Transportation Service in the applicable Pooling Area, and in that event the Shipper hereunder shall not be subject to an adjustment for Transporter's Use and Transporter's EPC, provided, however, that if quantities hereunder are delivered off-system from Transporter's Pipeline System, then service hereunder shall be subject to the adjustment for Transporter's Use and Transporter's EPC.

2. Third Party Charges. Pooler shall be responsible for delivering all Gas to Transporter's system, and shall be free to contract with third party(ies) to achieve such result. If Pooler requests, and Transporter agrees, that Transporter shall, for service to Pooler, use transportation service which Transporter has contracted for with third party(ies) for Pooler on or after November 1, 1989, Pooler shall pay Transporter an amount equal to the charges Transporter is obligated to pay to third party(ies) for transportation or other services attributable to performance of service on behalf of Pooler under this Rate Schedule. Such charges include, but are not limited to, compression fuel charges, compression fees, Gas handling fees, measurement fees, processing fees, facility rents, or charges that Transporter pays to a third party for transportation of Pooler's Gas, including third party's filing and regulatory fees. Such charges, as they may be from time to time, shall be set forth as separate items on billings rendered to Pooler.

3. Rate Changes. Subject to any limitations agreed to by Pooler and Transporter, Transporter may from time to time and at any time selectively adjust any or all of the rates charged to any individual Pooler for any and all of the transportation routes for which a Maximum Rate and Minimum Rate is stated in Section 4.14 of this Tariff or a superseding tariff; provided, however, that such adjusted rate(s) shall not exceed the applicable Maximum Rate(s), nor shall they be less than the Minimum Rate(s), set forth in such sections. Transporter shall have the right to charge the Maximum Rate at any time as a condition for new service or for continuation of service under an existing Agreement. Transporter shall make all information filings required by the Commission's regulations with respect to any charges at less than the Maximum Rate.
4. Cashout of Monthly Imbalances. Transporter or Pooler, as the case may be, shall be responsible for payment of the Cashout amount(s) provided for in Section 6.15 of the General Terms and Conditions of this Tariff.

5.18.4 COMMISSION AND OTHER REGULATORY FEES

Pooler shall reimburse Transporter directly for any separately stated fees required by the Commission or any other federal or any state regulatory body which are related to service provided under this Rate Schedule.

5.18.5 GENERAL TERMS AND CONDITIONS

All of the General Terms and Conditions of this Tariff are hereby specifically incorporated herein and made a part of this Rate Schedule.

SOUTHEAST AREA GATHERING SERVICE

1. AVAILABILITY

This Southeast Area gathering service is available to any person, corporation, partnership or any other party (hereinafter referred to as "Shipper"). Terms and conditions applicable to this service will be individually negotiated between Shipper and Transporter, on a not unduly discriminatory basis, consistent with the terms and conditions applicable to Transporter's Part 284 transportation.

2. FIRM SERVICE CHARGES

Each Month Shipper shall pay to Transporter a charge not to exceed the following:

(1) Reservation Charge:

\$2.1996 for each Dekatherm of MDQ.

(2) Commodity Charge:

\$0.000 for each Dekatherm of Gas Delivered Hereunder.

3. INTERRUPTIBLE SERVICE CHARGES

Each Month Shipper shall pay to Transporter a commodity charge not to exceed \$0.0723 for each Dekatherm of Gas Delivered Hereunder.

4. FUEL AND L&U REIMBURSEMENT

Transporter shall retain 0.06% of each Dekatherm of Gas tendered to Transporter at the Receipt Point(s) in the Southeast Area. This percentage is comprised of 0.00% fuel and 0.06% L&U, provided, however, if Transporter also provides Transportation of such Gas, the retention % will not include L&U.

GENERAL TERMS AND CONDITIONS

6.1 DEFINITIONS

1. The term "Agreement" shall mean the Service Agreement executed by the Shipper and Transporter and any exhibits, attachments and/or amendments thereto. Effective May 1, 1994, Shippers shall be required to execute a separate gathering service agreement in order to obtain service on any facilities in a Pooling Area not functionalized as transmission.
2. The term "Associated Liquefiabiles" shall mean that portion of Transporter's Gas stream that is extracted as liquid hydrocarbons at a processing plant.
3. The term "Associated Liquids" shall mean condensate (liquid hydrocarbons without free water) produced in conjunction with the production of Gas to be transported hereunder (the quantity shall not exceed 10 bbls per MMcf).
4. The term "Backhaul" shall mean the receipt and delivery of Gas which is accomplished by the Transporter's delivery of Gas at Delivery Point(s) which are upstream from the Receipt Point(s) of such Gas.
5. Unless otherwise agreed, the term "Base Maximum Daily Injection Quantity" ("Base MDIQ") shall mean the maximum quantity of Gas that Transporter is required to inject into Storage for the account of Shipper on a firm basis, and shall be equal to the MSQ divided by two hundred (200) for Rate Schedule FSS without ratchets and the MSQ divided by one hundred seventy-five (175) for Rate Schedule FSS with ratchets. Provided, further, that for Rate Schedule FSS with Flexible Entitlements and a Base MDWQ between 1/10 and 1/49 of its MSQ, the Base MDIQ shall be a mutually agreeable amount.
6. Unless otherwise agreed, the term "Base Maximum Daily Withdrawal Quantity" ("Base MDWQ") shall mean the maximum quantity of Gas that Transporter is required to withdraw from Storage for a Shipper, and shall be at least one-two hundred and thirteenth (1/213) but not more than one tenth (1/10) of the MSQ.
7. The term "Burner Tip Actual" ("BTA") shall mean quantities of Gas that have been electronically measured at the point of actual consumption for Rate Schedule FTS-3, ITS-3 and MBS Shippers and submitted via electronic measurement system to Transporter; provided, however, that if deliveries at the point of actual consumption include commingled deliveries from another supply source, the Shipper or Shipper's designee must identify the quantity attributable to each supply source, subject to verification of same by the intervening downstream transporter, including Transporter's deliveries within four (4) hours after the close of the applicable Day.

8. The term "Business Day" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the United States, and similar holidays for transactions in Canada and Mexico.
9. The term "BTA Stand-Alone Option" shall mean service to a Notice Service Shipper that has elected and qualified to have deliveries allocated on a BTA basis and agreed to the installation of flow control facilities at the point of consumption.
10. The term "BTU" shall mean one (1) British thermal unit, the amount of heat required to raise the temperature of one (1) pound of water one (1) degree Fahrenheit at sixty (60) degrees Fahrenheit, and is the International Btu. The reporting basis for BTU is 14.73 psia at 60 degrees F (101.325 kPa at 15 degrees C) and dry; and for gigacalorie it is 1.035646 Kg/cm² at 15.6 degrees C, and dry.

For purposes of this term, and the term Mcf in Section 6.1(45) below, NAESB WGQ takes no position on the basis upon which transactions are communicated to trading partners and/or regulatory agencies, as applicable, nor does NAESB WGQ state whether transactions may take place between parties on a volumetric basis.

11. The term "Cashout" shall mean the monetary settlement of quantities of Gas owed to or by Transporter or third parties, as further described in Section 6.15 of these General Terms and Conditions.
12. The term "Cashout Price" shall mean the price determined pursuant to Section 6.15 of these General Terms and Conditions.
13. The term "Catalog Receipt Point(s)" shall mean any eligible Transmission Receipt Point(s) located in a Pooling Area.
14. The term "Central Clock Time" or "CCT" shall mean Central Standard Time ("CST") except when Daylight Savings Time is in effect, when it shall mean one hour in advance of CST. All times referenced in this Tariff shall be in CCT.
15. The term "Commission" shall mean the Federal Energy Regulatory Commission or any successor regulatory authority.
16. The term "Confirmed Price" shall mean the Transportation rate inclusive of all applicable fees and surcharges agreed upon by Transporter and Shipper.
17. The term "Cycling Fuel" shall mean the quantity of Gas equal to Transporter's Use (%) for Rate Schedule FSS times the quantity of Working Storage Gas in excess of twenty percent (20%) of Shipper's MSQ at the end of the Winter Period.

18. The term "Day" shall mean a period of consecutive hours, beginning at 9:00 a.m., and ending on the following 9:00 a.m.
19. The term "DDS Maximum Daily Injection Quantity" shall mean one thirtieth (1/30) of the Maximum Storage Quantity.
20. The term "DDS Maximum Daily Withdrawal Quantity" shall mean (a) the Working Storage Gas as of the last Day of the prior Service Month divided by the number of Days in the current Service Month or, if applicable, (b) the Working Storage Gas divided by the number of remaining Days in the Service Month as of the date that Transporter notifies Shipper that it must withdraw all of its Working Storage Gas within forty-five (45) Days.
21. The term "Dekatherm" (or "Dth") shall mean the quantity of heat energy which is equivalent to one (1) million (1,000,000) BTU; thus the term MDth shall mean one (1) thousand (1,000) Dth. The conversion factor between Dth and gigajoule, the standard measure of heat energy in Canada and Mexico, is 1.055056 gigajoules per Dth.
22. The term "Delivery Point" shall mean either (a) a Headstation, (b) the Point of Injection/Withdrawal, or (c) a point on Transporter's Pipeline System that Shipper and Transporter shall agree upon, where Gas exits facilities owned by Transporter, and is metered.
23. The term "Delivery Point MDQ" shall mean the greatest number of Dekatherms that Transporter is obligated to deliver to or on behalf of Shipper on any Day at the applicable Primary Delivery Point.
24. The term "Delivery Point Operator" shall mean the party that is responsible for operating the facilities that are immediately downstream of the applicable Delivery Point.
25. The term "Designated Storage Account" shall mean any Agreement pursuant to Rate Schedule FSS that is designated by the Shipper pursuant to Rate Schedule NNS, for which quantities are to be allocated under Rate Schedule NNS for debiting and crediting.
26. The term "Hydrocarbon Dewpoint" shall mean cricondenthem, the highest temperature at which the hydrocarbon vapor-liquid equilibrium may be present. The Hydrocarbon Dewpoint (cricondenthem) calculations are performed using the Peng-Robinson equation of state.
27. The term "HDP Segment(s)" shall have the meaning as defined in Section 6.13 paragraph 3.

28. The term "HDP Problem(s)" shall mean actual or anticipated operational problems on Transporter's system specifically related to actual or anticipated hydrocarbon liquid fallout.
29. The term "Extreme Condition Situation" shall mean that (a) on any portion of Transporter's Pipeline System throughput approaches capacity, or (b) weather conditions exist, or (c) operating pressures on an affected portion of Transporter's Pipeline System are significantly less than or greater than normal operating pressures, such that Transporter's ability to receive or deliver quantities of Gas in accordance with its service obligations is impaired.
30. The term "Electronic Communication" shall mean the transmission of information via Transporter's Internet site, electronic delivery mechanism prescribed by NAESB or other mutually agreed communication methodologies used to transmit and receive information, including communication by telephone.
31. The term "Electronic Delivery Mechanism" or "EDM" shall mean the Electronic Communication methodology used to transmit and receive data related to gas transactions. Transporter and Shipper shall designate an electronic "site" at which Shippers and Transporter may exchange data electronically. All data provided at such site shall be considered as being delivered to the appropriate party. Transporter's use and implementation of EDM shall conform to all appropriate NAESB standards.
32. The term "Equivalent Quantities" shall mean a quantity of Gas containing an amount of Dekatherms equal to the amount of Dekatherms received by Transporter for the account of Shipper at the Receipt Point(s) reduced, where applicable, by the Dekatherms removed for Transporter's Use, third party use, and treatment and processing of Shipper's Gas, all as attributable to Transportation of Shipper's Gas.
33. The term "Flash Gas" shall mean gaseous hydrocarbons that either vaporize or are vaporized (including flare and vent gas) from liquefied hydrocarbons within facilities located onshore.
34. The term "Gas" shall mean natural gas, including gas cap gas, casinghead gas produced with crude oil, gas from gas wells, gas from condensate wells, Associated Liquefiables and synthetic natural gas, or any mixture of these gases meeting the quality standards under Section 6.13 of these General Terms and Conditions.
35. The term "Gas Delivered Hereunder" shall mean the quantities of Gas allocated to Shipper by Transporter, as determined in accordance with the provisions of Section 6.14 of these General Terms and Conditions.

36. The term "GEMStm" shall mean Transporter's electronic communication system which shall be available to any Shipper.
37. The term "Headstation" shall mean (a) Transporter's compressor station located at Eunice, Louisiana; (b) Transporter's compressor station located at Greensburg, Kansas; or (c) subject to operational feasibility, any single Delivery Point in a Pooling Area.
38. The term "Hub" shall mean (a) all interconnections with other transporters or storage service providers and Transporter, located between Transporter's compressor station at Sandwich, Illinois and the Crown Point, Indiana interconnect point (the ANR Joliet Hub), (b) all interconnections with other transporters or storage service providers and Transporter, located between Transporter's meter station at Glen Karn, Ohio and the terminus of the Lebanon Lateral in Ohio (the ANR Lebanon Hub), or (c) subject to operational or administrative feasibility, any other geographic region encompassing Transporter's facilities.
39. The term "Mainline Area Facilities" shall mean those facilities of Transporter which are not Southwest Area Facilities or Southeast Area Facilities of Transporter, and shall comprise Mainline Segments. Set forth below are the Mainline Segment location definitions:
- (a) SOUTHEAST SOUTHERN SEGMENT: all points downstream of the Eunice, LA compressor station site and upstream of the Madisonville, KY compressor station site.
 - (b) SOUTHEAST CENTRAL SEGMENT: all points downstream of and including the Madisonville, KY compressor station site and upstream of and including the Defiance, OH compressor station site.
 - (c) SOUTHWEST SOUTHERN SEGMENT: all points downstream of the Greensburg, KS compressor station site and upstream of the Maitland, MO compressor station site.
 - (d) SOUTHWEST CENTRAL SEGMENT: all points downstream of and including the Maitland, MO compressor station site and upstream of and including the Sandwich, IL compressor station site.
 - (e) NORTHERN SEGMENT: all points downstream of the Sandwich, IL and the Defiance, OH compressor station sites.

Any Transportation from a Point of Injection/Withdrawal to a Delivery Point in the Northern Segment shall not involve the use of any other Mainline Area Facilities.

40. The term "Maximum Daily Injection Quantity" shall mean:
- (a) The Base Maximum Daily Injection Quantity if the Working Storage Gas is less than or equal to ninety percent (90%) of the MSQ; or
 - (b) Eighty percent (80%) of the Base Maximum Daily Injection Quantity if the Working Storage Gas is greater than ninety percent (90%) and less than one hundred percent (100%) of the MSQ; or
 - (c) The lesser of (1) the otherwise applicable Maximum Daily Injection Quantity or (2) the difference between the Maximum Storage Quantity and the Working Storage Gas.
41. The term "Maximum Daily Quantity" ("MDQ") shall mean the greatest number of Dekatherms that Transporter is obligated to deliver to or on behalf of Shipper on any Day.
42. The term "Maximum Daily Withdrawal Quantity" shall mean:
- (a) One hundred percent (100%) of the Base MDWQ if the Working Storage Gas is greater than twenty percent (20%) of the Maximum Storage Quantity; or
 - (b) Ninety percent (90%) of the Base MDWQ if the Working Storage Gas is greater than fifteen (15%) and less than or equal to twenty percent (20%) of the Maximum Storage Quantity; or
 - (c) Eighty percent (80%) of the Base MDWQ if the Working Storage Gas is greater than ten percent (10%) and less than or equal to fifteen percent (15%) of the Maximum Storage Quantity; or
 - (d) Seventy percent (70%) of the Base MDWQ if the Working Storage Gas is greater than five percent (5%) and less than or equal to ten percent (10%) of the Maximum Storage Quantity; or
 - (e) Sixty percent (60%) of the Base MDWQ if the Working Storage Gas is less than or equal to five percent (5%) of the Maximum Storage Quantity; or
 - (f) The lesser of the otherwise applicable Maximum Daily Withdrawal Quantity and the remaining Working Storage Gas.
43. The term "Maximum Storage Quantity" ("MSQ") shall mean the greatest number of Dekatherms that Transporter is obligated to store on behalf of Shipper.

44. The term "Maximum Transportation Quantity" shall mean the maximum quantity of Gas that Transporter is obligated to transport on any Day on behalf of Shipper from the applicable supply area.
45. The term "Mcf" shall mean one (1) thousand (1,000) cubic feet of Gas; the term MMcf shall mean one (1) million (1,000,000) cubic feet of Gas. The reporting basis for gas volumes measured in cubic feet is (at standard conditions) 14.73 psia at 60 degrees F, and dry. For cubic meters, the reporting basis is 101.325 kPa at 15 degrees C, and dry.
46. The term "Month" shall mean the period beginning on the first Day of a calendar Month and ending at the same hour on the first Day of the next succeeding calendar Month.
47. The term "Negotiated Rate" shall mean a rate or rate formula for computing a rate for service under a single rate schedule under which, for some portion of the contract term, one or more of the individual rate components may exceed the maximum charge, or be less than the minimum charge, for such component of the applicable tariff rate as set forth in Transporter's Schedule of Rates in Sections 4.1 through 4.17 and in Section 5.19. A Negotiated Rate must be mutually agreed upon by Transporter and Shipper, and may be based on a rate design other than straight fixed-variable.
48. The term "Net Present Value" ("NPV") shall mean the discounted cash flow of incremental revenues to Transporter produced, lost or affected by the request for service and may be based upon such factors as the term, quantity, date on which the requested service is requested to commence, cost of facilities required by Transporter to provide the service, and other factors determined to be relevant by Transporter. All determinative factors will be defined in the open season. The NPV shall also include only revenues generated by the reservation rate, or other form of revenue guarantee, as proposed by bidder(s).
49. The term "Nomination Route" shall mean the route used to transport Gas from the nominated Receipt Point to the nominated Delivery Point.
50. The term "No-Notice Service" shall mean service available under Rate Schedules NNS, STS and MBS.
51. The term "North American Energy Standards Board" or "NAESB" shall mean the private, consensus standards developer whose wholesale natural gas standards are developed by representatives from all segments of the natural gas industry.
52. The term "Notice Service" shall mean all Transportation Services provided by Transporter other than No-Notice Services.

53. The term "Pipeline Condensate" shall mean the hydrocarbons in a liquid state which condense out of the Transporter's facilities (Pipeline Condensate Reduction ("PCR") shall be measured in Dekatherms.)
54. The term "Plant Thermal Reduction" or "PTR" shall mean the quantity of Dekatherms removed at a processing plant and allocated in accordance with the procedures set forth in Section 6.5.2(b) of these General Terms and Conditions.
55. The term "Point of Injection/Withdrawal" shall mean Transporter's storage facilities.
56. The term "Pooler" shall mean a Shipper under Rate Schedules PTS-1, PTS-2 and PTS-3 that delivers Gas only at the Headstation to other Shippers utilizing Transporter's Mainline Area Facilities.
57. The term "Pooling Agreement" shall mean an Agreement entered into by a Pooler with Transporter.
58. The term "Pooling Area" shall mean, as to any Headstation, Transporter's facilities located upstream of that Headstation.
59. The term "Primary Delivery Point(s)" shall mean the Delivery Point(s) as specified in the Agreement.
60. The term "Primary Receipt Point(s)" shall mean the Receipt Point(s) as specified in the Agreement.
61. The term "Primary Point(s)" shall mean the Primary Delivery Point(s) and/or Primary Receipt Point(s).
62. The term "Primary Route" shall mean the shortest distance along contiguous ANR-owned transmission facilities deemed to transport Gas from the Primary Receipt Point to the Primary Delivery Point, and shall be deemed to include points of interconnection with the facilities of third parties, but shall not include transmission laterals unless the affected Shipper's Primary Receipt or Delivery Points are along any such laterals.
63. The term "Receipt Point" shall mean either (a) a Headstation, (b) the Point of Injection/Withdrawal, or (c) a point on Transporter's Pipeline System that Transporter and Shipper shall agree upon, where Gas enters facilities owned by Transporter, and is metered.

64. The term "Receipt Point MDQ" shall mean the greatest number of Dekatherms that Transporter is obligated to receive for or on behalf of Shipper on any Day at the applicable Primary Receipt Point.
65. The term "Reput" shall mean the reinstatement of a capacity release transaction that was recalled.
66. The term "Residue Gas" shall mean Transporter's Gas stream that has been reduced by PTR.
67. The term "Secondary Delivery Point" shall mean a Delivery Point that is not specified as a Primary Delivery Point.
68. The term "Secondary Receipt Point" shall mean a Receipt Point that is not specified as a Primary Receipt Point.
69. The term "Secondary Point(s)" shall mean the Secondary Delivery Point and/or the Secondary Receipt Point.
70. The term "Service Day" shall mean the Day during which Shipper receives Transportation Service pursuant to a nomination in accordance with Section 6.6 of these General Terms and Conditions.
71. The term "Service Month" shall mean the Month during which Shipper receives Transportation Services under this Tariff.
72. The term "Southeast Area Facilities" shall mean those facilities of Transporter which are located upstream or south of the Eunice, LA compressor station site property, including such site property of Transporter at Eunice, and Transporter's other facilities which are not directly connected.
73. The term "Southwest Area Facilities" shall mean those facilities of Transporter which are located upstream of the Greensburg, KS compressor station site property, including such site property of Transporter at Greensburg.
74. Unless otherwise agreed, the term "Storage Contract Year" shall mean a period of consecutive Months ending on March 31 for services of at least twelve (12) consecutive Months, and shall commence and end on the Days provided in the Service Agreement for services of less than twelve (12) consecutive Months.
75. The term "Summer Period" shall mean the period from April 1 of each calendar year through October 31 of such year.

76. The term "Swing Percentage" shall mean the percentage of quantities allocated at Delivery Points to each Shipper that will be excused from overrun charges or daily scheduling penalties, as applicable. The Swing Percentage shall be equal to ten percent (10%) of the Delivery Point nomination for such Shipper, unless Transporter shall have posted on GEMS™ a notification that an Extreme Condition Situation exists. In such case, the Swing Percentage shall be equal to five percent (5%) of the Delivery Point nomination for such Shipper.
77. The terms "Tender Gas" and "Tender of Gas" shall mean that the delivering party is able and willing, and offers, to deliver Gas to the receiving party at the appropriate Receipt Point or Delivery Point.
78. The term "Term of Agreement" shall mean the period set forth in the applicable Agreement during which Shipper may take service under the Agreement and shall be any period of one Day or longer. A period must be for consecutive Days except that Transporter may agree to non-continuous periods for multiple year contracts on a not-unduly discriminatory basis.
79. The term "Transmission Delivery Point(s)" shall mean any Delivery Point which does not include any facilities functionalized as gathering.
80. The term "Transmission Receipt Point(s)" shall mean any Receipt Point which does not include any facilities functionalized as gathering.
81. The terms "Transportation" and "Transportation Service(s)" shall mean (a) storage or (b) transportation of Gas by either forward haul, exchange or Backhaul or any combination thereof which includes the use of facilities functionalized on Transporter's books as transmission and/or storage.
82. The term "Transporter" shall mean ANR Pipeline Company.
83. The term "Transporter's Pipeline System" shall mean those facilities of Transporter which are Mainline Area Facilities, Southwest Area Facilities or Southeast Area Facilities.
84. The term "Transporter's Use" shall mean the quantity of Gas required by Transporter for (1) compressor fuel and (2) lost-and-unaccounted for ("L&U") Gas for service under each Agreement, and shall be equal to the Transporter's Use (%) under each such Agreement times Receipt Point quantities tendered to Transporter.
85. The term "Transporter's EPC" shall mean the dollar amount required by Transporter to recover the cost of electric power purchased, including surcharges, by or for Transporter for use in the operation of electric powered compressor units, and shall be equal to the EPC Charge times Delivery Point quantities.

86. The term "Transporter's Use (%)" shall mean the applicable percentage of Transporter's Use, as specified in the Agreement, which shall be an allocable amount of Transporter's Use. The term "EPC Charge" shall mean the rates in \$ per Dth applicable to Transporter's rate schedules, and shall be equal to an allocable amount of Transporter's EPC. The Transporter's Use (%) and the EPC Charge shall be calculated by Transporter by appropriate engineering principles and shall include consideration of the distance of Transportation. Except as otherwise noted herein and in Section 6.34 of these General Terms and Conditions, the determination of Transporter's Use (%) and EPC Charge in each of Transporter's annual redetermination filings, shall be based upon the transactional throughput methodology set forth in Transporter's December 4, 1997 filing in Docket No. TM97-2-48-001 as accepted by Order of the Commission dated December 31, 1997, as further amended in the December 26, 2001 Stipulation and Agreement in Docket No. RP01-259-000.
87. The term "Winter Period" shall mean the period from November 1 of each calendar year through March 31 of the following calendar year.
88. The term "Wire Transfer" shall mean payments made/effectuated by wire transfer (Fedwire, CHIPS, or Book Entry), or Automated Clearinghouse, or any other recognized electronic or automated payment mechanism that is agreed upon by Transporter in the future.
89. The term "Working Storage Gas" shall mean the quantity of Gas held in storage by Transporter for Shipper.
90. Capitalized terms not defined herein are defined pursuant to NAESB.

6.2 REQUESTS FOR TRANSPORTATION SERVICE

6.2.1 Requests.

To seek to qualify for Transportation Service, a potential Shipper shall submit a request for such service in writing or via Transporter's Internet site to the Transporter. Transporter shall evaluate and respond to such requests as soon as is reasonably possible and shall begin service, if an Agreement is executed, as soon as is reasonably possible, after receipt of such request. Such a request shall be considered acceptable and valid only if 1) the information specified in Section 6.2.2 below is provided in writing or via Transporter's Internet site, but Transporter may waive all or a portion of such information in individual instances, when the information is already in the possession of Transporter and 2) the creditworthiness requirements as specified in Section 6.2.3 are satisfied. Requests for service shall be sent to:

ANR Pipeline Company
700 Louisiana, Suite 1300
Houston, Texas 77002-2700
Attention: Commercial Services

An Agreement will be deemed executed either (1) in writing or (2) by approval by Transporter of the Agreement via GEMStm and the Shipper's nomination on such Agreement, whichever is earlier.

By execution, Shipper will have certified that the Shipper has title to, or the legal right to cause to be delivered to Transporter, for Transportation, the Gas which is to be Transported and owns facilities or contractual rights which will cause such Gas to be delivered to and received from Transporter (or, as appropriate, that the Shipper will have such necessary title or legal right and associated facilities and contractual rights at the time gas is transported by Transporter on Shipper's behalf).

6.2.2 Request for Transportation.

- (a) Each request, to be considered as an acceptable and valid request, must furnish the information set forth below.

- (b) Requestor's Identification.

Name, address, representative, telephone, e-mail address and/or fax number of party requesting service.

Is Requestor affiliated with ANR? (Please answer this question with "yes" or "no" and provide the % ownership shared between the parties.)

- (c) Shipper's Identification.

Is Shipper affiliated with ANR? (Please answer this question with "yes" or "no" and provide the % ownership shared between the parties.)

(Note: the "Shipper" is the party which proposes to execute the Agreement).

- (1) Legal Name

- (2) Entity Dun & Bradstreet Number

- (3) Representative's name, phone number, fax number and/or e-mail address

- (d) Type of Request.

New Service or Amendments

If amendment is being requested, the reason for the amendment and the Agreement No(s) of the Agreement(s) being amended.

- (e) Term of Service.

New Service

- (1) Date service is requested to commence.

- (2) Date service is requested to terminate (Unless otherwise agreed, Agreements for Rate Schedule FSS of at least twelve (12) consecutive Months must end on March 31. Agreements for Rate Schedule STS must end on March 31st).

Amendment(s) Effective Date: _____

(f) Type of Service(s) Requested.

Specify which Rate Schedule service is desired.

(g) Contract Quantities (stated in Dekatherms).

- (1) For Rate Schedules ETS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, STS and PTS-2

Specify Primary Route(s) and Primary Route(s) MDQ described by Primary Receipt Point identification name and number and Primary Delivery Point identification name and number. A Shipper's MDQ shall be a uniform quantity throughout the contract term, except that i) to the extent the requested Transportation Service is related to storage then Section 6.2.10(e) of these General Terms and Conditions applies; or ii) Transporter may, on a not unduly discriminatory basis, agree to differing levels in the Shipper's MDQ during the term of Shipper's contract. Shipper's MDQ and any differing levels in the MDQ, as well as the period of such differing MDQ levels, shall be specified in the Agreement.

- (2) Indicate desired options for Rate Schedules ETS and FTS-3.

- (3) For Storage related Transportation under Rate Schedules ETS, FTS-1, FTS-2, FTS-4 and FTS-4L, Transporter may permit a Shipper to have a Maximum Daily Quantity during the Summer Period equal to the Base Maximum Daily Injection Quantity; provided, however, that the only Primary Delivery Point during such Summer Period shall be the Point of Injection/Withdrawal and further, Transporter may permit a Shipper to have a Maximum Daily Quantity during the Winter Period equal to Shipper's Base Maximum Daily Withdrawal Quantity for Rate Schedule FSS provided that the only Primary Receipt Point during such Winter Period shall be the Point of Injection/Withdrawal.

- (4) For Rate Schedule FSS, Transporter may, on a not unduly discriminatory basis, agree to set Shipper's Base Maximum Daily Withdrawal Quantity ("Base MDWQ") to zero (0) during the initial Withdrawal (Winter) Period covered by the term of Shipper's Agreement, and a constant value during the subsequent remaining term of Shipper's Agreement. Shipper's Base MDWQ for each period shall be specified in the Agreement.

- (i) Winter Period only, or Flexible Entitlements; and
(ii) With storage ratchets or without storage ratchets.

- (5) For Rate Schedule DDS, the Maximum Storage Quantity.
- (6) For Rate Schedule NNS, the No-Notice Entitlements (NNE), the Designated Storage Account FSS Agreement Number and the NNS Storage Transportation Agreement Number. A Shipper's NNE shall be a uniform quantity throughout the contract term, except that Transporter may, on a not unduly discriminatory basis, agree to differing levels in the Shipper's NNE during the term of Shipper's contract. Shipper's NNE and any differing levels in the NNE, as well as the period of such differing NNE levels, shall be specified in the Agreement.

(h) Further Agreement.

Describe any other terms and conditions desired.

(i) Notices.

Name, address, representative, telephone, e-mail address and/or fax number for invoices, statements and all other matters.

6.2.3 Request for Service - Creditworthiness.

Transporter's acceptance of a request for service is subject to the requesting Shipper satisfying Transporter's creditworthiness requirements set forth in Section 6.18.5. With respect to a request for service pursuant to 6.2.1, any financial assurance required by Transporter pursuant to Section 6.18.5(B) shall be received by Transporter within ten (10) Business Days of Transporter's notification to Shipper, unless otherwise mutually agreed by Transporter and Shipper.

6.2.4 Amendments to Change or Elevate Points.

- (a) Unless Transporter and Shipper agree otherwise, a Shipper, or a Replacement Shipper that has acquired its capacity through a permanent release, or a Replacement Shipper that has acquired its capacity through a temporary release effectuated after July 1, 2003, may elect changes to any Primary Point(s) designated in its Service Agreement. A Shipper shall have these rights provided that such Shipper (1) is paying maximum rates; (2) is paying discounted rates, but is willing to pay maximum rates; or (3) has a provision in its Service Agreement that entitles it to a specified discounted rate at such changed Primary Point(s); and further provided that nothing herein shall prohibit such Shipper from requesting to transfer a discount to the new point when a similarly situated Shipper with a discount is at such Point(s). If such request is from a Replacement Shipper that acquired capacity through a temporary release, Transporter shall notify the Releasing Shipper of the request, and such request shall be subject to the terms of the release agreement. A Shipper granted a change of Primary Point(s) pursuant to this section shall relinquish the primary status held at the pre-change point(s). Furthermore, a Shipper may only restore such primary status to the pre-changed points by requesting a change pursuant to provisions of this section.
- (b) A Replacement Shipper that has acquired its capacity through a temporary release, may elect to elevate any Secondary Point(s) designated in its Service Agreement to Primary Point(s). Any such elevation shall cause a portion of the MDQ of the Releasing Shipper's contract equal to the MDQ of the Replacement Shipper's contract, to become a maximum rate contract for the term of the elevation, but the Replacement Shipper may request to transfer the Releasing Shipper's discount when a similarly situated Shipper with a discount is at such Point(s). Any incremental charges associated with such elevation shall be billed in accordance with Section 6.21.2(b)(2) of these General Terms and Conditions.
- (c) Shipper shall submit a Request for Service Form updating any information that has changed from the Request for Service Form submitted for the existing Agreement. Transporter shall respond to such request within five (5) Business Days, and shall evaluate any such request on a not unduly discriminatory basis with, and applying the same standards for evaluating, any request(s) for new service at such point(s). Transporter shall not be obligated to agree to any changed or elevated point(s) if such request (1) would reduce the economic value of the Shipper's Agreement to Transporter, taking into consideration either: (a) the revenues projected to be received by Transporter at the existing Point(s) under the Agreement; or (b) any potential loss of incremental revenues associated with new service opportunities for which a Request for Service Form is then pending and that would be precluded if the request were granted, (2) is made pursuant to an FTS-4 Agreement and would affect Transporter's service obligations under Rate Schedule FTS-4L, or (3) is made

pursuant to an FTS-4L Agreement and would not be operationally feasible taking into consideration the availability of firm capacity under Rate Schedule FTS-4.

6.2.5 Request Validity.

Shipper's Request for Service shall be considered null and void if Transporter has tendered an Agreement for execution to Shipper and Shipper fails to execute the Agreement within fifteen (15) Days thereafter; provided, however, that if Shipper's execution of an Agreement is dependent upon prior state regulatory approval, then Shipper's Request for Service shall be considered null and void if Transporter has tendered an Agreement for execution to Shipper and Shipper fails to execute the Agreement within thirty (30) Days thereafter; provided further, however, that Transporter and Shipper may mutually agree to extend the foregoing deadlines. In determining whether it is feasible to tender an Agreement, after provision for existing requirements on Transporter's system, operating constraints and pending requests for service, Transporter will not tender a firm Agreement which relates to requests for service for which it does not have sufficient available capacity, or is unable to reasonably predict the demand requirements at the gate station to perform the service requested, in the case of service under Rate Schedules NNS and MBS. In addition Transporter shall not be required to tender an Agreement for service which Shipper cannot begin within thirty (30) Days after the date the request is made pursuant to Section 6.2.1 of these General Terms and Conditions, or such other period as the parties may agree to in writing.

6.2.6 Complaints.

In the event that a Shipper or potential Shipper has a complaint relative to service under this Tariff, the Shipper shall:

- (a) Provide a description of the complaint to Transporter, verbally or in writing, including the identification of the transportation request (if applicable). Complaints should be directed to Transporter's Chief Compliance Officer (CCO). The CCO's appropriate contact information is available via Transporter's Internet site.
- (b) Within forty-eight (48) hours, Transporter will respond initially to the complaint and Transporter shall respond in writing within thirty (30) Days advising Shipper or potential Shipper of the disposition of the complaint.

6.2.7 Information.

Contact information is available via Transporter's Internet site for any person desiring information on the availability, pricing, or other terms of the Transportation Services.

6.2.8 Relationship with Affiliates.

Information on any facilities that Transporter's transmission function employees share with any of the marketing function employees of its affiliate(s) will be available on its Internet site, in accordance with the Commission's regulations.

6.2.9 Relationship with Gathering Affiliate.

- (a) Transporter will provide nondiscriminatory access to all sources of supply in accordance with Part 284 of the Commission's regulations and will not give shippers of its gathering affiliate undue preference over shippers of nonaffiliated gatherers or other customers in scheduling, transportation, storage or curtailment priority.
- (b) Transporter will not condition or tie its agreement to provide transportation service to an agreement by the producer, customers, end-user, or shipper relating to any service by its gathering affiliate, any services by it on behalf of its gathering affiliate or any services in which its gathering affiliate is involved.

6.2.10 Sale of Service.

Transporter shall post available capacity on its Internet website. Capacity that becomes available may be sold on a first-come, first-served basis or may be subject to an open season bidding process. Transporter will respond to requests for Transportation Service submitted in accordance with this Section 6.2 within five (5) Business Days of Transporter's receipt of such request.

- (a) To the extent that Transporter does not consider a request acceptable and valid in accordance with Section 6.2.2, above, Transporter's response shall identify those elements of the request that cause Transporter to consider the request not acceptable and valid in accordance with Section 6.2.2, above.
- (b) To the extent that Transporter considers a request acceptable and valid in accordance with Section 6.2.2, above, Transporter's response shall state whether it is operationally feasible to provide the requested Transportation Service and whether the request for Transportation Service is granted pursuant to this Section 6.2.10, provided that Transporter shall not be obligated under any circumstances to accept requests for service at rates less than maximum rates.
- (c) To the extent that a valid request for capacity not subject to an open season is at maximum rates, is at a fixed MDQ for the requested term, and is operationally feasible for Transporter to provide, then Transporter shall take the following action for service requested within the time periods set forth below:
 - (i) Requests for a term of one year or longer that are made within six (6) months of the requested service commencement date shall obligate Transporter to either: 1) conduct an open season for the requested capacity in accordance with Section 6.2.10(i) below within five (5) Business Days of receiving such request and award such capacity to the shipper submitting the request/bid with the greatest economic value; or 2) honor such request. If Transporter conducts an open season for the requested capacity, the initial valid service request will be included in the open season, however, the shipper submitting such request may submit a bid with higher NPV during the open season;
 - (ii) Requests for a term of either a Winter Period or a Summer Period or longer, but less than one year, that are made within thirty (30) days of the requested service commencement date shall be honored;
 - (iii) Requests for a term of less than either a Winter Period or Summer Period, but longer than one month, that are made within ten (10) days of the requested service commencement date shall be honored;

- (iv) Requests for a term of one month or less that are made within six (6) days of the requested service commencement date shall be honored.
- (d) Transporter may grant, on a not unduly-discriminatory basis, requests for service made outside of the time periods set forth in Section 6.2.10(c) above.
- (e) A request for transportation services associated with a storage service request whose combined term is the same as the storage service term, and where the MDQ of the request matches, subject to an initial adjustment for Transporter's Use, the Maximum Daily Injection Quantity and the Maximum Daily Withdrawal Quantity, respectively, of the storage service, shall be a valid request and shall be administered under the same timeframe in Section 6.2.10(c)(i)-(iv) above as the storage service request regardless of whether the transportation service would be provided under multiple contracts for the injection and withdrawal periods.
- (f) When a request is made for transportation service that is associated with third-party storage, such service shall be available to similarly situated Shippers on the same terms and conditions as is transportation service associated with Transporter's storage services.
- (g) Transporter is not required to sell multiple year contracts unless the request is for continuous service at a fixed MDQ during the contract period.
- (h) Nothing in this Section 6.2.10 shall in any way limit or affect a Shipper's right, as defined under Section 6.22.3(b) of these General Terms and Conditions, to select the term of Agreement when the Shipper is willing to pay maximum rates to exercise its ROFR.
- (i) If Transporter conducts an open season it will post a notice of the open season on its Internet website to afford all potential Shippers an opportunity to acquire the capacity. Any award of capacity through an open season is subject to the requirements for service to commence as set forth in this Tariff, including Transporter's creditworthiness requirements. Any potential shipper wishing to purchase the capacity in an open season may participate in the open season. Transporter will use nondiscriminatory and objective posting, bidding and evaluation criteria for determining the NPV of a bid, which evaluation criteria will be specified in the notice of open season, along with the details of what constitutes a valid bid request, contingencies that Transporter is willing to accept, and details of when the successful bidder(s), if any, will be identified by posting of a notice on Transporter's Internet website. Any potential shipper submitting a bid with rates which exceed the applicable maximum tariff rates, including surcharges, shall be considered to be paying such applicable maximum tariff rates to determine the NPV for such bid. Once an open season commences, all requests for service for the

capacity available through the open season will be treated under this open season process.

- (j) Capacity made available in an open season may include capacity for service that commences outside of time periods set forth in Section 6.2.10(c) above, or that includes reduction options under Section 6.32 of these General Terms and Conditions, or that has been sold on a pre-arranged basis. Transporter shall conduct an open season to sell capacity in the following circumstances:
- (1) If (i) Transporter elects to sell capacity, or a potential Shipper requests service one year or more in advance of the date that the service is to commence, (ii) capacity available to satisfy that request is not otherwise subject to a pending request for Transportation Services, and (iii) Transporter wishes to sell capacity for the interim period prior to the start of the requested service commencement date without ROFR, then Transporter shall (1) so indicate in its open season posting, (2) include a bid methodology based on NPV, and (3) include the interim capacity as available capacity to be bid on by potential Shippers in the open season.
 - (2) If Transporter agrees with a potential Shipper to provide capacity reduction options in accordance with Section 6.32.5 of these General Terms and Conditions, Transporter shall (i) so indicate in its open season posting, and (ii) include a bid methodology based on NPV.
 - (3) Transporter may sell, on a pre-arranged basis, available firm capacity one year or more in advance of the date that the service is to commence. If Transporter sells capacity on a pre-arranged basis, Transporter will post the terms of the pre-arranged transaction and other parties will have an opportunity to bid on the capacity. At the time Transporter enters into a pre-arranged service agreement, Transporter will post a notice on its Internet website indicating that the pre-arranged capacity will be subject to an open season bidding process for a minimum of five (5) days permitting bids for service to start immediately or anytime in the future, even if such capacity has already been subject to an open season bidding process and is currently posted as available capacity. If another party submits a bid with a higher NPV, the pre-arranged Shipper will have a one-time right to match the higher bid within five (5) Business Days of notification in order to retain the capacity. If the pre-arranged Shipper elects not to match a higher competing bid, the capacity will be awarded to the creditworthy bidder bidding the greatest NPV. If there is an open season ongoing for certain capacity, Transporter will not enter into a pre-arranged deal for that capacity during the open season.

If Transporter sells capacity on a pre-arranged basis, such capacity will be made available for transportation service on an interim basis up to the commencement date of the service agreement for such capacity. For such interim service agreements, Transporter reserves the right to limit Shipper extension rights, including the right of first refusal, within the service agreement. Transporter will indicate in any open season posting of this capacity any limitations on extension rights that will apply to such interim transportation service.

Except as otherwise set forth in Section 6.2.10(j)(1), (2), and (3) above, any open season conducted by Transporter in accordance with this Section 6.2.10(j) shall comply with Section 6.2.10(i) above.

- (k) Transporter shall post the winning bid(s), the identity of the bidder(s), and the NPV analysis used to determine such winning bidder(s) on Transporter's Internet website following the close of the open season.

6.2.11 Availability of Operationally Created Capacity.

- (a) To the extent that, pursuant to Section 6.11 of these General Terms and Conditions, Shipper and Transporter have agreed to a minimum delivery pressure, such Shipper may at any time elect to waive its right to receive deliveries at the minimum delivery pressure specified in its Service Agreement. Should Shipper waive this right, it shall notify Transporter in writing of its waiver, including the following:
 - (1) the applicable Delivery Point(s);
 - (2) the duration of the waiver, which shall be for a term not longer than the remaining term of the applicable Service Agreement; and
 - (3) the minimum pressure to which it agrees to reduce Transporter's delivery obligation.
- (b) Transporter shall notify Shipper of any increased capacity available on mainline or lateral facilities resulting from Shipper's waiver. Shipper shall then have the right to subscribe, for a term not to exceed the term of the waiver, to all or a portion of the additional capacity for firm Transportation Service by providing notice to Transporter within three (3) Business Days of Transporter's notification. Should Shipper make a timely election to utilize all or a portion of the capacity created through the reduction in delivery pressure, Transporter and Shipper shall amend Shipper's existing agreement(s) or alternatively, execute new agreement(s) for the additional capacity in accordance with this Section 6.2.11. A Shipper that makes a timely election to utilize all or a portion of the capacity created through the reduction in delivery pressure may notify Transporter, in writing, of its election to terminate the waiver prior to the term established pursuant to Section 6.2.11(a) above. Following such notification by Shipper, and provided that such termination does not affect Transporter's service obligations to Shippers that subscribed for firm service pursuant to Section 6.2.11(c) below, Transporter and Shipper shall amend Shipper's agreement(s) to reflect the elimination of the delivery pressure waiver and the new capacity that was created as a result of the waiver.
- (c) To the extent mainline capacity is created and if within the three (3) Business Day period specified in Section 6.2.11(b) above, Shipper does not exercise its right to subscribe for the firm capacity created by the waiver, any such unsubscribed capacity shall be available for firm Transportation Service by other Shipper(s) under any of Transporter's existing firm rate schedules for a term not to exceed the term of the waiver, in accordance with the procedures set forth in Sections 6.2 and 6.9 of these General Terms and Conditions and subject to the provisions of Section 6.2.11(d) below.
- (d) Any new agreement entered into pursuant to this Section 6.2.11 shall not be subject to the Right of First Refusal pursuant to Section 6.22 of these General Terms and

Conditions, except to the extent that the term of Shipper's agreement is less than the term of the applicable waiver established pursuant to Section 6.2.11(a) above, and Shipper is otherwise eligible for a Right of First Refusal under Section 6.22 of these General Terms and Conditions, in which event Shipper may only exercise its Right of First Refusal to extend the applicable agreement for a term that does not exceed the term of the applicable waiver.

6.2.12 Extension of Service Agreements.

- (a) Transporter and Shipper may mutually agree to the early termination of one or more Agreements in exchange for Shipper's extension of the use of all or part of the underlying capacity under new terms. To the extent that Transporter and Shipper have mutually agreed to this arrangement, Shipper need not participate in an open season for the extension nor must the underlying capacity be posted on Transporter's Internet site as unsubscribed, available capacity prior to the extension.
- (b) Prior to the expiration of the term of an Agreement, Transporter and Shipper may mutually agree to an extension of the term of the Agreement with respect to all or part of the underlying capacity (the exact terms of which are to be negotiated on a case-by-case basis in a not unduly discriminatory manner).

If an Agreement has a Right of First Refusal, the mutual agreement to extend must be reached prior to initiation of the Right of First Refusal procedure pursuant to Section 6.22.3 of these General Terms and Conditions.

6.3 FACILITIES POLICY

1. Unless otherwise agreed to by the parties, Transporter shall not be required to own, construct and install any facilities to perform any service requested by a Shipper under this Tariff. In the event that Transporter determines that it will construct facilities that will result in the expansion of its pipeline system, Transporter shall offer the proposed expansion capacity to all Shippers on a non-discriminatory basis. Further, in the event Transporter agrees to own, construct and install facilities to perform services requested including, but not limited to, hot tap, side valve, measurement, gas supply lateral lines, looping and/or compression facilities, Transporter shall do so on a not unduly discriminatory basis, and may require that Shipper reimburse Transporter for all Transporter's costs associated therewith either on a lump sum or incremental fee basis as agreed to by the parties. Nothing in this policy statement shall require Transporter to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. Nothing in this policy statement, further, shall prevent Transporter from contesting an application for service filed pursuant to Section 7(a) of the Natural Gas Act. Transporter reserves the right to seek a waiver of the policy set forth herein, for good cause shown.

2. Contribution in Aid of Construction.

Transporter may agree to pay or contribute to the cost of building facilities for current or potential Shippers when Transporter determines that doing so will result in an economic benefit or when Transporter determines that the project is economically neutral to Transporter. Transporter may conclude that a portion of the facilities are economically beneficial. Transporter will evaluate each prospective project under this policy based upon the incremental cost of service and incremental revenues which Transporter estimates will be generated as a result of the project. When estimating incremental revenues to be generated, Transporter will base those revenues upon transportation rates it expects to be able to charge, net of pass-through surcharges, and the incremental volumes or firm service contracts to be incremental if the volumes or firm service contracts that will be transported or provided respectively would not otherwise flow through, or be contracted for firm service on Transporter's system.

3. Capacity Reserved for Expansion Projects.

Transporter reserves the right, but shall not be obligated, to reserve for expansion projects capacity that is or will become available. Such available capacity shall consist of the following types of existing or potential unsubscribed capacity:

- (1) Capacity currently posted on Transporter's Internet site under Informational Postings as unsubscribed, available capacity ("Unsubscribed Capacity");

- (2) Capacity that will be returned to Transporter by an existing capacity holder at the expiration of that Shipper's contract term(s) either (i) pursuant to the provisions of Section 6.22, Right of First Refusal ("ROFR"), of these General Terms and Conditions ("ROFR Capacity"), or (ii) by the termination of a contract that does not have a ROFR ("Non-ROFR Capacity");
- (3) Capacity that is returned to Transporter by an existing capacity holder at the expiration of that Shipper's capacity pursuant to the provisions of Section 6.22 of these General Terms and Conditions ("Expiring Capacity"); and
- (4) Capacity that is returned to Transporter in response to a direct solicitation from Transporter to existing capacity holders for permanent releases of capacity to serve an expansion project ("Turnback Capacity").

Hereinafter, any references to the term "capacity" in this Section 6.3 paragraph 3 shall mean the four types of available capacity collectively, unless noted otherwise.

Before any capacity can be reserved by Transporter, it must first be posted on Transporter's Internet site under Informational Postings as Unsubscribed Capacity for at least five (5) Business Days. Such capacity will be awarded pursuant to this Tariff (see Section 6.9 of these General Terms and Conditions).

Any available capacity that remains unsubscribed following the five (5) Business Days posting can be reserved for an expansion project. Transporter shall notify shippers of its reservation of capacity for an expansion project by making a "reservation posting" on its Internet site. The reservation posting shall include, but not be limited to, the following information: (1) a description of the expansion project for which the capacity is being reserved; (2) the quantity of capacity being reserved; (3) the location of the reserved capacity on the pipeline system, specifying the affected pipeline locations and segments and associated quantities within those locations and segments; (4) the estimated in-service date of the expansion project; (5) the anticipated timing of the expansion open season; and (6) on an ongoing basis, how much of the reserved capacity has been sold on a limited-term basis that would otherwise be eligible for a right of first refusal. Transporter shall make reasonable efforts to update the reservation posting up to the in-service date of the expansion project to reflect any material changes in the scope of the expansion project.

Transporter may only reserve capacity for an expansion project for which an open season has been held or will be held within one (1) year of the date that Transporter posts such capacity on its Internet site under Informational Postings as being reserved. Transporter shall make a non-binding solicitation for Turnback Capacity no later than 90 days after the close of the expansion project open season specifying the minimum terms for a response to the solicitation. Capacity that has been reserved for a future expansion project that does not go forward will be reposted as generally available

within 30 days of the date that the capacity becomes available subject to the provisions of Section 6.22.2 of these General Terms and Conditions.

Capacity may be reserved for an expansion project only during a 12-month period prior to Transporter filing for certificate approval for construction of proposed expansion project and thereafter until all expansion facilities are placed into service.

Any capacity reserved under this Section 6.3 paragraph 3 shall be made available for Transportation Service pursuant to these General Terms and Conditions on a limited-term basis up to the in-service date of the expansion project(s). For such limited-term agreements, Transporter reserves the right to limit any extension rights provided in the Service Agreement and pursuant to Section 6.22 of these General Terms and Conditions, commensurate with the proposed in-service date of the expansion project, or the actual in-service date if the project has not been completed by the proposed in-service date. Transporter will indicate any limitations on extension rights that will apply to such limited-term Transportation Service on Transporter's Internet site under Informational Postings listing Unsubscribed Capacity.

Reservation of capacity under this Section 6.3 paragraph 3 shall not in any way modify or limit existing capacity holders' rights under Section 6.22 of these General Terms and Conditions.

6.4 RECEIPT AND DELIVERY POINT OPTIONS

1. Firm Receipt Point Options.

- (a) Agreements shall specify the Receipt Point MDQs by Primary Receipt Point(s) in the Mainline Area for each Primary Route. If an Agreement specifies a Headstation as a Primary Receipt Point, the Shipper shall have the right to nominate at all Receipt Points in the applicable Pooling Area as Catalog Receipt Points, up to the Headstation Receipt Point MDQ.
- (b)(1) Any firm service Shipper (including any Releasing Shipper or Replacement Shipper) shall be entitled to nominate any Receipt Point as a Secondary Receipt Point. Any such transportation from any Secondary Receipt Point within the Primary Route shall be at the rate applicable to service from the Primary Receipt Point to the Primary Delivery Point, unless Transporter and Shipper shall expressly agree otherwise.
- (2) In the case of a capacity release, if: (i) a Replacement Shipper nominates any Secondary Receipt Point, outside of the Primary Route; or (ii) the Replacement Shipper nominates any Secondary Receipt Point within the Primary Route and Transporter and Releasing Shipper have agreed otherwise pursuant to Section 6.4 paragraph 1(b)(1), above; then any such transportation shall be at the maximum rates and charges applicable to service from the nominated Secondary Receipt Point to the nominated Delivery Point.

2. Firm Delivery Point Options.

- (a) Agreements shall specify the Delivery Point MDQs by Primary Delivery Point(s) for each Primary Route.
- (b)(1) Any firm service Shipper (including any Releasing Shipper or Replacement Shipper) shall be entitled to nominate any Delivery Point as a Secondary Delivery Point. Any such transportation to any Secondary Delivery Point within the Primary Route shall be at the rate applicable to service from the Primary Receipt Point to the Primary Delivery Point, unless Transporter and Shipper shall expressly agree otherwise.
- (2) In the case of a capacity release, if: (i) a Replacement Shipper nominates any Secondary Delivery Point, outside of the Primary Route; or (ii) the Replacement Shipper nominates any Secondary Delivery Point within the Primary Route and Transporter and Releasing Shipper have agreed otherwise pursuant to Section 6.4 paragraph 2(b)(1), above; then any such transportation shall be at the maximum rates and charges applicable to service from the nominated Receipt Point to the nominated Secondary Delivery Point.

- (c) For the purposes of nominating and allocating Gas under Rate Schedule ETS, Transporter and Shipper may agree to aggregate gate stations into a single Delivery Point provided, however, that any such aggregation shall be in effect for a minimum of a one-year period.
 - (d) Notwithstanding the aggregation of individual gate stations into a single Delivery Point for nominating and allocating purposes, Transporter shall not be required to deliver Gas to Shipper in excess of any individual gate station's capacity.
3. To the extent such capacity is not required by Transporter for operational purposes, all firm Shippers shall be entitled to utilize Transporter's available firm capacity on CenterPoint, on a secondary basis, through the assignment or release tariff provisions of such pipeline. If requests to utilize such capacity exceed the capacity available, Transporter shall allocate such capacity pro rata based on the requesting Shippers' firm service entitlements on Transporter. Nominations to utilize such capacity shall be due to Transporter at least twenty-four (24) hours prior to the time that nominations are required under CenterPoint's Tariff.

6.5 TRANSPORTATION SERVICE

6.5.1 Operating Tolerances.

Variations of allocated receipts from nominations shall be kept to a minimum by Shippers, and shall be balanced as soon as practicable, but shall not exceed a daily variation of ten percent (10%) of the nominated receipts; provided, however, that Transporter shall allow a greater variation on a not unduly discriminatory basis:

- (a) Transporter shall have the right to adjust the nominations for receipts or deliveries under any Agreement, effective with at least twenty (20) hours prior notice, if the difference in any Day between nominated and allocated quantities at a Receipt Point under such Agreement is at least ten percent (10%) of the nominations.
- (b) Transporter shall not adjust nominations pursuant to Section 6.5.1(a), above, unless continued deviations from the applicable tolerance levels would likely threaten, in Transporter's reasonable judgement, the operational integrity of Transporter's Pipeline System.
- (c) Transporter also reserves the right to adjust nominations for receipts or deliveries of Gas of the affected Shipper(s), effective immediately, if any of the following occurs:
 - (1) the quantities of Gas received by Transporter on behalf of a Shipper at any Receipt Point(s) that is an interconnection with an upstream pipeline are reduced by such upstream pipeline; or
 - (2) the quantities of Gas delivered by Transporter on behalf of a Shipper at any Delivery Point(s) that is an interconnection with a downstream pipeline are reduced by such downstream pipeline; or
 - (3) the quantities of Gas delivered on behalf of a Shipper to a Headstation are reduced by the Pooler delivering the Gas to such Shipper; or
 - (4) in any case where Shipper is a Pooler and any downstream service receiving Gas from such Pooler reduces its takes from such Pooler.
- (d) If Transporter lowers the Shipper's receipt and/or delivery nomination as a result of an event of Force Majeure outside the control of Shipper, Transporter shall provide Shipper with forty-eight (48) hours, after the time Shipper is no longer affected by the event of Force Majeure, to regain its capacity on Transporter's system for the remainder of that Service Month; provided, however, such capacity will not be reserved if the Shipper's Receipt Point is at an interconnection with an upstream pipeline that does not have a corresponding provision in its tariff for maintaining capacity for at least seventy-two (72) hours.

- (e) If, after notification of a nomination change to its receipts or deliveries pursuant to this section, or after notification by Transporter of a change in receipts tendered to conform to nominations, a Shipper does not effectuate such change, then at the end of the Service Month Transporter shall charge Shipper the maximum Cashout imbalance rate if deliveries were in excess of Transporter's reduced delivery nomination or the Transporter will pay the minimum Cashout rate if receipts were in excess of the reduced receipt nomination. Any required payments pursuant to this provision shall be combined with any Monthly imbalance Cashout payment that is payable for such Agreement pursuant to Section 6.15 of these General Terms and Conditions.
- (f) Notwithstanding any other provision to the contrary, should the quantities of Gas received from Shipper at any Receipt Point exceed the applicable nomination and:
 - (1) such overdelivery, if continued, would threaten the operational integrity of Transporter's system, Shipper, or Shipper's supplier, shall reduce its overdeliveries at such Receipt Point immediately upon notification from Transporter. Failure to comply with Transporter's request to cease overdeliveries shall subject Shipper, in addition to the imbalance charges set forth in Section 6.5.1(f)(2), below, to all costs, losses, foregone revenues and damages of any nature whatsoever, direct or indirect; and
 - (2) such overdelivery affects other Shippers' receipts in a capacity constrained segment, Shipper, or Shipper's supplier, shall reduce its overdeliveries at such Receipt point immediately upon notification from Transporter. Failure to comply with Transporter's request shall create an imbalance for all overdeliveries, for which Transporter shall pay Shipper the minimum applicable Cashout Price.
- (g) Consistent with the allocation procedures set forth in Section 6.14 of these General Terms and Conditions, and notwithstanding anything contained in this Section 6.5.1 express or implied to the contrary, under no circumstances shall Transporter be obligated to deliver to any Shipper, on any Day, a quantity of Gas under any Agreement greater than Transporter receives at Receipt Point(s) on behalf of such Shipper for such Agreement.
- (h) If an event of Force Majeure occurs and Transporter is unable specifically and timely to implement the provisions of this Section 6.5.1, Transporter shall curtail all services on a pro rata basis to preserve the operational integrity of its system.

6.5.2 Transportation of Associated Liquefiabiles.

- (a) Any party with the right to extract Associated Liquefiabiles may elect to extract such Associated Liquefiabiles and tender the Residue Gas for Transportation to a Shipper. Such party shall implement its election by arranging for Transportation of the Associated Liquefiabiles pursuant to an Agreement under Rate Schedules FTS-1 or ITS ("Liquefiabiles Agreement"). Provided that a Liquefiabiles Agreement is in place, nothing in this Tariff is intended to deny or interfere with a producer's or Shipper's right to extract Associated Liquefiabiles. Transporter shall not prevent any such person from entering into a Liquefiabiles Agreement, nor seek to retain title to such Associated Liquefiabiles.
- (b) Shippers should request PTR percentages from their processing plant operator and utilize such percentage to submit a PTR nomination on Transporter. If Shipper is unable to receive a PTR percentage from its processing plant operator, such Shipper may contact Transporter to receive a PTR percentage. If a PTR percentage is provided by Transporter, Transporter will utilize the last month's allocated percentage for PTR adjusted for current month actual processing plant operations. Once a PTR percentage is established, Shipper should submit a PTR nomination under its "Associated Liquefiabiles Agreement" in accordance with Transporter's nomination procedures and timeline in Section 6.6 of these General Terms and Conditions. Receipts on the Associated Liquefiabiles Agreement will be allocated pursuant to Section 6.14.2 of these General Terms and Conditions. Deliveries of PTR at the outlet of the processing plant will be allocated by the plant operator. A Shipper's imbalance related to its PTR activity will be the difference between the Transporter's allocated receipt and the processing plant operator allocated delivery on the Associated Liquefiabiles Agreement.

6.5.3 Treatment of Gas by Transporter.

- (a) Transporter may subject or permit the subjection of Gas to compression, cooling, cleaning, or other processes to such extent as may be required for its transmission from the Receipt Point(s) to the Delivery Point(s). Transporter may also arrange to have PTR removed from the Gas stream to the extent that owners of the Associated Liquefiabiles have not elected to have such Associated Liquefiabiles removed pursuant to an election made under Section 6.5.2, above.
- (b) To the extent that Transporter has Gas processed and allows PTR to be removed from the Gas stream, such removal shall constitute a delivery of Gas under this Tariff, and such extraction shall only occur to the extent that the operator of the processing plant shall have executed an Agreement under an applicable Rate Schedule to transport makeup Gas to the processing plant. Such Transportation Agreement shall be subject to the General Terms and Conditions of this Tariff, except as follows:
 - (1) The daily operating tolerance set forth in Section 6.5.1(a) of these General Terms and Conditions shall be increased to twenty percent (20%);
 - (2) The Monthly operating tolerance set forth in Section 6.5.1(b) of these General Terms and Conditions shall be increased to ten percent (10%);
 - (3) Shipper shall be permitted to make up in kind Excess or Deficient Quantities, as determined in the Cashout procedures pursuant to Section 6.15 of these General Terms and Conditions;
 - (4) To assist the Shipper in estimating the PTR, Transporter will provide Shipper with an estimate of the expected quantity of Gas to be processed, based on nominations to Transporter for Receipt Points upstream of the processing plant.

6.5.4 Transportation of Associated Liquids.

Nothing contained herein shall be construed to prevent the use of conventional separation equipment, including low temperature wellhead separation units, prior to the Tender of Gas to Transporter hereunder. If any party with the rights to Associated Liquids has such Associated Liquids transported to a liquid handling facility on Transporter's Pipeline System, such transportation shall be performed pursuant to an Associated Liquids contract. If such party causes Associated Liquids to be transported without a valid Associated Liquids contract, Transporter shall be entitled to reject nominations for receiving Gas produced with the Associated Liquids.

6.5.5 Liquids or Liquefiabiles In-Kind Replacement.

Nothing in this Tariff is intended to preclude any owner of liquids or liquefiabiles from entering into any in-kind replacement arrangements with the operator of any processing facility that are consistent with Transporter's obligation to redeliver Equivalent Quantities. Further, reimbursement to the owner of liquids (Section 6.5.4), above, or to the owner of liquefiabiles (Section 6.5.2), above, shall be determined by the plant operator and the respective owners of the extracted products.

6.6 NOMINATIONS

Transporter shall accept nominations twenty-four (24) hours a Day via GEMS[™] or the EDM that is authorized by the Commission. All nominations submitted to and accepted by Transporter must contain, at a minimum, the mandatory data elements included in the NAESB standards and any additional business-conditional or mutually agreeable data elements. In addition, nominations must be stated in Dths, and specify a begin and an end date, which dates must be for a minimum period of one (1) Day, and must be within the term of Shipper's Agreement. At the end of each Day, Transporter shall provide the final scheduled quantities for the just completed Day. With respect to the implementation of this process via the EDI/EDM, Transporter shall send an end of Day Scheduled Quantity (NAESB WGQ Standard 1.4.5) and Scheduled Quantity for Operator (NAESB WGQ Standard 1.4.6). A receiver of either of these documents can waive Transporter's requirement to send such documents.

6.6.1 Submission of Nominations.

- (a) All new or revised nominations must be communicated via GEMStm or EDM unless otherwise mutually agreed, and must be submitted in accordance with the standard nomination timelines set forth below. A revised nomination supersedes the previous nomination in effect, but only for the Days specified in such revised nomination, after which the previous nomination once again takes effect until its end date or until superseded by another new or revised nomination, whichever is earlier. For purposes of NAESB WGQ Standard 1.3.2, the word "provides" as used in nomination cycles (2) through (7) in this Section 6.6.1(a) shall mean, for transmittals pursuant to NAESB WGQ Standards 1.4.x, receipt at the designated site, and for purposes of other forms of transmittal, it shall mean send or post.

The standard nomination timelines are as follows:

(1) The Timely Nomination Cycle:

(All times are CCT on the Day prior to the Service Day.)

- 1:00 p.m. Latest time that nominations may leave control of the service requester;
- 1:15 p.m. Receipt of nominations by Transporter (including from Title Transfer Tracking Service Providers (TTTSPs));
- 1:30 p.m. Transporter sends the quick response to the service requester;
- 4:30 p.m. Receipt of completed confirmations by Transporter from confirming parties;
- 5:00 p.m. Service requester and point operator receive scheduled quantities from Transporter.

Scheduled quantities resulting from the Timely Nomination Cycle shall be effective at 9:00 a.m. CCT on the start of the next Service Day.

(2) The Evening Nomination Cycle:

(All times are CCT on the Day prior to the Service Day.)

- 6:00 p.m. Latest time that nominations may leave control of the service requester;
- 6:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);
- 6:30 p.m. Transporter sends the quick response to the service requester;

8:30 p.m. Receipt of completed confirmations by Transporter from confirming parties;

9:00 p.m. Transporter provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from the Evening Nomination Cycle shall be effective at 9:00 a.m. CCT on the start of the next Service Day.

(3) The Morning Nomination Cycle:
(All times are CCT on the Day prior to the Service Day.)

7:00 a.m. Latest time that nominations may leave control of the service requester;

7:00 a.m. Receipt of nominations by Transporter (including from TTTSPs);

7:10 a.m. Transporter sends the quick response to the service requester;

8:30 a.m. Receipt of completed confirmations by Transporter from confirming parties;

9:00 a.m. Transporter provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from the Morning Nomination Cycle shall be effective at 9:00 a.m. CCT on the Service Day commencing.

(4) The Intraday 1 Nomination Cycle:
(All times are CCT on the current Service Day.)

10:00 a.m. Latest time that nominations may leave control of the service requester;

10:15 a.m. Receipt of nominations by Transporter (including from TTTSPs);

10:30 a.m. Transporter sends the quick response to the service requester;

12:30 p.m. Receipt of completed confirmations by Transporter from confirming parties;

1:00 p.m. Transporter provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from the Intraday 1 Nomination Cycle shall be effective at 2:00 p.m. CCT on the current Service Day.

(5) The Intraday 2 Nomination Cycle:
(All times are CCT on the current Service Day.)

- 2:30 p.m. Latest time that nominations may leave control of the service requester;
- 2:45 p.m. Receipt of nominations by Transporter (including from TTTSPs);
- 3:00 p.m. Transporter sends the quick response to the service requester;
- 5:00 p.m. Receipt of completed confirmations by Transporter from confirming parties;
- 5:30 p.m. Transporter provides scheduled quantities to the affected service requester and point operator, including bumped parties (notice to bumped parties).

Scheduled quantities resulting from the Intraday 2 Nomination Cycle shall be effective at 6:00 p.m. CCT on the current Service Day.

(6) The Intraday 3 Nomination Cycle:
(All times are CCT on the current Service Day.)

- 7:00 p.m. Latest time that nominations may leave control of the service requester;
- 7:15 p.m. Receipt of nominations by Transporter (including from TTTSPs);
- 7:30 p.m. Transporter sends the quick response to the service requester;
- 9:30 p.m. Receipt of completed confirmations by Transporter from confirming parties;
- 10:00 p.m. Transporter provides scheduled quantities to the affected service requester and point operator.

Scheduled quantities resulting from the Intraday 3 Nomination Cycle shall be effective at 10:00 p.m. CCT on the current Service Day. Bumping is not allowed during the Intraday 3 Nomination Cycle except as provided for under Section 6.6.2(d) of these General Terms & Conditions.

(7) The Last Intraday Nomination Cycle:
(All times are CCT on the current Service Day.)

- 3:00 a.m. Latest time that nominations may leave control of the service requester;
- 3:00 a.m. Receipt of nominations by Transporter (including from TTTSPs);
- 3:10 a.m. Transporter sends the quick response to the service requester;
- 4:30 a.m. Receipt of completed confirmations by Transporter from confirming parties;
- 5:00 a.m. Transporter provides scheduled quantities to the affected service requester and point operator.

Scheduled quantities resulting from the Last Intraday Nomination Cycle shall be effective at 5:00 a.m. CCT on the current Service Day. Bumping is not allowed during the Last Intraday Nomination Cycle except as provided for under Section 6.6.2(d) of these General Terms & Conditions. The nomination cycles set forth in Section 6.6.1 paragraphs (a)3 and (a)7 above, shall be limited to Receipt and Delivery Points located in Transporter's Northern Segment.

- (b) If the Shipper is a Pooler, or is withdrawing quantities of Gas from storage, Shipper shall be required to include in its nomination the quantity it intends to deliver to each downstream Shipper at the Headstation or Point of Injection/Withdrawal, identifying each Shipper by name, by contract number, and the order of priority in the event that Transporter is required to make adjustments pursuant to Section 6.5.1 of these General Terms and Conditions. Gas which is nominated for delivery to a Headstation may be transferred to another party at the same Headstation, provided that both the transferor and transferee are Shippers, the transfer is made from similar pools, i.e., transmission to transmission or gathering to gathering, and the transfer is effectuated pursuant to a valid nomination in accordance with this Section 6.6, where the applicable Headstation is designated as both the Receipt Point and the Delivery Point. Finally, Rate Schedule MBS Shippers shall include with their nominations a nomination for the MBS withdrawal quantity and the MBS injection quantity for each Delivery Point, and the MBS maximum storage quantity for the Month. In the event that a Rate Schedule MBS Shipper's confirmed nomination differs from the nomination submitted pursuant to paragraph (a) or (d) of this Section 6.6.1, and the quantity allocated to such Rate Schedule MBS Shipper pursuant to Section 6.14.1 of these General Terms and Conditions exceeds the confirmed nomination, then Transporter shall charge such Rate Schedule MBS Shipper ten dollars (\$10) for each Dth of allocated deliveries in excess of the confirmed nomination.

- (c) Shipper shall also include in its nomination the desired order of priority of receipts and deliveries under each Agreement and Transporter may rely thereon (or in the absence of such information, upon Transporter's judgment) if Transporter takes action to change receipts and/or deliveries according to Section 6.5.1 of these General Terms and Conditions. The order of priority shall indicate that a priority of one (1) shall be the last to be affected by changes, provided, however, if receipts must be reduced and a shipper has nominated a pool-to-pool transfer(s), such pool-to-pool transfer(s) will be the last quantity to be affected by such reduction. Nominations with the same priority will be adjusted pro rata.
- (d) If a Shipper completes and resubmits an otherwise incomplete nomination, the first nomination cycle that occurs where the Shipper's complete nomination meets the deadline for nominations to leave a Shipper's control will apply to the Shipper's nomination.
- (e) Variations by Shipper of actual deliveries to Transporter from the nominated deliveries at the Receipt Point(s) shall be kept to a minimum. In addition, variations by Shipper of actual receipts from Transporter from the nominated receipts at the Delivery Point(s) shall be kept to a minimum. If the nominated quantity cannot be delivered or received at uniform daily rates, provisions to deliver the Gas at a non-uniform rate must be made with Transporter's Gas Control Department prior to Gas flowing.
- (f) Any nomination that is submitted and validated by GEMS[™] or EDM shall be considered valid. If the nomination of Transporter's Use is inaccurate by five (5) Dths or more, the nomination will not be considered valid.
- (g) Any shipper may designate an agent, which may be Transporter, to nominate and schedule Transportation Service on Shipper's behalf. Shipper shall notify Transporter, in writing or via GEMS[™], of the designated agent. An agent who has been designated to nominate and schedule Transportation Service for more than one Shipper may provide aggregate nomination(s) for multiple Shippers. Transporter is authorized to rely on nominations and scheduling information provided by Shipper's agent. By designating an agent, Shipper agrees to indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising in any way from Shipper's agent's actions on behalf of Shipper, Shipper's agent's failure to act on behalf of Shipper, or Transporter's reliance upon the information provided to Transporter by Shipper's agent; provided, however that such indemnification will not excuse Transporter from liability for actions taken when Transporter is acting as agent.

6.6.2 Implementation of Intraday Nominations.

- (a) Subject to the deadlines in Section 6.6.1(a)(2) through (a)(7), above, intraday nominations may be nominated twenty-four (24) hours a Day and will be processed in the same manner as other nominations. However, the nomination deadline and effective time of intraday nominations specified in Section 6.6.1(a), above, will not apply to OFO-related intraday nominations.
- (b) Subject to upstream and downstream operators' confirmations and Transporter's operating conditions, an intraday nomination submitted pursuant to one of the deadlines set forth in Section 6.6.1(a), above, can be used to request increases or decreases in total flow, changes to Receipt Points, or changes to Delivery Points, of scheduled Gas. Transporter will not accept a reduced intraday nomination for any quantity deemed already delivered based on an elapsed-prorated-scheduled quantity.
- (c) Transporter shall allow Shipper to alter the order of priority of receipts and deliveries, and shall allow a Pooler to redesignate the priority of the Agreements into which such Pooler is selling Gas, upon which Transporter shall rely in taking actions to adjust receipts and/or deliveries under Section 6.5.1 of these General Terms and Conditions, provided that such changes are submitted via GEMS[™] or EDM in accordance with the nomination deadlines set forth in Section 6.6.1(a), above. If Shipper adds a new nomination at a Receipt Point or Delivery Point under its Agreement during the Service Day, or if a Pooler designates the addition of a new downstream Shipper during the Service Day, provided that any of such additions is not performed simultaneously with a change in priorities that accommodates the new receipt or delivery, Transporter shall place such addition as the last in priority to be affected by any changes under Section 6.5.1 of these General Terms and Conditions.
- (d) Notice. For purposes of providing notice of any nomination changes (including where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination or a nomination under Rate Schedule FTS-3) to a Shipper and/or Shipper's agent, Transporter shall use Electronic Communication. Transporter will provide advance notice to interruptible Shipper(s) being bumped due to nominations by Rate Schedule FTS-3 Shippers as soon as practicable, but at no time by less than two (2) hours notice using one or more of the following methods as determined by Transporter: posting on Internet site, facsimile, telephone or E-Mail. Intraday bump notices should indicate whether daily penalties will apply for the Gas Day for which quantities are reduced. With respect to changes initiated by Transporter, if a Shipper so elects, such Shipper may provide a telephone number and Transporter will contact Shipper at such phone number by means of Electronic Communication to alert Shipper that a change has been made. Such Shipper shall then be responsible for reviewing its GEMS[™] account to obtain details of such change.

- (e) Daily Scheduling Penalties. Transporter will not impose any daily scheduling penalties as a result of nomination changes notified under Section 6.6.2(d), above, if the Shipper can demonstrate that it made a good faith attempt to accept Electronic Communication, and such Electronic Communication could not be accepted through no fault of Shipper, such as an event of force majeure affecting Shipper's facilities. In addition, where an interruptible Shipper's nomination is bumped by a firm Shipper's intraday nomination, Transporter will, in noncritical situations, waive any daily scheduling penalty for such bumped interruptible Shipper.

6.6.3 Delivery of Gas.

Transporter, subject to the other provisions hereof, shall make daily delivery of Equivalent Quantities of Gas at the Delivery Point(s) that Shipper has nominated and Transporter has simultaneously received at Receipt Point(s). Shipper will not have the right to receive quantities of Gas that it has not simultaneously nominated and delivered to Transporter at Receipt Point(s).

6.6.4 Hourly Variation.

Receipts and deliveries shall be made for all Notice Services, except deliveries for Rate Schedules ETS and FTS-3, at uniform rates over a twenty-four (24) hour period to the extent practicable. However, Transporter shall not enforce such uniform twenty-four (24) hourly rate limits unless it has provided at least two (2) hours notice to Shipper that it must enforce such hourly rate limits due to operational constraints. Subject to Section 5.1.2(g) of Rate Schedule ETS, Shippers under such Rate Schedule shall be entitled to maximum hourly deliveries equal to one-sixteenth (1/16) of the respective Delivery Point MDQ. Subject to Section 5.5.2(c) of Rate Schedule FTS-3, Shippers under such Rate Schedule shall be entitled to maximum Hourly deliveries equal to the respective Delivery Point MHQ.

6.6.5 Elimination of Inactive Agreements.

In order to eliminate Agreements that Shippers have not nominated and utilized for service under Rate Schedule ITS, ITS-3 or DDS for a period of twelve (12) consecutive months, Transporter shall be authorized to advise Shipper by mail that the Agreement(s) may be terminated if not utilized during the next six Months following notice, and the priority established for such Agreement(s) pursuant to Section 6.9 paragraph 2 of these General Terms and Conditions relinquished, regardless of the original term established under such Agreement(s). Nominations submitted and rejected because of capacity constraints will qualify as being utilized under this provision.

6.6.6 Scheduled Nominations.

Shipper will be required to review GEMS[™] to view all scheduled nominations. Transporter will notify a Shipper via Electronic Communication, if a segmented nomination was not accepted and the reason why.

6.7 FORCE MAJEURE

1. Definition. The term "Force Majeure" as used herein shall mean acts of God, strikes, lockouts, or other industrial disturbances; acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms (including but not limited to hurricanes or hurricane warnings), crevasses, floods, washouts, arrests and restraints of the government, either Federal or State, civil or military, civil disturbances. Force Majeure shall also mean shutdowns for purposes of unexpected and uncontrollable repairs, relocation, or construction of facilities; failure of electronic data capability; breakage or accident to machinery or lines of pipe; the necessity for testing, excluding that associated with normal and planned maintenance (as required by governmental authority or as deemed necessary by Transporter for the safe operation thereof), the necessity of making unexpected and uncontrollable repairs or alterations to machinery or lines of pipe; failure of surface equipment or pipe lines; accidents, breakdowns, inability to obtain necessary materials, supplies or permits, or labor to perform or comply with any obligation or condition of service, rights of way; and any other causes, whether of the kind herein enumerated or otherwise, including legislative, administrative or judicial action which has been resisted in good faith by all reasonable legal means, all of which are not reasonably expected and within Transporter's control. It is understood and agreed that the settlement of strikes or lockouts or controversies with landowners involving rights of way shall be entirely within Transporter's discretion and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts or controversies with landowners involving rights of way by acceding to the demands of the opposing party when such course is inadvisable in the discretion of Transporter.
2. Force Majeure. If by reason of Force Majeure either party hereto is rendered unable, wholly or in part, to carry out its obligations under this Tariff, it is agreed that upon such party giving notice in full particulars of such Force Majeure in writing or by other electronic means to the other party within a reasonable time after the occurrence of the cause relied on, the party giving such notice, so far as and to the extent that it is affected by such Force Majeure, shall not be liable in damages during the continuance of any inability so caused, but for no longer period, and such cause shall so far as possible be remedied with all reasonable dispatch.

Transporter shall not be liable in damages to Shipper other than for acts of gross negligence or willful misconduct and then only where Force Majeure does not apply.

3. Limitations. Such Force Majeure affecting the performance hereunder by either Transporter or Shipper, however, shall not relieve such party of liability in the event of failure to use due diligence to remedy the situation and to remove the cause in an adequate manner and with all reasonable dispatch, nor shall such cause or contingency affecting such performance relieve Shipper from its obligations to make

payments as then due or becoming due determined hereunder, except as provided for in Section 6.36 of the General Terms and Conditions of this Tariff. Transporter shall notify any affected Shipper of such Force Majeure by use of Electronic Communication.

6.8 OPERATIONAL FLOW ORDER(S)

6.8.1 General.

For purposes of this Section 6.8, the term "Shipper" shall also include any customer receiving service under any Rate Schedule contained in Transporter's Volume No. 2 FERC Gas Tariff. Transporter, in its discretion, shall have the right to issue OFOs when in its judgment it is necessary to maintain or restore the operational integrity of Transporter's Pipeline System. Where a particular Shipper's conduct threatens the operational integrity of Transporter's Pipeline System, Transporter will first attempt to modify such Shipper's offending conduct, including the issuance of an OFO to such offending Shipper, before Transporter issues an OFO to non-offending Shippers. Before issuing an OFO, Transporter will also evaluate and implement any reasonable alternatives thereto (e.g., declining to schedule firm secondary nominations and/or curtailing interruptible service). Further, Transporter will not be required to issue an OFO:

- (a) to deliver Gas to any Shipper that has not tendered Equivalent Quantities of Gas to Transporter's Pipeline System; or
- (b) to any other pipeline in order to obtain access to quantities of Gas, except to the extent that such quantities of Gas are being transported by such pipeline for the account of a Shipper or Transporter; or
- (c) to be a supplier of last resort for any Shipper that has insufficient Gas supply.

Transporter shall not be required to respond to any OFO that it receives from another interstate pipeline that is not currently providing equivalent quantities and pressures of Gas to Transporter, unless Transporter is a shipper on that pipeline.

6.8.2 Forms of OFOs. An OFO may:

- (a) direct any Shipper to increase quantities tendered or taken, or increase pressures at a Receipt Point, in accordance with Section 6.8.4, below; or
- (b) utilize such services as may be available under an OFO performance contract in accordance with Sections 6.8.5 and 6.8.6, below; or
- (c) implement verbal arrangements with other transporters; or
- (d) enable Transporter to take or require any other actions as may be deemed necessary by Transporter in its judgment in order to maintain the operational integrity of Transporter's Pipeline System.
- (e) impose a Hydrocarbon Dewpoint limitation below the Hydrocarbon Dewpoint Safe Harbor at a receipt point or Monitoring Point to avoid an event that threatens the operational integrity of Transporter's System.

6.8.3 OFO Operational Conditions. OFOs may be issued in any of the following circumstances:

- (a) to alleviate conditions that threaten the operational integrity of Transporter's Pipeline System; or
- (b) to maintain minimum necessary pressures for pipeline operations; or
- (c) to ensure adequate Gas supplies in Transporter's Pipeline System to inject Gas into the mainline, provide line pack or inject Gas into storage or withdraw Gas from storage; or
- (d) to maintain Transporter's Pipeline System in balance for the foregoing purposes.
- (e) notwithstanding the above, an OFO that reduces the Hydrocarbon Dewpoint Safe Harbor shall be applied in a manner consistent with the procedures set forth in Section 6.13 paragraph 3(a).

The OFO will remain in effect until the operational condition requiring its issuance has been remedied.

6.8.4 OFOs to Increase Quantities.

- (a) Transporter may issue an effective OFO to any Shipper under Rate Schedules ETS, FTS-1, FTS-4, FTS-4L or FTS-3 to increase quantities tendered to Transporter at Shipper's Primary Receipt Point, up to the Shipper's Primary Receipt Point MDQ. Shipper will be required to comply with such OFO within twenty-four (24) hours prior notice.
- (b) Transporter shall develop a rotating schedule of Shippers at major Receipt Points to establish the priority of the Shipper that will receive an OFO in the event Transporter requires additional supplies. For the purposes of this Section 6.8.4(b), a major Receipt Point shall exist where the sum of Primary Receipt Point MDQs for all of Transporter's firm Rate Schedules is greater than one hundred (100) MDth per day.

6.8.5 OFO Supply Contracts.

Transporter may enter into a supply contract, on such terms and conditions as it may deem appropriate, with any supplier of Gas, which supply contract will authorize Transporter to purchase supplies pursuant to an OFO.

6.8.6 OFO Performance Contracts.

Transporter may enter into performance contracts, on such terms and conditions as it may deem appropriate, with Shippers that are either end users, local distribution companies, or any other parties receiving firm deliveries from Transporter, which performance contracts will authorize Transporter to interrupt deliveries to Shipper while maintaining its receipts to Transporter, which interrupted quantities will be purchased by Transporter under the provisions of such performance contracts.

6.8.7 Advance Warning and Update of Status.

- (a) As soon as reasonably practicable, Transporter will post a warning of the conditions that may create an OFO, and of the specific type of OFO that Transporter might issue.
- (b) Transporter shall further undertake to post on its Internet site, as soon as reasonably practicable, any information about the status of operational variables that determine when an OFO will begin and end, and such information will be updated as soon as it is available.

6.8.8 OFO Notice, Contents and Procedures.

Transporter shall issue an OFO as expeditiously as is reasonably practicable in the circumstances, through posting and utilizing Electronic Communication. Each OFO will contain the following provisions:

- (a) time and date of issuance;
- (b) time that the OFO is considered to be effective (if no time is specified, the OFO shall be effective immediately);
- (c) duration of the OFO (if none is specified, the OFO will be effective until further notice);
- (d) the party or parties receiving the OFO;
- (e) the quantity of Gas required to remedy the operational condition requiring the issuance of the OFO; and
- (f) any other terms Transporter may reasonably require to ensure the effectiveness of the OFO.

6.8.9 OFO Notices of an HDP Limit Below the Hydrocarbon Dewpoint Safe Harbor.

With respect to an OFO that sets a Hydrocarbon Dewpoint limit below the Hydrocarbon Dewpoint Safe Harbor, Transporter shall post on its Internet site within three Business Days a notice identifying the operational event giving rise to the OFO with specificity, identifying the point(s) where the operational event threatened Transporter's operational integrity, identifying specific points upstream of the Hydrocarbon Dewpoint Problem(s) and HDP Segments of Transporter's System affected by the OFO. Transporter shall update this information as updates become available.

6.8.10 Failure to Comply with OFO.

If Shipper (or Shipper's Gas seller, supplier, agent, or the producer and/or operator as the circumstances may require) fails to comply with the terms of a validly issued OFO, for any reason other than Force Majeure on an upstream pipeline, such Shipper shall be: (a) liable for any damages including, but not limited to direct, consequential, exemplary or punitive damages incurred by Transporter or any other affected party as a result of such failure; and (b) subject to a penalty of twenty-five dollars (\$25.00) for each Dekatherm of Gas associated with the quantity of Gas that does not comply with such OFO. Notwithstanding anything to the contrary in this Section 6.8.10, (a) if Shipper is required to make a nomination pursuant to an OFO, unless critical circumstances dictate otherwise, no damages and/or penalties will be assessed unless Shipper is given the opportunity to correct the circumstances giving rise to the OFO, and (b) Transporter shall waive otherwise applicable penalties for failure to comply with an OFO to the extent the Shippers' actions are consistent with the following, if: (1) Transporter has provided in advance and on a non-discriminatory basis notice to Shippers that Transporter has determined that specific actions that may otherwise be deemed non-compliant with an OFO will benefit Transporter's Pipeline System; or (2) if a Shipper, prior to taking action that would otherwise be non-compliant with the OFO, has discussed such action with Transporter and receives authorization from Transporter to take such action.

6.8.11 Reimbursement.

If Transporter receives Gas pursuant to an OFO issued under Section 6.8.4, above, then Transporter shall pay the full commodity rate applicable to the primary gas purchaser, whether higher or lower than Transporter's Cashout price. If Transporter receives Gas pursuant to an OFO issued under Sections 6.8.5 and 6.8.6, Transporter shall pay the recipient of the OFO for such quantity of Gas at the applicable contract price.

Notwithstanding the foregoing, any party supplying Gas to Transporter under Sections 6.8.4, 6.8.5 and 6.8.6, above, shall have the right to receive such imbalance in kind, delivered to such recipient by no later than the Month subsequent to the Month in which the OFO was issued.

6.8.12 Transporter Cost Recovery for OFO.

Transporter shall direct bill pipeline transmission charges incurred as a result of an OFO to all firm Shippers on a system-wide basis. Gas purchase costs and quantities incurred as a result of an OFO shall be channeled through Transporter's Cashout program pursuant to Section 6.15 of these General Terms and Conditions.

6.8.13 Transporter Liability for OFOs.

Transporter shall not be liable to any person for any costs, damages or other liability associated with the issuance of, or the failure to issue, any OFOs, other than such costs to be paid by Transporter according to Section 6.8.11, above; provided, however, Transporter shall be liable for acts of negligence or undue discrimination, such standards to be judged in light of the emergency conditions under which OFOs are issued.

6.8.14 Transporter's Scheduling Authority.

Transporter shall have the right to act as a scheduling agent for a Shipper's account if (i) the Shipper refuses to schedule gas receipts as specified by an OFO issued pursuant to Section 6.8.4(a), above; or (ii) if Transporter requires additional quantities in less than the twenty-four (24) hour notice period normally required for an OFO, and the Shipper has refused a verbal request to schedule the required quantity of Gas.

6.8.15 Reporting.

Within ten (10) Days after an OFO terminates, Transporter will post a report containing information on the factors that caused the OFO to be imposed and to be terminated.

6.8.16 Emergency Gas Pool.

Transporter shall allow Shippers and suppliers to participate in the creation of a pool of emergency Gas on GEMStm to be available to both Transporter and its Shippers in an emergency situation. Offers to participate shall be made in advance and shall specify (a) time, (b) price, (c) quantity and (d) location of Gas available for such emergency purposes. Transporter shall have no liability or responsibility whatsoever with respect to any information provided by Shippers or suppliers.

6.9 PRIORITY OF REQUESTS FOR SERVICE

The following provisions shall govern requests for service among services rendered and to be rendered under this Tariff and under Original Volume No. 2 of Transporter's Tariff.

1. **Firm Services Priority of Requests.** If there is insufficient firm capacity available to accept all new requests for service, after providing for Agreements for firm Transportation Service, the priority of requests for firm Transportation Service received by Transporter subsequent to October 9, 1985 shall be pursuant to the greatest NPV, provided, however, that Transporter shall not be obligated to provide service below the maximum applicable rate(s). Usage components will be considered in deriving the NPV for any offer involving a Negotiated Rate transaction that includes a minimum volume commitment. In such instance, usage rate components, to the extent of any minimum volume commitment, will be evaluated using the same criteria applied to the reservation rate components; the sum of the resulting reservation and minimum usage revenues will be used to determine the greatest NPV. Shippers offering to pay a Negotiated Rate which exceeds the applicable maximum tariff rates, including surcharges, shall be considered to be paying such applicable maximum tariff rates in determining the NPV for such Agreement. If more than one such request for firm Transportation Service has the same NPV, then the order of priority as among such requests shall be determined by the order in which the requests are received by Transporter. Requests received by mail will be deemed received at 5:00 p.m. on the date of postmark. Requests received by facsimile or electronic mail will be deemed received at the time noted on the Transporter's facsimile transmission sheet or the electronic mail.

Acceptance of new requests for service under Rate Schedule FTS-4L shall be conditioned on the availability of capacity resulting from FTS-4 Agreements. If a Shipper has executed an Agreement with Transporter under Rate Schedule FTS-4, such Shipper shall be given priority over other Shippers requesting service under Rate Schedule FTS-4L, provided (i) Shipper's request for service is for the same Primary Route MDQ as that in the executed FTS-4 Agreement and the Primary Receipt and Delivery Points are within the Primary Route of the executed FTS-4 Agreement and (ii) Shipper has agreed to pay the highest applicable tariff rates offered for the FTS-4L service.

2. **Interruptible Services.** Agreements relating to interruptible transportation service obligations, and extensions thereof, shall have priority in the following paragraph order and pursuant to the following principles.
 - (a) Agreements for interruptible Transportation Service which were filed prior to October 9, 1985 pursuant to applications under Section 7 of the Natural Gas Act and Agreements for interruptible Transportation Service, and extension thereof by change to Agreements under Rate Schedule ITS, which have been authorized

under Subpart B, Section 284.105 and Subpart G, Section 284.223(g)(1) of the Commission's Regulations. Priority under this paragraph (a) shall be by the date of the Agreement.

- (b) Agreements for interruptible Transportation Service authorized by certificates under Section 7 of the Natural Gas Act pursuant to applications filed on or after October 9, 1985; and Agreements relating to interruptible Transportation Service which are not referred to above and overrun. Priority under this Section 6.9 paragraph 2(b) shall be by the date of receipt by Transporter, during normal business hours, of valid requests for such service or in the absence of such date, the date of the Agreement.

3. Conditions.

- (a) Notwithstanding the provisions of Section 6.9 paragraph 2(b) above, if a Shipper under Rate Schedule ITS fails to submit a timely nomination for interruptible service for any Service Month, pursuant to these General Terms and Conditions, then such Shipper's priority for such service for that Service Month only shall be changed, on the first Day of the Service Month, to a ranking below that of all other Shippers having made timely nominations for interruptible services under Section 6.9 paragraphs 2(a) and (b), above.
- (b) If more than one Agreement within one of the categories described in Section 6.9 paragraphs 2(a) and (b), above, shall have equal priority, then the order of priority for such Agreements in such category shall be determined by the drawing of lots by each Shipper (or its designated representative, which may be Transporter), in a drawing conducted by Transporter.
- (c) In offering Transportation service from time to time, Transporter may deem any offer made by telephone or other instant communication method to have been refused if acceptance thereof is not communicated to Transporter within six normal working hours after such offer, or as otherwise agreed to by the parties. The deeming of any such offer as refused shall not disqualify the Shipper from receiving subsequent such offers of further service.

6.10 SCHEDULING AND CURTAILMENT OF SERVICES

6.10.1 Scheduling. Subject to the provisions of Section 6.10.1(c) below, Transporter will schedule nominated services as of each nominating cycle, whether such nominations are part of segmentation transactions or otherwise, in accordance with the following procedures:

- (a) Transporter will determine available mainline capacity and allocate it preliminarily to services in the following sequential order, utilizing the Priority Classes defined below: (1) to Priority Class One nominations, pro rata if necessary, up to MDQ; then (2) sequentially by class to Priority Classes Two through Four nominations, up to MDQ, on the basis of Confirmed Price; and then (3) to Priority Class Five nominations on the basis of Confirmed Price. Transporter will also determine whether or not there is available capacity at the receipt or delivery points associated with the services that have been preliminarily allocated mainline capacity pursuant to this Section 6.10.1(a). In the event that insufficient capacity exists at a point to accommodate all nominations, the available capacity at the point will be allocated: (1) to firm Primary Point nominations, pro rata if necessary; then (2) to firm Secondary Point nominations on the basis of Confirmed Price; and then (3) to interruptible/overrun nominations on the basis of Confirmed Price, provided that in the event of an equal Confirmed Price within either (2) or (3), above, the capacity will be allocated pro rata. Upon completion of this allocation process, each service will be scheduled at a level of entitlements equal to the lesser of the mainline or point capacity that has been allocated to such service.
- (b) The Priority Classes of service to be used for scheduling purposes shall be as follows:

Priority Class One. All Part 157 firm service nominations; all firm catalog nominations; and all Part 284 firm service nominations (including Rate Schedule FTS-2 when scheduled as firm) to points only within the Primary Route. Notwithstanding the above, the following scheduling priorities shall apply to firm catalog nominations received by Transporter in each Pooling Area:

1. Rate Schedule PTS-2 nominations within the Primary Route;
2. Rate Schedule PTS-1 nominations within the Primary Route.

Priority Class Two. All Part 284 firm service nominations (including Rate Schedule FTS-2 when scheduled as firm); and all Rate Schedule PTS-2 and PTS-1 nominations to any points outside of the Primary Route.

Priority Class Three. Rate Schedule FTS-2 service (when not scheduled as firm) to points only within the Primary Route.

Priority Class Four. Rate Schedule FTS-2 service (when not scheduled as firm) to any points outside of the Primary Route.

Priority Class Five. Interruptible and overrun.

- (c) If, for any Day, due to the failure of any FTS-4 Shipper to comply with its MFO obligations under Rate Schedule FTS-4, Transporter does not have sufficient capacity to schedule nominated quantities received from all FTS-4L Shippers, then nominated quantities for the affected FTS-4L Shippers shall be reduced on a pro-rata basis based upon nominated quantities received from the affected FTS-4L Shippers during the nominating cycle and the excess of nominated quantities over scheduled quantities shall then be scheduled as Priority Class Three or Four.
- (d)(1) For purposes of this Section 6.10.1, Confirmed Price shall be defined as the Shipper's contract price computed at one hundred percent (100%) load factor. Notwithstanding the foregoing, for purposes of allocating capacity to Secondary Points under Rate Schedule FTS-3, the Confirmed Price shall not exceed the one hundred percent (100%) load factor rate for Rate Schedule ETS.
- (2) To the extent a Shipper's Confirmed Price is either derived from a capacity release transaction or from a Negotiated Rate pursuant to Section 6.21 or 6.27, respectively, of these General Terms and Conditions and exceeds the applicable maximum tariff rates, including surcharges, such Shipper's Confirmed Price for purposes of this Section 6.10.1 will be based upon the applicable maximum tariff rates.

Ties within any priority class shall be allocated pro rata based on nominations.

6.10.2 Allocation and Curtailment of Capacity During a Service Day.

- (a) Subject to the provisions of Section 6.10.2(b) below, if, for any Day, Transporter determines that the capacity of its system, or portion(s) thereof, is insufficient to serve all transportation requirements scheduled for such Day, or to accept the quantities of Gas tendered, capacity which requires curtailment shall be curtailed so as to provide the service which is feasible, in the order prescribed for scheduling, above; provided, however, that once capacity is scheduled, firm deliveries at Secondary Receipt and Delivery Points will not have a lower priority than firm deliveries at Primary Receipt and Delivery Points; provided, further, that to enable prompt action in an emergency situation where capacity is insufficient, Transporter shall have the authority to take all necessary and appropriate actions, as then may appear necessary, to preserve the operational integrity of its system. Transporter shall not impose any Cashout Price in excess of one hundred percent (100%) with respect to any quantities out of balance that are attributable to implementation of this emergency situation procedure. Transporter shall notify Shippers of the existence of any such emergency situation by use of Electronic Communication, as soon as is reasonably practicable, and shall include with such notification the information set forth in Section 6.8.7 of these General Terms and Conditions.
- (b) If, for any Day, due to the failure of any FTS-4 Shipper to comply with its MFO obligations under Rate Schedule FTS-4, Transporter does not have sufficient capacity to provide FTS-4L service scheduled for such Day, Transporter shall curtail the affected FTS-4L service, on a pro-rata basis based on scheduled quantities.

6.10.3 Segmentation of Capacity.

- (a) Any Shipper, or Replacement Shipper, receiving firm Transportation Service may segment its capacity by nominating, either on a forward haul or backhaul basis, service at any Receipt Point and Delivery Point within the Rate Segments traversed by the Primary Route specified in its Service Agreement, up to MDQ, provided that: (1) the segmentation nomination is operationally feasible; (2) the total of the segmentation nominations by the original Shipper or a combination of Releasing and Replacement Shippers on any overlapping segment, or at any common point used by multiple forward haul segments, does not exceed the firm entitlements of the underlying segmented Service Agreement on a firm basis; (3) capacity exists at the applicable Receipt and Delivery Points subject to the segmentation nomination (and with respect to an FTS-4L Shipper, Rate Schedule FTS-4 capacity exists at the applicable Receipt and Delivery Points subject to the segmentation nomination); and (4) capacity segmentation by any FTS-4 Shipper does not affect Transporter's service obligations under Rate Schedule FTS-4L. For purposes of determining the Primary Route of a Rate Schedule ETS Shipper desiring to segment its capacity, for the segmented capacity such Shipper shall be required to designate, no more frequently than each April 1, the gate station which it elects to serve as the Primary Receipt Point or Primary Delivery Point, whichever is applicable.

Further, unless otherwise agreed, the rates and charges applicable to service from the Primary Receipt Point to the Primary Delivery Point shall also apply to segmentation nominations along the Primary Route. For purposes of determining whether a nominated segmented release is operationally feasible, Transporter shall take into consideration the availability of mainline and/or point capacity, the location on Transporter's Pipeline System of the nominated segment, and whether or not the nomination is otherwise consistent with the tariff requirements and scheduling practices for all of Transporter's services.

- (b) Notwithstanding the provisions of Section 6.10.3(a)(2), above, if the sum of the nominations on an overlapping segment exceed the firm entitlements of the underlying segmented Service Agreement, the Releasing and/or Replacement Shipper(s) shall be required to notify Transporter as to which quantities (up to the level of the firm entitlements of the underlying segmented Service Agreement) shall be treated as a firm nomination, and which shall be treated as an authorized overrun nomination. In the absence of such notice, the services shall be scheduled in accordance with Section 6.10.1, above, provided however, that if both services are of equal priority, then Transporter shall treat the nomination of the Releasing Shipper as the nomination entitled to the firm priority status up to the level of the firm entitlements of the underlying segmented Service Agreement.

6.11 PRESSURE AT RECEIPT POINT(S) AND DELIVERY POINT(S)

1. Pressure at Receipt Point(s). Shipper shall cause the Gas to be delivered at the Receipt Point(s) at a pressure sufficient to allow the Gas to enter Transporter's existing pipeline system; provided, however, that such pressure of the Gas delivered or caused to be delivered by Shipper shall not exceed Transporter's Maximum Allowable Operating Pressure; provided, further, that in the case of Receipt Points located in the Mainline Area Facilities, Shipper shall be obligated to maintain a minimum pressure of five hundred (500) pounds per square inch, gauge pressure, unless otherwise mutually agreed to between Shipper and Transporter.
2. Pressure at Delivery Point(s). Unless otherwise agreed to by the parties as set forth in the Agreement, Transporter shall redeliver the Gas to Shipper at the Delivery Point(s) hereunder at Transporter's prevailing line pressure as such may vary from time to time, provided, however, that the minimum pressure which Transporter shall be obligated to maintain shall be not less than two hundred-fifty (250) pounds per square inch, gauge pressure, unless otherwise mutually agreed to between Shipper and Transporter. Subject to the limitations specified in Section 6.4 paragraph 2(d) of these General Terms and Conditions, if Shipper requests a minimum pressure that is greater than the pressure that Transporter's existing facilities and/or operations can accommodate, Transporter will perform a study, within four (4) Months of such request, in order to determine the facilities that would be required to accommodate Shipper's request and the estimated costs of such facilities.
3. Pressure Commitments. If mutually agreed in the Agreement, Transporter may make minimum receipt or delivery pressure commitments to Shippers on a non-discriminatory basis, and where necessary, upon specified conditions to ensure that such commitments do not have any adverse effect on Transporter's system. Transporter will not agree to a minimum or maximum receipt or delivery pressure that will render it unable to meet its existing firm obligations and, upon request, will provide a written explanation to the Shipper explaining the operational basis for rejecting any request for a minimum delivery pressure.

6.12 MEASUREMENT AND MEASUREMENT EQUIPMENT

6.12.1 Measurement Equipment.

- (a) The volume of Gas delivered at the Receipt Point(s) and at the Delivery Point(s) shall be measured by:
 - (1) An orifice meter, designed, installed, maintained and operated as recommended in the latest issue of American National Standard ANSI/API 2530 (American Gas Association Gas Measurement Report No. 3), entitled "Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 3"); or
 - (2) A turbine meter, designed, installed, maintained and operated as recommended in the latest issue of American Gas Association Transmission Measurement Committee Report No. 7, entitled "Measurement of Fuel Gas by Turbine Meters", as such publication may be revised from time to time (hereinafter referred to as "AGA Report No. 7"); or
 - (3) A positive displacement meter, installed and operated in accordance with generally accepted industry practices.
- (b) Auxiliary measuring equipment shall be installed, maintained and operated in accordance with generally accepted industry practices.

6.12.2 Measurement Computations and Factors.

- (a) The volume of Gas delivered at each Receipt Point and Delivery Point shall be calculated by means of an electronic flow computer located at, or by the processing of meter charts recorded at, each Receipt Point or each Delivery Point, in either case in the following manner:
 - (1) When the measuring equipment is an orifice meter, the flow of Gas through the meter shall be computed in the manner recommended in AGA Report No. 3, properly using all factors set forth therein.
 - (2) When the measuring equipment is a turbine meter, the volume of Gas delivered through the meter shall be computed in the manner recommended in AGA Report No. 7, properly using all factors set forth therein.
 - (3) When the measuring equipment is a positive displacement meter, the volume of Gas delivered through the meter shall be computed by properly applying, to the volume delivered at flowing Gas pressures and temperatures, correction factors for (i) absolute static pressure, (ii) flowing Gas temperature, and (iii) compressibility ratio.
- (b) The volume of Gas delivered shall be computed using the standards and factors determined as follows:
 - (1) The unit of volume for the purpose of measurement shall be one thousand cubic feet of Gas at a temperature of sixty (60) degrees Fahrenheit and a pressure of 14.73 pounds per square inch absolute. For the purpose of pricing hereunder, the Dekatherm equivalent of such unit of volume shall be determined by multiplying each such unit of volume by the total heating value per cubic foot of the Gas delivered hereunder (adjusted to a common temperature and pressure base) and by dividing the result by one thousand (1000).
 - (2) The average absolute atmospheric (barometric) pressure at each Receipt Point and each Delivery Point shall be assumed to be equal to the value, in pounds per square inch, shown in the table below corresponding to the location of the Receipt Point or Delivery Point, irrespective of the actual location or elevation above sea level of the Receipt Point or Delivery Point or of variations in actual atmospheric pressure from time to time:

Michigan; Wisconsin; Indiana;
Kentucky; Tennessee; Illinois;
Iowa; Missouri; Ohio

14.4

Onshore Louisiana; Offshore Louisiana; Offshore Texas	14.7
Oklahoma; Kansas; Texas Panhandle	13.5
Wyoming	12.1

- (3) The flowing temperature of the Gas shall be determined by means of an instrument of standard manufacture accepted in the industry for this purpose.
- (4) The supercompressibility factor used in computing the volume of Gas delivered through an orifice meter shall be determined in a manner which yields results consistent with the results produced by the procedures presented in American Gas Association Transmission Measurement Committee Report No. 8, entitled "Compressibility Factors of Natural Gas and Other Related Hydrocarbon Gases."
- (5) The specific gravity of the Gas used in computing the volume of Gas delivered through a meter shall be determined by one of the following methods:
 - (i) At intervals of not more than six (6) Months, by means of an instrument of standard manufacture accepted in the industry for this purpose using a sample of Gas from the Gas stream at the Receipt Point or Delivery Point.
 - (ii) By means of an instrument of standard manufacture accepted in the industry for this purpose installed at a point to measure the specific gravity of the Gas stream from which Gas is being delivered at the Receipt Point or Delivery Point.
- (6) The compressibility ratio factor "s" used in computing the volume of Gas delivered through a turbine meter or a positive displacement meter shall be determined by the equation $s = (Fpv)^2$, in which "Fpv" is the supercompressibility factor determined as described in Section 6.12.2(b)(4).
- (7) In determining the flowing temperature factor, supercompressibility factor, and compressibility ratio factor "s" for use in computing the volume of Gas delivered through a meter, the flowing Gas temperature for only the period(s) of time that Gas was flowing through the meter shall be used.

6.12.3 Measurement Testing and Accuracy.

All flow, measuring, testing and related equipment shall be of standard manufacture and type approved by Transporter. If applicable, Transporter or Shipper may install check measuring equipment and telemetering equipment, provided that such equipment shall be so installed as not to interfere with the operations of the operator. Transporter, or Shipper, in the presence of the other party, shall have access to measuring equipment at all reasonable times, but the reading, calibrating, and adjusting thereof and the changing of charts, if any, shall be done by the operator of the facilities. Transporter or Shipper shall have the right to be present at the time of the installing, reading, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done by the operator of the measuring equipment. The records from such measuring equipment shall remain the property of the operator, but upon request, the other party may request records, including charts, if any, together with calculations therefrom for inspection, subject to return within thirty (30) Days after receipt thereof. Reasonable care shall be exercised in the installation, maintenance and operation of the measuring equipment so as to avoid any inaccuracy in the determination of the volume of Gas received and delivered.

The accuracy of all measuring equipment shall be verified by operator at reasonable intervals, and if requested, in the presence of representatives of the other party, but neither Transporter nor Shipper shall be required to verify the accuracy of such equipment more frequently than once in any thirty (30) Day period. If the operator agrees to verification and test of measuring equipment and fails to perform such verification and testing, then the other party shall have the right to cease or temporarily discontinue service under this Agreement relative to such measuring equipment. If either party at any time desires a special test of any measuring equipment, it will promptly notify the other party and the parties shall then cooperate to secure a prompt verification of the accuracy of such equipment. Transportation and related expenses involved in the testing of meters shall be borne by the party incurring such expenses, provided, however, that Shipper shall not be responsible for such Transportation and related expenses if the special testing reveals that the meter(s) is (are) not operating within the required tolerance level of two percent (2%).

The operator, for purposes of this section, shall be the owner of the equipment referenced herein, or the agent of such owner, or such other person as the parties may agree in writing.

If, upon any test, any measuring equipment is found to be in error, such errors shall be taken into account in a practical manner in computing the deliveries. If the resultant aggregate error in the computed receipts or deliveries is not more than two percent (2%), then previous receipts or deliveries shall be considered accurate. All equipment shall, in any case, be adjusted at the time of test to record correctly. If, however, the resultant aggregate error in computing receipts or deliveries exceeds two percent (2%), at a recording corresponding to the average hourly rate, of Gas flow rate for the period

since the last preceding test, the previous recordings of such equipment shall be corrected to zero error for any period which is known definitely or agreed upon, but in case the period is not known definitely or agreed upon, such correction shall be for a period extending over one-half of the time elapsed since the date of the last test.

6.12.4 Measurement Corrections.

In the event any measuring equipment is out of service, or is found registering inaccurately and the error is not determinable by test, previous recordings of receipts or deliveries through such equipment shall be determined as follows; provided, however, that the correction period shall be within six (6) Months of the production Month, with a three (3) Month rebuttal period and provided, further, that such standard shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. Parties' other statutory or contractual rights shall not otherwise be diminished by this standard:

- (a) by using the registration of any check meter or meters if installed and accurately registering, or in the absence of (a);
- (b) by correcting the error if the percentage of error is ascertainable by calibration, special test or mathematical calculation, or in the absence of both (a) and (b) then;
- (c) by estimating the quantity of receipt or delivery based on receipts or deliveries during preceding periods under similar conditions when the meter was registering accurately.

6.12.5 New Methods of Measurement.

If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement or the determination of the factors used in such Gas measurement, such new method or technique may be substituted upon mutual agreement thereto by both parties.

6.12.6 Preservation of Measurement Records.

The parties agree to preserve for a period of at least three (3) years or such longer period as may be required by public authority, all test data, charts, if any, and other similar records.

6.12.7 Other Equipment.

Shipper or Transporter may install, maintain, and operate odorizing (at a Delivery Point only), regulating, telemetering, heating and fogging equipment at its own expense as it shall desire at each Receipt Point or Delivery Point, and the operator of such equipment at its own expense shall provide the other party a suitable site therefor and allow the other party free access to and use of the site; provided that such equipment shall be so installed, maintained and operated as not to interfere with the operation or maintenance of the operating party's measuring equipment at each Receipt Point or Delivery Point. All such equipment as Shipper or Transporter shall desire to install shall be constructed, installed and operated to conform to the other party's requirements. Shipper or Transporter may remove any of its equipment installed on such site at any time.

6.13 QUALITY

Gas delivered to, and received by, Transporter, shall meet the following specifications:

1. Heat Content. Heat content shall mean the gross heating value per cubic foot of Gas delivered at each Receipt Point and Delivery Point. The Gas at each Receipt Point shall have a heat content not greater than 1200 BTUs per cubic foot nor less than 967 BTUs per cubic foot when determined on a dry basis. Transporter shall have the right to waive such BTU content limits if, in Transporter's sole opinion, Transporter is able to accept Gas with a BTU content outside such limits without affecting Transporter's operations. The total heating value per cubic foot of Gas shall be determined at each Receipt Point and each Delivery Point by one of the following methods:
 - (a) by means of an instrument of standard manufacture installed to measure the heating value of the Gas being delivered at the Receipt Point or the Delivery Point;
 - (b) at intervals of not more than six (6) Months by means of an instrument of standard manufacture and a sample of Gas from the Gas stream from which Gas is being delivered at the Receipt Point or the Delivery Point; or
 - (c) other methods mutually agreed upon by both parties.

For the purpose of calculating receipts and deliveries, the heat content of the Gas so determined at each such point shall be deemed to remain constant at such point until the next determination. The unit of quantity for the purpose of determining total heating value shall be one (1) cubic foot of anhydrous Gas at a temperature of sixty (60) degrees Fahrenheit and an absolute pressure of 14.73 psia.

2. Freedom from Objectionable Matter. The Gas received and delivered hereunder:
 - (a) shall be commercially free from objectionable odors, dust, water and any other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the equipment through which it flows and any substance that might become separated from the gas in Transporter's facilities.
 - (b) shall not contain more than sixteen (16) parts per million (one (1) grain per one hundred (100) cubic feet of Gas) of hydrogen sulfide in the Southeast Area Facilities and Southwest Area Facilities and shall not contain more than four (4) parts per million (one quarter grain per one hundred (100) cubic feet of Gas) of hydrogen sulfide in the Mainline Area Facilities, as determined by the method prescribed in the Gas Processors Association Standard 2377, entitled "Test for

Hydrogen Sulfide and Carbon Dioxide in Natural Gas Using Length of Stain Tubes";

- (c) shall not contain more than twenty (20) grains of total sulfur (including the sulfur in any hydrogen sulfide and mercaptans) per one hundred (100) cubic feet of Gas;
 - (d) shall not at any time have an oxygen content in excess of one percent (1%) by volume and the parties hereto shall make every reasonable effort to keep the Gas free of oxygen;
 - (e) shall be free of water and hydrocarbons in liquid form and shall in no event contain water vapor in excess of seven (7) pounds per million cubic feet of Gas;
 - (f) shall not contain more than two percent (2%) by volume of carbon dioxide;
 - (g) shall be delivered at a temperature not in excess of one hundred twenty (120) degrees Fahrenheit or less than forty (40) degrees Fahrenheit; and
 - (h) shall not contain more than three percent (3%) by volume of nitrogen.
 - (i) shall not contain any toxic, hazardous materials or substances, or any deleterious material potentially harmful to persons or to the environment, including but not limited to, polychlorinated biphenyls and substances requiring investigation, remediation or removal under any law, regulation, rule or order in effect from time to time.
3. Hydrocarbon Dewpoint. Transporter may not refuse to accept delivery of Gas with a Hydrocarbon Dewpoint equal to or less than 15 degrees Fahrenheit ("F"), provided that such Gas satisfies all other applicable provisions of Transporter's FERC Gas Tariff. This Standard shall be referred to as Transporter's Hydrocarbon Dewpoint Safe Harbor. Transporter may, from time to time, as operationally necessary, establish and post on its Internet site a limit on Hydrocarbon Dewpoint (no lower than the Hydrocarbon Dewpoint Safe Harbor) for receipts on specified HDP Segments to cure or prevent hydrocarbon liquid fallout. Transporter may post on its Internet site such limits when operational and engineering considerations on Transporter's System upstream of designated Monitoring Points demonstrate the need for such limits in order to prevent anticipated hydrocarbon liquid fallout, to correct problems from actual hydrocarbon liquid fallout, or to assure that gas would be accepted for delivery into interconnects, including with interstate or intrastate pipelines, end users, and local distribution companies.
- (a) Procedures for Postings. Transporter shall establish Monitoring Points on its system for the purpose of posting Hydrocarbon Dewpoint limits pursuant to

Section 6.13 paragraph 3. For purposes of this section, "HDP Segment(s)" shall be that portion of Transporter's System between Monitoring Points or, for the furthestmost upstream Monitoring Points of Transporter's System, the applicable HDP Segment shall be the remaining portion of Transporter's upstream system.

- (i) HDP Problem(s) - Actual Hydrocarbon Liquid Fallout - If Transporter experiences hydrocarbon liquid fallout on Transporter's system, Transporter may post on its Internet site Hydrocarbon Dewpoint limits (no lower than 15 degrees F) at the point where the liquid fallout occurs and then to the receipt points upstream of that location within the HDP Segment where the fallout is occurring. If that will not correct the Hydrocarbon Dewpoint problem, Transporter shall apply Hydrocarbon Dewpoint limits for each HDP Segment immediately upstream of the HDP Segment where the liquid fallout occurs up to the nearest Monitoring Point that satisfies the Hydrocarbon Dewpoint limit. Any such Hydrocarbon Dewpoint limit shall be applied uniformly to all receipt points in such HDP Segments. Transporter's analysis and posting of HDP limits shall not skip over any HDP Segment between the HDP Problem and the furthestmost upstream HDP Segment to which an HDP limit is posted.
- (ii) HDP Problem(s) - Anticipated Hydrocarbon Liquid Fallout - When Transporter anticipates hydrocarbon liquid fallout under foreseeable operating conditions on Transporter's System, Transporter may post on its Internet site, pursuant to the procedures established in this section below, Hydrocarbon Dewpoint limits (no lower than 15 degrees F) for the HDP Segment(s) of Transporter's System required to prevent the anticipated liquid fallout. Transporter may make a posting when Transporter's analysis of system operating factors indicates a need for a limitation. Such factors may include, but are not limited to, anticipated processing plant operation, pressure reduction, flow patterns, flowing gas temperatures, and Hydrocarbon Dewpoint temperatures. Hydrocarbon Dewpoint limitations posted pursuant to this section shall be applied to all HDP Segment(s) where potential for liquid fallout is anticipated absent such Hydrocarbon Dewpoint limitation and to all HDP Segments required to prevent the anticipated liquid fallout under foreseeable operating conditions, provided such posting shall not skip over any HDP Segment between the HDP Problem and the furthestmost upstream HDP Segment to which an HDP limit is posted. Transporter shall post on its Internet site an explanation of the basis for the HDP limit. Upon Shipper's request, Transporter shall provide, within three Business Days, a written detailed explanation of the nature and level of the anticipated hydrocarbon liquid fallout problem, the reasons for its choices of the posted HDP limit and the affected HDP Segments.

- (iii) Transporter shall post HDP limits in a given HDP Segment only to the extent necessary to prevent liquid fallout from occurring in order to manage and operate Transporter's system in a safe and reliable manner. Such posted Hydrocarbon Dewpoint limits shall remain in effect no longer than necessary.
- (iv) To the extent that it is operationally feasible, Transporter will not apply the Hydrocarbon Dewpoint limits of this section to meters that are not upstream of a processing plant with available capacity and that flow 500 Dth or less per day.
- (v) Transporter will provide as much notice of such limitation as reasonably practicable and will attempt to provide such notice at least ten (10) days prior to the effective date of the limitation.
- (vi) Posted Hydrocarbon Dewpoint limitations shall not exceed the limits needed to correct the specifically identified or anticipated HDP Problem on specific HDP Segments of Transporter's system.
- (vii) Where the Transporter can not fully correct an HDP Problem by posting a Hydrocarbon Dewpoint limit in the most downstream HDP Segment experiencing or anticipating to experience a HDP Problem, it may post a Hydrocarbon Dewpoint limit in subsequent upstream HDP Segment(s) but the Hydrocarbon Dewpoint limit in the subsequent HDP Segment(s) may be no stricter than the limit in the first HDP Segment. Where the Hydrocarbon Dewpoint of an upstream Monitoring Point complies with the posted Hydrocarbon Dewpoint limit, Transporter shall not apply any Hydrocarbon Dewpoint limit to that point or any other upstream receipt point in the sequential HDP Segment.
- (viii) When Transporter posts a Hydrocarbon Dewpoint limit on the Sandwich - Georgetown - Defiance HDP Segment (the SGD HDP Segment) then the gas receipts into the SGD HDP Segment either from interconnects or from any adjacent HDP Segment feeding gas directly into the SGD HDP Segment must meet the posted HDP limit for the SGD HDP Segment.
- (ix) Transporter will not require processing of gas at receipt points upstream of the tailgate of a straddle plant that meets the posted Hydrocarbon Dewpoint limit without processing.
- (x) To the extent operationally practicable, Transporter may allow gas that does not meet a posted Hydrocarbon Dewpoint limitation at receipt

points to continue to flow provided that Transporter approves a "pairing" proposal as set forth in Section 6.13 paragraph 3(c).

- (xi) Transporter shall allow gas that does not meet a posted Hydrocarbon Dewpoint limitation at receipt points to continue to flow provided that the Shipper or a third party provides to Transporter proof of processing at a plant within the HDP Segment where the gas at the tailgate of that plant satisfies the Hydrocarbon Dewpoint limitation for the applicable HDP Segment.
- (b) Monitoring Points. Transporter shall utilize the following Monitoring Points to establish HDP Segments on Transporter's System for purposes of posting Hydrocarbon Dewpoint limits per this Section 6.13 paragraph 3.
 - 1. Eunice Headstation East
 - 2. Eunice Headstation West
 - 3. Greensburg Headstation East
 - 4. Greensburg Headstation West
 - 5. Defiance Station East
 - 6. Defiance Station South
 - 7. Defiance Station North
 - 8. Sandwich Station North
 - 9. Sandwich Station South
 - 10. Sandwich Station East
 - 11. Georgetown Station
- (c) Pairing. To the extent operationally feasible, and subject to the conditions below, Transporter may allow a shipper whose Gas does not meet a posted Hydrocarbon Dewpoint limit to pair its Gas with a shipper whose Gas satisfies the posted specification.
 - (i) A shipper wishing to pair must provide ANR with a written proposal for the pairing of its volumes (including but not limited to E-Mail or facsimile).
 - (ii) Upon receipt of a pairing proposal, Transporter will determine whether the proposal can physically occur on Transporter's system without causing undue risk to Transporter's operations.

- (iii) If Transporter determines that shipper's proposal is physically possible, then Transporter will evaluate whether the commingled stream that would result from the proposal satisfies the Hydrocarbon Dewpoint limitation.
 - (iv) To the extent that Transporter determines that the pairing proposal does not meet one or more of the above listed conditions, Transporter will provide shipper a written denial specifying the basis for the determination.
 - (v) Transporter shall permit all shippers interested in pairing to post relevant data, including contact information, on its Internet site.
- (d) Transporter shall post on its Internet site each Receipt Point Hydrocarbon Dewpoint value Transporter calculates, within 24 hours after making the calculations, and the method by which the Hydrocarbon Dewpoint value was calculated.
- (e) Transporter shall post on its Internet site each blended Hydrocarbon Dewpoint and blended BTU values Transporter calculates for a line segment of its system within 24 hours of such calculation.
- (f) HDP Measurement - Transporter shall perform the Hydrocarbon Dewpoint (cricondenthem) calculations for Section 6.13 paragraph 3 using the Peng-Robinson equation of state and C6+ assumptions consistent with industry practices. Upon a shipper's request, Transporter shall conduct a C9+ analysis; provided that in no event shall Transporter be required to conduct such C9+ analysis at any one receipt point more frequently than once every twelve months, except if a new source of supply has been added at that point.
4. Failure to Meet Specifications. Should any Gas tendered for delivery hereunder fail at any time to conform to any of the specifications of this Section 6.13 ("Non-Conforming Gas"), the affected Party shall notify the party tendering such Gas of any such failure and the affected party may at its option suspend all or a portion of the receipt of any such Non-Conforming Gas, and shall be relieved of obligations hereunder for the duration of such time as the Non-Conforming Gas does not meet such specifications. Nothing in this Section 6.13 shall prevent Transporter from waiving any quality specifications where the acceptance of Non-Conforming Gas will not in the reasonable judgment of Transporter adversely impair its operation. The exclusive remedy of the Affected Party shall be liquidated damages not to exceed the greater of (a) ten dollars (\$10.00), or (b) two times the Spot Price Index (as defined in Section 6.16 of these General Terms and Conditions, for each Dekatherm of such Non-Conforming Gas.

5. Commingling. It is recognized that Gas delivered by Shipper will be commingled with other Gas transported hereunder by Transporter. Accordingly, the Gas of Shipper shall be subject to such changes in heat content as may result from such commingling and Transporter shall, notwithstanding any other provision herein, be under no obligation to redeliver for Shipper's account, Gas of a heat content identical to that caused to be delivered by Shipper to Transporter.

6.14 ALLOCATION OF RECEIPTS AND DELIVERIES, DAILY BALANCING

6.14.1 Allocation of Deliveries. Unless Transporter and Operator mutually agree to allocate deliveries each Day using ranked, pro rata, percentage, swing, or operator provided value methodologies, such deliveries will be allocated through the meter using the allocation methodology in Section 6.14.1(a) below.

(a) Each Day's deliveries of Gas shall be allocated by Transporter for all services using the following order through the meter:

- (1) Rate Schedules FTS-3, ITS-3 and MBS Shippers and BTA Stand-Alone Option Shippers will be allocated their BTA consumption, if available, or, if such BTA consumption is not available, pursuant to Section 6.14.1(a)(2), below. The difference between the BTA Stand-Alone Option Shipper's nomination and its BTA allocation ("BTA Stand-Alone Variance") shall be subject to the additional charges, if any, set forth in Section 6.14.1(d), below. The MBS Supply Transportation shall be allocated as-nominated, pursuant to Section 6.14.1(a)(2), below. The difference between the MBS Supply Transportation allocation and the BTA shall be allocated as injections into or withdrawals from the MBS Storage Account and as Transportation under Rate Schedule MBS. An overrun charge pursuant to Rate Schedule MBS shall only be assessed on each Dekatherm of such allocated quantities that exceeds the Swing Percentage;
- (2) Next, all Notice Services (other than BTA Stand-Alone Option Shippers) will be allocated a quantity equal to the confirmed daily nomination for such services;
- (3) Finally, all residual quantities, positive or negative, will be allocated pursuant to the following procedures:
 - (i) In the case of any Delivery Point Operator that has elected no-notice service pursuant to Rate Schedule NNS, there shall be no daily scheduling penalties. The residual quantities, positive or negative, shall be allocated to the Delivery Point Operator's NNS service as injections into or withdrawals from the Designated Storage Account, and as transportation under the Delivery Point Operator's NNS Storage Transportation. An overrun charge pursuant to Rate Schedule NNS shall only be assessed on each Dekatherm of such allocated quantities that exceeds the Swing Percentage.
 - (ii) In the case of any Delivery Point Operator that is a Rate Schedule STS Shipper, there shall be no daily scheduling penalties. The residual quantities, positive or negative, shall be allocated as no-notice service pursuant to Rate Schedule STS. The difference between the quantities allocated hereunder and the receipts allocated for such service pursuant

to Section 6.14.2, below, shall be injected into or withdrawn from the storage account underlying such service. An overrun charge pursuant to Rate Schedule STS shall only be assessed on each Dekatherm of such allocated quantities that exceeds the Swing Percentage.

- (iii) In the case of any Delivery Point Operator that has not elected No-Notice Service pursuant to Rate Schedules NNS or STS, then, unless otherwise agreed, residual quantities shall first be allocated to any Notice Service designated for that purpose by the Delivery Point Operator (if the affected Shipper has agreed in writing) and then shall be allocated pro rata based on nominations to all Notice Services, except for MBS Supply Transportation, and such Shippers shall be subject to daily scheduling penalties on each Dekatherm of such allocated quantities in excess of the Swing Percentage, for overdeliveries or underdeliveries, as applicable.
- (b) Notwithstanding Section 6.14.1(a) above, if the Delivery Point is a Point of Injection/Withdrawal or a Headstation, deliveries shall be allocated to each service in a quantity equal to the confirmed nomination for such service.
- (c) If allocated deliveries hereunder are less than, or exceed scheduled quantities under any Agreement, Transporter will, after applying the Swing Percentage, only charge the affected Shipper the applicable daily scheduling penalty for underdeliveries on each Dekatherm down to the delivered amount, or for overdeliveries on each Dekatherm up to Shipper's MDQ, and only the applicable overrun charges for overdeliveries in excess of MDQ.
- (d) The BTA Stand-Alone Variance, in addition to the applicable Transportation charges, shall be subject to the following charges:
 - (i) for a quantity up to the Swing Percentage, there shall be no additional charge;
 - (ii) for the next incremental quantity up to any amount equal to the Swing Percentage, a daily scheduling penalty equal to the highest applicable Rate Schedule STS rate times each Dekatherm of such quantity; then
 - (iii) for any remaining quantity, a daily scheduling penalty of ten dollars (\$10) per Dekatherm.

6.14.2 Allocation of Receipts. Each Day, allocation of actual quantities at a Receipt Point shall be made pro rata, based on nominations, to all services at each Receipt Point, provided, however, that if Transporter and operator mutually agree, Transporter shall allow the operator, if any, at any Receipt Point, to establish allocation priorities according to the following procedures:

- (a) Operator shall notify Transporter via Transporter's Internet website after or during confirmation and before start of the Service Day, that it desires to establish allocation priorities at Receipt Points utilizing any of the following methodologies: ranked, percentage, swing, or operator provided value provided, however, Transporter will not be required to agree to any of such allocation methodologies if they are operationally or administratively infeasible.
- (b) Transporter shall advise such operator of the confirmed nominations at such Receipt Points.
- (c) The operator shall establish separate allocation priorities for over and under production at the level of detail that the confirmed nominations are provided, and advise Transporter of such priorities via Transporter's Internet website before the beginning of the Day. Any confirmed nominations that do not have established allocation priorities shall be considered as having the highest priority:
 - (1) In the case of underproduction, such allocation priorities shall be used by Transporter to allocate Gas, such that Transporter shall allocate Gas to each Shipper, in order of priority designated by the operator, up to the full nomination of that Shipper, until the entire gross measured volume at such Receipt Point is allocated.
 - (2) In the case of over production, such allocation priorities shall be used by Transporter to allocate Gas, such that Transporter shall allocate Gas to each Shipper, in order of priority designated by the operator, equal to the full nomination of that Shipper, with any over produced quantities being allocated to the Shipper(s) with the lowest priority, until the entire gross measured volume at such Receipt Point is allocated.

6.14.3 Simultaneous Receipts and Deliveries. To the extent that both receipts and deliveries have been nominated at the same meter, then for any Day:

- (a) If the actual flow through the meter represents a delivery by Transporter, then the nominated receipts shall be allocated as nominated and the sum of such receipts shall be added to the metered quantity before any allocation is made in accordance with Section 6.14.1, above; or
- (b) If the actual flow through the meter represents a receipt by Transporter, then the nominated deliveries shall be allocated as nominated (as adjusted by the BTAs for the Rate Schedule MBS Shippers) and the sum of such deliveries shall be added to the metered quantity before any allocation is made in accordance with Section 6.14.2, above.

6.14.4 Prior Period Adjustments.

- (a) In accordance with the provisions of Sections 6.12.3, 6.12.4, and 6.17 paragraphs 1 and 3 of these General Terms and Conditions, Transporter shall use the best information available to close its measurement quantities for a Service Month five (5) business days after such Service Month. To the extent that adjustments are made after the date of such close such adjustments ("Prior Period Adjustments" or "PPA") shall be treated under this Section 6.14.4. If the PPA are due to the correction of measurement data or allocations, such adjustments should be processed within six (6) Months of the applicable Service Month. If the affected party disputes the as-adjusted quantity, it is entitled to rebut the basis for the PPA, but only if it does so within three (3) Months of the processing of the as-adjusted quantity. Notwithstanding the above-specified deadlines for processing/rebutting PPAs, such deadlines shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods.
- (b) If an adjustment is required at a Receipt Point, such adjustment shall be allocated pursuant to the methodology set forth in Section 6.14.2 above.
- (c) If an adjustment is required at a Delivery Point, such adjustment shall be allocated pursuant to the methodology set forth in section 6.14.1 above.
- (d) Flash Gas shall be treated as a prior period adjustment. Transporter shall pay each operator, that submits a valid and verifiable statement to Transporter for quantities of Flash Gas, an amount (as full consideration, inclusive of taxes and any other amounts) equal to the product of the Flash Gas quantity times the one hundred percent (100%) Cashout Price for the Service Month to which the Flash Gas applies.

6.14.5 Determination of PTR.

PTR shall be determined each Day as the difference between (a) the gross metered quantity at the inlet meter of the processing plant, and (b) the gross metered quantity at the outlet meter of the processing plant.

6.14.6 Trespass Gas.

Gas that is received by Transporter during a Service Month at a Receipt Point, for which there is no valid nomination, shall be considered Trespass Gas. If Transporter receives Trespass Gas during a Service Month, it shall post such fact on GEMS[™], including the location and quantity of such Trespass Gas, for a period of ninety (90) Days after the end of the Service Month. The owner of such Trespass Gas may claim such Gas by informing Transporter in writing of such fact and by having the ownership verified by the operator of the facilities upstream of the Receipt Point. Upon receiving a valid claim of ownership, Transporter shall first give the claimant the opportunity to move the Gas off of Transporter's Pipeline System upon payment of the applicable transportation charges that shall consist of interruptible transportation service into storage, interruptible storage service, and transportation service to claimant's Delivery Point. Alternatively, the claimant may request payment of an amount (as full consideration, inclusive of taxes and any other amounts) equal to the product of the quantity of Trespass Gas times fifty percent (50%) of the Cashout Price for the Service Month in which the Trespass Gas was received into Transporter's system. If there is no valid claim for such Trespass Gas within such ninety (90) Day posting period, Transporter shall be allowed to retain such Trespass Gas.

6.14.7 Conversion of Gas.

Any party that takes Gas without Transporter's authorization shall be liable for all costs, losses, and damages attributable to such taking, the penalties set forth in Section 5.1.3 paragraph 5(b) of Rate Schedule ETS, any other charges under this Tariff, in addition to any legal remedies otherwise available.

6.14.8 Electronic Information.

Transporter shall operate its allocation procedures under this Section 6.14 on the basis of electronic information available at Receipt Point(s) and/or Delivery Point(s). If such electronic information is not available on any Day, however, Transporter shall be entitled to assume that receipts and/or deliveries are equal to nominations, provided, however, that Transporter shall be required to adjust such assumed receipts and/or deliveries to actual receipts and/or deliveries as soon as is reasonably practicable after such actual information becomes available before the close date specified in Section 6.14.4, above.

6.14.9 Information Availability.

Within one (1) Business Day following the end of each Gas Day, Transporter shall, based upon available quantities and/or scheduled quantities, post on GEMS[™] and EDM (if requested) individual Shipper information regarding the quantity allocated at each Receipt Point and at each Delivery Point including any information on imbalances.

Upon request to Transporter, Shipper will be provided operational allocated quantities pursuant to NAESB WGQ Standard 2.4.3 or 2.4.4 for the transaction(s) which have been scheduled by Transporter for Shipper.

Transporter can agree to send the operational allocated quantities on a daily basis to a Shipper rather than accept the Request for Information (NAESB WGQ Standard 2.4.7) for operational allocated quantities.

Transporter is not required to support requests for operational allocated quantities other than on an "all locations for a Shipper basis." Where Transporter has determined to support NAESB WGQ Standard 2.3.21 in a manner other than:

- (a) providing specific operational allocated quantities in response to a request for same, or
- (b) providing operational allocated quantities on an "all locations for a Shipper basis," then the Shipper can rely on the absence of a line item(s) provided by Transporter as indicative that the particular line item(s)' scheduled quantities are operational allocated quantities.

NAESB WGQ Standard 2.3.21 applies to the daily provision of operational allocated quantities whether they are provided pursuant to NAESB WGQ Standard 2.4.3, NAESB WGQ Standard 2.4.4 or NAESB WGQ Standard 2.4.7.

6.14.10 Third Party Storage and Imbalance Management Services.

- (a) Nothing in this Section or Tariff shall preclude Shipper from obtaining storage imbalance management services from a third party provider.
- (b) Transporter acknowledges that, in the case of a third party service provider with facilities directly connected to Transporter's Pipeline System, Transporter will need to enter into an interconnection agreement with such third party service provider. Such interconnection agreement will set forth the terms and conditions pursuant to which the interconnection will be operated. Under such interconnection agreement(s), which shall be publicly available for inspection, Transporter shall accommodate scheduled receipts and deliveries from the third party facility operator on the same terms and conditions that Transporter accommodates scheduled receipts and deliveries from Transporter's storage facilities so that the third party storage facility operator is not in any manner precluded by this Tariff from providing, and Shipper is not in any manner precluded by this Tariff from receiving, a storage service from a third party under the same or similar terms and conditions as a scheduled storage service offered by Transporter; and
- (c) Transporter shall make Transportation Services available to any Shipper under Rate Schedules ETS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS or ITS-3 to transport Gas on Transporter's Pipeline System associated with scheduled third party storage service, without discrimination or preference, and on the same terms and conditions, subject to the same availability, including on a seasonal basis, and for the same rates as Transporter makes Transportation Service available or such service offers to similarly situated Shippers, for receipt or delivery of Gas associated with scheduled storage services offered by Transporter.

6.15 CASHOUT AND TRADING OF MONTHLY IMBALANCES

6.15.1 Cashout of Imbalances.

- (a) For the purposes of this Section 6.15, "Receipts" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions, net of Transporter's Use, and "Deliveries" shall mean quantities of Gas allocated pursuant to Section 6.14 of these General Terms and Conditions. Transporter and Shipper shall Cashout any remaining imbalance between Monthly Receipts and Monthly Deliveries under all of Shippers' Transportation Agreements, subject to Transporter's Billing and Payment provisions contained in Section 6.17 of these General Terms and Conditions.
- (b) If Monthly Receipts are greater than Monthly Deliveries, the difference shall be "Excess Quantities". If Monthly Deliveries are greater than Monthly Receipts, the difference shall be "Deficient Quantities". Such Excess Quantities and/or Deficient Quantities shall be individually determined by Receipts in each Operational Impact Area which shall be either the Southeast, Southwest, Canadian or Mainline Receipts, as defined below in Section 6.15.1(d), respectively, and will be divided by the Monthly Delivery Point nominations applicable to such Receipts, using such information as was available to Shipper on the last Day of the Service Month on GEMStm, for the purpose of determining the applicable imbalance percentage. Transporter shall be authorized to purchase and sell Gas at Receipt Points to manage imbalance quantities and shall endeavor to make any such purchases or sales of Gas necessary to balance its system by the end of the month following the Service Month in which the imbalance is determined, to the extent such purchases or sales are operationally practicable.
- (c) The Cashout Price will be equal to the Louisiana Spot Price Index, the Oklahoma Spot Price Index, the Canadian Spot Price Index, or the Mainline Spot Price Index, as applicable, as such spot price indices are defined in Section 6.16 of these General Terms and Conditions, and shall be applicable to imbalances associated with Southeast Receipts, Southwest Receipts, Canadian Receipts and Mainline Receipts, respectively. The indicated percentage(s) of the Cashout Price (as defined below) will be paid for the Excess/Deficient Quantities that fall within each respective bracket of the total imbalances (1) by Transporter to Shipper (as full consideration, inclusive of taxes and any other amounts) for Excess Quantities or (2) by Shipper to Transporter for Deficient Quantities, based on the scale set forth below:

Transporter Pays Shipper the following % of Imbalance:

% of Imbalance	Percentage of the Cashout Price for the Excess Quantities
-----	-----
> 0% Up to 5%	100%
> 5% Up to 10%	85%
> 10% Up to 15%	70%
> 15% Up to 20%	60%
> 20%	50%

Shipper Pays Transporter the following % of Imbalance:

% of Imbalance	Percentage of the Cashout Price for the Deficient Quantities
-----	-----
> 0% Up to 5%	100%
> 5% Up to 10%	115%
> 10% Up to 15%	130%
> 15% Up to 20%	140%
> 20%	150%

- (d) The Cashout Payment applicable to all Agreements of a Shipper during a Service Month shall equal (1) the sum of the Excess Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price less the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below, minus (2) the sum of the Deficient Quantities (if applicable) by Southeast, Southwest, Canadian and/or Mainline Receipts multiplied by the applicable Cashout Price plus the Cashout Price Surcharge, if any, pursuant to Section 6.15.5(b), below. If the difference is positive, such amount will be paid by Transporter to Shipper. If the difference is negative, such amount will be paid by Shipper to Transporter.

The Receipt Quantities under each Agreement will be determined as follows:

- (1) Southeast Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southeast Area Facilities;

- (2) Southwest Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through Receipt Point(s) in the Southwest Area Facilities;
 - (3) Canadian Receipts will equal the quantity of Monthly receipts under such Agreement that entered Transporter's System through the Marshfield, Wisconsin Receipt Point; and
 - (4) Mainline Receipts will equal the total quantity of Monthly receipts that are not included in the calculation of the Southeast Receipts, Southwest Receipts or Canadian Receipts.
- (e) A Cashout of imbalances at prices above or below one hundred percent (100%) of the Cashout Price shall not occur if it has been determined that such imbalances are due to Transporter's negligence. Additionally, a Cashout of imbalances due to Excess Quantities or Deficient Quantities shall be limited to one hundred percent (100%) of the Cashout Price if such imbalances occurred during circumstances of force majeure that directly affect the Transporter's or upstream or downstream facilities over which Gas is transported under the applicable Agreement, or during circumstances of force majeure that directly affect Shipper's facilities for the period until Shipper has an opportunity to adjust its nominations, or were the direct result of an OFO issued to the Shipper or its supplier. Transporter shall be required to provide accumulated imbalance data to Shipper requesting such data by electronic or other available means of communication within forty-eight (48) hours of such request during the Service Month.

6.15.2 Cashout of Imbalances at Agreement Expiration.

At the time of expiration of an Agreement, all imbalances shall be paid for according to the provisions of Section 6.15.1 above.

6.15.3 Upstream Transportation.

In the event that Transporter acts as agent on behalf of any Shipper in obtaining transportation service on any upstream pipeline, the cashout provisions (if any) of any such upstream pipeline shall be applicable to such upstream transportation, and not the provisions of this Section 6.15.

6.15.4 Penalties.

Failure of Shipper to fulfill responsibilities, during the period of Force Majeure, which contribute to Excess Quantities or Deficient Quantities pursuant to the Cashout provisions of this Section 6.15 shall result in the use by Transporter of the applicable Cashout Price as to each Dekatherm for which payments are due under such provisions.

6.15.5 System Cashout Mechanism.

Transporter shall establish an annual mechanism to determine the results of implementing this Cashout provision. Such mechanism shall calculate, on a system-wide basis, the annual gross revenue balance (positive or negative) derived from the Cashout program, utilizing the following procedures:

- (a) Commencing May 1, 1998, and each May 1 thereafter, Transporter shall calculate the Net Cashout Activity, which shall be defined as the sum of (1) actual net revenues attributable to the operation of the Cashout program for the preceding calendar year; (2) any prior negative balance from any previous redetermination, pursuant to Section 6.15.5(b), below; and (3) any prior positive balance(s) from any previous redetermination, pursuant to Section 6.15.5(c), below.
- (b) Any Net Cashout Activity that is a negative balance shall be divided by the total of all Cashout volumes bought and sold during the preceding calendar year to derive a Cashout Price Surcharge. Transporter shall file to make such Cashout Price Surcharge effective June 1, for the next succeeding twelve (12) Month period. The Cashout Price Surcharge as stated in Section 4.16 will be subtracted from the Cashout Price where Excess Quantities are being Cashed Out, and will be added to the Cashout Price where Deficient Quantities are being Cashed Out.
- (c) Any Net Cashout Activity that is a positive balance shall be divided by the throughput actually experienced for the applicable year reported in Transporter's FERC Form No. 2 to calculate a negative surcharge per Dekatherm. Transporter shall file to make such negative surcharge effective June 1, for the next succeeding twelve (12) Month period, to be applied to all Transportation Services subject to surcharges.

6.15.6 Imbalance Netting.

- (a) Transporter shall net any Shipper imbalances within the same "Operational Impact Area" on and across Agreements with the Shipper at the close of each Service Month, including any prior period adjustment volumes received by Shipper which are not resolved on an in-kind basis.
- (b) Any imbalances arising as a result of prior period adjustment volumes may be resolved by Shipper on an in-kind basis through nominations during the Service Month in which the prior period adjustment is received by the Shipper.

6.15.7 Imbalance Trading.

- (a) Transporter will allow Shipper(s) (including agents of Shippers(s)) to trade, within the same Operational Impact Area, any imbalances remaining from the previous Service Month after imbalance netting pursuant to Section 6.15.6 above.
- (b) Authorizations to post imbalances that are received by Transporter by 11:45 a.m. via GEMStm or EDI data set will be effective by 8:00 a.m. the next Business Day (CCT). Imbalances previously authorized for posting should be posted on or before the ninth Business Day of the Month following service.
- (c) Imbalance(s) to be posted for trading must be authorized by the Shipper. The Shipper can note that the authorization will be effective for a specific period of time or leave the authorization open-ended. Posted imbalances can be viewed and downloaded upon request.
- (d) Transporter may not post zero imbalances.
- (e) Transporter will enable the imbalance trading process by:
 - (1) Receiving requests for imbalance trades;
 - (2) Receiving imbalance trade confirmations;
 - (3) Sending imbalance trade notifications; and
 - (4) Reflecting the trade on the next Monthly cashout billing.
- (f) Imbalance trading will be allowed between the ninth and seventeenth Business Day of each Month via GEMStm or EDI data sets. Transporter will provide the ability to post and trade imbalances until the close of the seventeenth Business Day of the Month.
- (g) Imbalance trades can only be withdrawn by the party initiating the trade and only prior to the confirming party's confirmation of the trade. Imbalance trades are considered final when confirmed by the party confirming the trade and effectuated by the Transporter.
- (h) When trading imbalances, a quantity should be specified. Transporter will not authorize an imbalance trade that will increase the Shipper's absolute imbalance position (above/below zero). After receipt of an imbalance trade confirmation, Transporter will post trade results on GEMStm and, for EDI transactions, will send, no later than noon CCT of the next Business Day, a notice of the imbalance trade to the party initiating and the party confirming the trade.

- (i) The information required for trading must include the identification of both Shippers involved in the trade, production period, and the monthly volume to be traded.
- (j) Any imbalance remaining after the close of the imbalance trading period set out in Section 6.15.7(f) above, will be cashed out pursuant to this Section 6.15.

6.15.8 Historical Gas Deficiency.

Transporter shall endeavor to purchase each month during a 36 month period, to the extent such purchases are operationally practicable, 1/36th of the gas deficiency existing as of December 31, 2004 (the "Historical Gas Deficiency") as set out in Transporter's April 29, 2005 annual cashout filing in Docket RP05-294. Provided however, Historical Gas Deficiency purchases in any month, shall be netted against any applicable sales of Gas to be made by Transporter pursuant to Section 6.15.1(b) above. In addition, Transporter shall use the additional revenues from the cashout program in excess of that required to balance the system on a current basis, to purchase additional quantities of Gas to reduce remaining Historical Gas Deficiency over a shorter period.

6.16 SPOT PRICE INDEX

Spot Price Index. The Spot Price Indices shall be determined in accordance with the provisions of this Section 6.16:

(a) Spot Price Indices - Louisiana and Oklahoma.

- (1) Louisiana Spot Price Index. The spot price index for Southeast Receipts shall be the Louisiana Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices: (i) the S&P Global Platts Gas Daily "ANR, La." daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), and (ii) the Natural Gas Intelligence (NGI) Weekly Gas Price Index "ANR SE" weekly average price. The Louisiana Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Louisiana Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (2) Oklahoma Spot Price Index. The spot price index for Southwest Receipts shall be the Oklahoma Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices: (i) the S&P Global Platts Gas Daily "ANR, Okla." daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (ii), and (ii) the Natural Gas Intelligence (NGI) Weekly Gas Price Index "ANR SW" weekly average price. The Oklahoma Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the "ANR spot" prices in the two publications. The Oklahoma Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the "ANR spot" prices in the two publications.
- (3) Material Changes or Cessation of Publication(s). In the event the publications referenced above are not published, materially change or are otherwise not available, Transporter shall determine the Louisiana Spot Price Index or Oklahoma Spot Price Index, as applicable, using a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

(b) Spot Price Index - Canada.

- (1) Canadian Spot Price Index. The spot price index for Canadian Receipts shall be the Canadian Spot Price Index and will be determined each week by use of the following published daily and weekly spot prices, stated in U.S. Dollars: (i) the

Natural Gas Intelligence (NGI) Weekly Gas Price Index "Emerson" weekly average price, and (ii) the S&P Global Platts Gas Daily "Emerson, Viking GL" daily Midpoint prices, averaged each week over the same calendar days for a given week as specified in the publication referenced in (i) above. The Canadian Spot Price Index for Deficient Quantities will be the highest of the simple weekly averages of the Emerson spot prices in the two publications plus the variable costs on Viking Gas Transmission Company ("Viking Variable Costs"). The Canadian Spot Price Index for Excess Quantities will be the lowest of the simple weekly averages of the Emerson spot prices in the two publications plus the Viking Variable Costs. The Viking Variable Costs shall be the sum of Viking's firm transportation commodity rate, plus Viking's fuel at the average of the published prices reported in the two publications, plus any Viking surcharge(s).

- (2) Material Changes or Cessation of Publication(s). In the event the publications referenced above are not published, materially change or are otherwise not available, Transporter shall determine the Canadian Spot Price Index using a similar publication selected by Transporter in its reasonable judgment that is broadly published and widely accepted within the gas industry as a reliable source for the quotation of gas prices.

(c) Spot Price Index - Mainline.

- (1) Mainline Spot Price Index. The spot price index for Mainline Receipts shall be the Mainline Spot Price Index and will be determined each week as the weighted average of the Louisiana Spot Price Index, the Oklahoma Spot Price Index and the Canadian Spot Price Index (as determined above). The weighting will be based on the capacity available per Transporter's §260.8 System Flow Diagrams: Format No. FERC 567 at the following points: Jena Compressor Station, Alden Compressor Station and Marshfield Compressor Station. The Mainline Spot Price Index for Deficient Quantities will be the highest of the weekly Mainline Spot Price Indices. The Mainline Spot Price Index for Excess Quantities will be the lowest of the weekly Mainline Spot Price Indices.

6.17 BILLING AND PAYMENT

1. **Billing.** On or before the ninth (9th) Business Day of each Month, Transporter shall render (for purposes of this Section 6.17 paragraph 1, "render" shall mean either (a) postmarked or (b) time-stamped and electronically transmitted via EDM to the designated site, whichever is applicable) to Shipper a statement of the amount due for the preceding Month under the applicable Rate Schedule(s). Any charges pursuant to the Cashout provisions of Section 6.15 of these General Terms and Conditions shall be billed by a separate statement rendered to Shipper of the amount due Transporter or Shipper on or before the nineteenth (19th) Business Day of each Month for imbalances incurred during the preceding Month. When information necessary for billing purposes is in the control of Shipper, Shipper shall furnish such information to Transporter on or before the third (3rd) Day of the Month.

Both Transporter and Shipper have the right to examine at reasonable times, books, records and charts of the other to the extent necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions hereof.

2. **Payment.** Shipper shall pay Transporter the amount due for the preceding Month on or before the tenth (10th) Day after the Date of the invoice. Payments by Shipper to Transporter shall be made in the form of Wire Transfer directed to a bank account designated by Transporter for amounts equal to or greater than \$50,000 such that funds are available on the date payment is due. Payments of amounts less than \$50,000 by Shipper to Transporter shall be made at Shipper's election by either Wire Transfer directed to a bank account designated by Transporter, or by check at Transporter's general office or at such other address as Transporter shall designate such that funds are available on the date payment is due.

Party making payment should submit supporting documentation, party receiving payment should apply payment per supporting documentation provided by the paying party; and if payment differs from the invoiced amount, remittance detail should be provided with the payment except when payment is made by electronic funds transfer (EFT), in which case the remittance detail is due within two business days of the payment due date. Interest on the unpaid portion of the bill shall accrue at the current rate as set forth in Section 154.501(d) of the Commission's Rules and Regulations, from the due date until the date of payment.

If Shipper fails to pay Transporter the entire amount due on or before the payment due date, Transporter may suspend service under Shipper's Agreement(s) upon ten (10) Days' notice of a Shipper's first instance of non-payment or five (5) Business Days' notice to Shipper for any subsequent instances of non-payment occurring within the last six (6) months and shall have the right to seek termination of the Agreement(s); provided, however, Transporter may only suspend service to the extent the capacity is

not subject to a capacity release at the time of suspension. In the event Transporter suspends service under Shipper's Agreement(s), Shipper shall not be responsible for reservation charges during such suspension period. At all times prior to suspension, Shipper has the right to cure such non-payment by providing payment of the past due amounts plus accrued interest or by providing financial assurances equivalent to the amount past due.

In the event that service to a Shipper is suspended Transporter shall have the right to remarket the capacity that is subject to the suspension on a month-to-month basis with terms not to exceed thirty-one (31) days ("Interim Capacity Arrangements"). Any capacity sold pursuant to this Section 6.17.2 shall be made available on a nondiscriminatory basis and will be assigned on the basis of a bid period determined pursuant to the open season of the Capacity Release provisions set forth in Section 6.21 of the General Terms and Conditions. Capacity sold pursuant to this Section 6.17.2 shall not have a right of first refusal. If the Shipper whose service has been suspended remedies the deficiency that gave rise to the suspension after the capacity has been remarketed to another Shipper as part of an Interim Capacity Arrangement, service to the Shipper whose service has been suspended will resume on the first day following expiration of the Interim Capacity Arrangement. To the extent Transporter seeks to terminate a Shipper's Agreement(s), Transporter will provide written notice to Shipper, the Commission, and any Replacement Shipper(s) that has obtained temporary release capacity from Shipper, that if Shipper fails to make payment within thirty (30) days of such notice, Transporter will terminate Shipper's Agreement(s) and may exercise any other remedy available to Transporter hereunder, at law or equity. At all times prior to termination, Shipper has the right to cure such non-payment by providing payment of the past due amounts plus interest or by providing financial assurances equivalent to the amount past due. However, if Shipper in good faith disputes the amount of any bill or part thereof by providing written notice of its dispute including documentation identifying the basis of the dispute and 1) promptly pays to Transporter the undisputed amount, when due, and 2) on or before the due date of such bill, furnishes to Transporter a financial assurance acceptable to Transporter for the disputed amount, then Transporter shall not be entitled to suspend or terminate service under the Agreement(s) unless and until a default is made in the conditions of the financial assurance; provided further that should Shipper prevail on the dispute, Transporter shall reimburse Shipper up to the reasonable and customary cost of the financial assurance.

3. Adjustment of Billing Errors. Subject to the provisions of Sections 6.12.3, 6.12.4 and 6.14.4 of these General Terms and Conditions, if it shall be found that at any time or times a person has been charged an overrun penalty and Shipper shall have actually paid the invoices containing such penalty, then within thirty (30) Days after the final determination thereof, either Transporter shall refund the amount of any overcharge or Shipper shall pay the amount of any undercharge. In the event an error is discovered in the amount billed in any statement rendered by Transporter, such error shall be

adjusted within thirty (30) Days of the determination thereof, provided that claim therefor shall have been made within thirty (30) Days from the date of discovery of such error, but in any event within six (6) Months from the date of such statement, provided, however, that the party harmed by the adjustment shall have up to three (3) Months to dispute such adjustment. The timing of billing claims and adjustments referenced in the previous sentence shall not apply in the case of deliberate omission or misrepresentation or mutual mistake of fact. Parties' other statutory or contractual rights shall not be diminished by this standard. Mutual agreement between parties, legal decisions, and regulatory guidance may be necessary to determine if the event qualifies for an extension of the above time periods. If the parties are unable to agree on the adjustment of any claimed error, any resort by either of the parties to legal proceedings shall be commenced within fifteen (15) Months after the supposed cause of action is alleged to have arisen, or shall thereafter be forever barred.

4. Refunds: Refunds due Shipper from Transporter pursuant to either the terms and conditions of this Tariff or orders of the Commission shall be paid by Wire Transfer to a bank account established by Shipper if: (a) Shipper has made twelve consecutive Monthly payments to Transporter in the form of Wire Transfer preceding the date of the refund; (b) the amount of the refund, including interest, exceeds \$50,000; and (c) Shipper has designated a bank account for the receipt of refunds by Wire Transfer at least thirty (30) Days prior to the date established for refunds by written communication to Transporter. Refunds of an amount less than \$50,000 will be paid by Transporter to Shipper by check.
5. Prepayment of Reservation Charges. Transporter may, from time to time in a manner not unduly discriminatory, agree to accept a Shipper's prepayment of its Reservation Charges obligation under an existing or new firm Agreement. The amount of the prepayment shall be equivalent to Shipper's unpaid Reservation Charges obligation for the remainder of the term of an existing firm Agreement or the entire term of a new firm Agreement, as applicable. A prepayment received by Transporter or an offer of a prepayment to be made under this section will not be used in the determination of the net present value of a bid during Transporter's evaluation process to award capacity.

The prepayment shall be credited to Shipper's Agreement under the ordinary course of Transporter's billing process. Shipper shall not be allowed to withdraw all or part of its prepayment.

Neither this provision nor any solicitation or negotiation by Transporter under this provision shall obligate Transporter to accept any request for prepayment.

A Shipper's Reservation Charges will be subject to adjustments when Transporter's recourse rates are changed pursuant to NGA section 4 or 5 during the period for which Shipper has prepaid for service and Shipper shall understand that any prepayment

does not absolve it of such future adjustments to the recourse rates. For capacity release and posting requirements, the rate to be charged will be the rate specified in the applicable firm Agreement.

Prepayments received by Transporter under this section shall not qualify as cash security deposits for purposes of creditworthiness, nor shall cash security deposits for purposes of creditworthiness be considered as prepayments under this section.

6.18 MISCELLANEOUS

6.18.1 Responsibility for Gas.

Upon receiving delivery of Gas to be transported at the Receipt Point(s), Transporter shall be in exclusive control and possession of such Gas and responsible for any loss thereof, or any and all injury or damage caused thereby, until the Equivalent Quantities of Gas have been delivered for the account of Shipper at the Delivery Point(s) after which Shipper shall be in exclusive control and possession of such Gas and responsible for any and all injury or damage caused thereby.

6.18.2 Warranty.

Shipper warrants for itself, its successors, and assigns, that it has, or will have, at the time of delivery of the Gas for transportation hereunder good title to such Gas and/or good right to cause the Gas to be delivered to Transporter for Transportation. Shipper warrants for itself, its successors, and assigns, that the Gas it warrants hereunder shall be free and clear of all liens, encumbrances or claims, that it will indemnify and save Transporter harmless from all suits, actions, debts, accounts, damages, costs, losses, and expenses arising from or out of any adverse claims of any and all persons to said Gas and/or to royalties, taxes, license fees, or charges thereon which are directly applicable to such delivery of Gas and that it will indemnify and save Transporter harmless from all taxes or assessments which may be directly levied and assessed upon such delivery and which are by law payable and the obligation of the party making such delivery. Shipper shall be solely responsible for, and shall indemnify and save Transporter harmless from any sales or use tax which may be levied on Gas furnished by Shipper for Transporter's Use.

6.18.3 Waivers.

No waiver by either Transporter or Shipper of any one or more defaults by the other in the performance of any provisions hereunder shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character. Transporter may waive compliance with provisions of this Tariff, so long as such is done in a manner which shall not be unduly discriminatory.

6.18.4 Assignments.

Any company which shall succeed by purchase, merger or consolidation to the properties, substantially as an entirety, of Shipper or of Transporter, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in interest under an Agreement. Any party may, without relieving itself of its obligations under an Agreement, pledge, mortgage or assign its rights hereunder as security for its indebtedness. Except for such pledge, mortgage or assignment, neither party shall assign an Agreement or any of its rights thereunder without the consent in writing of the other party.

6.18.5 Creditworthiness.

A. Creditworthiness Evaluation.

- (1) Transporter shall not be required to commence or continue to provide service under an agreement with any Shipper who fails to establish or maintain creditworthiness.

- (2) Determining Creditworthiness

Transporter shall apply consistent evaluation practices to all similarly situated Shippers to determine Shipper's financial ability to satisfy payment obligations due to Transporter over the term of the requested or existing Agreement(s). A creditworthiness evaluation shall be performed in accordance with the following:

- (a) Shipper will establish creditworthiness if its unenhanced senior unsecured debt securities are rated investment grade of at least BBB- by S&P Global Market Intelligence LLC ("S&P") or at least Baa3 by Moody's Investors Service, Inc. ("Moody's"); provided however, that in the event a split rating occurs between rating agencies, Transporter will rely upon the lower of the ratings. Nothing herein shall limit Transporter's ability to evaluate any of the factors set forth in Section 6.18.5.(A), paragraph (2)(b)(i)–(vii) below where Shipper's creditworthiness is established by a rating agency if such factor(s) would alter Transporter's evaluation of Shipper. If Shipper has multiple Agreements with Transporter, then the total of potential fees and charges of all such Agreements shall be considered in determining creditworthiness.
- (b) If Shipper does not meet the creditworthiness standard described in part (a) above, Transporter shall evaluate creditworthiness based upon the level of Shipper's current and requested service(s) with Transporter relative to Shipper's current and future ability to meet its obligations. Such creditworthiness evaluation shall be based upon any or all of the following requested information in (i) through (vii) below.
 - (i) S&P, Moody's and other credit reporting agencies' opinions, outlooks, watch alerts, and rating actions.
 - (ii) Financial reports whereby consistent financial statement analysis will be applied by Transporter to determine the acceptability of Shipper's current and future financial strength. Shipper's balance sheets, income statements, cash flow statements, notes to financial statements, and auditor's opinions will be analyzed along with key

ratios and trends regarding liquidity, asset management, debt management, debt coverage, capital structure, operational efficiency and profitability.

- (iii) Whether Shipper is operating under any chapter of the bankruptcy code and is subject to liquidation or debt reduction procedures under state laws and whether there is pending any petition for involuntary bankruptcy. Transporter may give consideration for a Shipper who is a debtor-in-possession operating under Chapter 11 of the United States Bankruptcy Code if Transporter is assured that the service billing will be paid promptly as a cost of administration under the federal court's jurisdiction, based on a court order in effect, and if the Shipper is continuing and continues in the future to make payment.
- (iv) Whether Shipper is subject to any lawsuits or outstanding judgments which could materially impact its ability to remain solvent.
- (v) The nature of Shipper's business and the effect on that business of economic conditions, including Shipper's ability to recover the costs of Transporter's services through filings with regulatory agencies or otherwise to pass on such costs to its customers.
- (vi) Whether Shipper has or has had any delinquent balances outstanding for services provided previously by Transporter and whether Shipper is paying and has paid its account balances according to the terms established in its Agreement(s) (excluding amounts as to which there is a good faith dispute).
- (vii) Any other information, including any information provided by Shipper, as may be mutually agreed upon by the parties.

B. Failure to Establish or Maintain Creditworthiness.

- (1) If Shipper fails to establish or maintain creditworthiness as described in Section 6.18.5(A)(2), Shipper has the option of receiving or continuing service under this Tariff by providing and maintaining one of the following financial assurances in accordance with the requirements as set forth in Section 6.18.5.(B)(2) below:

- (i) **Guarantee:** Shipper may provide a guarantee of financial performance in a form satisfactory and acceptable to Transporter and for the term of the Agreement from a person or entity which

meets the creditworthiness standards outlined in Section 6.18.5(A) (guarantor).

- (ii) Cash Security Deposit: Shipper may provide a cash security deposit for service. Transporter will accrue simple interest on cash security deposits at the applicable monthly "Federal Funds (effective)" rate published in the Federal Reserve Statistical Report H.15. Interest will be paid by Transporter on an annual basis each September 1 or at the time Shipper's deposit is returned.
 - (iii) Letter of Credit: Shipper may post an irrevocable standby letter of credit in a form acceptable to Transporter and issued by a bank or financial institution deemed acceptable by Transporter.
 - (iv) Any other financial assurance mutually agreed upon by Transporter and Shipper. Such other financial assurance shall be accepted on a nondiscriminatory basis and may include, as related to interruptible service, a prepayment equal to an amount defined by Transporter. Such defined balance prepayment will remain in place until Shipper exhausts its prepaid balance by utilizing interruptible transportation service. At the point Shipper's prepayment is exhausted, Transporter may suspend further interruptible service. Shipper will not earn interest on defined balance prepayments.
- (2) Transporter may deny subsequent requests to substitute financial assurances on a not unduly discriminatory basis and will provide Shipper with a written explanation of any denial of a request to substitute financial assurances.

Within five (5) Business Days of Transporter's notification to Shipper that Shipper has returned to creditworthiness in accordance with Section 6.18.5(A)(2) herein, Transporter will return Shipper's financial assurance held by Transporter along with any applicable interest and interest calculation reconciliations.

Upon performance in full of all Shipper's obligations under its Agreement(s), Transporter will return Shipper's financial assurance associated with undisputed invoice amounts within five (5) Business Days of Shipper paying its final invoice. Any remaining financial assurance will be returned after resolving any and all disputed invoice amounts under the expired Agreement(s). In either case, Transporter will pay applicable interest and provide Shipper final billing reconciliations detailing interest calculations.

(3) Financial Assurance Requirement Table

Service	Column A: Guarantee Requirement	Column B: Cash Security Deposit or Letter of Credit Amount
Firm Service	Shipper's contractual obligation under its firm service Agreements with Transporter	Up to the value of 3 months reservation charges
Interruptible/ Volumetric Service	Shipper's highest monthly bill for interruptible and volumetric based service over the previous rolling twelve (12) months multiplied by three (3). Initial requirement based upon Shipper's anticipated usage for a three (3) month period as determined by Shipper and Transporter	Same as under Column A
Park and Loan Service	The lesser of the transaction term or three (3) months value based on transaction quantities multiplied by the rate for such transaction, plus the value of loaned gas in accordance with Section 6.18.5 (C).	Same as under Column A
Cashout Payments due Transporter	Shipper's three (3) highest Cashout payments due Transporter during the previous rolling twelve (12) months.	Same as under Column A
Imbalance Gas	In accordance with Section 6.18.5(C)	Same as under Column A

(C) Loaned/Imbalance Gas Owed to Transporter.

For lending services under Rate Schedule IPLS, Transporter shall have the right to seek a financial assurance for the value of gas loaned by Transporter. The amount of such financial assurance will be based on the quantity of gas loaned multiplied by the Chicago City Gates price located under the "Monthly Bidweek Spot Gas Prices" as reported in "S&P Global Platts Inside FERC's Gas Market Report" (or any successor publication thereto) for the month the quantity of gas is loaned. Transporter shall have no obligation to lend any quantity of gas beyond the financial assurance amount provided by Shipper to Transporter.

For imbalance gas owed to Transporter pursuant to an Operational Balancing Agreement, Transporter shall have the right to seek a financial assurance to cover the value of imbalance gas owed to Transporter. The financial assurance shall be for an amount equal to the largest month end imbalance owed to Transporter over the previous rolling 12 months multiplied by the applicable Spot Price Index "buy" price (Excess Quantities) pursuant to Section 6.16. Where a historical imbalance record has not been established, any initial financial assurance amount shall be based on 5% of the maximum monthly design flow, as determined by Transporter, multiplied by the applicable Spot Price Index as described herein. The maximum monthly design flow calculation shall be used for the first three months of service in order to establish a month end imbalance historical record.

(D) Collateral Requirements for Lateral Facilities and/or Expansion Capacity.

- (1) Collateral requirements for expansion capacity will be separately identified within Transporter's nondiscriminatory project precedent agreement.
- (2) The amount of collateral (for example, Cash Security Deposit or Letter of Credit) initially required for lateral facilities will be determined by Transporter and may be up to the cost of the facilities to be constructed ("Maximum Allowable Collateral Requirement" or "MACR"). Where new lateral facilities serve multiple Shippers, an individual Shipper's maximum collateral obligation ("Shipper's Maximum Collateral Obligation" or "SMCO") will be for no more than its proportionate share of the MACR. Subsequent to lateral facilities being placed into service, the SMCO shall be reduced in proportion to contract term or as mutually agreed on a not unduly discriminatory basis. Shipper's actual collateral requirement ("Shipper's Actual Collateral Obligation" or "SACO"), may be equal to or less than the SMCO. Unless otherwise provided for, when the SMCO equals the SACO held by Transporter, Transporter shall thereafter return Shipper's collateral on either a monthly basis or as mutually agreed with Shipper, on a not unduly discriminatory basis, consistent with the reduction in SMCO. Transporter is only permitted to recover the cost of lateral facilities once through either transportation rates or, in the event of Shipper default, by means of a financial assurance provided through this provision.

(E) Notification of Failure to Meet Creditworthiness.

Transporter shall have the right, on an ongoing basis, to review Shipper's creditworthiness and acceptability of any financial assurance, and upon Transporter's request, Shipper shall provide within three (3) Business Days, or such later date acceptable to Transporter, information in order to facilitate such review. If Shipper is found by Transporter to be non-creditworthy, Transporter will, upon request, inform Shipper in writing as to the reasons. Upon notification by Transporter of Shipper's non-creditworthiness status, Shipper must, within five (5) Business Days after receipt of such notification, submit advanced payment to Transporter equal to one (1) month of service under Shipper's Agreement(s) to continue service. Shipper must, within thirty (30) days, provide an acceptable financial assurance as set forth in Section 6.18.5(B). For Shippers utilizing lateral facilities or expansion capacity, the financial assurance that must be provided within thirty (30) days shall be in accordance with Section 6.18.5(D). If Shipper fails to provide one of the financial assurances within these time periods, Transporter may suspend service immediately (Shippers are not responsible for reservation charges after service is suspended) and may provide simultaneous written notice to Shipper, the Commission, and any Replacement Shipper(s) that service will be terminated in thirty (30) days. Transporter also may exercise any other remedy available to it hereunder, at law or in equity. At all times

prior to termination under this Section 6.18.5(E), as applicable, Shipper may avoid such termination by providing the advance payment and financial assurance described herein.

6.18.6 Limitation of Service.

If a Shipper fails to comply with any material terms of the Agreement, including the applicable Rate Schedules and these General Terms and Conditions, Transporter may unilaterally and without liability, after five (5) Days notice to such Shipper, suspend any service provided hereunder to Shipper until such time as Shipper has cured such failure to comply.

6.18.7 Interpretation of Laws.

Any Agreement shall be interpreted, performed and enforced in accordance with the laws of the State of Texas.

6.18.8 Regulations.

Any Agreement, and all terms and provisions herein, and the respective obligations of the parties thereunder are subject to valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction. If any provision of any Agreement is declared null and void, or voidable, by a regulatory authority or court of competent jurisdiction, then that provision will be considered severable at either Party's option; and if the severability option is exercised, the remaining provisions of the Agreement shall remain in full force and effect.

6.18.9 No Third Party Beneficiary.

It is expressly agreed that there is no third party beneficiary of any Agreement, and that the provisions of any Agreement and these General Terms and Conditions do not impart enforceable rights in anyone who is not a party or successor or assignee of any party to an Agreement herein.

6.18.10 Counterparts.

Any Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

6.18.11 Headings.

The headings contained in any Agreement are for reference purposes only and shall not affect the meaning or interpretation of any Agreement.

6.18.12 In-Field Storage Transfers.

Transporter or any Shipper receiving storage service from Transporter shall be entitled to transfer, in-field, any of its Working Storage Gas to another Shipper or to Transporter, provided, however, that Transporter may restrict such transfers when the transfer results in an increase in Transporter's service obligations and such increase would in Transporter's reasonable judgment impair Transporter's ability to meet all of its other service obligations of equal or higher priority. Furthermore, Transporter may restrict a Shipper's ability to transfer any of its Working Storage Gas to another Shipper or to Transporter during those periods when its Base MDWQ is equal to zero.

6.18.13 Waiver of Penalties.

Transporter may waive the following penalties on a not unduly discriminatory basis:

- (a) daily scheduling penalties assessed as a result of allocations of deliveries pursuant to Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of these General Terms and Conditions; or
- (b) penalty rates for unauthorized overrun charges assessed pursuant to any of Transporter's firm service rate schedules.

6.18.14 Responsibility For Unauthorized Overrun.

- (a) Shippers shall have a duty to refrain from taking delivery of quantities in excess of their MDQ. In the event a Shipper takes delivery of quantities in excess of its MDQ such Shipper may be held accountable either through a direct cause of action by other Shippers, or as an impleaded or third party defendant in a suit by other Shippers. In no event shall the payment of overrun charges be considered as giving Shipper the right to take overrun quantities, nor shall such payment be considered as a substitute for all other rights and remedies (including but not limited to consequential damages) available to any other Shipper.
- (b) Transporter shall use reasonable care in scheduling the Gas quantities available to Shipper up to its confirmed nomination, based on the best operating information available to Transporter. Transporter shall be responsible to Shipper for penalties, in the same manner as an overrun by a Shipper, for service deficiencies (i.e., the failure to allow Shipper to nominate Gas for receipt or delivery) caused by Transporter allocating to any other Shipper in a knowing, willful or grossly negligent manner the Gas which Transporter has confirmed as available to Shipper.

6.18.15 Compliance with North American Energy Standards Board.

Compliance with 18 CFR, Section 284.12

Transporter has adopted the Business Practices and Electronic Communications Standards, NAESB WGQ Version 3.2, which are required by the Commission in 18 CFR Section 284.12(a), as indicated below. Standards without accompanying identification or notations are incorporated by reference. Standards that are not incorporated by reference are identified along with the tariff record in which they are located. Standards for which waivers or extensions of time have been granted are also identified.

Standards not Incorporated by Reference and their Location in Tariff:

<u>NAESB Standard</u>	<u>Tariff record</u>
1.3.1	GT&C, Definitions, 6.1(18)
1.3.2(i)	GT&C, Submission of Nominations, 6.6.1(a)(1)
1.3.2(ii)	GT&C, Submission of Nominations, 6.6.1(a)(2)
1.3.2(iii)	GT&C, Submission of Nominations, 6.6.1(a)(4)
1.3.2(iv)	GT&C, Submission of Nominations, 6.6.1(a)(5)
1.3.2(v)	GT&C, Submission of Nominations, 6.6.1(a)(6), except as provided for under Section 6.6.2(d) of these General Terms and Conditions
1.3.2(vi)	GT&C, Submission of Nominations, 6.6.1(a)
1.3.3	GT&C, Submission of Nominations, 6.6
1.3.4	GT&C, Nominations, 6.6
1.3.5	GT&C, Nominations, 6.6
1.3.7	GT&C, Submission of Nominations, 6.6.1(a)
1.3.8	GT&C, Submission of Nominations, 6.6.1(a)(4)-(7)
1.3.11	GT&C, Implementation of Intraday Nominations, 6.6.2(b)
1.3.14	GT&C, Nominations, 6.6
1.3.17	Rate Schedules, Rate Schedule PTS-1, 5.16(2); Rate Schedule PTS-2, Applicability and Character of Service, 5.17.2; and Rate Schedule PTS-3, Applicability and Character of Service, 5.18.2
1.3.18	Rate Schedules, Rate Schedule PTS-1, 5.16(2); Rate Schedule PTS-2, Applicability and Character of Service, 5.17.2; and Rate Schedule PTS-3, Applicability and Character of Service, 5.18.2
1.3.19	Rate Schedule ETS, Charges, 5.1.3(4); Rate Schedule STS, Charges, 5.2.3(3); Rate Schedule FTS-1, Charges, 5.3.3(4);

	Rate Schedule FTS-2, Charges, 5.4.3(4);
	Rate Schedule FTS-3, Charges, 5.5.3(4);
	Rate Schedule FSS, Charges, 5.12.3(4);
	Rate Schedules, Rate Schedule DDS, 5.13(5);
	Rate Schedules, Rate Schedule MBS, 5.14(3)(3);
	Rate Schedule NNS, Charges, 5.15.3(4); and
	Rate Schedule PTS-2, Charges, 5.17.3(3)
1.3.29	GT&C, Submission of Nominations, 6.6.1(f)
1.3.34	GT&C, Operational Flow Order(s), 6.8
1.3.51	GT&C, Implementation of Intraday Nominations, 6.6.2(d)
2.3.7	GT&C, Prior Period Adjustments, 6.14.4(a)
2.3.9	GT&C, Definitions, 6.1(10) and (45)
2.3.14	GT&C, Measurement Corrections, 6.12.4
2.3.15	GT&C, Allocation of Deliveries, 6.14.1(a); and
	GT&C, Allocation of Receipts, 6.14.2
2.3.16	GT&C, Allocation of Deliveries, 6.14.1; and
	GT&C, Allocation of Receipts, 6.14.2
2.3.17	GT&C, Allocation of Deliveries, 6.14.1;
	GT&C, Allocation of Receipts, 6.14.2; and
	GT&C, Simultaneous Receipts and Deliveries, 6.14.3
2.3.18	GT&C, Allocation of Deliveries, 6.14.1; and
	GT&C, Allocation of Receipts, 6.14.2
2.3.21	GT&C, Information Availability, 6.14.9
2.3.26	GT&C, Prior Period Adjustments, 6.14.4(a)
2.3.28	GT&C, Billing and Payment, 6.17(1)
3.2.1	GT&C, Definitions, 6.1(8)
3.3.14	GT&C, Billing and Payment, 6.17(1)
3.3.15	GT&C, Billing and Payment, 6.17(3)
3.3.17	GT&C, Billing and Payment, 6.17(2)
3.3.19	GT&C, Billing and Payment, 6.17(2)
5.3.1	GT&C, Capacity Release Timeline, 6.21.1.6
5.3.2	GT&C, Capacity Release Timeline, 6.21.1.6
5.3.3	GT&C, Required Information for the Release of
	Capacity, 6.21.1.7(15)
5.3.4	GT&C, Awarding of Capacity Available for Release, 6.21.1.11
5.3.5	GT&C, Required Information for the Release of
	Capacity, 6.21.1.7(7)
5.3.7	GT&C, Recall Rights, 6.21.1.4(1)
5.3.8	GT&C, Recall Rights, 6.21.1.4(2)
5.3.10	GT&C, Pre-arranged Release not Subject to Bidding, 6.21.1.9
5.3.11	GT&C, Pre-arranged Release not Subject to Bidding, 6.21.1.9
5.3.12	GT&C, Required Information for the Release of
	Capacity, 6.21.1.7;
	GT&C, Bidding Period, 6.21.1.5; and

	GT&C, Posting of Purchase Offers, 6.21.3
5.3.13	GT&C, Open Bidding Process, 6.21.1.8
5.3.14	GT&C, Bidding Period, 6.21.1.5
5.3.15	GT&C, Open Bidding Process, 6.21.1.8
5.3.16	GT&C, Bidding Period, 6.21.1.5
5.3.19	GT&C, Released Capacity Availability, 6.21.1.2
5.3.24	GT&C, Bidding Period, 6.21.1.5
5.3.26	GT&C, Required Information for the Release of Capacity, 6.21.1.7(7); and
	GT&C, Open Bidding Process, 6.21.1.8
5.3.28	GT&C, Required Information for the Release of Capacity, 6.21.1.7(3)
5.3.29	GT&C, Required Information for the Release of Capacity, 6.21.1.7(3)
5.3.44	GT&C, Recall Rights, 6.21.1.4
5.3.45	GT&C, Recall Rights, 6.21.1.4
5.3.49	GT&C, Recall Rights, 6.21.1.4(1)
5.3.51	GT&C, Recall Rights, 6.21.1.4(1)
5.3.53	GT&C, Recall Rights, 6.21.1.4(1)
5.3.54	GT&C, Recall Rights, 6.21.1.4(1)
5.3.55	GT&C, Recall Rights, 6.21.1.4(1)
5.3.56	GT&C, Recall Rights, 6.21.1.4(1)
5.3.57	GT&C, Recall Rights, 6.21.1.4(1)
5.3.58	GT&C, Recall Rights, 6.21.1.4(1)

Standards Incorporated by Reference:

Additional Standards:

General:

Definition:

0.2.5

Standards:

0.3.1, 0.3.2, 0.3.16, 0.3.17

Creditworthiness:

Standards:

0.3.3, 0.3.4, 0.3.5, 0.3.6, 0.3.7, 0.3.8, 0.3.9, 0.3.10

Gas/Electric Operational Communications:

Definitions:

0.2.1, 0.2.2, 0.2.3, 0.2.4

Standards:

0.3.11, 0.3.12, 0.3.13, 0.3.14, 0.3.15

Operating Capacity and Unsubscribed:

Standards:

0.3.18, 0.3.20, 0.3.21, 0.3.22

Datasets:

0.4.2, 0.4.3

Location Data Download:

Standards:

0.3.23, 0.3.24, 0.3.25, 0.3.26, 0.3.27, 0.3.28, 0.3.29

Dataset:

0.4.4

Storage Information:

Data Sets:

0.4.1

Nominations Related Standards:

Definitions:

1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.8, 1.2.9, 1.2.10, 1.2.11, 1.2.12, 1.2.13,
1.2.14, 1.2.15, 1.2.16, 1.2.17, 1.2.18, 1.2.19

Standards:

1.3.6, 1.3.9, 1.3.13, 1.3.15, 1.3.16, 1.3.20, 1.3.21, 1.3.22, 1.3.23, 1.3.24, 1.3.25,
1.3.26, 1.3.27, 1.3.28, 1.3.30, 1.3.31, 1.3.32, 1.3.33, 1.3.35, 1.3.36, 1.3.37, 1.3.38,
1.3.40, 1.3.41, 1.3.42, 1.3.43, 1.3.44, 1.3.45, 1.3.46, 1.3.48, 1.3.53, 1.3.55, 1.3.56,
1.3.58, 1.3.62, 1.3.64, 1.3.65, 1.3.66, 1.3.67, 1.3.68, 1.3.69, 1.3.70, 1.3.71, 1.3.72,
1.3.73, 1.3.74, 1.3.75, 1.3.76, 1.3.77, 1.3.79, 1.3.80, 1.3.81, 1.3.82

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1.4.1, 1.4.2, 1.4.3, 1.4.4, 1.4.5, 1.4.6, 1.4.7

Flowing Gas Related Standards:

Definitions:

2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5

Standards:

2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.5, 2.3.6, 2.3.8, 2.3.10, 2.3.11, 2.3.12, 2.3.13, 2.3.19,
2.3.20, 2.3.22, 2.3.23, 2.3.25, 2.3.27, 2.3.29, 2.3.30, 2.3.31, 2.3.32, 2.3.40, 2.3.41,
2.3.42, 2.3.43, 2.3.44, 2.3.45, 2.3.46, 2.3.47, 2.3.48, 2.3.50, 2.3.51, 2.3.52, 2.3.53,
2.3.54, 2.3.55, 2.3.56, 2.3.57, 2.3.58, 2.3.59, 2.3.60, 2.3.61, 2.3.62, 2.3.63, 2.3.64,
2.3.65, 2.3.66

Data Sets:

2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8, 2.4.9, 2.4.10, 2.4.11, 2.4.17,
2.4.18

Invoicing Related Standards:

Definitions:

Standards:

3.3.3, 3.3.4, 3.3.5, 3.3.6, 3.3.7, 3.3.8, 3.3.9, 3.3.10, 3.3.11, 3.3.12, 3.3.13, 3.3.16,
3.3.18, 3.3.21, 3.3.22, 3.3.23, 3.3.24, 3.3.25, 3.3.26

Data Sets:

3.4.1, 3.4.2, 3.4.3, 3.4.4

Quadrant Electronic Delivery Mechanism Related Standards:

Definitions:

4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, 4.2.6, 4.2.7, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12,
4.2.13, 4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20

Standards:

4.3.1, 4.3.2, 4.3.3, 4.3.16, 4.3.17, 4.3.18, 4.3.20, 4.3.22, 4.3.23, 4.3.24, 4.3.25,
4.3.26, 4.3.27, 4.3.28, 4.3.30, 4.3.31, 4.3.32, 4.3.33, 4.3.34, 4.3.35, 4.3.36, 4.3.38,
4.3.40, 4.3.41, 4.3.42, 4.3.43, 4.3.44, 4.3.45, 4.3.46, 4.3.47, 4.3.48, 4.3.49, 4.3.50,
4.3.52, 4.3.53, 4.3.54, 4.3.55, 4.3.57, 4.3.58, 4.3.60, 4.3.61, 4.3.62, 4.3.66, 4.3.67,
4.3.68, 4.3.69, 4.3.72, 4.3.75, 4.3.78, 4.3.79, 4.3.80, 4.3.81, 4.3.82, 4.3.84, 4.3.85,
4.3.86, 4.3.87, 4.3.89, 4.3.90, 4.3.91, 4.3.92, 4.3.93, 4.3.94, 4.3.95, 4.3.96, 4.3.97,
4.3.98, 4.3.99, 4.3.100, 4.3.101, 4.3.102, 4.3.103, 4.3.104, 4.3.105, 4.3.106,
4.3.107, 4.3.108, 4.3.109, 4.3.110

Capacity Release Standards:

Definitions:

5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5

Standards:

5.3.9, 5.3.18, 5.3.20, 5.3.21, 5.3.22, 5.3.23, 5.3.25, 5.3.31, 5.3.32, 5.3.33, 5.3.34, 5.3.35, 5.3.36, 5.3.37, 5.3.38, 5.3.39, 5.3.40, 5.3.41, 5.3.42, 5.3.46, 5.3.47, 5.3.48, 5.3.50, 5.3.52, 5.3.59, 5.3.60, 5.3.62, 5.3.62a, 5.3.63, 5.3.64, 5.3.65, 5.3.66, 5.3.67, 5.3.68, 5.3.69, 5.3.70, 5.3.71, 5.3.72, 5.3.73

Data Sets:

5.4.14, 5.4.15, 5.4.16, 5.4.17, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.25, 5.4.26, 5.4.27

Internet Electronic Transport Related Standards:

Definitions:

10.2.1, 10.2.2, 10.2.3, 10.2.4, 10.2.5, 10.2.6, 10.2.7, 10.2.8, 10.2.9, 10.2.10, 10.2.11, 10.2.12, 10.2.13, 10.2.14, 10.2.15, 10.2.16, 10.2.17, 10.2.18, 10.2.19, 10.2.20, 10.2.21, 10.2.22, 10.2.23, 10.2.24, 10.2.25, 10.2.26, 10.2.27, 10.2.28, 10.2.29, 10.2.30, 10.2.31, 10.2.32, 10.2.33, 10.2.34, 10.2.35, 10.2.36, 10.2.37, 10.2.38, 10.2.39

Standards:

10.3.1, 10.3.3, 10.3.4, 10.3.5, 10.3.6, 10.3.7, 10.3.8, 10.3.9, 10.3.10, 10.3.11, 10.3.12, 10.3.14, 10.3.15, 10.3.16, 10.3.17, 10.3.18, 10.3.19, 10.3.20, 10.3.21, 10.3.22, 10.3.23, 10.3.24, 10.3.25, 10.3.26, 10.3.27, 10.3.28, 10.3.29

Standards for which Waiver or Extension of Time to Comply have been granted:

<u>NAESB Standard</u>	<u>Waiver or Extension of Time</u>
1.3.2(v)	Limited Waiver, as provided for under Section 6.6.2(d) of these General Terms and Conditions
1.3.39	Waiver

6.18.16 Limited Liability.

Except as otherwise provided herein, in no event shall Shipper or Transporter be liable to the other for special, indirect, consequential (including loss of profits), incidental or punitive damages whether or not such damages arise out of breach of contract, negligence, tort, strict liability; provided, however, unless otherwise agreed to by Transporter and Shipper, the foregoing shall not limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, arising out of gross negligence, willful misconduct, or bad faith actions. Nothing herein shall limit Transporter's liability, if any, to Shipper, nor Shipper's liability, if any, to Transporter, for direct damages.

6.19 PAPER POOLING

- (a) Paper pooling will be effectuated, pursuant to a Shipper's valid Agreement(s) under Rate Schedule(s) ETS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS and ITS-3 in each Pooling Area.
- (b) Paper pooling shall not relieve any Shipper from its obligation to make valid nominations for Transportation Service in accordance with the provisions of Section 6.6 of these General Terms and Conditions.
- (c) After Transporter has allocated Gas for Shippers according to the provisions of Section 6.14 of these General Terms and Conditions, overdeliveries by a Shipper under any Agreement hereunder at one Receipt Point within a Pooling Area may be offset by underdeliveries by that Shipper at another Receipt Point within the same Pooling Area under any Agreement hereunder. Such netting shall be utilized by Transporter for determining the action(s) it may take pursuant to Section 6.5.1(a) and (b) of these General Terms and Conditions.

6.20 CAPACITY TRADING

This Section 6.20 sets forth the terms and conditions pursuant to which certain Shippers may trade part or all of their rights to have Gas transported by Transporter to and from Receipt Point(s) and Delivery Point(s) specified in its Agreement, to and with other Shippers. The rights to trade under this Section 6.20, shall be limited to trades among those Shippers that have effective Agreements for service under Rate Schedules FTS-1 or ETS of this Tariff.

- (a) All of the traded transportation entitlements of both parties must relate to transportation to Primary Delivery Point(s) located within the same pipeline segment of Transporter, that is, Mainline Area Facilities, Southeast Area Facilities, or Southwest Area Facilities, as the case may be. In addition, each Shipper involved in the trade shall be entitled to have Gas transported only to the Primary Delivery Point(s) specified in that Shipper's Agreement, but such Shipper shall have the right to Tender Gas to Transporter at the Receipt Point(s) specified in the other Shipper's Agreement, even if such Receipt Point(s) utilize different Mainline Segments. The level of firm service capacity entitlements traded shall be equal for each Shipper.
- (b) No trade hereunder shall be for a period of less than one (1) year, and the term of the trade shall be the same for each Shipper. Any trades shall be for a maximum period expiring on the shorter term of the two Agreements that are traded when the trade is for the entire length of such shorter term. If the period of any trade is less than the remaining term of any Agreement that is traded, the capacity entitlements traded shall revert to the original Shipper(s), and each of such Shipper(s) shall remain bound under the terms of its original Agreement at the conclusion of the trade.
- (c) Requests to trade service entitlements hereunder shall be submitted in writing to Transporter, including particulars of the transaction and transportation capacity to be traded in reasonable detail, by February 1 of each year, and shall become effective, if approved, on April 1 of such year. Transporter, as a condition of review and approval of any such request, may require that the parties to the proposed trade furnish such additional information to Transporter as Transporter may reasonably deem necessary. Transporter shall approve or disapprove each proposed trade by March 1 of the year in which the request is submitted. Further, Transporter shall approve requested trades unless it can demonstrate, on a reasonable, good faith basis, that one or more of the following conditions would occur if the trade were effectuated:
 - (1) The trade would violate any provision of Transporter's Tariff; or
 - (2) The trade would impair Transporter's ability to honor any commitments then in effect to any firm service customer; or

- (3) At an assumed one hundred percent (100%) load factor utilization for the next succeeding twelve (12) Months relative to the traded capacity entitlements, and the rates that parties to the trade have agreed shall be utilized, the reservation or commodity revenues payable to Transporter would be less than if the trade did not occur.
- (d) Transporter's approval of a trade hereunder shall be shown by execution of Agreement amendments providing for such trade, and the requests for trade hereunder shall be deemed to constitute the consent of the trading parties to such amendment.
- (e) Eligible Shippers shall be entitled to participate in one or more trades hereunder, subject to the terms and conditions set forth herein. Information concerning capacity trades will be posted on GEMStm in accordance with Section 6.21.1.9 of these General Terms and Conditions as if the trades were pre-arranged releases at maximum rates.

6.21 CAPACITY RELEASE PROVISIONS

This section sets forth the terms and conditions that are applicable to the release of firm entitlements under various services that are provided pursuant to this Tariff.

6.21.1 Procedure.

Capacity released shall be subject to the terms and conditions of this Section 6.21.1.

6.21.1.1 Eligibility.

Any Shipper ("Releasing Shipper") under Rate Schedule FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ETS, FSS, PTS-2 or NNS of this Tariff, except Shippers electing service under the small customer option of Rate Schedules FTS-1 or ETS, shall be entitled, subject to the terms and conditions of this Section 6.21.1, to release any or all of its firm Transportation entitlements held under an Agreement but only to the extent that the capacity so released is acquired by another Shipper ("Replacement Shipper") pursuant to the provisions of this Section 6.21.1. Any such release shall result in a temporary suspension of the Releasing Shipper's right to use the released firm entitlements. In the case of segmented capacity releases, all segmentation nominations shall be subject to the limitations set forth in Section 6.10.3 of these General Terms and Conditions. In addition, the following conditions shall apply:

- (1) During the Winter Period, to the extent a Shipper under Rate Schedules ETS, FTS-1, FTS-2, FTS-4, FTS-4L, FSS, or FTS-3 releases capacity, its NNE, if any, at Primary Delivery Point(s) will not be diminished; provided, however, that if the MDQ under such Rate Schedules is released below the Shipper's NNE at any Delivery Point, then the otherwise applicable NNE at such Delivery Point shall be reduced to the level of the remaining MDQ at such Delivery Point.
- (2) Any release under Rate Schedule FSS shall be subject to the limitation that, under any affected Agreement, the ratio of the Maximum Storage Quantity to the Base Maximum Daily Withdrawal Quantity, and the ratio of the Maximum Storage Quantity to the Base Maximum Daily Injection Quantity for Rate Schedule FSS Shippers with Flexible Entitlements and a Base MDWQ between 1/10 and 1/49 of its MSQ, shall remain constant for both the Releasing Shipper's and Replacement Shipper's Agreements. Nothing contained herein is intended to restrict a Shipper from releasing its Rate Schedule FSS capacity separate from any associated transportation entitlement.
- (3) Any release under Rate Schedule NNS shall be subject to all of the limitations of Rate Schedule NNS and shall only be releasable at the Primary Delivery Point(s) specified in the underlying Rate Schedule NNS Agreement.
- (4) Any release under Rate Schedule FTS-2 shall be subject to the same interruption(s) of service thereunder as set forth in such Rate Schedule FTS-2.

- (5) Any Replacement Shipper that acquires capacity pursuant to a segmented release shall acquire Secondary Receipt and Delivery Points unless the Releasing Shipper has agreed to release all or part of the capacity at the Primary Receipt and/or Delivery Points. With the prior consent of the Releasing Shipper, as expressed in the capacity release notice, a Replacement Shipper that acquires Primary Receipt and/or Delivery Points may request a change in such point(s) from Transporter pursuant to Section 6.2.4 of these General Terms and Conditions. In addition, a Replacement Shipper that acquires Secondary Receipt and/or Delivery Points shall have the right to request that Transporter elevate such point(s) to Primary Points subject to the conditions set forth below and in accordance with Sections 6.2.4 and 6.10.3, as applicable, of these General Terms and Conditions. In addition, the following provisions will apply.
- (i) For any contractual path traversing the Northern Segment, only Secondary Points included in the released segment within the Primary Route of the Releasing Shipper's Agreement shall be eligible for elevation by the Replacement Shipper as Primary Points.
 - (ii) No point may be elevated to a Primary Point if such point is not eligible for treatment as a Primary Point under these General Terms and Conditions and Shipper's Rate Schedule.
 - (iii) For any contractual path traversing the Northern Segment, a request to elevate a Secondary Point to a Primary Point may not change the contractual direction of flow of the original Releasing Shipper's Agreement.
 - (iv) A Replacement Shipper may not hold Primary Receipt or Delivery Point capacity in excess of the MDQ specified in the Replacement Shipper's Agreement. The sum of the MDQ at all Primary Receipt Points must be less than or equal to the MDQ specified in the Replacement Shipper's Agreement. Likewise, the sum of the MDQ at all Primary Delivery Points must be less than or equal to the MDQ specified in the Replacement Shipper's Agreement.

A Replacement Shipper shall be permitted to elevate a Secondary Point to a Primary Point, if sufficient path and point capacity is available. Once a Secondary Point is elevated to a Primary Point, the Replacement Shipper may change the Primary Point in accordance with the provisions of Section 6.2.4 of these General Terms and Conditions and subject to the conditions specified in this Section 6.21.1.1(5). Furthermore, at the end of the release, the Replacement Shipper's Primary Point(s) that were

elevated from Secondary Points during the release shall revert to
Secondary Point(s).

6.21.1.2 Released Capacity Availability.

Released Capacity shall be made available on a basis that is not unduly discriminatory, and any Replacement Shipper shall be entitled to acquire Releasing Shipper's capacity subject to the terms and conditions under Section 6.21.1, provided the Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner. A Replacement Shipper shall be entitled to release acquired capacity to another Replacement Shipper, subject to the requirement that the original Replacement Shipper satisfies all of the provisions of Section 6.21.1 as if such Replacement Shipper were a Releasing Shipper, and the new Replacement Shipper meets all provisions governing eligibility under this Tariff in a timely manner, provided, however, that a Replacement Shipper that acquired released capacity through a volumetric bid shall not be entitled to re-release that capacity.

6.21.1.3 Term.

Any release under this Section 6.21 shall be for a minimum period of one Day, and shall not exceed the expiration of the initial term of the Agreement that is released.

6.21.1.4 Recall Rights.

- (1) Releasing Shippers may, to the extent permitted as a condition of the capacity release, recall released capacity by providing notice to the Transporter in accordance with the time line, stated in CCT, set forth below. The recall notification shall show the recall quantity expressed in terms of adjusted total released capacity entitlements based upon the Elapsed Prorata Capacity. Recalled capacity notices will indicate whether penalties will apply for the Gas Day for which quantities are reduced due to a capacity recall. Transporter will support the ability for the Releasing Shipper to specify, as a condition of a release, whether the Releasing Shipper's recall notification must be provided exclusively on a Business Day. When capacity is recalled, it may not be Reput for the same Gas Day. The deadline for notifying Transporter of a Reput is 8:00 a.m. to allow for the timely nominations to flow on the next Gas Day.

(i) Timely Recall Notifications:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 8:00 a.m. on the day that Timely Nominations are due;
- (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 9:00 a.m. on the day that Timely Nominations are due;

(ii) Early Evening Recall Notifications:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 3:00 p.m. on the day that Evening Nominations are due;
- (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 4:00 p.m. on the day that Evening Nominations are due;

(iii) Evening Recall Notifications:

- (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 5:00 p.m. on the day that Evening Nominations are due;

- (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 6:00 p.m. on the day that Evening Nominations are due;
- (iv) Intraday 1 Recall Notifications:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 7:00 a.m. on the day that Intraday 1 Nominations are due;
 - (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 8:00 a.m. on the day that Intraday 1 Nominations are due;
- (v) Intraday 2 Recall Notifications:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 12:00 noon on the day that Intraday 2 Nominations are due;
 - (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 1:00 p.m. on the day that Intraday 2 Nominations are due; and
- (vi) Intraday 3 Recall Notifications:
 - (a) A Releasing Shipper recalling capacity should provide notice of such recall to the Transporter and the first Replacement Shipper no later than 4:00 p.m. on the day that Intraday 3 Nominations are due;
 - (b) The Transporter should provide notification of such recall to all affected Replacement Shippers no later than 5:00 p.m. on the day that Intraday 3 Nominations are due.

In the event of an intraday capacity recall, Transporter will determine the allocation of capacity between the Releasing Shipper and the Replacement Shipper(s) based upon the Elapsed Prorata Capacity. Variations to the use of Elapsed Prorata Capacity may be necessary to reflect the nature of Transporter's Tariff, services, and/or operational characteristics.

Transporter will not be obligated to deliver in excess of the total daily contract quantity of the release as a result of NAESB WGQ Standard No. 5.3.55.

The amount of capacity allocated to the Replacement Shipper(s) should equal the original released capacity less the recalled capacity that is adjusted based upon the Elapsed Prorata Capacity or other Transporter Tariff specific variations of the Elapsed Prorata Capacity in accordance with NAESB WGQ Standard No. 5.3.56.

For recall notification provided to the Transporter prior to the recall notification deadline specified above and received between 7:00 a.m. and 5:00 p.m., the Transporter should provide notification to all affected Replacement Shippers no later than one hour after receipt of such recall notification. For recall notification provided to the Transporter after 5:00 p.m. and prior to 7:00 a.m., the Transporter should provide notification to all affected Replacement Shippers no later than 8:00 a.m. after receipt of such recall notification.

The Releasing Shipper shall make such recall effective by communicating the recall via GEMStm and submitting a nomination change to Transporter, pursuant to Section 6.6.1 of these General Terms and Conditions.

Upon notification of a recall, the MDQ of the Replacement Shipper(s) shall be reduced by the quantity of the recall, and its nominations adjusted as necessary. Transporter shall be entitled to rely upon such nomination change and not be held liable under any circumstances whatsoever in the event of any such recall. The terms and conditions of recall may include non-payment of reservation charges by the Replacement Shipper. Transporter shall notify the Releasing Shipper of Replacement Shipper's non-payment of reservation charges no later than five (5) business days after the date such payment was due pursuant to Section 6.17 paragraph 2 of these General Terms and Conditions.

- (2) Upon notification by Releasing Shipper to Transporter that such recall of transportation entitlements is no longer in effect, the Replacement Shipper shall, if provided for in the Agreement with the Releasing Shipper, be entitled to Reput the release effective upon communication to Transporter via GEMStm a nomination change pursuant to Section 6.6.1 of these General Terms and Conditions.

- (3) If released transportation capacity is recalled by the Releasing Shipper, Transporter may, if requested by the Replacement Shipper, and subject to availability of capacity, continue service to the Replacement Shipper under Rate Schedule ITS.

6.21.1.5 Bidding Period.

Releasing Shipper may specify the date and time that the Bidding Period starts and the date that the Bidding Period ends, provided, however, that the Bidding Period shall not commence any later than the time set forth in Section 6.21.1.6 below regarding the capacity release timeline.

Releasing Shipper's offer to release shall be posted for the Bidding Period; provided, however, that the Releasing Shipper shall have the right to withdraw such offer before the end of the Bidding Period where unanticipated circumstances so justify and a notice of withdrawal of the offer is posted on GEMStm prior to the receipt of any valid bids for such capacity.

Transporter will post offers and bids, including prearranged deals, upon receipt. A Releasing Shipper may request a later posting time for posting of such offer, and Transporter will support such request insofar as it comports with the Capacity Release timeline in Section 6.21.1.6, below.

6.21.1.6 Capacity Release Timeline.

The following capacity release timeline, stated in CCT, is applicable to all parties involved in the capacity release process; however, it is only applicable if all information provided by the parties to the transaction is valid and the Replacement Shipper has been determined to be creditworthy before the capacity release bid is tendered, for index-based capacity release transactions the Releasing Shipper has provided Transporter with sufficient instructions to evaluate the corresponding bid(s) according to the timeline, and there are no special terms or conditions of the release.

Further, Transporter may complete the capacity release process on a different timeline if the offer includes unfamiliar or unclear terms and conditions (e.g. designation of an index not supported by the Transporter).

- (i) For biddable releases (1 year or less):
 - (1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (2) Open season ends at 10:00 a.m. on the same or a subsequent Business Day.
 - (3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.
 - (5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
 - (6) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - (7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (ii) For biddable releases (more than 1 year):
 - (1) Offers should be tendered such that they can be posted by 9:00 a.m. on a Business Day.
 - (2) Open season shall include no less than three 9:00 a.m. to 10:00 a.m. time periods on consecutive Business Days.
 - (3) Evaluation period begins at 10:00 a.m. during which any contingencies are eliminated, determination of best bid is made, and ties are broken.
 - (4) If no match is required, the evaluation period ends and the award is posted by 11:00 a.m.

- (5) Where match is required, the match is communicated by 11:00 a.m., the match response occurs by 11:30 a.m., and the award is posted by 12:00 noon.
 - (6) The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - (7) Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.
- (iii) For non-biddable releases:
- The posting of prearranged deals that are not subject to bid are due no later than one hour prior to the nomination deadline for the applicable cycle, pursuant to NAESB WGQ Standard 1.3.2. The posting deadlines are:
 - Timely Cycle 12:00 noon
 - Evening Cycle 5:00 p.m.
 - Intraday 1 Cycle 9:00 a.m.
 - Intraday 2 Cycle 1:30 p.m.
 - Intraday 3 Cycle 6:00 p.m.
 - The contract is issued within one hour of the award posting (with a new contract number, when applicable).
 - Nomination is possible beginning at the next available nomination cycle for the effective date of the contract.

6.21.1.7 Required Information for the Release of Capacity.

The Releasing Shipper shall submit the following information, objectively stated and applicable to all potential shippers on a non-discriminatory basis, to Transporter via Electronic Communication:

- (1) The Releasing Shipper's legal name, contract number, and the name, title, address and phone and fax number of the individual who will authorize the release of capacity for the Releasing Shipper.
- (2) Whether the capacity is biddable;
- (3) The level of daily firm entitlements that the Releasing Shipper elects to release, expressed as a numeric quantity per Day for transportation, storage injection, storage withdrawal, and a per release quantity for storage capacity and total release period quantity.
- (4) The Primary Route(s) or segment within such Primary Route(s), and quantity to be released for such Primary Route.
- (5) The requested effective date and the term of the release.
- (6) The minimum acceptable period of release and minimum acceptable quantities (if any).
- (7) The Releasing Shipper's maximum reservation rate (including any demand type surcharges, direct bills, or similar mechanisms), any minimum rate requirement, whether bids are to be submitted on a reservation or volumetric basis, and whether the bids should be stated in dollars and cents or percent of the maximum tariff rate for a non-index-based release, or the index-based formula as detailed in the capacity release offer.

If the release is for a term of one (1) year or less and is to take effect on or before one (1) year from the date on which the Transporter is notified of the release, the Reservation Rate, Deliverability Rate, Capacity Rate, Volumetric Rate, percentage of the maximum tariff rate, or the rate resulting from the index-based formula as detailed in the capacity release offer for capacity released and assigned may exceed the Maximum Reservation Rate, Maximum Deliverability Rate, Maximum Capacity Rate, or Volumetric Rate for the service being released.

Payments or other consideration exchanged between the Releasing Shipper and Replacement Shipper in a release to an asset manager as described in Section 6.21.1.9 are not subject to the maximum rate.

- (8) The Releasing Shipper's request (if at all) for Transporter to market actively the capacity to be released.
- (9) The legal name of the Replacement Shipper that is designated in any pre-arranged release ("Pre-arranged Replacement Shipper").
- (10) Whether the capacity is to be released on a recallable basis, and, if so, the terms and conditions of such recall, and whether the Releasing Shipper is authorized to Reput the release if and when it notifies Transporter that the recall is no longer in effect; or whether the capacity is to be released on a permanent basis.
- (11) Whether the capacity to be released is contingent on the release of other capacity, or on certain terms and conditions, and if so, the capacity, terms and/or conditions upon which the release is contingent.
- (12) The terms and conditions under which Releasing Shipper will accept contingent bids, including bids that are contingent upon the Replacement Shipper acquiring transportation on a pipeline interconnected to transporter, the method for evaluating contingent bids, what level of proof is required by the contingent bidder to demonstrate that the contingency did not occur, and for what time period the next highest bidder will be obligated to acquire the capacity if the next winning contingent bidder declines the release.
- (13) Any other reasonable and not unduly discriminatory terms and conditions to accommodate the release, including provisions necessary to evaluate bids and tie breaking criteria, provided, however, that bid evaluations will be limited to highest rate, net revenue and present value. For index-based capacity release transactions, the Releasing Shipper should provide the necessary information and instructions to support the chosen methodology.

Other choices of bid evaluation methodology (including other Releasing Shipper defined evaluation methodologies) can be accorded similar timeline evaluation treatment at the discretion of Transporter. However, Transporter is not required to offer other choices or similar timeline treatment for other choices, nor, is Transporter held to the timeline should the Releasing Shipper elect another method of evaluation.

- (14) Any restriction on the use of higher rate Secondary Points that Transporter and Releasing Shipper have agreed to, or any requirement that the Replacement Shipper reimburse the Releasing Shipper for any incremental charges assessed by Transporter pursuant to Section 6.4 paragraphs 1(b)(2) and 2(b)(2) of these General Terms and Conditions for use of Secondary Points by the Replacement Shipper.
- (15) Any other additional information that Transporter deems necessary, from time to time, to effectuate releases hereunder.
- (16) Transporter shall not be liable for information provided to Transporter, including any such information that is posted on GEMStm.
- (17) Any restriction on the changing of Primary Points that Replacement Shipper and Releasing Shipper have agreed to, or any requirement that the Replacement Shipper reimburse the Releasing Shipper for any incremental charges assessed by Transporter associated with a change in Primary Points pursuant to Section 6.2.4 of these General Terms and Conditions. Absent an indication to the contrary, the Replacement Shipper shall not have a right to change the Primary Point(s). In any event, when a Primary Point is changed as part of a temporary release, at the end of such release the Releasing Shipper shall be responsible for any on-going incremental charges associated with the Primary Point.
- (18) The priority to be afforded the nominations of Releasing Shipper and Replacement Shipper in the event of overlapping nominations of equal priority in excess of the firm entitlements of the released capacity. Absent an indication to the contrary, the Replacement Shipper shall be deemed responsible for any nominations scheduled in excess of the firm entitlements of the released capacity on the overlapping segment.
- (19) An indication of whether the Pre-arranged capacity release is to an asset manager as described in Section 6.21.1.9, and the asset manager's obligation as to volumetric level and effective time period(s) to deliver gas to, or purchase gas from the Releasing Shipper.
- (20) An indication of whether the Pre-arranged capacity release is to a marketer participating in a state-regulated retail access program as described in Section 6.21.1.9.

6.21.1.8 Open Bidding Process.

Prospective Shippers wishing to acquire capacity available for release ("Bidding Shipper"), must: (1) have an executed Master Service Agreement in place pursuant to Section 6.21.1 of these General Terms and Conditions; and (2) place a bid on GEMStm or in writing for the available capacity during the Posting Period. If such bid is not expressly labeled contingent, such bid shall be binding. The bid shall contain the following information:

- (1) The Bidding Shipper's legal name and the name, title, address and phone number of the individual who will authorize the acquisition of the available capacity.
- (2) The level of daily firm entitlements that the Bidding Shipper requests and the minimum quantity it will accept.
- (3) The requested effective date and the term of the acquisition.
- (4) The Bidding Shipper's bid, addressing all criteria required by the Releasing Shipper.

The Bidding Shipper shall be entitled to withdraw its bid via GEMStm, prior to the end of the bidding period, if such withdrawal is not due to lower bids by other Shippers. Bidding Shipper cannot withdraw its bid after the Bidding Period ends. If Bidding Shipper withdraws its bid, it may not resubmit a lower bid. If Bidding Shipper submits a higher bid, lower bids previously submitted by Bidding Shipper will be automatically eliminated. A Bidding Shipper may submit multiple bids where the term or quantity involved in each bid is different. Transporter shall post all information provided by Bidding Shippers, except the information provided in Section 6.21.1.8(1), above.

The bids for the given capacity release offer should adhere to the method specified by the Releasing Shipper. No bid shall exceed the maximum applicable transportation rates, in addition to any and all applicable fees and surcharges, as specified in this Tariff, provided, however, that such limitation shall not apply to any bid for release of capacity with a term of one (1) year or less and is to take effect on or before one (1) year from the date on which the Transporter is notified of the release. The quantity or the requested term of the release of such bid shall not exceed the maximum quantity or term specified in the executed Agreement.

6.21.1.9 Pre-arranged Release not Subject to Bidding.

Releasing Shipper shall have the right to release capacity to a pre-arranged Replacement Shipper without posting an offer via Electronic Communication if: Replacement Shipper will confirm via GEMStm the terms and conditions of the Pre-arranged Release, meets all other terms and conditions of the release, and the release is either:

- (1) A capacity release transaction for a term of more than one (1) year at maximum rates, or
- (2) A capacity release transaction equal to 31 days or less, or
- (3) A Capacity release transaction to an asset manager that contains a condition that the Releasing Shipper may call upon the Replacement Shipper to deliver to, or purchase from, the Releasing Shipper a volume of gas up to 100 percent of the daily contract demand of the released transportation or storage capacity, provided that,
 - (a) if the capacity release is for a period of one (1) year or less, the asset manager's delivery or purchase obligation must apply on any day during a minimum period of the lesser of five (5) months (or 155 days) or the term of the release;
 - (b) if the capacity release is for a period of more than one (1) year, the asset manager's delivery or purchase obligation must apply on any day during a minimum period of five (5) months (or 155 days) of each twelve-month period of the release, and on five-twelfths of the days of any additional period of the release not equal to twelve months;
 - (c) if the capacity release is a release of storage capacity, the asset manager's delivery or purchase obligation need only be up to 100 percent of the daily contract demand under the release for storage withdrawals or injections, or
- (4) A capacity release transaction to a marketer participating in a state-regulated retail access program that will be utilized by the Replacement Shipper to provide the gas supply requirement of retail consumers pursuant to a retail access program approved by the state agency with jurisdiction over the local distribution company that provides delivery service to such retail consumers.

If Releasing Shipper exercises such right, Releasing Shipper must notify Transporter prior to the nomination of the released entitlements, and the Replacement Shipper shall adhere to the contracting requirements pursuant to Section 6.21.2, below. Releasing Shipper will post the information on GEMStm any time before the release transaction begins. The Replacement Shipper shall confirm the prearranged release and meet any eligibility requirements under this Section 6.21. Transporter will support the creation of pre-arranged releases on GEMStm.

6.21.1.10 Matching Rights for Pre-arranged Releases Open for Bidding.

A Pre-arranged Replacement Shipper shall have the right of first refusal for a time period as negotiated by the Releasing Shipper and the Pre-arranged Replacement Shipper ("Matching Period"). The Matching Period will be one-half (1/2) hour following the time the Pre-Arranged Replacement Shipper has been notified of the winning bid. In the event a bid is received that more closely meets the criteria specified by the Releasing Shipper, Transporter shall provide the Pre-arranged Replacement Shipper an opportunity during the Matching Period to match or exceed the bid that more closely meets the criteria specified by the Releasing Shipper. No later than 11:00 a.m., the Pre-arranged Replacement Shipper shall receive notification on GEMStm of the terms and conditions of the prevailing bid, and shall have the Matching Period to respond via GEMStm. Absent a response, the capacity shall be awarded to the prevailing Bidding Shipper no later than 12:00 noon.

6.21.1.11 Awarding of Capacity Available for Release.

Capacity for Releases subject to bidding will be awarded consistent with the timeline set forth in Section 6.21.1.6 above. The capacity available for release shall be awarded to the Bidding Shipper with the highest bid matching all terms and conditions provided by the Releasing Shipper. In the case of multiple bid winners, the highest ranking bid will receive the entire maximum amount of capacity bid. The next highest bidder will receive the remainder of the offered capacity provided that the amount remaining is above the bidder's minimum acceptable quantity. Any remaining capacity will be given to the next highest bidder under the same provisions as above. This process will repeat until either all of the offered capacity is awarded or the remaining capacity falls below either the Releasing Shipper's minimum quantity or all the remaining bidder's acceptable quantities. If bids are received that do not match all the terms and conditions provided by the Releasing Shipper, bids will be evaluated by the criteria provided by the Releasing Shipper. If no criteria are provided by the Releasing Shipper, the Bidding Shipper bidding the greatest NPV shall be awarded the capacity. If more than one such bid has an equal NPV, then the capacity shall be awarded on a first come, first served basis. The ultimate awarding of capacity will be posted subsequently on Transporter's GEMStm consistent with the timeline set forth in Section 6.21.1.6 above.

5.21.1.12 Remaining Capacity.

In the event that a Releasing Shipper does not release all of its firm entitlements, the Releasing Shipper shall remain responsible for the remaining entitlements and is entitled to utilize the remaining entitlements with the MDQ reduced accordingly by the released capacity quantities.

6.21.1.13 No Rollover.

The Releasing Shipper shall not re-release firm entitlements that were previously released pursuant to Section 6.21.1.9(2), above, to the same Pre-arranged Replacement Shipper on a pre-arranged basis, until twenty-eight (28) Days after the end of the first release period. The 28-day hiatus does not apply to any re-release to the same Replacement Shipper that is posted for bidding or that qualifies for any other exemptions from bidding under Section 6.21.1.9. Section 6.21.1.9(1), (3) and (4) transactions can be rolled-over for subsequent periods without bidding.

6.21.1.14 Agreement for Multiple Capacity Release Transactions.

In lieu of execution of individual Agreement(s), Transporter and Replacement Shipper may execute a Master Service Agreement For Capacity Release Transactions to cover multiple capacity release transactions.

6.21.2 Execution of Capacity Release Agreements.

- (a) Contractual Obligations. Transporter and Replacement Shipper must have a Master Service Agreement in effect pursuant to Section 6.21.1, above. With respect to a permanent release in which Replacement Shipper accepts all obligations of the Releasing Shipper under the Releasing Shipper's Agreement for the remaining term of such Agreement, Transporter may refuse to allow such permanent capacity release if it has a reasonable basis to conclude that it will not be financially indifferent to the release. If Shipper's request to permanently release capacity is denied by Transporter, Transporter shall notify Releasing Shipper in writing and shall include in the notification the reasons for such denial. Any Replacement Shipper shall be required to comply with the creditworthiness requirements of Section 6.18.5 of these General Terms and Conditions. All Replacement Shippers shall be required to accept by a release all transportation rights and obligations of the Releasing Shipper with respect to the capacity released, including nominations and Primary Routes. Unless otherwise agreed by Transporter, the Releasing Shipper shall remain fully liable to Transporter for all reservation charges, including reservation type surcharges and direct bills, that were due under the Releasing Shipper's Agreement, unless, subject to Transporter's financial indifference, Replacement Shipper has agreed to pay Transporter maximum rates, and to accept all obligations of the Releasing Shipper under the Releasing Shipper's Agreement for the remaining term of such Releasing Shipper's Agreement.
- (b) Billing. Pursuant to Sections 6.15, 6.17 and 6.21.2(c) of these General Terms and Conditions, Replacement Shipper shall be billed for its services the applicable rates and charges set forth in Section 6.4 paragraphs 1 and 2 of these General Terms and Conditions, and further provided that:
- (1) Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Section 6.4 paragraphs 1 and 2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer otherwise those incremental charges will be billed to the Replacement Shipper. Transporter shall also bill the Releasing Shipper in the event of default in payment of the Replacement Shipper.
 - (2) If the Replacement Shipper elevates Secondary Point(s) to Primary Point(s) in accordance with the provisions of Section 6.2.4 of these General Terms and Conditions, then Transporter shall bill the Releasing Shipper the difference between (1) the Releasing Shipper's rates and charges under its Service Agreement and (2) any additional reservation charges applicable under Sections 6.2.4(b) and 6.4 paragraphs 1 and 2 of these General Terms and Conditions in the event that the Releasing Shipper has agreed to be billed any such additional reservation charges as part of its capacity release offer,

otherwise those incremental charges will be billed to the Replacement Shipper.

- (3) If the Replacement Shipper nominates to Secondary Point(s) outside of the Rate Segment where the Releasing Shipper's Primary Point is located, then the Replacement Shipper shall be billed the incremental Rate Segment differential to the Secondary Point, plus, if applicable, the amount of reimbursement required to the Releasing Shipper in accordance with Section 6.21.1.7(14) of these General Terms and Conditions.
- (c) Credits. Except as otherwise agreed to between Transporter and Releasing Shipper, Releasing Shipper shall receive a credit against its Monthly Reservation Charges equal to the amount of reservation charges contained within the Replacement Shipper's bid plus any amounts billed to Replacement Shipper pursuant to Section 6.4 paragraphs 1(b)(2) and 2(b)(2) of these General Terms and Conditions, as the case may be. Transporter and Shipper may, in connection with a Negotiated Rate Agreement under a firm rate schedule, agree upon payment obligations and crediting mechanisms in the event of a capacity release that vary from, or are in addition to, those set forth in this Section 6.21.2, provided, however, that terms and conditions of service may not be negotiated.
- (d) Refunds. Releasing Shipper and any Replacement Shipper must track any changes in Transporter's rates approved by the Commission. In the event the Commission orders refunds of any such rates charged by Transporter and previously approved, Transporter and/or Releasing Shipper, as the case may be, must make corresponding refunds to such Releasing Shipper or any Replacement Shipper, to the extent that Releasing Shipper or Replacement Shipper(s) has paid a rate in excess of Transporter's just and reasonable, applicable maximum rates. Transporter shall assume no liability or responsibility whatsoever for the failure of the Releasing Shipper to comply with its obligations under this Section 6.21.2(d).

6.21.3 Posting of Purchase Offers.

Transporter shall allow a potential Replacement Shipper to post for at least thirty (30) Days its offers to acquire released firm entitlements. The offer must contain the following information:

- (a) The potential Replacement Shipper's legal name and the name, title, address and phone number of the individual who will authorize the acquisition of the available capacity.
- (b) The daily quantities of capacity which the Bidding Shipper requests.
- (c) The Receipt Points and/or Delivery Points where capacity is requested, as applicable.
- (d) The requested effective date and the term of the acquisition.

6.21.4 Marketing Fee.

Transporter shall be entitled, upon Releasing Shipper's request, to market the capacity available for release actively on Releasing Shipper's behalf. Transporter and Releasing Shipper will negotiate the terms and conditions upon which Transporter will market the Releasing Shipper's capacity.

6.21.5 Transporter's Right to Terminate a Capacity Release.

Transporter may elect to terminate a Replacement Shipper's Agreement, upon written notice to Replacement Shipper, under the following conditions:

- (a) The Releasing Shipper has failed to maintain creditworthiness in accordance with Section 6.18.5, or Releasing Shipper has failed to pay its invoices in accordance with Section 6.17 such that Transporter has provided notice that it will terminate Releasing Shipper's Agreement pursuant to Section 6.18.5(E) and Section 6.17.2, as applicable; and
- (b) The rate stated in the effective Replacement Shipper's Agreement is less than the maximum Reservation Rate and Commodity Rate for the contracted for service; and
- (c) The Replacement Shipper has not, prior to the expiration of thirty (30) days, executed an amendment to such Replacement Shipper's Agreement, agreeing to pay, beginning the first day after the end of the thirty day notice period and for the remainder of the term of the Replacement Shipper's Agreement, the lesser of (1) the Releasing Shipper's contract rate (2) the maximum tariff rate for the service or (3) a mutually agreeable rate.
- (d) The Replacement Shipper has failed to comply with the MFO obligations under the Releasing Shipper's FTS-4 Agreement.

Should the Releasing Shipper cure its failure to maintain creditworthiness prior to termination, the Replacement Shipper's amendment to its contract will expire by its own terms without ever having gone into effect.

6.22 RIGHT OF FIRST REFUSAL

6.22.1 Purpose.

The Purpose of this section is to provide the necessary information pertaining to the right of long-term firm Shippers to continue firm Transportation Service at the expiration of their Agreements, or any volumetric portion thereof (both hereinafter referred to as "Capacity" for purposes of this Section 6.22), by exercising a right of first refusal.

6.22.2 Eligibility and Interim Sales.

1. Eligibility.

- a. Any Shipper with an Agreement under Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, PTS-2, FSS, or NNS, which is: (a) executed prior to March 26, 2000 with an initial term of one (1) year or more; or (b) after March 26, 2000, for a term of twelve (12) consecutive months or more and is at the maximum applicable tariff rate (including maximum rate Agreements of one year or more where service is not available for twelve consecutive months), may exercise a right to continue to receive service thereunder from Transporter at the expiration of its Agreement provided that Shipper gives notice to Transporter that it desires to continue its Agreement and will match (a) the longest term, and (b) the highest rate for such service, up to the maximum rate, that is offered by any other person desiring such capacity; provided, however, that Transporter shall not be obligated to provide service at less than the maximum applicable rate(s).
- b. If a Shipper's Agreement does not qualify for the right of first refusal under this Section 6.22, then Transporter in a not unduly discriminatory manner may agree otherwise with any such Shipper.
- c. The Shipper may exercise its right to retain a portion of its firm service entitlement subject to the right of first refusal; however, the Shipper may not exercise the right of first refusal for a geographic portion of its Agreement.

2. Capacity Sold on an Interim Basis.

The following Capacity shall not be eligible for a right of first refusal, unless otherwise noted:

- a. Capacity sold on an interim basis in accordance with Section 6.3 paragraph 3, Capacity Reserved for Expansion Projects, of these General Terms and Conditions, unless Transporter and Shipper agree to a conditional contractual right of first refusal that would take effect upon a determination that the proposed expansion project will not go forward;
- b. Capacity sold under Rate Schedule FTS-4L, unless Transporter and Shipper agree to a conditional contractual right of first refusal that would take effect upon the extension for a commensurate term of the applicable FTS-4 Agreement(s) needed to provide Transportation Service under the FTS-4L Agreement;

- c. Interim Service Agreements associated with capacity that is already under contract for a future period in accordance with Section 6.2.10(j) of these General Terms and Conditions.

6.22.3 Procedure.

- (a) Except as to expiring Capacity that is the subject of the provisions of paragraph (b) below, Transporter shall notify Shipper no earlier than eight (8) Months, nor later than seven (7) Months, prior to the expiration of the Capacity whether there exists any acceptable bona fide offers for Transporter's Capacity that could be satisfied by the relinquishment of Shipper's Capacity. If Transporter has received any such offers, Transporter shall inform Shipper of the rate and the term that has been offered for Shipper's Capacity and, if requested, shall provide to Shipper a copy of the acceptable, bona fide, offer (except that Transporter may redact the identity of the offering Shipper, unless the offering Shipper is an affiliate of Transporter, in which case the identity of the offering Shipper shall not be redacted). Shipper shall notify Transporter within thirty (30) days after notification whether it desires to match the offered rate, up to the applicable maximum rate, and term. If Shipper elects to match the bona fide offer, Transporter shall provide Shipper with an executable contract within ten (10) days after receipt of Shipper's election, and Shipper shall have twenty (20) days after receipt of the contract to execute and return the contract to Transporter.

If Transporter notifies Shipper that there are no acceptable, bona fide, offers for Shipper's capacity under this Section 6.22.3(a), Transporter and Shipper shall have sixty (60) days after notification to negotiate the terms and conditions of a new or amended Agreement; provided, however, that in no event shall Shipper have any automatic right to renew service at a discounted rate; provided further, however, Shipper may select the term of the Agreement after agreeing to pay maximum rates, and all applicable surcharges.

If Shipper does not execute a new or amended Agreement within either of these sixty (60) day periods, whichever is applicable, Shipper's rights to such Capacity shall terminate and Transporter shall at such time post the Capacity as becoming generally available at the expiration of its term.

- (b) For expiring Capacity (1) in Agreements that have a remaining term greater than thirteen (13) months (except where such Capacity expires less than thirteen (13) months from the beginning of the Agreement's term); (2) where the Capacity under one or more Agreements terminating the same day is equal to or greater than a Maximum Daily Quantity ("MDQ") of 100,000 Dth/d or a Maximum Storage Quantity ("MSQ") of 9 MMdth; and (3) where Transporter does not have sufficient available capacity to meet a then-pending request for Transportation Service, and Shipper's Capacity could be utilized to satisfy such request, Transporter shall notify Shipper no earlier than thirteen (13) Months, nor later than eleven (11) Months, prior to the expiration of the Capacity that Shipper must notify Transporter within thirty (30) days thereafter whether it wishes to (i) terminate the Capacity; (ii) extend the term of the Capacity; or (iii) exercise a right of first

refusal for the Capacity. The remaining portion of Shipper's subject Capacity that is not required to satisfy a then-pending request for Transportation Service will be subject to the provisions of paragraph (a) above.

If Shipper elects to terminate the Capacity, or if it elects to extend the term of the Capacity but does not execute a new or amended Agreement within sixty (60) days from said election, Shipper's right to such Capacity shall terminate and Transporter shall post the Capacity as becoming generally available at the expiration of its term.

If Shipper notifies Transporter that it wishes to exercise its right of first refusal, Transporter shall notify Shipper no earlier than ten (10) months, nor later than nine (9) months, prior to the expiration of the Capacity, whether there exists any acceptable bona fide offers for Transporter's Capacity which could be satisfied by the relinquishment of Shipper's Capacity, and if requested, shall provide to Shipper a copy of the acceptable, bona fide offer (except that Transporter may redact the identity of the offering Shipper, unless the offering Shipper is an affiliate of Transporter, in which case the identity of the offering Shipper shall not be redacted). If there is such an offer, Shipper shall have thirty (30) days to notify Transporter whether it desires to match the offered rate, up to the applicable maximum rate, and term. If Shipper elects to match the bona fide offer, Transporter shall provide Shipper with an executable contract within ten (10) days after receipt of Shipper's election, and Shipper shall have twenty (20) days after receipt of the contract to execute and return the contract to Transporter.

If Transporter notifies Shipper that there are no bona fide offers for Shipper's Capacity under Section 6.22.3(b) of these General Terms and Conditions, Transporter and Shipper shall have sixty (60) days to negotiate the terms and conditions of a new or amended Agreement; provided, however, that in no event shall Shipper have any automatic right to renew service at a discounted rate; provided further, however, Shipper may select the term of the Agreement after agreeing to pay maximum rates, and all applicable surcharges.

If Shipper does not execute a new or amended Agreement within either of these sixty (60) day periods, whichever is applicable, Shipper's rights to such Capacity shall terminate and Transporter shall at such time post the Capacity as becoming generally available at the expiration of its term.

- (c) For purposes of this Section 6.22.3, offers will be deemed bona fide if made in compliance with Section 6.2.1 of these General Terms and Conditions. Any party that has an outstanding request for firm service under Section 6.9 paragraph 1 of these General Terms and Conditions shall be notified and given the opportunity to specify the rate and term it is willing to offer for Shipper's capacity.

- (d) Notwithstanding Section 6.22.3(a) and (b) of these General Terms and Conditions, the notification deadlines applicable to transportation agreements that are utilized by Shipper to inject and withdraw gas to and from storage shall be the same as the associated storage agreement, provided that (1) the transportation and associated storage agreements are eligible for right of first refusal pursuant to Section 6.22.2 of these General Terms and Conditions, or include a right of first refusal provision; and (2) the date for Shipper's initial right of first refusal notice applicable to the storage agreement under Section 6.22.3(a) or (b) of these General Terms and Conditions precedes the expiration of the transportation agreements. For purposes of this section, transportation and storage agreements will be considered associated when the transportation agreement MDQs are equal to the storage agreement's Maximum Daily Injection and Withdrawal Quantities, respectively, after adjustment for fuel. Transporter and Shipper may mutually agree that the notification deadlines applicable to any two or more Agreements that are not associated shall be the same.

6.23 INTERNET SITE

GEMS[™] is available via Transporter's Internet site at www.anrpl.com. To access GEMS[™] from this site, a User ID and Password must be obtained by calling an ANR Representative at 1-800-8ASK-ANR. At such time, Transporter will provide instructions and current menus. Further, since Transporter is continually developing enhancements to GEMS[™], Transporter will provide periodic updates for such instructions to its users.

6.24 FEDERAL ENERGY REGULATORY COMMISSION ANNUAL CHARGE
ADJUSTMENT

1. Purpose. The purpose of this Section 6.24 is to establish an Annual Charge Adjustment ("ACA") as permitted by Section 154.402 of the Commission's Regulations to permit Transporter to recover from its Shippers all Total Annual Charge annual charges assessed it by the Commission under Part 382 of the Commission's Regulations.
2. Applicable Rate Schedules: The ACA as set forth in Section 4.16 of this Tariff, is applicable to the Transporter's Rate Schedules as follows:

ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, ITS and ITS-3; and, if not collected under another Rate Schedule, FSS, DDS, and MBS.

X-Rate Schedules as set forth on Sheet Nos. 13 and 14 of Original Volume No. 2
3. Remittance to the Commission. Transporter shall remit to the Commission, not later than forty-five (45) Days after receipt of the Annual Charges Billing, the Total Annual Charge stated on such billing.
4. Basics of the Annual Charge Adjustment. The Rate Schedules specified in Section 6.24 paragraph 2, above, shall include an increment for an Annual Charge Adjustment for costs specified in Section 6.24 paragraph 1, above. Such adjustment shall be the billable charge factor from the Commission, adjusted to the Company's pressure base and heating value, if required, which is stated in the Commission's Annual Charges Billing. The Annual Charge Adjustment shall be reflected in Section 4.16 of this Tariff.

6.25 GAS RESEARCH INSTITUTE PASSTHROUGH PROVISION

1. Purpose: Transporter shall be a voluntary collection agent for Shippers who voluntarily choose to support Gas Research Institute ("GRI") as provided in Section 6.25 paragraph 3, below.
2. Remittance to GRI: Transporter shall remit to GRI, not later than fifteen (15) days after the receipt thereof, the amount of all voluntary GRI contributions received along with a listing by Shipper of such voluntary contributions as provided in Section 6.25 paragraph 3, below, including any identified project or project areas.
3. Voluntary GRI Contribution Mechanism: Pursuant to Section 1.7 of the January 21, 1998, GRI settlement in Docket No. RP97-149-003, et al., Transporter will act as a voluntary collection agent for Shippers who voluntarily choose to contribute to GRI programs. ANR's invoices will provide notification of a "check the box" voluntary GRI contribution form, which once completed and returned by Shipper to Transporter, will be billed by Transporter on a monthly basis until modified or canceled. The "check the box" form will allow a Shipper to specify the level of monthly contribution and the project or project areas to be funded.

6.26 SIMM

This Section provides for the recovery of Transporter's revenue requirements associated with investments in Eligible Facilities, Reservation Charge Credit(s) (RCC), and other applicable costs associated with alternatives to mitigate and/or avoid firm service outages directly related to construction of Eligible Facilities projects during the prior period, as defined in Section 6.26.3 (Revenue Requirements) in order to modernize Transporter's system (Modernization Program). These Revenue Requirements will be recovered through separately-tracked surcharges (SIMM Rate(s)) that will be added to the base tariff rates applicable to Shippers under Transporter's ETS, STS, FTS-1, FTS-4, FTS-4L, FTS-2, FTS-3, ITS, ITS-3, and all FSS Rate Schedules set forth in this Tariff (Applicable Rate Schedules). Except as otherwise provided in this Tariff or in an individual service agreement, the SIMM-T (defined below) shall apply to service agreements under Transporter's ETS, STS, FTS-1, FTS-4, FTS-4L, FTS-2, FTS-3, ITS, and ITS-3 Rate Schedules and the SIMM-S (defined below) shall apply to service agreements under Transporter's FSS Rate Schedules. The SIMM Rates will provide for the recovery of the Revenue Requirements associated with capital expenditures incurred through November 30, 2027 related to Eligible Facilities, RCC(s), and other applicable costs associated with alternatives to mitigate and/or avoid firm service outages directly related to construction of Eligible Facilities projects that are placed into service during this term.

6.26.1 Transporter's SIMM Filings.

The first SIMM rate filing will implement SIMM Rate(s) to become effective April 1, 2024 to recover Revenue Requirements related to Eligible Facilities, RCC(s), and other applicable costs associated with alternatives to mitigate and/or avoid firm service outages directly related to construction of Eligible Facilities projects that have been placed into service between August 1, 2022 through November 30, 2023 (SIMM Period) and any trailing capital expenditures associated with such Eligible Facilities placed into service during such sixteen month period, provided that such trailing capital expenditures are incurred by Transporter before such SIMM Filing is made. Subsequently, Transporter will have the right to file to adjust the SIMM Rate(s) to become effective April 1 to additionally recover Revenue Requirements related to Eligible Facilities, RCC(s), and other applicable costs associated with alternatives to mitigate and/or avoid firm service outages directly related to construction of Eligible Facilities projects that have been placed into service during the December 1 through November 30 period (SIMM Period(s)) prior to such SIMM Filing and any trailing capital expenditures associated with Eligible Facilities placed into service provided that such trailing capital expenditures are incurred by Transporter before such SIMM Filing is made. Any filings by Transporter pursuant to this Section 6.26 are referred to in this Tariff as a SIMM Filing.

6.26.2 SIMM Implementation.

- (a) Eligible Facilities have been defined in the Eligible Facilities Plan (EFP) as filed by Transporter with the FERC and also include the facilities added in accordance with Section 6.26.2(a)(1) and Section 6.26.2(a)(2) of this Tariff. Each Eligible Facilities investment will be allocated to the appropriate transmission (SIMM-T) or storage (SIMM-S) rates in accordance with Section 6.26.3 of this Tariff. Transporter's SIMM Filings will revise the SIMM Rate(s) to take into account both changes in the Revenue Requirements and over/under recovered Revenue Requirements from the preceding periods.
- (1) Transporter retains the discretion to recover capital expenditures associated with projects related to facilities not listed in the EFP through the SIMM Rate(s) set forth in any SIMM Filing provided that the expenditures are for one or more projects falling within one or both of the following categories: (1) projects to address issues that ANR believes could lead to imminent unsafe conditions; and (2) projects that ANR deems necessary to comply with new legislative and/or regulatory requirements provided such construction projects do not result in the cost limits set forth in Section 6.26.2(c) of this Tariff being exceeded.
- (2) Transporter shall be permitted to recover capital expenditures associated with facilities that are not listed in the EFP and that do not fall into one of the categories listed in Section 6.26.2(a)(1) provided that Transporter receives the consent of shippers constituting 75 percent of the billing determinants subject to the applicable SIMM Rate(s) or upon a determination by the Commission that the costs associated with the proposed Eligible Facilities are prudent modernizations costs. Such facilities will be deemed to be Eligible Facilities for purposes of this Tariff.
- (b) Shippers will retain the right to challenge the prudence of any such proposed costs at the time ANR files to recover the costs via the SIMM.
- (c) The total amount of prudent investment in Eligible Facilities incurred for which Revenue Requirements may be recovered through the SIMM will not exceed the program cap of \$900 million, plus a 15 percent tolerance. The initial date of such investment will be deemed to have begun on August 1, 2022. Any costs exceeding the cost limits shall be treated as GPMC under Section 6.26.3(d) of this Tariff.
- (d) Transporter will expend annual general plant maintenance capital (GPMC) costs of \$100 million per year for transmission and storage function projects (GPMC Projects) and such GPMC Projects will not be considered Eligible Facilities. If Transporter expends less than \$100 million in GPMC, the difference will be used to reduce the plant investment included in the SIMM and the total amount of Eligible Facilities for

which the Revenue Requirements would be recoverable through the SIMM will be adjusted downward by such difference.

6.26.3 SIMM Rate Calculation.

In each SIMM Filing, Transporter will calculate the SIMM Rate(s) and allocate to the Applicable Rate Schedules (as defined above) on an as-billed basis and in a manner consistent with Transporter's currently effective cost allocation and rate design, as set forth below:

- (a) Transporter will first calculate the Revenue Requirements related to those Eligible Facilities, RCCs, and other applicable costs associated with alternatives to mitigate and/or avoid firm service outages directly related to construction of Eligible Facilities projects that were placed in and remained in service during the applicable SIMM Periods set forth in Section 6.26.1 of this Tariff and any applicable trailing capital expenditures associated with such Eligible Facilities placed into service during such applicable prior SIMM Period.
 - (1) The Transmission Revenue Requirements associated with Eligible Facilities will consist of (A) a total rate base multiplier of 17.39 percent, which is comprised of:
 - (i) a pre-tax rate of return of 15.13 percent and (ii) a taxes other than income taxes (TOIT) rate of 2.26 percent multiplied by the "net rate base" (i.e., the gross plant minus accumulated depreciation and accumulated deferred income taxes plus other rate base items) associated with Eligible Facilities that have been functionalized as transmission by Transporter; and (B) Transporter's transmission depreciation rate of 2.59 percent and transmission negative salvage rate of 1.41 percent multiplied by the gross plant associated with Eligible Facilities that have been functionalized as transmission by Transporter.
 - (2) The Storage Revenue Requirements associated with Eligible Facilities will consist of (A) a total rate base multiplier of 17.39 percent, which is comprised of: (i) a pre-tax rate of return of 15.13 percent and (ii) a TOIT of 2.26 percent multiplied by the "net rate base" (i.e., the gross plant minus accumulated depreciation and accumulated deferred income taxes plus other rate base items) associated with Eligible Facilities that have been functionalized as storage by Transporter; and (B) Transporter's storage depreciation rate of 2.24 percent and storage negative salvage rate of 1.08 percent multiplied by the gross plant associated with Eligible Facilities that have been functionalized as storage by Transporter.
- (b) Transporter will allocate the Revenue Requirements across each Applicable Rate Schedule to derive the SIMM-T and SIMM-S Rates on a per unit basis, utilizing the greater of:
 - (1) The projected reservation billing determinants, reflecting discount adjustments for both discounted and negotiated rate contracts, based on the most recently available twelve (12) month actual billing determinants, for all system customers, including billing determinants associated with non-incremental negotiated rate contracts and anticipated contract expirations, but exclusive of contracts for capacity on incrementally-priced projects, which are not subject to the SIMM as described in Section 6.26.3(c) of the Tariff; or

- (2) Transmission billing determinant floors shown in table below reflecting a 25 percent adjustment of the applicable totals reflected in the J-1 Schedules filed in ANR's 2022 Section 4 rate case filing for each SIMM Filing.

Zones	Southeast Area (SE)	SE – Southern Segment (ML-2)	SE – Central Segment (ML-3)	Southwest Area (SW)	SW – Southern Segment (ML-5)	SW – Central Segment (ML-6)	Northern Segment (ML-7)
Transmission Billing Determinant Floors (Dth)	11,935,357	11,881,966	17,225,683	1,378,411	1,786,665	1,243,599	19,375,811

- (3) A storage billing determinant floor MDWQ of 12,843,887 Dth and MSQ of 75,374,322 Dth for each SIMM Filing. This storage billing determinant floor reflects a 10 percent adjustment of the applicable totals reflected in the J-1 Schedules filed in ANR's 2022 Section 4 rate case filing.
- (4) If the billing determinants are lower than the floors set forth herein, Transporter will impute billing determinants at the maximum applicable rate and the revenues that would be associated with such billing determinants to reflect the above stated billing determinant levels in the calculation of the SIMM Rate(s).
- (c) Subject to Section 6.26.3, ANR shall be at risk for any under-recovery of the Revenue Requirement associated with the billing determinants of non-incremental negotiated rate service agreements that are by their terms exempt from paying the SIMM.
- (d) Incrementally-priced expansion projects will not be charged the SIMM Rate(s) and the billing determinants for incrementally-priced expansion projects will not be included in the calculation of the SIMM Rate(s). In the event the FERC's policy with respect to the rate treatment of incrementally-priced expansion projects changes after the effectiveness of this provision of the Tariff, any future treatment of incrementally-priced expansion projects in the SIMM will conform to the revised FERC policy.
- (e) Except to the extent such results from the imputation of billing determinants under the billing determinant floors or for non-incremental negotiated rate agreements that exclude the SIMM, any over/under recovery of the Revenue Requirements will be recovered in the next succeeding SIMM Filing. The over/under recovery will be calculated each year by comparing the actual Revenue Requirements, by function, to the revenues received during the recovery period, including any revenues required to be imputed by Transporter pursuant to Section 6.26.2 of this Tariff, above.

6.26.4 Term of SIMM.

The SIMM will reflect the Revenue Requirements for capital placed into service during the term commencing August 1, 2022 and ending on November 30, 2027. Upon termination of the SIMM, Shippers under the Applicable Rate Schedules will remain subject to any unrecovered SIMM costs and Transporter will be required to refund any over-recovered SIMM costs. Any positive or negative balances in Transporter's SIMM account as of the expiration of the SIMM will be charged or refunded to Shippers, as applicable, in the next monthly billing cycle that is at least fifteen (15) days after the termination of the SIMM.

6.27 NEGOTIATED RATES

1. **Availability.** Notwithstanding anything to the contrary contained in this Tariff, including the provisions of the rate schedules contained herein, Transporter and Shipper may mutually agree to a Negotiated Rate under any Agreement, provided that Shipper has not acquired its capacity under the capacity release provisions of Section 6.21 of these General Terms and Conditions. If a portion of the capacity under any existing Agreement is agreed to be priced at Negotiated Rates, the existing Agreement must first be bifurcated, and the existing maximum or discounted tariff rates will continue to apply to the capacity not subject to the Negotiated Rates. As a recourse to Negotiated Rates, any Shipper may receive service at the applicable maximum tariff rates, including surcharges, for service under the rate schedule applicable to the Negotiated Rate.
2. **Filing Requirement.** No later than the first business day on or after service under a Negotiated Rate Agreement commences, Transporter shall file with the Commission either the Negotiated Rate Agreement or a tariff section stating the exact legal name of the Shipper, the Negotiated Rate, the rate schedule, the receipt and delivery points, the contract quantities, and, where applicable, the exact formula underlying a Negotiated Rate for any Negotiated Rate Agreement. Such tariff section will contain a statement that the Negotiated Rate Agreement does not deviate in any material aspect from the Form of Agreement in the Tariff for the applicable rate schedule.
3. **Rate Treatment.** Transporter shall have the right to seek in future general rate proceedings discount-type adjustments in the design of its rates related to Negotiated Rate Agreements that were converted from pre-existing discount Agreements to Negotiated Rate Agreements, provided that the type of pre-existing service is not altered as a result of conversion to a Negotiated Rate. In those situations, Transporter may seek a discount-type adjustment based upon the greater of: (a) the Negotiated Rate revenues received or (b) the discounted tariff rate revenues which otherwise would have been received.
4. **Limitations.** This Section 6.27 does not authorize Transporter to negotiate terms and conditions of service.
5. **Capacity Release.** Negotiated Rates do not apply as the price cap for capacity release transactions. However, if the release is for a term of one (1) year or less and if the release is to take effect on or before one (1) year from the date on which the Transporter is notified of the release, the rate at which capacity subject to a Negotiated Rate may be released shall not be capped at the maximum applicable tariff rate. Further, capacity release bids must conform to Transporter's applicable tariff rates, as further described in Sections 6.21.1.7, 6.21.1.8 and 6.21.1.9 of these General Terms and Conditions.

6. Right of First Refusal. For purposes of exercising rights to continue service pursuant to Section 6.22 of these General Terms and Conditions, the highest rate that a Shipper must match if it desires to retain all or a portion of its capacity, is the applicable maximum tariff rate, including surcharges, for such service.
7. Accounting Treatment. Transporter shall maintain separate records for all revenues associated with Negotiated Rate transactions. Transactions related to Negotiated Rate Agreements which originated as a pre-existing discounted service and were subsequently converted will be recorded separately from those originating as Negotiated Rate Agreements. Transporter shall record each volume transported, billing determinant, rate component, surcharge, and the revenue associated with its Negotiated Rates so that this information can be filed, separately identified, and separately totaled, as part of and in the format of Statements G, I, and J in Transporter's next general rate change application.

6.28 NON-CONFORMING AGREEMENTS

1. Midland Cogeneration Venture Limited Partnership FTS-1 Agreements, dated August 30, 2001.

Contract No. 106102
2. Wisconsin Gas LLC, ETS Agreement, dated September 27, 2004.

Contract Nos. 107784, 108014
3. Wisconsin Public Service Corporation, ETS Agreement, dated October 22, 2004.

Contract No. 5500
4. Wisconsin Public Service Corporation, FTS-1 Agreement, dated October 22, 2004.

Contract No. 12000
5. Callon Petroleum Operating Company, Habanero Lease Dedication Agreement, dated December 1, 2003.
6. PXP Offshore LLC, Letter Agreement Regarding Natural Gas Reserve Commitment, dated September 1, 2002.
7. Kerr-McGee Oil & Gas Corp., Red Hawk Lease Dedication Agreement, dated September 12, 2002.
8. ExxonMobil Gas Marketing Company, Lease Dedication Agreement, dated November 1, 2002.
9. BP Exploration & Production, Inc., Red Hawk Lease Dedication Agreement, dated November 1, 2002.
10. Wisconsin Electric Power Company, ETS Agreement, dated September 27, 2004.

Contract No. 107896
11. Conoco Phillips Company, Magnolia Lease Dedication Agreement, dated February 1, 2004.
12. Chevron U.S.A. Inc. & BHP Billiton Petroleum (Deepwater) Inc., Lease Dedication Agreement, dated November 14, 2001.

13. City Gas Company, FTS-1 Agreement, dated June 28, 2004.
Contract No. 109610
14. Centra Gas Manitoba, Inc., FTS-1 Agreement, dated August 1, 2004.
Contract No. 109713
15. Wisconsin Electric Power Company, ETS Agreement, dated August 18, 2014.
Contract No. 124961
16. Antero Resources Corporation, FTS-1 Agreements, dated September 22, 2014.
Contract Nos. 125082, 125083
17. CNX Gas Company LLC, FTS-1 Agreements, dated January 21, 2015.
Contract Nos. 125723, 125724
18. Indeck-Corinth Limited Partnership and ABN-AMRO Bank, N.V.,
Acknowledgement and Consent, dated August 1, 2005.
19. Indeck-Corinth Limited Partnership and General Electric Capital Corporation,
Acknowledgement and Consent, dated August 31, 2005.
20. Iowa Fertilizer Company LLC, FTS-1 Agreement, dated December 23, 2015.
Contract No. 127009
21. Midland Cogeneration Venture Limited Partnership, FTS-1 Agreements, dated May
23, 2006.
Contract Nos. 112546, 112547
22. Wisconsin Gas LLC, FTS-1 Agreement, dated April 21, 2003.
Contract No. 109212
23. Wisconsin Electric Power Company, FTS-1 Agreement, dated April 21, 2003.
Contract No. 109223

24. Wisconsin Gas LLC, ETS Agreement, dated October 17, 2003.
Contract No. 109854
25. EQT Energy, LLC, FTS-1 Agreements, dated February 23, 2015.
Contract Nos. 125852, 125853, 125854
26. J. Aron & Company, FSS Agreement, dated January 29, 2016.
Contract No. 127260
27. Wisconsin Gas LLC, ETS Agreement, dated August 25, 2011.
Contract No. 118840
28. Wisconsin Gas LLC, ETS Agreement, dated June 27, 2002.
Contract Nos. 107877, 107879
29. Wisconsin Gas LLC, FSS Agreement, dated June 26, 2002.
Contract Nos. 107870, 107871, 107880, 107881
30. Wisconsin Electric Power Company, ETS Agreement, dated June 27, 2002.
Contract Nos. 107895, 107897, 107898, 107899
31. Wisconsin Gas LLC, NNS Agreement, dated June 27, 2002.
Contract No. 107995
32. Wisconsin Electric Power Company, NNS Agreement, dated June 27, 2002.
Contract No. 107997
33. Wisconsin Gas LLC, FSS Agreement, dated April 21, 2003.
Contract Nos. 109210, 109211
34. Wisconsin Gas LLC, ETS Agreement, dated April 21, 2003.
Contract No. 109218

35. Wisconsin Electric Power Company, ETS Agreement, dated April 21, 2003.
Contract No. 109222
36. Wisconsin Electric Power Company, FSS Agreement, dated April 21, 2003.
Contract Nos. 109225, 109226, 109227
37. Wisconsin Gas LLC, FSS Agreement, dated July 22, 2011.
Contract No. 118552
38. Wisconsin Electric Power Company, ETS Agreement, dated July 22, 2011.
Contract Nos. 118787, 118789
39. Wisconsin Gas LLC, ETS Agreement, dated July 22, 2011.
Contract Nos. 118793, 118794
40. Tennessee Valley Authority, FTS-3 Agreement, dated July 23, 2008.
Contract Nos. 114655, 114656
41. Wisconsin Public Service Corporation, ETS Agreement, dated October 6, 2004.
Contract Nos. 1600, 5450, 106322
42. Wisconsin Public Service Corporation, NNS Agreement, dated October 6, 2004.
Contract No. 99515
43. Wisconsin Public Service Corporation, FTS-1 Agreement, dated October 6, 2004.
Contract Nos. 104404, 104405, 106199
44. Wisconsin Public Service Corporation, FSS Agreement, dated March 28, 2008.
Contract Nos. 114369, 114370

45. Wisconsin Gas LLC, ETS Agreement, dated June 26, 2002.
Contract No. 107873
46. Wisconsin Electric Power Company, ETS Agreement, dated June 26, 2002.
Contract No. 107893
47. Madison Gas and Electric Company, FTS-1 Agreement, dated April 8, 2008.
Contract No. 114512
48. Chevron U.S.A. Inc., PTS-2 Agreement, dated November 14, 2001.
Contract No. 107146
49. BHP Billiton Petroleum (Deepwater) Inc., PTS-2 Agreement, dated November 14, 2001.
Contract No. 107147
50. PXP Offshore LLC, PTS-2 Agreement, dated September 12, 2002.
Contract No. 108250
51. Wisconsin Electric Power Company, FSS Agreement, dated June 26, 2002.
Contract Nos. 107889, 107900, 107901
52. Wisconsin Gas LLC, FSS Agreement, dated October 10, 2007.
Contract No. 113715
53. Wisconsin Electric Power Company, FSS Agreement, dated October 10, 2007.
Contract No. 113729
54. Wisconsin Gas LLC, ETS Agreement, dated October 31, 2007.
Contract No. 113710
55. Wisconsin Electric Power Company, ETS Agreement, dated November 1, 2007.
Contract No. 114091

56. Vectren Energy Delivery of Ohio, Inc., ETS Agreements, dated May 20, 2015.

Contract Nos. 126278, 126279

57. Northern Illinois Gas Company d/b/a Nicor Gas Company, ETS Agreement dated December 2, 2015.

Contract No. 127096

58. Shell Energy North America (US), L.P., FTS-1 Agreement, dated February 27, 2017.

Contract No. 129163

59. Tennessee Valley Authority, FTS-3 Agreement, dated September 2, 2015.

Contract No. 126586

60. Wisconsin Public Service Corporation, ETS Agreement, dated November 8, 2017.

Contract No. 126333

61. Northern Illinois Gas Company d/b/a Nicor Gas Company, ETS Agreement, dated November 9, 2017

Contract No. 127117

62. Rocky Road Power, LLC, FTS-1 Agreement, dated November 10, 2017

Contract No. 130462

63. Wisconsin Power and Light Company, FTS-3 Agreement, dated November 9, 2017

Contract Nos. 126336 and 126340

64. Wisconsin Power and Light Company, ETS Agreement, dated September 24, 2020

Contract No. 134806

65. Wisconsin Power and Light Company, ETS Agreement, dated November 8, 2017

Contract No. 126334

66. Wisconsin Power and Light Company, FTS-3 Agreement, dated November 8, 2017

Contract No. 126335

67. Venture Global Calcasieu Pass, LLC, FTS-1 Agreement, dated January 22, 2020

Contract No. 133755

68. Venture Global Calcasieu Pass, LLC, FTS-1 Agreement, dated January 22, 2020

Contract No. 133756

6.29 DISCOUNTED RATES

- (a) Transporter and Shipper may agree that a specified discounted rate will apply:
 - (a) only to certain specified firm service entitlements under the Agreement;
 - (b) only if specified quantity levels are actually achieved under the Agreement (with higher rates, charges, and fees applicable to all quantities above those levels, or to all quantities under the Agreement if the specified levels are not achieved);
 - (c) only to production reserves committed by the Shipper;
 - (d) only during specified time periods;
 - (e) only to specified Receipt Points, Delivery Points, Mainline Area Segments, Supply Areas, transportation paths, or defined geographical areas; or
 - (f) to an FTS-4 Agreement in consideration for the MFO obligations in such agreement; provided, however, that any such discounted rates set forth above shall be between the minimum and maximum rates applicable to the service provided under the Agreement.
- (b) Transporter and Shipper may also agree that a specified discounted rate is based on published index prices for specific Receipt and/or Delivery Points or other agreed upon pricing reference points. Such discounted rate may be based on the differential between published index prices or arrived at by formula. Any Agreement containing such discounted rate shall specify the rate component(s) to be discounted (i.e., reservation charge or usage charge or both) and any formula will provide a reservation rate per unit of contract demand. In no event shall Shipper pay to Transporter more than the maximum rates applicable to the service provided under the Agreement, or less than the minimum rates applicable to the service provided under the Agreement.
- (c) In addition, the discount agreement may include a provision that if one rate component which was at or below the applicable maximum rate at the time the discount agreement was executed subsequently exceeds the applicable maximum rate due to a change in Transporter's maximum rates so that such rate component must be adjusted downward to equal the new applicable maximum rate, then other rate components may be adjusted upward to achieve the agreed overall rate, as long as none of the resulting rate components exceeds the maximum rate applicable to that rate component. Such changes to rate components shall be applied prospectively, commencing with the date a Commission Order accepts revised tariff section rates. However, nothing contained herein shall be construed to alter a refund obligation under applicable law for any period during which rates that had been charged under a discount agreement exceeded rates, which ultimately are found to be just and reasonable.
- (d) Discount Adjustments for Negotiated Rate Agreements.
A discount-type adjustment to recourse rates for Negotiated Rate agreements shall only be allowed to the extent that Transporter can meet the standards required of an

affiliate discount-type adjustment including requiring that Transporter shall have the burden of proving that any discount granted is required to meet competition.

Transporter shall be required to demonstrate that any discount-type adjustment for Negotiated Rate agreements does not have an adverse impact on recourse rate shippers.

- (1) Demonstrating that, in the absence of Transporter's entering into such Negotiated Rate agreement providing for such discount, Transporter would not have been able to contract for such capacity at any higher rate, and that recourse rates would otherwise be as high or higher than recourse rates which result after applying the discount adjustment; or
- (2) Making another comparable showing that the Negotiated Rate discount contributes more fixed costs to the system than could have been achieved without the discount.

Consistent with Section 6.27, paragraph 3, of Transporter's Tariff, Transporter may also seek to include in a discount-type adjustment for Negotiated Rate agreements that were converted from pre-existing discounted Part 284 agreements to Negotiated Rate agreements. Such adjustment would be based on the greater of: (i) the Negotiated Rate revenues received, or (ii) the discounted recourse rate revenues which otherwise would have been received.

6.30 OFF-SYSTEM CAPACITY

From time to time, Transporter may enter into transportation and/or storage agreements with other interstate and intrastate pipeline and storage providers ("off-system capacity"). In the event that Transporter acquires off-system capacity, Transporter will use such capacity for operational reasons or to render service for its Shippers. In the event that Transporter uses off-system capacity to render service for its Shippers, it will only render service to Shippers on the acquired capacity pursuant to Transporter's Tariff and subject to Transporter's approved rates, as such tariff and rates may change from time to time. For purposes of transactions entered into subject to this section, the "Shipper must have title" requirement is waived.

6.31 CREDITING OF PENALTY REVENUES

1. Definition. As used in this Section 6.31, the term "penalty revenues" shall mean any net revenues that Transporter actually receives for any of the following:
 - (a) daily scheduling penalties assessed as a result of allocations of deliveries pursuant to Section 6.14.1(a)(3)(iii) or Section 6.14.1(c) of these General Terms and Conditions;
 - (b) penalty rates for unauthorized overrun charges assessed pursuant to any of Transporter's firm service rate schedules;
 - (c) penalties assessed for failure to comply with the OFO pursuant to Section 6.8.8 of these General Terms and Conditions; or
 - (d) penalties assessed to FTS-4 Shippers for failure to comply with their MFO obligations under their Agreements.
2. Crediting of Penalty Revenues. Transporter shall record all penalty revenues received from time to time in a separate account, and credit such penalty revenues to its Firm Service Shippers on an annual basis in accordance with the following procedures:
 - (a) on July 1, 2001, and on each July 1, thereafter, Transporter shall determine the outstanding balance in its penalty revenues account for the previous annual period. Such annual period shall consist of the twelve (12) Month period ending three (3) Months prior to the determination date of July 1;
 - (b) if there is a positive balance in such account exceeding \$100,000, Transporter shall allocate such positive balance to its "Eligible Credit Shippers", who shall consist of those Firm Service Shippers who received service during any such previous annual period provided, however, that any such Shipper that paid any penalty revenues to Transporter during any Month of the applicable annual period shall not be an Eligible Credit Shipper to receive any of that Month's penalty revenues. Notwithstanding the above, any penalty revenues received by Transporter from an FTS-4 Shipper due to that Shipper's failure to comply with its MFO obligations, shall be credited directly to the affected FTS-4L Shipper(s);
 - (c) the allocation of the credits to the qualifying Eligible Credit Shippers shall be determined pro rata based on the firm service revenues paid to Transporter by such Firm Service Shippers during the applicable annual period, and each Shipper's cumulative annual credit, if any, shall be reflected as a credit to the billing statement(s) due to such Shipper on the ninth (9th) business Day of the

next Month. If no such billing statement is due to any such Eligible Credit Shipper, then the credit shall be paid to such Shipper by Transporter in cash; and

- (d) any positive balance less than \$100,000 shall be carried forward, with interest to the next July 1 determination.
- (e) Transporter will file a report within 60 days of crediting penalty revenues to Eligible Credit Shippers showing the penalty revenues, the costs (if any) netted against the penalty revenues, and the resulting penalty revenue credits for each month of the annual period.

6.32 REDUCTION OPTIONS

Shipper (other than an FTS-4 Shipper) may elect (1) at the time it submits its initial request for Transportation Service pursuant to Section 6.2 of these General Terms and Conditions; or (2) upon mutual agreement during the term of the Service Agreement, one or more of the following options to reduce its Contract Quantities during the term of its Service Agreement(s) ("Reduction Option"). Shipper's eligibility for a Reduction Option and Shipper's ability to exercise such Reduction Option is subject to the terms and conditions specified below that are applicable to the elected Reduction Option. For purposes of this Section 6.32, the provisions of Section 6.22 of these General Terms and Conditions shall not attach to Contract Quantities that Shipper has reduced prior to the expiration of the term of the Service Agreement.

6.32.1 Loss of Load.

- (a) Eligibility. If (1) Shipper is a local distribution company or municipality; (2) no facilities were constructed or installed by Transporter to provide service under Shipper's Service Agreement, the costs of which have not been reimbursed; and (3) Shipper's Service Agreement has an initial term of three (3) years or more, Shipper may include in such Service Agreement an option to reduce its Contract Quantities upon experiencing a loss of load. Loss of load is defined as any of Shipper's customers with daily requirements on facilities owned or operated by Shipper exceeding 100 Dth/day either permanently ceasing gas-consuming operations or scaling down such operations to plant protection levels, or by-passing Shipper by directly connecting to Transporter. Nothing in this Section 6.32.1 shall limit Shipper's ability to reduce contract demand in the event of bypass pursuant to FERC's bypass policies in effect at the time the proposed bypass occurs.
- (b) Notice and Certification. In order to qualify for a reduction in its Contract Quantities under this Section 6.32.1, Shipper must give Transporter written notice no more than thirty (30) days after Shipper receives notice from its customer of a Loss of Load, which notice shall state the Contract Quantity reduction sought and the date that Shipper anticipates it will lose the load. At the time of such notice, Shipper must certify and provide supporting data that:
 - (i) The load was actually served by the Shipper with gas transported by Transporter as of the date that Shipper's Service Agreement with Transporter became effective.
 - (ii) The Contract Quantity reduction requested is equal to or less than the actual load lost.
- (c) Level of Reduction. Shipper may reduce its aggregate Contract Quantities under all its Service Agreements by an amount up to the firm daily contract quantity that was used to serve the lost load; provided, however, that (1) if the lost load is served by other natural gas pipelines in addition to Transporter, Shipper may only reduce its Contract Quantities on Transporter by an amount that is pro rata on the basis of the respective levels of firm Transportation Service used to serve the lost load that Shipper holds on Transporter and such other natural gas pipelines and (2) if more than one Service Agreement on Transporter serves such load, any reduction shall be applied first to the Contract Quantities under the Service Agreement with the shortest remaining contract term, unless otherwise agreed.
- (d) Storage and Related Transportation. If Shipper has storage and related transportation contract(s) that contain contract reduction options under this Section 6.32.1, Contract Quantities under the storage and related firm

transportation services shall be proportionally reduced so that storage service quantities, including storage capacity and deliverability quantities, and related transportation service quantities remain proportionately the same.

- (e) Effective Date. Reductions under this section shall take effect on the first calendar day of the month following the later of (i) ninety (90) days after the date of Shipper's notice; and (ii) the effective date of the lost load.

6.32.2 Plant Outage.

- (a) Eligibility. If (1) Shipper is an industrial customer of Transporter; (2) no facilities were constructed or installed by Transporter to provide service under Shipper's Service Agreement, the costs of which have not been reimbursed; and (3) Shipper's Service Agreement has an initial term of three (3) years or more, Shipper may include in such Service Agreement an option to reduce its Contract Quantities in the event that its plant will be closed, sold to a non-affiliated third party or the plant has experienced a permanent major production scale-down in the plant's output.
- (b) Notice and Certification. In order to qualify for a reduction in its Contract Quantities under this Section 6.32.2, Shipper must give Transporter written notice no more than thirty (30) days following a public announcement that its plant will be closed, sold or scaled-down, or if no public announcement has been made with respect to a scale-down, no more than thirty (30) days after a final decision has been made to scale-down a plant. The notice shall state the Contract Quantity reduction sought and the date that Shipper anticipates that the plant will be closed, sold or scaled down. At the time of such notice, Shipper must certify and provide supporting data that:
 - (i) The plant was actually served by the Shipper with gas transported by Transporter as of the date that Shipper's Service Agreement with Transporter became effective.
 - (ii) The plant closing, sale or permanent major production scale down has been publicly announced, or a final decision has been made that a permanent major production scale down will occur.
 - (iii) The delivery point at which Transporter made deliveries to the plant was listed as a Primary Delivery Point on Shipper's Service Agreement.
- (c) Level of Reduction. In the event of a permanent major production scale-down in the plant's output, Shipper may only reduce its Contract Quantities by a percentage equal to the percentage that the scale down represents to the total plant output. In the event of a plant closing or sale, Shipper may reduce its aggregate Contract Quantities under all its Service Agreements that serve the plant by an amount up to the daily contract quantity delivered to the plant. Provided, however, that (1) if Shipper's plant is served by other natural gas pipelines in addition to Transporter, Shipper may only reduce its Contract Quantities on Transporter by an amount that is pro rata on the basis of the respective levels of firm Transportation Service used to serve the plant that Shipper holds on Transporter and other such natural gas pipelines; and (2) if more than one Service Agreement on Transporter serves such plant, any such

reduction shall be applied first to the Contract Quantities under the Service Agreement with the shortest remaining contract term, unless otherwise agreed.

- (d) Storage and Related Transportation. If Shipper has storage and related transportation contract(s) that contain contract reduction options under this Section 6.32.2, Contract Quantities under the storage and related firm transportation services shall be proportionally reduced so that storage service quantities, including storage capacity and deliverability quantities, and related transportation service quantities remain proportionately the same.
- (e) Effective Date. Reductions under this section shall take effect on the first calendar day of the month immediately following the later of (i) ninety (90) days after the date of Shipper's notice that it desires to exercise this Reduction Option; and (ii) the effective date of the plant's permanent scale-down, closing or sale.

6.32.3 Regulatory Unbundling Order.

- (a) Eligibility. If (1) Shipper is a local distribution company under the direct regulation of a state regulatory or legislative body ("State Commission"); (2) no facilities were constructed or installed by Transporter to provide service under Shipper's Service Agreement, the costs of which have not been reimbursed; and (3) Shipper's Service Agreement has an initial term of three (3) years or more, Shipper may include in such Service Agreement an option to reduce its Contract Quantities in the event Shipper is required by a final order of the State Commission to unbundle its merchant and transportation functions, and such governmental body does not approve a mechanism which provides Shipper the opportunity to recover fully all costs incurred by Shipper under Shipper's Service Agreements.
- (b) Notice and Certification. In order to qualify for a reduction in its Contract Quantities under this Section 6.32.3, Shipper shall give Transporter ninety (90) days prior written notice of the anticipated effective date of such reduction. The notice shall state the Contract Quantity reduction sought, the date of an anticipated final order requiring unbundling, and the anticipated effective date of such unbundling order. At the time of such notice, Shipper must certify and provide supporting data that:
 - (i) The reduction requested is equal to the level of stranded capacity on Transporter resulting from (1) Shipper unbundling its distribution/transportation functions from its merchant functions and (2) a net decrease in Shipper's system sales requirements.
 - (ii) Shipper has used reasonable efforts to seek State Commission approval of a mechanism that allows Shipper the opportunity to recover the costs incurred by Shipper under Shipper's Service Agreements and that such efforts were unsuccessful prior to exercising its Reduction Option under this Section 6.32.3.
- (c) Level of Reduction. Shipper may reduce its aggregate Contract Quantities under all its Service Agreements by an amount that qualifies under the above-specifications; provided, however, that (1) if a Shipper customer(s) who, as a result of unbundling, is no longer a Shipper customer(s) and such Shipper customer(s) was also served by other natural gas pipelines in addition to Transporter, Shipper may only reduce its Contract Quantities on Transporter by an amount that is pro rata on the basis of the respective levels of firm Transportation Service used to serve such customer(s) that Shipper holds on Transporter and such other natural gas pipelines; and (2) unless otherwise agreed, if more than one Service Agreement on Transporter is used to serve the system sales requirements no longer served by Shipper as a result of unbundling, Shipper

shall reduce its Contract Quantities on Transporter pro rata based on the MDQ of each Service Agreement, subject to the requirements of paragraph (d) below.

- (d) Storage and Related Transportation. If Shipper has storage and related transportation contract(s) that contain contract reduction options under this Section 6.32.3, Contract Quantities under the storage and related firm transportation services shall be proportionally reduced so that storage service quantities, including storage capacity and deliverability quantities, and related transportation service quantities remain proportionately the same.
- (e) Effective Date. Such reduction shall take effect on the later of (i) the effective date of unbundling or the date of a final order requiring unbundling; and (ii) the first calendar day of the month following the 90th day after Shipper's notice of the anticipated effective date of the reduction.

6.32.4 Sole Supply Customer.

- (a) Eligibility. If (1) Shipper is a local distribution company or municipality; (2) at least 95 percent of Shipper's citygate transportation service requirements are served by Transporter at the time its Service Agreement is executed (a "Sole Supply Customer"); (3) no facilities were constructed or installed by Transporter to provide service under Shipper's Service Agreement, the costs of which have not been reimbursed; and (4) such Service Agreement has an initial term of five (5) years or more, Shipper may include in its Service Agreement an option to reduce its Contract Quantities.
- (b) Notice. In order to qualify for a reduction in its Contract Quantities under this Section 6.32.4, Shipper shall give Transporter a minimum of ninety (90) days prior written notice of the reduction in Contract Quantities sought, and the effective date of such reduction.
- (c) Level of Reduction. Shipper may reduce its aggregate Contract Quantities under all its Service Agreements on Transporter, provided that in any one year, Shipper may not reduce the Contract Quantities under any individual Service Agreement by more than fifteen percent (15%) and no more than fifty-seven percent (57%) over the term of the individual Service Agreement. If Shipper does not exercise its right to reduce an individual Service Agreement by 15% in any year, any rights not exercised in that year may be carried forward to any one or more subsequent years, up to the 57% cap.
- (d) Storage and Related Transportation. If Shipper has storage and related transportation contracts that contain reduction options under this Section 6.32.4, Contract Quantities under the storage and related firm transportation services shall be proportionally reduced so that storage service quantities, including storage capacity and deliverability quantities, and related transportation service quantities remain proportionately the same.
- (e) Effective Date. Reductions under this section shall take effect on the first calendar day of the month following the later of (i) ninety (90) days of Shipper's notice that it desires to exercise this Reduction Option; and (ii) the date the reduction is sought in the notice.

6.32.5 Other Reduction Options

Transporter may grant, on a not unduly-discriminatory basis, requests for reduction options that otherwise do not meet the requirements of this Section 6.32, provided that the request will be subjected to an open season process in accordance with Section 6.2.10(i) of these General Terms and Conditions.

6.33 RESERVED FOR FUTURE USE

6.34 TRANSPORTER'S USE AND TRANSPORTER'S EPC ADJUSTMENT

(a) Filing of Transporter's Use (%) and EPC Charge.

Transporter shall file annually to revise the Transporter's Use (%) and the EPC Charge in accordance with Section 6.34 herein, effective on April 1 of each year. Such annual filing shall be made at least 30 days prior to the effective date of the change in Transporter's Use (%) and in the EPC Charge and shall include revised tariff sections and supporting documentation setting out the proposed change. Provided however, Transporter shall not be obligated to make a filing to recover the cost of electric power purchased by or for Transporter if such costs are for a period of less than 12 months.

(b) Computation of Transporter's Use (%).

The Transporter's Use (%) shown in Section 4.18 shall be equal to the sum of the Current Transporter's Use (%) and the Annual Transporter's Use Adjustment (%).

(c) Computation of Current Transporter's Use (%).

1. The Current Transporter's Use (%) for transportation services shall be equal to the sum of the Current Fuel Use (%) and the Current L&U (%). The Current Fuel Use (%) shall be calculated by Rate Segment by dividing (1) compressor fuel use in each Rate Segment for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing), by (2) the sum of (1) above and the transactional throughput in each Rate Segment for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing). The Current L&U (%) shall be computed by dividing (1) L&U for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing), by (2) the sum of (1) above and the total transactional throughput for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).
2. The Current Transporter's Use (%) for storage services shall be calculated by dividing (1) fuel use attributable to storage operations for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing), by (2) the sum of (1) above and the transactional throughput for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).

(d) Computation of Annual Transporter's Use Adjustment (%).

1. Transporter shall maintain a Deferred Transporter's Use Account with appropriate subaccounts for transportation and storage services to separately track over/under collections of fuel related to those services. Such account(s) may have a negative or positive balance to reflect any past over or under collections of fuel.
2. The applicable subaccounts shall be increased or decreased for a positive or negative change in Transporter's Use for each billing Month, which shall be equal to the difference between (1) the applicable Transporter's Use for such billing Month and (2) the applicable quantities of Gas expended by Transporter for compressor fuel and L&U Gas during such billing Month.
3. The Annual Transporter's Use Adjustment (%) for transportation services shall be computed by Rate Segment by dividing (1) the positive or negative balance in the applicable Deferred Transporter's Use subaccount as of December 31 of the previous calendar year and allocated to each Rate Segment based on the over/under recoveries that occurred in each Rate Segment during the previous calendar year, by (2) the sum of (1) above and the transactional throughput in each Rate Segment for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).
4. The Annual Transporter's Use Adjustment (%) for storage services shall be computed by dividing (1) the positive or negative balance in the applicable Deferred Transporter's Use subaccount as of December 31 of the previous calendar year by (2) the sum of (1) above and the transactional throughput for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).

(e) Computation of EPC Charge.

The EPC Charges shown in Section 4.19 for both transmission and storage Transportation Services shall be equal to the sum of the applicable Current EPC Charge and the associated Annual EPC Charge Adjustment.

(f) Computation of Current EPC Charge.

1. The Current EPC Charge for transportation services shall be calculated by Rate Segment by dividing (1) the cost, in each Rate Segment, of electric power purchased by or for Transporter for use in the operation of electric powered compressor units for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of

the filing), by (2) the transactional throughput in each Rate Segment for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).

2. The Current EPC Charge for storage services shall be calculated by dividing (1) the cost of electric power purchased by or for Transporter for use in the operation of electric powered compressor units attributed to storage operations for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing), by (2) the transactional throughput for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).

(g) Computation of Annual EPC Charge Adjustment.

1. Transporter shall maintain a Deferred Transporter's EPC Account with appropriate subaccounts for transportation and storage services to separately track over/under collections of electric power costs related to those services. Such account(s) may have a negative or positive balance to reflect any past over or under collections of electric power costs.
2. The applicable subaccounts shall be increased or decreased for a positive or negative change in Transporter's EPC for each billing Month, which shall be equal to the difference between (1) the applicable Transporter's EPC for such billing Month and (2) the applicable cost of electric power purchased by or for Transporter during such billing Month.
3. Each Month, Transporter shall credit or debit the account(s), as appropriate, with carrying charges. Carrying charges shall be calculated in a manner consistent with the procedures set forth in Section 154.501 of the Commission's Regulations.
4. The Annual EPC Charge Adjustment for transportation services shall be computed by Rate Segment by dividing (1) the positive or negative balance in the applicable Deferred Transporter's EPC subaccount as of December 31 of the previous calendar year and allocated to each Rate Segment based on the over/under recoveries that occurred in each Rate Segment during the previous calendar year, by (2) the transactional throughput in each Rate Segment for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).
5. The Annual EPC Charge Adjustment for storage services shall be computed by dividing (1) the positive or negative balance in the applicable Deferred Transporter's EPC subaccount as of December 31 of the previous calendar year

by (2) the transactional throughput for the previous calendar year (as adjusted for any known and measurable changes for the 12 month period beginning on the effective date of the filing).

6.35 OPERATIONAL PURCHASES AND SALES OF GAS

1. Transporter may purchase and/or sell gas to the extent necessary to: (i) balance fuel and L&U quantities pursuant to Section 6.34 of these General Terms and Conditions; (ii) maintain system pressure and line pack; (iii) manage imbalance quantities pursuant to Section 6.15 of these General Terms and Conditions; (iv) perform other operational functions of Transporter in connection with transportation, storage and other similar services; and (v) otherwise protect the operational integrity of its system. Any such purchases and/or sales shall be made on an unbundled basis and at Receipt Point(s). Operational purchases or sales shall have a lower transportation priority than firm service.
2. Transporter will post its operational purchases and/or sales on its electronic bulletin board or alternatively will utilize a third party electronic bulletin board(s). Transporter's posting on its electronic bulletin board shall include at a minimum: (1) the level of daily quantities and whether such purchase and/or sale quantities shall be made on a firm or interruptible basis; (2) the requested effective date and term of the purchase and/or sale; (3) the points of receipt and/or delivery of gas; and (4) any additional information as may be required by Transporter. Transporter shall ask prospective bidders to place a bid on its electronic bulletin board or in writing (via US Mail, Fax or E-Mail), with such bid(s) containing the following information: (1) bidders legal name and the name, title, address and phone number of individual authorized to purchase or sell gas; (2) bidders price; (3) completed bid form addressing all criteria requested by Transporter in its posting; and (4) any conditions on the prospective bidder's offer to purchase and/or sell gas. Transporter shall evaluate bids and shall award such purchase and/or sale of gas to the prospective bidder having a bid containing the lowest bid (if a purchase) or the highest bid (if a sale) and otherwise matching all terms and conditions requested by Transporter in its posting. Transporter reserves its right, in its sole discretion: (1) to withdraw its postings; (2) reject all bids due to operational changes; and (3) reject any bids which are not complete, which contain modifications to the terms of the posting or which contain terms that are operationally unacceptable.
3. Transporter will file an annual report on or before May 1 of each year reflecting the operational purchases and sales for the 12-month period ending the preceding December 31. The report will state the source of the gas purchased/sold, the date of the purchases/sales, volumes, the purchase/sales price, the cost and revenues for such purchase/sales and the disposition of the associated costs and revenues for all operational purchases and sales except those associated with Section 6.15 (Cashout) of these General Terms and Conditions.

6.36 RESERVATION CHARGE CREDITS

1. Reservation Charge Credits – Firm Daily Volumes.

As used in this Section 6.36, Firm Daily Volume shall mean the volume of gas which ANR is obligated to deliver on a firm basis at Shipper's Primary Delivery Point(s) on any Day, based on confirmable nominations for firm service within Shipper's MDQ (for Rate Schedules ETS, FTS-1, FTS-2, FTS-4, and FTS-4L), MDQ and MHQ (for Rate Schedule FTS-3) or MDWQ and MSQ (for Rate Schedule FSS), as applicable; and the actual quantity of Gas that Shipper would otherwise have taken within Shipper's NNE (for Rate Schedule NNS).

2. Reservation Charge Credits - Force Majeure Event.

If, due to an event of Force Majeure as defined in Section 6.7 of the General Terms and Conditions of this FERC Gas Tariff, ANR is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that ANR so fails to provide service, the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

3. Reservation Charge Credits - PHMSA.

For a two-year transitional period beginning December 2, 2013, reservation charge credits associated with outages that are required to comply with orders issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Section 60139(c) of Title 49 of the United States Code, Chapter 601, shall be calculated in accordance with paragraph 2 above. Notices of outages pursuant to this section shall identify the specific PHMSA order of requirement with which ANR is complying.

4. Reservation Charge Credits - Non-Force Majeure Event.

Except as provided for in paragraphs 2 and 3 above, in the event ANR fails to deliver any portion of Shipper's Firm Daily Volume on any Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by ANR within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary service.

5. Reservation Charge Credits - Confirmable Nominations.

Any exemption from crediting for nominated amounts not confirmed, as provided in paragraphs 2, 3, and 4 hereof, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by ANR.

6.37 RESERVED FOR FUTURE USE

6.38 RESERVED FOR FUTURE USE

FORM OF SERVICE AGREEMENT

Firm Service Agreement

(For Rate Schedules ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L,
FSS, PTS-2 and NNS)

Master Service Agreement

Associated Liquefiabiles Agreement

Transportation Service Request Form

Interruptible Service Agreement

(For Rate Schedules ITS, ITS-3, DDS, MBS, PTS-1, PTS-3 and IWS)

Interruptible Park and Lend Service Service Agreement

(For Rate Schedule IPLS)

FORM OF AGREEMENT
(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L, FSS,
PTS-2 and NNS)

Date: _____

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and _____ (Shipper name).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: _____

3. CONTRACT QUANTITIES:

Receipt Points - see Exhibit attached hereto (if applicable).
Delivery Points - see Exhibit attached hereto (if applicable).
Primary Routes - see Exhibit attached hereto (if applicable).
Contract Quantities - see Exhibit attached hereto (if applicable).

Such Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has released through Transporter's capacity release program for the period of any release.

(Optional for FSS and Transportation Agreements Used for Injection Into Storage)

Shipper desires to maintain the MDQ delivered to the city gate from storage in the event of a change in Transporter's Use %. Therefore, subject to available capacity, if Transporter's Use %, as stated in Transporter's Tariff changes, Transporter shall (a) make corresponding

changes to the MSQ, Base MDWQ and Base MDIQ of Shipper's FSS Agreement; and (b) if elected below, any necessary changes to the MDQ of the injection route(s) of a firm transport agreement(s), associated with such FSS Agreement. Shipper authorizes Transporter to make such quantity changes without formal amendment by providing to Shipper a revised Exhibit for each contract affected.

_____ Shipper elects changes per subpart (a) only.

_____ Shipper elects changes per subpart (a) and (b).

(if applicable)

If Transportation Service is to be provided at differing levels during the term of the Agreement, those quantities are set forth in the Primary Route Exhibit.

(if applicable)

If Transportation Service is to be provided at differing levels during the term of the Agreement, those quantities are set forth in the Contract Quantity Exhibit.

4. TERM OF AGREEMENT:

_____ to

Right of First Refusal:

(whichever option is applicable)

Regulatory (in accordance with Section 6.22 of the General Terms and Conditions of Transporter's Tariff); (or)

Contractual (in accordance with Section 6.22 of the General Terms and Conditions of Transporter's Tariff, notwithstanding the fact that Shipper would otherwise be ineligible for this right under Section 6.22.2); (or)

Not Applicable to this Agreement.

(if applicable)

If Transportation Service is to be provided on a seasonal basis or for non-consecutive months during the term of the Agreement, those periods are set forth in the Primary Route Exhibit attached hereto.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as provided herein.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through Transporter's Internet website. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

SHIPPER:

_____(Shipper Name)
_____(Address)
_____(City, State, Zip)

Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

INVOICES AND STATEMENTS:

____ (Shipper Name)
____ (Address)
____ (City, State, Zip)

Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

8. FURTHER AGREEMENT

(This part to be utilized when necessary to specify other provisions permitted to be negotiated by Transporter's Tariff. Write None or specify the agreement)

(if applicable)

Pursuant to Section 5.5.4 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the short notice start-up and shut-down optional service with a _____ notification.

(if applicable)

Pursuant to Section 5.5.5 of Rate Schedule FTS-3 of Transporter's Tariff, Shipper elects the variation of deliveries optional service.

(if applicable)

Pursuant to Section 6.3.2 of Transporter's Tariff, Transporter will make a Contribution in Aid of Construction subject to the terms and condition(s) as stipulated herein:

(if applicable)

Pursuant to Section 6.11 of Transporter's Tariff, Transporter and Shipper have mutually agreed to receipt and/or delivery pressure commitment(s) as stipulated herein:

(if applicable)

Pursuant to Section 6.18.12 of Transporter's Tariff, Transporter may restrict Shipper's ability to transfer any of its Working Storage Gas to another shipper or to Transporter during those periods when its Base MDWQ is equal to zero.

(if applicable)

Pursuant to Section 6.32 of Transporter's Tariff, Shipper elects the Reduction Option[s] under: _____ [Section 6.32.1-Loss of Load, or Section 6.32.2-Plant Outage, or Section 6.32.3-Regulatory Unbundling Order, or Section 6.32.4-Sole Supply Customer, or Section 6.32.5-Other Reduction Options (as further described below)]. To qualify for a reduction, Shipper must meet the notice, certification and/or other requirements stated in the tariff.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: _____

TRANSPORTER: ANR Pipeline Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

FORM OF AGREEMENT
(For use under Transporter's Rate Schedules
ETS, STS, FTS-1, FTS-2, FTS-3, FTS-4, FTS-4L and PTS-2)

PRIMARY ROUTE EXHIBIT

To Agreement Between

ANR PIPELINE COMPANY (Transporter)

AND _____ (Shipper)

Contract No:

Rate Schedule:

Contract Date:

Month, Day, Year

Amendment Date:

Month, Day, Year

FORM OF AGREEMENT
(For use under Transporter's Rate Schedules
FSS and NNS)

CONTRACT QUANTITY EXHIBIT
To Agreement Between
ANR PIPELINE COMPANY (Transporter)
AND _____ (Shipper)

Contract No:
Rate Schedule:
Contract Date: Month, Day, Year
Amendment Date: Month, Day, Year

MASTER SERVICE AGREEMENT
FOR CAPACITY RELEASE TRANSACTIONS

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and _____ (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf in the event that Shipper is awarded by Transporter capacity released on Transporter's system and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. SCOPE OF AGREEMENT:

Shipper and Transporter acknowledge that this is a Master Service Agreement entered into pursuant to Section 6.21.1.14 of Transporter's Tariff for the purpose of facilitating the capacity release process. Accordingly, Shipper agrees to be bound by the terms of its capacity release bid(s) if and when Transporter awards Shipper any such bid(s). Further, for each release transaction performed pursuant to this Agreement, Shipper agrees that, in addition to the terms and conditions of this Agreement, Shipper's rights under this Agreement shall not exceed those of the Releasing Shipper. Within one hour after Transporter has been notified of any release to Shipper, and of the term, maximum daily quantity, rate schedule, route, authority for Transportation Service, and other terms as applicable, for such release, Transporter shall issue a contract for the release transaction and shall confirm the release in writing ("Award Notice"). The terms of such Award Notice(s) are hereby incorporated by reference in this Agreement.

2. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

3. RATE SCHEDULE:

To be specified in the applicable Award Notice.

4. CONTRACT QUANTITIES:

To be specified in the applicable Award Notice.

Contract Quantities shall be reduced for scheduling purposes, but not for billing purposes, by the Contract Quantities that Shipper has rereleased through Transporter's capacity release program for the period of any rerelease.

5. TERM OF AGREEMENT:

_____ to
_____, and month to month thereafter, until terminated by either party upon thirty (30) days written notice.

(The term of any release transaction under this Agreement shall be specified in the applicable Award Notice.)

6. RATES:

The reservation rate for all quantities of gas transported on the Primary Route and/or to any Secondary Receipt Point, any Secondary Delivery Point and any secondary route within the Primary Route rate zones up to the Primary Route MDQ(s) under this Agreement shall be as stated in the capacity release bid. In addition, Shipper will be charged the applicable base tariff Commodity rate, Volumetric Surcharges, ACA, fuel and any other related fees or surcharges.

All quantities associated with the release of capacity under this agreement (i.e., a rerelease) will be at the applicable rate(s) plus all other related fees, surcharges and fuel.

All quantities associated with Secondary Receipt Points, Secondary Delivery Points and secondary routes that use additional zone(s) will be at maximum tariff rates (unless Transporter shall agree otherwise) plus all other related fees, surcharges and fuel associated with the additional zone(s).

7. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

8. NOTICES:

Except insofar as the Award Notice must be confirmed in writing, all notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing

General Terms and Conditions of Transporter's Tariff. Shipper shall also guarantee for any supply contract for Gas that is transported via Viking Gas Transmission Company, that Transporter shall be designated a third party beneficiary.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: _____

TRANSPORTER: ANR Pipeline Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ASSOCIATED LIQUEFIABLES AGREEMENT

This AGREEMENT is entered into by ANR PIPELINE COMPANY (Transporter) and _____ (Shipper).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: Interruptible Transportation Service (ITS)

3. CONTRACT LOCATIONS:

To ensure accuracy in Transporter billing and invoicing for volumes transported hereunder, Transporter and Shipper hereby agree that this Agreement is to be used solely for the Transportation of quantities to the following locations, as applicable:

- (a) Plant Thermal Reduction (PTR) transported to the Processing Plant, Location ID _____;
- (b) Pipeline Condensate Reduction (PCR) transported to the Liquids Handling Facility, Location ID _____; and
- (c) Flash Gas transported to the stabilizer Flash Gas Meter, Location ID _____.

4. TERM OF AGREEMENT:

_____, 20__ to _____, 20__, and month to month thereafter, until terminated by either party upon thirty (30) days written notice.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the entitlements and quantities delivered pursuant to this Agreement unless Transporter has advised Shipper in writing or by its Internet website that it has agreed otherwise.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through Transporter's Internet website. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this Agreement:

TRANSPORTER:

ANR PIPELINE COMPANY
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

SHIPPER:

(Shipper Name)
(Address)
(City, State, Zip)

Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

INVOICES AND STATEMENTS:

(Shipper Name)
(Address)
(City, State, Zip)

Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

8. FURTHER AGREEMENT:
(Write None or specify the agreement)

9. ALLOCATIONS:

Producer Representative Designee shall calculate condensate allocations and provide to Transporter for use in its distribution of volumes to those producer/shippers who hold ANR Transportation contracts.

10. IMBALANCES

The calculation of imbalances for liquefiabiles is based on the difference between actual PTR reported by the plant and ANR's measured volume at receipt points where PTR replacement nominations are made.

It is the intent of the parties that Transporter be compensated in full for any reduction in BTUs in the Gas stream delivered to a processing plant attributable to processing PTR, for Flash Gas quantities allocated to Shipper, and for the Dekatherm equivalent of PCR allocated to Shipper. "Compensation in full for any reduction in BTUs" shall mean that all

PTR, PCR, or Flash Gas allocated to a Shipper shall be replaced by the Shipper or the corresponding plant in accordance with contractual obligations. Any losses that were not replaced within the month shall be cashed out in accordance with Section 6.15 of Transporter's Tariff.

Further, it is the intent of the parties that persons or entities use reasonable best efforts to minimize any daily imbalance by replacing PTR, PCR and Flash Gas quantities on a daily basis and when imbalances occur to resolve such imbalances as soon as practical during such month. When Shipper is advised by Transporter by EBB, e-mail or Fax to adjust nominations in order to resolve imbalances, Shipper will immediately comply with Transporter's request. "Immediately comply" shall mean an adjustment of Shipper's nominations, provision of an explanation as to why it cannot comply, or provision of Shipper's good faith explanation that plant conditions warrant no change pursuant to the notice provided to Shipper by Transporter. If Transporter finds the explanation unacceptable, Transporter will inform Shipper of such and Shipper shall have until the next available nomination cycle to adjust nominations or the resultant cashout imbalances will be subject to tiering in accordance with the Cashout provisions in Section 6.15 of Transporter's Tariff.

Provided that Shipper exercises reasonable best efforts to minimize daily imbalances as provided above, Transporter will waive daily and monthly scheduling penalties and monthly imbalances will be settled pursuant to Section 6.15 of Transporter's Tariff or such other written procedures as agreed to by Shipper and Transporter.

SHIPPER: _____

TRANSPORTER: ANR Pipeline Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

_____ Amended Service _____ (Contract #)

Amendment Reason: _____ Change Primary Point(s) (Must extend through term of Agreement)
_____ Elevation of Secondary Point to Primary
_____ Other (Reason)_____

If Amended Service Request is from a Capacity Release Replacement Shipper:

Replacement Shipper Contract #: _____

Releasing Shipper Contract #: _____

3. CONTRACT TERM From: _____ To: _____
Amendment Effective Date: _____
(Unless otherwise agreed, Agreements for Rate Schedule FSS of at least twelve (12) consecutive months must end on March 31. Agreements for Rate Schedule STS must end on March 31.)

4. RATE SCHEDULE

_____ ETS _____ FSS _____ ITS _____ PTS-1
_____ STS _____ DDS _____ ITS-3 _____ PTS-2
_____ FTS-1 _____ MBS _____ IPLS _____ PTS-3
_____ FTS-2 _____ NNS _____ IWS
_____ FTS-3 _____ MSA (Master Service Agreement for
_____ FTS-4 Capacity Release)
_____ FTS-4L

Associated Gathering Contract? _____ Yes _____ No

5. CONTRACT QUANTITIES

- (A) Primary Routes for Rate Schedules ETS, FTS-1, FTS-2, STS, FTS-3, FTS-4, FTS-4L and PTS-2

<u>Start Date</u>	<u>End Date</u>	<u>Receipt Point</u> <u>No.</u> <u>Name</u>	<u>Delivery Point</u> <u>No.</u> <u>Name</u>	<u>MDQ</u> <u>Dth/Day</u>	<u>MHQ</u> <u>Dth/Hour</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

See ANR point catalog for complete description. If a point that is not in ANR's point catalog is being requested, please provide a complete description.

If Requestor/Shipper is agreeable to lesser MDQ(s) when the above requested MDQ(s) capacity is not currently available, please identify acceptable lesser MDQ(s) below:

____ Requested MDQ(s) only; or
____ Acceptable minimum MDQ(s), by date and transportation path, as identified below:

- (B) Rate Schedule ETS Options: _____ Aggregation of Delivery Points
_____ MHQ
- (C) Rate Schedule FTS-3 Options: _____ Variation of Deliveries
(Enhanced Balancing)
_____ Short Notice Startup & Shutdown (pick one
option below)
_____ Thirty (30) minute notification
_____ Two (2) hour notification
- (D) Rate Schedule FSS

Maximum Storage Quantity (MSQ): _____ Dekatherms

Base Maximum Daily Withdrawal Quantity (MDWQ): _____ Dekatherms/day

OR:

Base Maximum Daily Withdrawal Quantity shall be set at zero (0) during the initial Withdrawal Period covered by the term of Shipper's Agreement, and at a constant value of _____ Dekatherms/day during the subsequent remaining term of Shipper's Agreement.

Rate Schedule FSS Options: _____ Winter Period Only
_____ Flexible Entitlements (Annual)

_____ With Ratchets
_____ Without Ratchets
_____ Base Maximum Daily Injection
Quantity (MDIQ) (if applicable)
Base MDIQ _____ Dekatherms/day

(E) Rate Schedule DDS

Maximum Storage Quantity Dekatherms _____

(F) Rate Schedule NNS

Delivery Location # _____ Delivery Location Name: _____
No-Notice Entitlements (NNE) Dekatherms _____

OR:

Time Period: _____ Dekatherms _____
Time Period: _____ Dekatherms _____

Designated Storage Account and NNS Storage Transportation
_____ FSS Agreement No.
_____ ETS, FTS-1, or FTS-3 Agreement No.

6. FURTHER AGREEMENT

(Write None or specify the agreement.)

7. NOTICES

(A) Shipper Notices

Address: _____

City, State Zip: _____
Attn: _____
E-mail: _____
Phone: _____
Fax: _____

(B) Invoices and Statements _____ Same as above

Address: _____

City, State Zip: _____

Attn: _____

E-mail: _____

Phone: _____

Fax: _____

THIS TRANSPORTATION SERVICE REQUEST IS HEREBY SUBMITTED.

REQUESTOR:

_____ (Name)

_____ (Address)

_____ (City, State Zip)

By: _____

Title: _____

Date: _____

Phone: _____

Fax: _____

E-mail: _____

FORM OF AGREEMENT
(For use under Transporter's Rate Schedules
ITS, ITS-3, DDS, MBS, PTS-1, PTS-3 and IWS)

Date: _____

Contract No. _____

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and _____ (Shipper name).

WHEREAS, Shipper has requested Transporter to transport Gas on its behalf and Transporter represents that it is willing to transport Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. RATE SCHEDULE: _____

3. CONTRACT QUANTITIES:

Contract quantities are not required to initiate interruptible Transportation Service.
Contract quantities will be based upon daily scheduled nominations.

4. TERM OF AGREEMENT:

_____ to
_____, and month to month thereafter, until terminated
by either party upon thirty (30) days written notice.

5. RATES:

Maximum rates, charges, and fees shall be applicable for the quantities delivered pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as referenced herein, or in writing or by Transporter's Internet website, that they have agreed otherwise.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

6. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

7. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through Transporter's Internet website. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

TRANSPORTER:

ANR Pipeline Company
700 Louisiana Street, Suite 700
Houston, Texas 77002-2700
Attention: Commercial Operations

SHIPPER:

____ (Shipper Name)
____ (Address)
____ (City, State, Zip)
Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

INVOICES AND STATEMENTS:

(Shipper Name)
(Address)
(City, State, Zip)

Attention: _____
Telephone: _____
FAX: _____
E-mail: _____

8. FURTHER AGREEMENT

(This part to be utilized when necessary to specify other provisions permitted to be negotiated by Transporter's Tariff. Write None or specify the agreement)

(for PTS-1 if applicable)

The transportation service provided under this Agreement may only be used to transport quantities of gas at Transporter's SE Gathering Area Receipt Points to Transporter's SE Headstation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: _____

TRANSPORTER: ANR Pipeline Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

FORM OF AGREEMENT
(For use under Transporter's Rate Schedule IPLS)

Date: _____

Contract No.: _____

SERVICE AGREEMENT

This AGREEMENT is entered into by ANR Pipeline Company (Transporter) and _____ (Shipper name).

WHEREAS, Shipper has requested Transporter to park or loan Gas on its behalf and Transporter represents that it is willing to park or loan Gas under the terms and conditions of this Agreement.

NOW, THEREFORE, Transporter and Shipper agree that the terms below, together with the terms and conditions of Transporter's Rate Schedule IPLS and General Terms and Conditions of Transporter's Tariff constitute the Transportation Service to be provided and the rights and obligations of Shipper and Transporter.

1. AUTHORITY FOR TRANSPORTATION SERVICE:

Pursuant to Part 284 of the Federal Energy Regulatory Commission's (FERC or Commission) Regulations.

2. GENERAL:

- 2.1 Transporter and Shipper agree that the term, Shipper's Maximum Quantity, parking and lending point(s), and other such terms as applicable for each transaction under this Agreement, shall be communicated by Transporter to Shipper in an Exhibit A to confirm such terms.
- 2.2 The terms of any such Exhibit A are hereby incorporated by reference in this Agreement. Transporter and Shipper agree that the terms of each Exhibit A, together with the terms and conditions of this Agreement, constitute a single Agreement and fully describe the service to be provided and the rights and obligations of Transporter and Shipper.
- 2.3 The service under this Agreement shall be conditioned upon the availability of capacity sufficient to provide the service without detriment or disadvantage to those customers of Transporter having a higher priority service.

2.4 Shipper warrants that the requisite upstream and downstream transportation arrangements to effectuate the service to be provided pursuant to this Agreement are in place, or will be in place as of the requested effective date of service.

3. TERM OF AGREEMENT:

_____ to
_____, and month to month thereafter, until terminated by either party upon thirty (30) days written notice. The term of each transaction shall be specified in the applicable Exhibit A.

4. RATES:

Maximum rates, charges, and fees shall be applicable for the quantities parked and/or loaned pursuant to this Agreement unless Transporter and Shipper have agreed otherwise as set forth in an Exhibit A.

It is further agreed that Transporter may seek authorization from the Commission and/or other appropriate body at any time and from time to time to change any rates, charges or other provisions in the applicable Rate Schedule and General Terms and Conditions of Transporter's Tariff, and Transporter shall have the right to place such changes in effect in accordance with the Natural Gas Act. This Agreement shall be deemed to include such changes and any changes which become effective by operation of law and Commission order. Nothing contained herein shall be construed to deny Shipper any rights it may have under the Natural Gas Act, including the right to participate fully in rate or other proceedings by intervention or otherwise to contest changes in rates in whole or in part.

5. INCORPORATION BY REFERENCE:

The provisions of Transporter's applicable Rate Schedule and the General Terms and Conditions of Transporter's Tariff are specifically incorporated herein by reference and made a part hereof.

6. NOTICES:

All notices can be given by telephone or other electronic means, however, such notice shall be confirmed in writing at the addresses below or through Transporter's Internet website. Shipper or Transporter may change the addresses below by written notice to the other without the necessity of amending this agreement:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective Officers or Representatives thereunto duly authorized to be effective as of the date stated above.

SHIPPER: _____

TRANSPORTER: ANR Pipeline Company

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Contract No.: _____

ANR PIPELINE COMPANY
IPLS SERVICE AGREEMENT

EXHIBIT A TO IPLS SERVICE AGREEMENT

NOW, THEREFORE, Transporter and _____ (Shipper)
agree that the terms below, together with the terms and conditions of the executed IPLS
Agreement, constitute a single Agreement and fully describe the service to be provided and the
rights and obligations of Transporter and Shipper.

Maximum Quantity: _____ Dekatherms (Dth)

IPLS Point(s): _____

IPLS Service Option:

_____ PARKING Service

_____ LENDING Service

<u>PARK/LEND SCHEDULE</u>			<u>INTERIM PERIOD</u>		<u>RETURN SCHEDULE</u>		
<u>Ratable</u> <u>(Y or N)</u>	<u>Period</u> <u>(Date Range)</u>	<u>Rate</u> <u>(\$/Dth/D)</u>	<u>Interim Period</u> <u>(Date Range)</u>	<u>Interim Rate</u> <u>(\$/Dth/D)</u>	<u>Ratable</u> <u>(Y or N)</u>	<u>Return Period</u> <u>(Date Range)</u>	<u>Return Rate</u> <u>(\$/Dth/D)</u>
_____	_____ to _____	_____	_____ to _____	_____	_____	_____ to _____	_____

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6.15.5 - GT&C - System Cashout Mechanism	v.2.0.0	2/1/2021
6.15.6 - GT&C - Imbalance Netting	v.0.0.0	9/30/2010
6.15.7 - GT&C - Imbalance Trading	v.0.0.0	9/30/2010
6.15.8 - GT&C - Historical Gas Deficiency	v.0.0.0	9/30/2010
6.16 - GT&C - Spot Price Index	v.1.0.0	11/1/2019
6.17 - GT&C - Billing and Payment	v.4.0.1	6/10/2022
6.18 - GT&C - Miscellaneous	v.0.0.0	9/30/2010
6.18.1 - GT&C - Responsibility for Gas	v.1.0.0	9/30/2010
6.18.2 - GT&C - Warranty	v.1.0.0	9/30/2010
6.18.3 - GT&C - Waivers	v.0.0.0	9/30/2010
6.18.4 - GT&C - Assignments	v.0.0.0	9/30/2010
6.18.5 - GT&C - Creditworthiness	v.1.0.1	
6.18.6 - GT&C - Limitation of Service	v.0.0.0	9/30/2010
6.18.7 - GT&C - Interpretation of Laws	v.0.0.0	9/30/2010
6.18.8 - GT&C - Regulations	v.0.0.0	9/30/2010
6.18.9 - GT&C - No Third Party Beneficiary	v.0.0.0	9/30/2010
6.18.10 - GT&C - Counterparts	v.0.0.0	9/30/2010
6.18.11 - GT&C - Headings	v.0.0.0	9/30/2010
6.18.12 - GT&C - In-Field Storage Transfers	v.2.0.0	4/1/2016
6.18.13 - GT&C - Waiver of Penalties	v.2.0.0	9/1/2020
6.18.14 - GT&C - Responsibility for Unauthorized Overrun	v.0.0.0	9/30/2010
6.18.15 - GT&C - Compliance with North American Energy Standards Board		
v.7.0.0	6/1/2022	
6.18.16 - GT&C - Limited Liability	v.0.0.0	9/30/2010
6.19 - GT&C - Paper Pooling	v.0.0.0	9/30/2010
6.20 - GT&C - Capacity Trading	v.0.0.0	9/30/2010
6.21 - GT&C - Capacity Release Provisions	v.0.0.0	9/30/2010
6.21.1 - GT&C - Procedure	v.0.0.0	9/30/2010
6.21.1.1 - GT&C - Eligibility	v.1.0.0	6/1/2013
6.21.1.2 - GT&C - Released Capacity Availability	v.0.0.0	9/30/2010
6.21.1.3 - GT&C - Term	v.0.0.0	9/30/2010

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<u>6.21.1.4 - GT&C - Recall Rights v.1.0.0 4/1/2016</u>
<u>6.21.1.5 - GT&C - Bidding Period v.2.0.0 12/1/2012</u>
<u>6.21.1.6 - GT&C - Capacity Release Timeline v.2.0.0 4/1/2016</u>
<u>6.21.1.7 - GT&C - Required Information for the Release of Capacity v.3.0.0 6/10/2022</u>
<u>6.21.1.8 - GT&C - Open Bidding Process v.4.0.0 4/1/2016</u>
<u>6.21.1.9 - GT&C - Pre-arranged Release not Subject to Bidding v.2.0.0 12/1/2012</u>
<u>6.21.1.10 - GT&C - Matching Rights for Pre-arranged Releases Open for Bidding v.1.0.0 4/1/2016</u>
<u>6.21.1.11 - GT&C - Awarding of Capacity Available for Release v.1.0.0 4/1/2016</u>
<u>6.21.1.12 - GT&C - Remaining Capacity v.0.0.0 9/30/2010</u>
<u>6.21.1.13 - GT&C - No Rollover v.0.0.0 9/30/2010</u>
<u>6.21.1.14 - GT&C - Agreement for Multiple Capacity Release Transactions v.0.0.0 9/30/2010</u>
<u>6.21.2 - GT&C - Execution of Capacity Release Agreements v.1.0.0 6/10/2022</u>
<u>6.21.3 - GT&C - Posting of Purchase Offers v.0.0.0 9/30/2010</u>
<u>6.21.4 - GT&C - Marketing Fee v.0.0.0 9/30/2010</u>
<u>6.21.5 - GT&C - Transporter's Right to Terminate a Capacity Release v.1.0.1 6/10/2022</u>
<u>6.22 - GT&C - Right of First Refusal v.0.0.0 9/30/2010</u>
<u>6.22.1 - GT&C - Purpose v.0.0.0 9/30/2010</u>
<u>6.22.2 - GT&C - Eligibility and Interim Sales v.2.0.0 2/1/2015</u>
<u>6.22.3 - GT&C - Procedure v.0.0.0 9/30/2010</u>
<u>6.23 - GT&C - Internet Site v.0.0.0 9/30/2010</u>
<u>6.24 - GT&C - FERC Annual Charge Adjustment v.1.0.0 10/1/2013</u>
<u>6.25 - GT&C - Gas Research Institute Passthrough Provision v.0.0.0 9/30/2010</u>
<u>6.26 - GT&C - SIMM v.3.0.0</u>
<u>6.26.1 - GT&C - Transporter's SIMM Filings v.0.0.0</u>
<u>6.26.2 - GT&C - SIMM Implementation v.0.0.0</u>
<u>6.26.3 - GT&C - SIMM Rate Calculation v.0.0.0</u>
<u>6.26.4 - GT&C - Term of SIMM v.0.0.0</u>
<u>6.27 - GT&C - Negotiated Rates v.0.0.0 9/30/2010</u>
<u>6.28 - GT&C - Non-Conforming Agreements v.26.0.0 1/1/2022</u>
<u>6.29 - GT&C - Discounted Rates v.1.0.0 10/15/2012</u>
<u>6.30 - GT&C - Off-System Capacity v.0.0.0 9/30/2010</u>
<u>6.31 - GT&C - Crediting of Penalty Revenues v.2.0.0 11/1/2021</u>

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6.32 - GT&C - Reduction Options v.0.0.0 9/30/2010

6.32.1 - GT&C - Loss of Load v.0.0.0 9/30/2010

6.32.2 - GT&C - Plant Outage v.0.0.0 9/30/2010

6.32.3 - GT&C - Regulatory Unbundling Order v.0.0.0 9/30/2010

6.32.4 - GT&C - Sole Supply Customer v.0.0.0 9/30/2010

6.32.5 - GT&C - Other Reduction Options v.1.0.0 10/20/2021

6.33 - GT&C - Reserved For Future Use v.1.0.0 10/7/2013

**6.34 - GT&C - Transporter's Use and Transporter's EPC Adjustment v.0.0.0
9/30/2010**

6.35 - GT&C - Operational Purchases and Sales of Gas v.0.0.0 9/30/2010

6.36 - GT&C - Reservation Charge Credits v.0.0.0 12/2/2013

6.37 - GT&C - Reserved for Future Use v.0.1.0 8/1/2016

6.38 - GT&C - Reserved for Future Use v.0.1.0 8/1/2016

PART 7 - FORM OF SERVICE AGREEMENT v.2.0.0 1/1/2017

7.1 - Service Agmts - Transporter's Firm Rate Schedules v.8.0.0 3/15/2021

**7.1.1 - Service Agmts - Transporter's Firm Rate Schedules - Primary Route Exhibit
v.1.0.0 3/2/2012**

**7.1.2 - Service Agmts - Transporter's Firm Rate Schedules -Contract Quantity
Exhibit v.1.0.0 3/2/2012**

7.2 - Service Agmts - Master Service Agreement v.3.0.0 3/23/2020

7.3 - Service Agmts - Associated Liquefiabiles Agreement v.3.0.0 3/23/2020

7.4 - Service Agmts - Transportation Service Request Form v.6.0.0 3/15/2021

7.5 - Service Agmts - Transporter's Interruptible Rate Schedules v.4.0.0 3/23/2020

7.6 - Service Agmts - Transporter's IPLS Rate Schedule v.1.0.0 3/23/2020

7.6.1 - Service Agmts - Rate Schedule IPLS - Exhibit A v.0.0.0 1/1/2017

PART 8 - NEGOTIATED RATE AGREEMENTS v.0.0.0 10/1/2010

**8.1 - Neg Rate Agmts - Wisconsin Electric Power Company FSS Agmt (#117594)
v.1.0.0 4/1/2017**

**8.2 - Neg Rate Agmts - Wisconsin Electric Power Company FSS Agmt (#113473)
v.0.0.0 10/1/2010**

8.3 - Neg Rate Agmts - Chevron USA Inc. FTS-1 Agmt (#113366) v.0.0.0 11/1/2010

**8.4 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113533) v.0.0.0
11/1/2010**

**8.5 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113540) v.0.0.0
11/1/2010**

**8.6 - Neg Rate Agmts - Tenaska Marketing Ventures FTS-1 Agmt (#116021) v.0.0.0
11/1/2010**

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8.7 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#122183)

v.3.0.0 4/1/2013

8.8 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#122184)

v.3.0.0 4/1/2013

8.9 - Neg Rate Agmts - Madison Gas & Electric Company FTS-1 Agmt (#108251)

v.0.0.0 11/1/2010

8.10 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#117721)

v.3.0.0 4/1/2013

8.11 - Neg Rate Agmts - Chevron U.S.A. Inc. FTS-1 Agmt (#113194) v.2.0.0

4/1/2012

8.12 - Neg Rate Agmts - Tennessee Valley Authority IPLS Agmt (#114658) v.2.0.0

6/1/2012

8.13 - Neg Rate Agmts - Badger Oil Corporation ITS Agmt (#118463) v.0.0.0

5/1/2011

8.14 - Neg Rate Agmts - LLOG Exploration Company, L.L.C. ITS Agmt (#118519)

v.0.0.0 5/1/2011

8.15 - Neg Rate Agmts - SPN Resources, LLC ITS Agmt (#118518) v.0.0.0 5/1/2011

8.16 - Neg Rate Agmts - Northern Indiana Public Service Company FSS Agmt

(#107690) v.0.0.0 7/1/2011

8.17 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113534) v.0.0.0

11/1/2011

8.18 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113541) v.0.0.0

11/1/2011

8.19 - Neg Rate Agmts - Madison Gas and Electric Company FSS Agmt (#117346)

v.0.0.0 11/1/2011

8.20 - Neg Rate Agmts - NJR Energy Services Company FTS-1 Agmt (#111928)

v.0.0.0 11/1/2011

8.21 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#119376)

v.1.0.0 4/1/2013

8.22 - Neg Rate Agmts - Tenaska Marketing Ventures FTS-1 Agmt (#113364)

v.0.0.0 11/1/2011

8.23 - Neg Rate Agmts - Dynamic Offshore Resources, LLC ITS Agmt (#119503)

v.0.0.0 12/1/2011

8.24 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113535) v.0.0.0

11/1/2012

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8.25 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113542) v.0.0.0
11/1/2012

8.26 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#121197)
v.0.0.0 11/1/2012

8.27 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#111217)
v.0.0.0 11/1/2012

8.28 - Neg Rate Agmts - PXP Offshore LLC ITS Agmt (#108248) v.1.0.0 4/1/2013

8.29 - Neg Rate Agmts - PXP Offshore LLC ITS (Assoc. Liquefiabiles) Agmt
(#108249) v.1.0.0 4/1/2013

8.30 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#122185)
v.2.0.0 4/1/2013

8.31 - Neg Rate Agmts - DPL Energy, LLC FTS-1 Agmt (#122901) v.0.0.0 7/1/2013

8.32 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113536) v.0.0.0
11/1/2013

8.33 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113543) v.0.0.0
11/1/2013

8.34 - Neg Rate Agmts - Wisconsin Power and Light Company FTS-3 Agmt
(#112565) v.1.0.0 11/1/2014

8.35 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113537) v.0.0.0
11/1/2014

8.36 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113544) v.0.0.0
11/1/2014

8.37 - Neg Rate Agmts - Wisconsin Gas LLC ETS Agmt (#124960) v.0.0.0
11/1/2014

8.38 - Neg Rate Agmts - Wisconsin Gas LLC ETS Agmt (#111297) v.0.0.0
11/1/2014

8.39 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#111216)
v.0.0.0 1/1/2015

8.40 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125584)
v.0.0.0 1/1/2015

8.41 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#111208)
v.0.0.0 2/13/2015

8.42 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#114499)
v.0.0.0 2/13/2015

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8.43 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125753)

v.0.0.0 2/13/2015

8.44 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125898)

v.0.0.0 4/1/2015

8.45 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125899)

v.0.0.0 4/1/2015

8.46 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125900)

v.0.0.0 4/1/2015

8.47 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125906)

v.0.0.0 4/1/2015

8.48 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125907)

v.0.0.0 4/1/2015

8.49 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125910)

v.0.0.0 4/1/2015

8.50 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125911)

v.0.0.0 4/1/2015

8.51 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125912)

v.0.0.0 4/1/2015

8.52 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125913)

v.0.0.0 4/1/2015

8.53 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125914)

v.0.0.0 4/1/2015

8.54 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125915)

v.0.0.0 4/1/2015

8.55 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125916)

v.0.0.0 4/1/2015

8.56 - Neg Rate Agmts - Integrys Energy Services, Inc. FTS-1 Agmt (#125917)

v.0.0.0 4/1/2015

8.57 - Neg Rate Agmts - Wisconsin Electric Power Company NNS Agmt (#109977)

v.0.0.0 4/1/2015

**8.58 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113538) v.0.0.0
11/1/2015**

**8.59 - Neg Rate Agmts - Nexen Marketing U.S.A. Inc. FTS-1 Agmt (#113545) v.0.0.0
11/1/2015**

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8.60 - Neg Rate Agmts - Wisconsin Electric Power Company NNS Agmt (#126187)

v.1.0.0 4/1/2018

8.61 - Neg Rate Agmts - Wisconsin Electric Power Company FSS Agmt (#126188)

v.1.0.0 4/1/2018

8.62 - Neg Rate Agmts - Constellation Energy Services, Inc. FTS-1 Agmt (#126712)

v.0.0.0 11/1/2015

8.63 - Neg Rate Agmts - Wisconsin Electric Power Company ETS Agmt (#111284)

v.0.0.0 11/1/2015

**8.64 - Neg Rates Agmts - Wisconsin Public Service Corporation ETS Agmt
(#111864) v.0.0.0 11/1/2015**

8.65 - Neg Rate Agmts - Constellation Energy Services, Inc. FTS-1 Agmt (#115492)

v.0.0.0 11/1/2015

**8.66 - Neg Rate Agmts - Wisconsin Public Service Corporation ETS Agmt
(#111296) v.0.0.0 2/1/2017**

**8.67 - Neg Rate Agmts - Upper Michigan Energy Resources Corporation ETS
Agmt (#12901 v.0.0.0 2/1/2017**

**8.68 - Neg Rate Agmts - Indiana Gas Company, Inc. ETS Agmt (#126587) v.1.0.0
11/1/2017**

**8.69 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129655)
v.1.0.0 8/1/2019**

**8.70 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129656)
v.1.0.0 8/1/2019**

**8.71 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129657)
v.1.0.0 8/1/2019**

**8.72 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129658)
v.1.0.0 8/1/2019**

**8.73 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129659)
v.1.0.0 8/1/2019**

**8.74 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129663)
v.1.0.0 8/1/2019**

**8.75 - Neg Rate Agmts - Exelon Generation Company, LLC FTS-1 Agmt (#129666)
v.1.0.0 8/1/2019**

**8.76 - Neg Rate Agmts - George B. Franklin & Son, Inc. Agmt (#126063) v.0.0.0
10/1/2018**

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8.77 - Neg Rate Agmts - Centra Gas Manitoba Inc. FTS-1 Agmt (#120571) v.0.0.0
11/1/2019

8.78 - Neg Rate Agmts - Centra Gas Manitoba Inc. FTS-1 Agmt (#120583) v.0.0.0
11/1/2019

8.79 - Neg Rate Agmts - Conexus Energy, LLC PTS-2 Agmt (#133193) v.1.0.0
11/1/2020

8.80 - Neg Rate Agmts - Shell Energy North America ITS Agmt (#126997) v.0.0.0
11/1/2017

8.81 Neg Rate Agmts - Wisconsin Public Service Corporation FSS Agmt (#114369)
v.0.0.0 4/1/2019

8.82 Neg Rate Agmts - Wisconsin Public Service Corporation FSS Agmt (#114370)
v.0.0.0 4/1/2019

8.83 Neg Rate Agmts - Interstate Power and Light Company ETS Agmt (#118249)
v.0.0.0 4/1/2021

8.84 Neg Rate Agmts - Northshore Gas Company FTS-1 Agmt (#109024) v.0.0.0
4/1/2021

8.85 Neg Rate Agmts - Northshore Gas Company FSS Agmt (#129493) v.0.0.0
4/1/2021

8.86 Neg Rate Agmts - Peoples Gas, Light, & Coke FTS-1 Agmt (#134662) v.0.0.0
4/1/2021

8.87 Neg Rate Agmts - Peoples Gas, Light, & Coke FSS Agmt (#125055) v.0.0.0
4/1/2021

8.88 Neg Rate Agmts - Wisconsin Electric Power FTS-1 Agmt (#122700) v.0.0.0
4/1/2021

8.89 Neg Rate Agmts - Wisconsin Electric Power ETS Agmt (#124627) v.0.0.0
4/1/2021

8.90 Neg Rate Agmts - Wisconsin Electric Power FTS-1 Agmt (#134394) v.0.0.0
4/1/2021

8.91 Neg Rate Agmts - Wisconsin Electric Power FSS Agmt (#134400) v.0.0.0
4/1/2021

8.92 Neg Rate Agmts - Wisconsin Electric Power FSS Agmt (#134401) v.0.0.0
4/1/2021

8.93 Neg Rate Agmts - Wisconsin Gas FTS-1 Agmt (#129887) v.0.0.0 4/1/2021

8.94 Neg Rate Agmts - Wisconsin Gas FTS-1 Agmt (#134403) v.0.0.0 4/1/2021

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8.95 Neg Rate Agmts - Wisconsin Gas FSS Agmt (#107870) v.0.0.0 4/1/2021

8.96 Neg Rate Agmts - Wisconsin Gas FSS Agmt (#107871) v.0.0.0 4/1/2021

8.97 Neg. Rate Agmts. - Koch FTS-1 Agmt (# 136283) v.0.0.0 11/1/2021

8.98 Neg. Rate Agmts. - Citadel Energy FTS 1 Agmt (#136886) v.0.0.0 12/15/2021

**8.99 Neg. Rate Agmts. - Freepoint Commodities FTS-1 Agmt (#136932) v.0.0.0
1/1/2022**

8.100 Neg. Rate Agmts. - Concord Energy FTS-1 Agmt (#136933) v.0.0.0 1/1/2022

8.101 Neg. Rate Agmts - Citadel Energy FTS-1 Agmt (#137084) v.0.0.0 2/1/2022

**8.102 Neg. Rate Agmts. - Freepoint Commodities FTS-1 Agmt (#137467) v.0.0.1
4/1/2022**

**PART 9 - NON-CONFORMING AGREEMENTS WITH NEGOTIATED RATES v.0.0.0
4/1/2011**

**9.1 - NC Agmts wNeg Rates - Madison Gas and Electric Company FSS Agmt
(#117357) v.0.0.0 4/1/2011**

**9.2 - NC Agmts wNeg Rates - Wisconsin Gas LLC FSS Agmt (#107880) v.2.0.0
4/1/2017**

**9.3 - NC Agmts wNeg Rates - Wisconsin Gas LLC FSS Agmt (#107881) v.0.0.0
4/1/2012**

**9.4 - NC Agmts wNeg Rates - Wisconsin Electric Power Company FSS Agmt
(#109225) v.0.0.0 4/1/2012**

**9.5 - NC Agmts wNeg Rates - Wisconsin Electric Power Company FSS Agmt
(#109226) v.0.0.0 4/1/2012**

**9.6 - NC Agmts wNeg Rates - Wisconsin Electric Power Company FSS Agmt
(#109227) v.2.0.0 4/1/2017**

**9.7 - NC Agmts wNeg Rates - Wisconsin Gas LLC FSS Agmt (#118552) v.1.0.0
4/1/2014**

**9.8 - NC Agmts wNeg Rates - Wisconsin Public Service Corporation ETS Agmt
(#1600) v.0.0.0 3/4/2013**

**9.9 - NC Agmts wNeg Rates - Wisconsin Public Service Corporation ETS Agmt
(#5450) v.0.0.0 3/4/2013**

9.10- NC Agmts wNeg Rates - Reserved for Future Use v.1.0.0 4/1/2019

**9.11- NC Agmts wNeg Rates - Wisconsin Public Service Corporation FTS-1 Agmt
(#104404) v.0.0.0 3/4/2013**

**9.12- NC Agmts wNeg Rates - Wisconsin Public Service Corporation FTS-1 Agmt
(#104405) v.0.0.0 3/4/2013**

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- 9.13- NC Agmts wNeg Rates - Wisconsin Public Service Corporation FTS-1 Agmt
(#106199) v.0.0.0 3/4/2013**
- 9.14- NC Agmts wNeg Rates - Wisconsin Public Service Corporation ETS Agmt
(#106322) v.0.0.0 3/4/2013**
- 9.15- NC Agmts wNeg Rates - Reserved for Future Use v.1.0.0 4/1/2019**
- 9.16- NC Agmts wNeg Rates - Reserved for Future Use v.1.0.0 4/1/2019**
- 9.17- NC Agmts wNeg Rates - Wisconsin Gas LLC ETS Agmt (#107873) v.0.0.0
3/4/2013**
- 9.18- NC Agmts wNeg Rates - Wisconsin Electric Power Company ETS Agmt
(#107893) v.0.0.0 3/4/2013**
- 9.19- NC Agmts wNeg Rates - Madison Gas and Electric Company FTS-1 Agmt
(#114512) v.0.0.0 3/4/2013**
- 9.20- NC Agmts wNeg Rates - Chevron U.S.A. Inc. PTS-2 Agmt (#107146) v.0.0.0
3/4/2013**
- 9.21- NC Agmts wNeg Rates - BHP Billiton Petroleum (Deepwater) Inc. PTS-2
Agmt (#107147) v.0.0.0 3/4/2013**
- 9.22- NC Agmts wNeg Rates - PXP Offshore LLC PTS-2 Agmt (#108250) v.1.0.0
4/1/2013**
- 9.23- NC Agmts wNeg Rates - Wisconsin Public Service Corporation ETS Agmt
(#5500) v.0.0.0 11/1/2013**
- 9.24- NC Agmts wNeg Rates - Wisconsin Public Service Corporation FTS-1 Agmt
(#12000) v.0.0.0 11/1/2013**
- 9.25- NC Agmts wNeg Rates - Wisconsin Gas LLC ETS Agmt (#107784) v.1.0.0
11/1/2013**
- 9.26- NC Agmts wNeg Rates - Wisconsin Electric Power Company ETS Agmt
(#107896) v.3.0.0 11/1/2018**
- 9.27- NC Agmts wNeg Rates - Wisconsin Gas LLC ETS Agmt (#108014) v.4.0.0
11/1/2017**
- 9.28- NC Agmts wNeg Rates - City Gas Company FTS-1 Agmt (#109610) v.0.0.0
11/1/2013**
- 9.29- NC Agmts wNeg Rates - Wisconsin Electric Power Company ETS Agmt
(#124961) v.1.0.0 11/1/2015**
- 9.30- NC Agmts wNeg Rates - Antero Resources Corporation FTS-1 Agmt
(#125082) v.1.0.0 10/1/2017**

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**9.31- NC Agmts wNeg Rates - Vectren Energy Delivery of Ohio, Inc. ETS Agmt
(#126278) v.0.0.0 4/1/2016**

**9.32- NC Agmts wNeg Rates - Vectren Energy Delivery of Ohio, Inc. ETS Agmt
(#126279) v.1.0.0 9/1/2016**

**9.33- NC Agmts wNeg Rates - Tennessee Valley Authority FTS-3 Agmt (#126586)
v.2.0.0 10/15/2021**

**9.34- NC Agmts wNeg Rates - Wisconsin Power Service Corporation ETS Agmt
(#126333) v.0.0.0 11/1/2018**

**9.35-NC Agmts wNeg Rate - Rocky Road Power, LLC FTS-1 Agmt (#130462)
v.0.0.0 11/1/2018**

**9.36- NC Agmts wNeg Rates - Wisconsin Power and Light FTS-3 Agmt (#126336)
v.0.0.0 4/1/2019**

**9.37- NC Agmts wNeg Rates - Wisconsin Power and Light FTS-3 Agmt (#126340)
v.0.0.0 4/1/2019**

**9.38- NC Agmts wNeg Rates - Wisconsin Power and Light ETS Agmt (#126334)
v.0.0.0 11/1/2019**

**9.39- NC Agmts wNeg Rates - Wisconsin Power and Light FTS-3 Agmt (#126335)
v.0.0.0 11/1/2019**

**9.40- NC Agmts wNeg Rates - Venture Global Calcasieu Pass FTS-1 Agmt
(#133755) v.0.0.0 4/1/2021**

**9.41- NC Agmts wNeg Rates - Venture Global Calcasieu Pass FTS-1 Agmt
(#133756) v.0.0.0 1/1/2022**

PART 10 - NON-CONFORMING AGREEMENTS v.0.1.0 11/1/2011

**10.1-Non-Conforming Agmt - Wisconsin Gas LLC FTS-1 Agmt (#109212) v.0.1.0
11/1/2011**

**10.2-Non-Conforming Agmt - Wisconsin Electric Power Company FTS-1 Agmt
(#109223) v.0.1.0 11/1/2011**

**10.3-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#109854) v.0.1.0
11/1/2011**

**10.4-Non-Conforming Agmt - Northern Illinois Gas Co. d/b/a Nicor Gas Co. Agmt
(#127906) v.2.0.0 11/1/2016**

**10.5-Non-Conforming Agmt - Wisconsin Public Service NNS Agmt (#99515)
v.2.0.0 4/1/2019**

**10.6-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#118840) v.0.1.0
11/1/2011**

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10.7-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#107877) v.0.0.0
4/1/2012

10.8-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#107879) v.0.0.0
4/1/2012

10.9-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt
(#107899) v.0.0.0 4/1/2012

10.10-Non-Conforming Agmt - Wisconsin Gas LLC NNS Agmt (#107995) v.0.0.0
4/1/2012

10.11-Non-Conforming Agmt - Wisconsin Electric Power Company NNS Agmt
(#107997) v.0.0.0 4/1/2012

10.12-Non-Conforming Agmt - Wisconsin Gas LLC FSS Agmt (#109210) v.0.0.0
4/1/2012

10.13-Non-Conforming Agmt - Wisconsin Gas LLC FSS Agmt (#109211) v.0.0.0
4/1/2012

10.14-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#109218) v.0.0.0
4/1/2012

10.15-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt
(#109222) v.0.0.0 4/1/2012

10.16-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt
(#118787) v.0.0.0 4/1/2012

10.17-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt
(#118789) v.0.0.0 4/1/2012

10.18-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#118793) v.0.0.0
4/1/2012

10.19-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#118794) v.0.0.0
4/1/2012

10.20-Non-Conforming Agmt - Tennessee Valley Authority FTS-3 Agmt (#114655)
v.0.0.0 6/1/2012

10.21-Non-Conforming Agmt - Tennessee Valley Authority FTS-3 Agmt (#114656)
v.1.0.0 6/1/2022

10.22-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt
(#107895) v.0.0.0 11/1/2012

10.23-Non-Conforming Agmt - Centra Gas Manitoba, Inc. FTS-1 Agmt (#120592)
v.1.0.0 4/1/2020

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10.24-Non-Conforming Agmt - PXP Offshore LLC Lease Dedication Agreement

v.1.0.0 4/1/2013

10.25-Non-Conforming Agmt - Chevron U.S.A. Inc. & BHP Billiton Petroleum

(Deepwater) Inc v.0.0.0 3/4/2013

10.26-Non-Conforming Agmt - Reserved For Future Use v.1.0.0 4/1/2021

10.27-Non-Conforming Agmt - Reserved For Future Use v.1.0.0 4/1/2021

10.28-Non-Conforming Agmt - Wisconsin Electric Power Company FSS Agmt

(#107889) v.0.0.0 4/1/2013

10.29-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt

(#107897) v.0.0.0 4/1/2013

10.30-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt

(#107898) v.0.0.0 4/1/2013

10.31-Non-Conforming Agmt - Wisconsin Electric Power Company FSS Agmt

(#107900) v.0.0.0 4/1/2013

10.32-Non-Conforming Agmt - Wisconsin Electric Power Company FSS Agmt

(#107901) v.0.0.0 4/1/2013

10.33-Non-Conforming Agmt - Wisconsin Gas LLC ETS Agmt (#113710) v.0.0.0

4/1/2013

10.34-Non-Conforming Agmt - Wisconsin Gas LLC FSS Agmt (#113715) v.0.0.0

4/1/2013

10.35-Non-Conforming Agmt - Wisconsin Electric Power Company FSS Agmt

(#113729) v.0.0.0 4/1/2013

10.36-Non-Conforming Agmt - Wisconsin Electric Power Company ETS Agmt

(#114091) v.0.0.0 4/1/2013

10.37-Non-Conforming Agmt - Antero Resources Corporation FTS-1 Agmt

(#125083) v.0.0.0 3/1/2015

10.38-Non-Conforming Agmt - CNX Gas Company LLC FTS-1 Agmt (#125723)

v.0.0.0 11/1/2015

10.39-Non-Conforming Agmt - CNX Gas Company LLC FTS-1 Agmt (#125724)

v.0.0.0 11/1/2015

10.40-Non-Conforming Agmt - EQT Energy, LLC FTS-1 Agmt (#125852) v.1.0.0

6/1/2018

10.41-Non-Conforming Agmt - EQT Energy, LLC FTS-1 Agmt (#125853) v.1.0.0

6/1/2018

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**10.42-Non-Conforming Agmt - EQT Energy, LLC FTS-1 Agmt (#125854) v.1.0.0
6/1/2018**

**10.43-Non-Conforming Agmt - Iowa Fertilizer Company LLC FTS-1 Agmt (#127009)
v.0.0.0 2/1/2016**

**10.44-Non-Conforming Agmt - J. Aron & Company FSS Agmt (#127260) v.0.0.0
4/1/2016**

**10.45-Non-Conforming Agmt - Shell Energy North America (US), L.P. FTS-1 Agmt
(#129163) v.0.0.0 4/1/2017**

**10.46-Non-Conforming Agmt - Northern Illinois Gas Co d/b/a Nicor Gas Co Agmt
(#127117) v.0.0.0 11/1/2018**

**10.47-Non-Conforming Agmt - Wisconsin Power and Light ETS Agmt (#134806)
v.0.0.0 11/1/2020**